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**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA**

**General Purpose Financial Statements
With Independent Auditor's Report
As Of And For The Year Ended June 30, 1999
With Supplemental Information Schedules**

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

Release Date 2-2-00

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MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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Independent Auditor's Report

**Madison Parish School Board
Tallulah, Louisiana**

I have audited the accompanying general purpose financial statements of Madison Parish School Board of Tallulah, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Madison Parish School Board, Tallulah, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

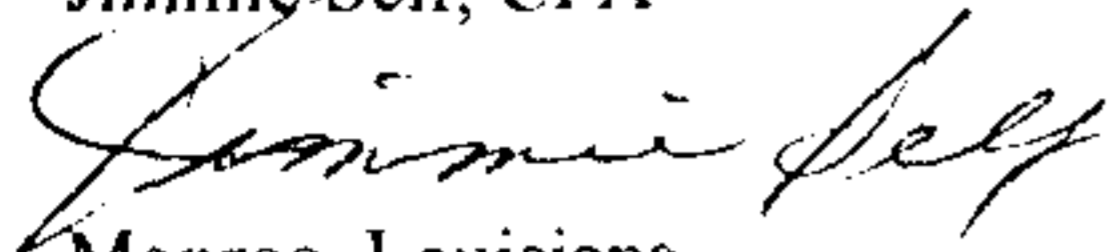
In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Madison Parish School Board, Tallulah, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated December 21, 1999, on my consideration of Madison Parish School Board, Tallulah, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of Madison Parish School Board, Tallulah, Louisiana. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the general purpose financial statements of Madison Parish School Board, Tallulah, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is

fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Jimmie Self, CPA

A handwritten signature in cursive script that reads "Jimmie Self".

Monroe, Louisiana
December 21, 1999

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
COMBINED BALANCE SHEET
All Fund Types and Account Groups
As of and For the Year Ended June 30, 1999

	GOVERNMENTAL FUNDS		PROPRIETARY	FIDUCIARY FUND	ACCOUNT GROUPS		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	FUND INTERNAL SERVICE FUND	*TYPE AGENCY FUNDS	GENERAL	GENERAL LONG	
					FIXED ASSETS	TERM OBLIGATIONS	
ASSETS AND OTHER DEBITS							
Assets							
Cash and Cash Equivalents	\$ 3,875,420	\$ 294,086	\$ 323,970	\$ 36,016	\$ -	\$ -	\$ 4,529,492
Investments, at cost	-	-	339,666	-	-	-	339,666
Due From Other Funds	1,383,373	-	27,989	-	-	-	1,411,362
Due From Government	142,665	1,870,824	-	-	-	-	2,013,589
Inventory	-	9,071	-	-	-	-	9,071
Prepaid Items	6,703	-	-	-	-	-	6,703
Other Assets	-	-	21,899	-	-	-	21,899
Land, Buildings, and equipment (net, where applicable, of accumulated depreciation)	-	-	-	-	11,734,210	-	11,734,210
Other Debits	-	-	-	-	-	481,572	481,572
Amount to be Provided for retirement of general long-term obligations	-	-	-	-	-	-	0
TOTAL ASSETS AND OTHER DEBITS	\$ 5,408,161	\$ 2,174,081	\$ 713,524	\$ 36,016	\$ 11,734,210	\$ 481,572	\$ 20,547,564
LIABILITIES, EQUITY, AND OTHER CREDITS							
Liabilities							
Salaries Payable	\$ 661,394	\$ 573,944	\$ -	\$ -	\$ -	\$ -	\$ 1,235,338
Accounts Payable	455,843	59,219	-	-	-	-	515,062
Due to Other Funds	-	1,287,132	-	-	-	-	1,287,132
Deferred Revenue	-	41,684	-	-	-	-	41,684
Compensated Absences Payable	-	-	-	-	-	481,572	481,572
Total Liabilities	1,117,237	1,961,978	0	0	0	481,572	3,560,787
Equity and Other Credits							
Investment in General Fixed Assets	-	-	-	-	11,734,210	-	11,734,210
Fund Balances	-	-	-	-	-	-	-
Undesignated	4,290,924	212,103	713,524	36,016	-	0	5,252,566
Total Equity and Other Credits	4,290,924	212,103	713,524	36,016	11,734,210	0	16,986,776
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 5,408,161	\$ 2,174,081	\$ 713,524	\$ 36,016	\$ 11,734,210	\$ 481,572	\$ 20,547,564

mpsbcombalsh99

The accompanying notes are an integral part of this statement

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
GOVERNMENTAL FUND TYPE
GENERAL AND SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1999

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES:			
Local Sources:	1,324,717.00		1,324,717.00
Taxes	361,468.00	-	361,468.00
Rentals, Leases & Royalties	75.00	-	75.00
Earnings On Investments	177,539.00	13,155.00	190,694.00
Food Service	-	30,011.00	30,011.00
Other	17,886.00	4,680.00	22,566.00
Medical Reimbursements	21,459.00	-	21,459.00
State Sources			
Unrestricted Grants-In-Aid	8,293,798.00	1,758,804.00	10,052,602.00
Restricted Grants-In-Aid	647,201.00		647,201.00
Interest-16th Section Land	2,891.00	-	2,891.00
Revenue In Lieu of Taxes	15,164.00	-	15,164.00
Other		-	0.00
Federal Sources:			
Restricted Grants	29,874.00	3,215,914.00	3,245,788.00
Commodities		66,157.00	66,157.00
Total Revenues	<u><u>10,892,072.00</u></u>	<u><u>5,088,721.00</u></u>	<u><u>15,980,793.00</u></u>

The accompanying notes are an integral part of this statement.

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
GOVERNMENTAL FUND TYPE
GENERAL & SPECIAL REVENUE FUNDS
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1999

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTALS
	ACTUAL	ACTUAL	MEMORANDUM ONLY
TOTAL REVENUES	(10,892,072.00)	(5,088,721.00)	(15,980,793.00)
EXPENDITURES:			
INSTRUCTION:			
REGULAR PROGRAMS	4,926,257.00	5,147.00	4,931,404.00
SPECIAL EDUCATION PROGRAMS	1,037,183.00	299,601.00	1,336,784.00
VOCATIONAL EDUCATIONAL PROGRAMS	244,019.00	81,658.00	
OTHER INSTRUCTIONAL PROGRAMS ELEM/SEC.	203,716.00	806,705.00	
SPECIAL PROGRAMS	118,154.00	981,217.00	
ADULT/CONTINUING EDUCATION PROGRAMS	22,218.00	32,424.00	54,642.00
TOTAL INSTRUCTION			
SUPPORT SERVICES:			0.00
STUDENT SERVICES			
PUPIL SUPPORT SERVICES	543,880.00	478,677.00	1,022,557.00
INSTR. STAFF SERVICES	589,264.00	522,010.00	1,111,274.00
GENERAL ADMINISTRATION	340,913.00	28,943.00	369,856.00
SCHOOL ADMINISTRATION	829,080.00	173,755.00	1,002,835.00
BUSINESS SERVICE	145,511.00	82,029.00	227,540.00
OPER. & MAINT. PLANT SERV.	1,023,512.00	69,948.00	1,093,460.00
STUDENT TRANSPORTATION	556,223.00	12,792.00	679,015.00
FOOD SERVICES	96,204.00	1,331,461.00	1,427,665.00
CENTRAL SERVICES	210.00		210.00
BU	512,914.00		512,914.00
TOTAL SUPPORT SERVICES			0.00
TOTAL EXPENDITURES:	11,299,257.00	4,906,367.00	16,205,624.00
EXCESS OF REVENUES OVER EXPENDITURES	(407,185.00)	182,354.00	(224,831.00)
OTHER FINANCING SOURCES (Uses)			
INDIRECT COST REIMBURSEMENTS	49,723.00		49,723.00
INSURANCE PROCEEDS	916,691.00		916,691.00
SALE OF SURPLUS ITEMS	357.00		357.00
TRANSFERS OUT	(51,304.00)	51,750.00	
TRANSFERS IN	180,615.00	(214,461.00)	(33,846.00)
TOTAL OTHER FINANCING SOURCES (USES)	1,096,082.00	(162,711.00)	933,371.00
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	688,897.00	19,643.00	708,540.00
BAL. AT BEGINNING OF YEAR (SEE NOTE 18)	3,602,027.00	192,462.00	3,794,489.00
BAL. AT END OF YEAR	4,290,924.00	212,105.00	4,503,029.00

GEN-SPEC-ACTUAL

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
GOVERNMENTAL FUND TYPE
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 BUDGET	ACTUAL	DIFFERENCE	SPECIAL REVENUE FUNDS BUDGET	ACTUAL	DIFFERNECE
REVENUES:						
Local Sources:						
Taxes	1,466,630.00	1,324,717.00	141,813.00	-		
Rentals, Leases & Royalties	349,642.00	361,468.00	(11,826.00)	-		
Earnings On Investments	24,657.00	75.00	24,582.00	-		
Food Service	194,147.00	177,539.00	16,608.00	7,968.00	13,155.00	(5,187.00)
Other				32,962.00	30,011.00	2,951.00
Medical Reimbursements	948.00	17,886.00	(16,938.00)	6,618.00	4,680.00	1,938.00
Total Local Sources	16,919.00	21,459.00	(4,540.00)	-		
State Sources						
Unrestricted Grants-In-Aid	8,293,798.00	8,293,798.00	0.00	2,034,565.00	1,768,804.00	275,761.00
Restricted Grants-In-Aid	612,498.00	647,201.00	(34,703.00)	-		
Interest-16th Section Land	2,891.00	2,891.00	0.00	-		
Revenue In Lieu of Taxes	17,110.00	15,164.00	1,946.00	-		
Other	1,147,387.00		1,147,387.00	-		
Federal Sources:						
Restricted Grants	16,114.00	29,874.00	(13,760.00)	2,935,116.00	3,215,914.00	(280,798.00)
Commodities				66,157.00	66,157.00	0.00
Total Federal Sources						
Total Revenues	12,142,641.00	10,892,072.00	1,250,569.00	5,083,386.00	5,088,721.00	(5,335.00)

budgetcomp99

The accompanying notes are an integral part of this statement.

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
GOVERNMENTAL FUND TYPE
GENERAL & 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	DIFFERENCE	BUDGET	ACTUAL	DIFFERENCE
TOTAL REVENUES	(12,142,641.00)	(10,892,072.00)	1,250,569.00	(5,083,386.00)	(5,088,721.00)	5,335.00
EXPENDITURES:						
INSTRUCTION:						
REGULAR PROGRAMS	4,957,337.00	4,926,257.00	31,080.00	4,550.00	5,147.00	(597.00)
SPECIAL EDUCATION PROGRAMS	1,058,528.00	1,037,183.00	21,345.00	301,075.00	299,001.00	1,474.00
VOCATIONAL EDUCATIONAL PROGRAMS	238,844.00	244,018.00	(4,174.00)	84,517.00	81,858.00	2,659.00
OTHER INSTRUCTIONAL PROGRAMS ELEM/SEC.	197,531.00	203,715.00	(6,184.00)	1,121,881.00	806,705.00	314,976.00
SPECIAL PROGRAMS	107,510.00	118,154.00	(10,644.00)	899,209.00	981,217.00	17,992.00
ADULT/CONTINUING EDUCATION PROGRAMS	34,022.00	22,218.00	11,804.00		32,474.00	(32,424.00)
TOTAL INSTRUCTION			0.00			0.00
SUPPORT SERVICES:						
STUDENT SERVICES			0.00			0.00
PUPIL SUPPORT SERVICES	555,435.00	543,880.00	11,555.00	335,391.00	478,877.00	(143,288.00)
INSTR. STAFF SERVICES	581,692.00	589,284.00	(7,572.00)	280,801.00	522,010.00	(281,209.00)
GENERAL ADMINISTRATION	8,841.00	340,813.00	(332,072.00)	78,848.00	28,943.00	49,705.00
SCHOOL ADMINISTRATION	839,440.00	829,080.00	10,360.00	76,768.00	173,755.00	(93,887.00)
BUSINESS SERVICE	193,054.00	145,511.00	47,543.00	88,001.00	82,028.00	5,972.00
OPER. & MAINT. PLANT SERV.	1,136,280.00	1,023,512.00	112,768.00	101,737.00	98,948.00	31,789.00
STUDENT TRANSPORTATION	703,816.00	666,223.00	37,593.00	22,000.00	12,792.00	9,208.00
FOOD SERVICES	96,508.00	96,204.00	304.00	1,398,875.00	1,331,461.00	67,514.00
CENTRAL SERVICES	580.00	210.00	370.00			
BU	298,675.00	512,914.00	(214,239.00)			
TOTAL SUPPORT SERVICES			0.00	64,371.00		64,371.00
TOTAL EXPENDITURES:	11,099,093.00	11,209,257.00	(290,164.00)	4,940,724.00	4,906,367.00	34,357.00
EXCESS OF REVENUES OVER EXPENDITURES	1,133,548.00	(407,185.00)	(860,405.00)	142,662.00	182,354.00	(29,622.00)
OTHER FINANCING SOURCES (Uses)						
INDIRECT COST REIMBURSEMENTS		18,323.00	(18,323.00)			
INSURANCE PROCEEDS	916,691.00	916,691.00	0.00			
SALE OF SURPLUS ITEMS		357.00	(357.00)			
TRANSFERS OUT	(52,195.00)	(51,750.00)	(445.00)		(214,461.00)	214,461.00
TRANSFERS IN	230,338.00	214,461.00	15,877.00	(109,106.00)	51,750.00	(180,856.00)
TOTAL OTHER FINANCING SOURCES (USES)	1,094,834.00	1,098,082.00	(1,248.00)	(109,106.00)	(162,711.00)	53,605.00
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	38,714.00	688,897.00	(650,183.00)	33,556.00	19,643.00	13,913.00
BAL. AT BEGINNING OF YEAR (SEE NOTE 18)	2,796,264.00	3,602,027.00	(805,763.00)	195,183.00	192,462.00	2,721.00
BAL. AT END OF YEAR	2,834,978.00	4,290,924.00	(1,455,946.00)	228,739.00	212,105.00	16,634.00

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT.

BUDGETEXP99

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
PROPRIETARY FUND
Statement of Revenues, Expenses, and
Changes In Retained Earnings
For the Year Ended June 30, 1999

OPERATING REVENUES	
Services Provided Other Funds	\$ 101,389
Total operating revenues	<u>101,389</u>
OPERATING EXPENSES	
Workmen's Compensation	2,882
Professional Services	34,763
Office Expense	<u> </u>
Total operating expenses	<u>37,645</u>
OPERATING INCOME (LOSS)	<u>63,744</u>
NONOPERATING REVENUES (EXPENSES)	
Interest	<u>34,179</u>
NET INCOME (Loss)	97,923
RETAINED EARNINGS AT BEGINNING OF YEAR AS PREVIOUSLY REPORTED	<u>615,662</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 713,585</u>

The accompanying notes are an integral part of this statement.

wcincome99

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
PROPRIETARY FUND
Statement of Cash Flows
For the Year Ended June 30, 1999

Cash flows from operating activities:		
Net Income	\$	97,923
Adjustments to reconcile net income to net cash provided by operating activities:		
Increase (decrease) in accounts receivable		(1,520)
Increase (decrease) in prepaid expenses		(1,004)
Increase (decrease) in accounts payable and accrued expenses		(31,788)
DECREASE IN INVESTMENTS		48,109
Total adjustments		<u>13,797</u>
Net cash provided by operating activities		<u>111,720</u>
Net increase in cash and cash equivalents		<u>111,720</u>
Cash and cash equivalents at beginning of year		<u>212,251</u>
Cash and cash equivalents at end of year		<u><u>323,971</u></u>
Interest received \$31,675		323,971

The accompanying notes are an integral part of this statement.

cashflo99

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

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

INTRODUCTION

The Madison Parish School Board was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Madison Parish. The School Board is authorized by R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of eight members who are elected from eight districts for terms of four years.

The School Board operates six schools within the parish with a total enrollment of 3,231 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Madison 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 policy 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 Madison 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 government functions or activities.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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

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

Governmental Funds

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

1. General Fund -- the general operating fund of the School Board and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds -- account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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 -- accounts for assets held by the School Board as an agent for individual schools and school

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

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

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are 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 the agency fund. The School Board uses the following practices in recognizing and reporting 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.

Fees, charges and commissions for services are recorded when the School Board is entitled to the funds.

Interest earnings on time deposits are recognized as revenue when the time deposits have matured and the interest is available.

Expenditures

Salaries are recorded as expenditures when earned by employees. Teachers' salaries are earned over a nine-month period but are paid over a twelve-month period.

Purchases of various operating supplies, capital outlays, etc. are recorded as expenditures when the related fund liability is incurred.

Compensated absences are recognized as expenditures when leave is actually taken or when employees, or their heirs, are paid for accrued leave upon

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

retirement or death. The cost of leave privileges not requiring current available resources is recognized in the general long-term obligations account group.

Other Financing Sources

Transfers between funds that are not expected to be repaid (or any other types), are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

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

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

E. BUDGETS

The Board is required by state law to adopt annual budgets for the General Fund and Special Revenue Funds. Each budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP").

Formal Budget integration (within the accounting records) is employed as a management control device during the year. The budget was prepared on the modified accrual basis of accounting and was monitored and amended as needed. Amendments to the General Fund and Sales Tax Special Revenue Fund budgets were adopted in an open meeting to reflect such changes.

Once a budget is approved, it can be amended at the Function and Fund level only by approval of a majority of the members of the Board of Education. Amendments are

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

presented to the Board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are amended by the Board of Education. Individual amendments were not material in relation to the original appropriations. All budget appropriations lapse at year-end.

F. ENCUMBRANCES

Encumbrance Accounting is not used.

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

Under state law, the Madison Parish School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

H. 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. The fair value of the investment is based on the quoted market prices.

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

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

J. INVENTORIES

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. All inventory items purchased 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. PREPAID ITEMS

Prepaid expenses consist of pre-paid insurance premiums.

L. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures (immaterial) are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

M. COMPENSATED ABSENCES

The School Board has the following policy relating to vacation and sick leave:

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

The school board's recognition and measurement criteria for compensated absences follows:

[GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

[GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingences, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

The accounting for sabbatical leave depends on whether the compensation during the sabbatical is for service during the period of the leave or, for the past service. Sabbatical leave for service during the period of the leave should be accounted for in the period the service is rendered; a liability should be reported in advance of the sabbatical. Sabbatical leave for the past service should be accrued during the period(s) the employees earn the right to the leave if it is probable that the school board will compensate the employees for the benefits through paid time off or some other means.

Only the current portion of the liability for compensated absences should be reported in the fund. The current portion is the amount left unpaid at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability should be reported 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 funds 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.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

P. INTERFUND TRANSACTIONS

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

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

Q. SALES TAXES

In 1993, the Madison Parish School Board became the tax collecting agency for the parish. Total receipts for 1999 were \$3,346,603. Total Disbursements for 1999 were \$3,346,603.

R. TOTAL COLUMNS ON COMBINED STATEMENTS

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

2. EXPENDITURES - ACTUAL AND BUDGET

The following individual funds had actual expenditures/expenses over budgeted expenditures/expenses for the year ended June 30, 1999:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$11,009,093	\$ 11,299,257	<290,164>

3. LEVIED TAXES

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

Parish Wide Taxes:	<u>Authorized Millage</u>
	<u>1999</u>
Constitutional:	4.76
Additional Support:	4.76

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

4. CASH AND CASH EQUIVALENTS

At June 30, 1999, the School Board had cash and cash equivalents (book balances) totaling \$ 4,878,511 as follows:

Demand Deposits	3,496,175
CD's and Other Investments	<u>1,382,336</u>
Total	<u><u>4,878,511</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999 the School Board has \$4,497,905 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$5,691,510 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

5. INVESTMENTS

At June 30, 1999, the School Board holds investments totaling \$ 339,666 as follows:

	Carrying Amount	Market Value
Paine-Webber Mortgage-Backed Securities	<u>339,666</u>	<u>332,029</u>
TOTAL	<u><u>339,666</u></u>	<u><u>332,029</u></u>

The investments are in the name of the Madison Parish School Board at the Madison Parish School Board Office.

6. RECEIVABLES

Due To / From Other Funds (see Note 14)	1,411,362
Due From Federal Government	<u>2,013,859</u>
	<u><u>3,425,221</u></u>

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

7. **GENERAL FIXED ASSETS**

	<u>Land</u>	<u>Buildings</u>	<u>Furniture & Equipment</u>	<u>Total</u>
Balance at June 30, 1998	301,310	7,088,561	4,801,940	12,191,811
Additions	-0-	-0-	459,090	472,583
Deletions	-0-	(916,691)	(600)	(600)
Balance at June 30, 1997	<u>301,310</u>	<u>6,171,870</u>	<u>5,261,030</u>	<u>11,734,210</u>

8. **CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 1998</u>
Liability For:				
Compensated Absences	426,003	86,716	31,147	481,572
Balance at June 30, 1998	<u>426,003</u>	<u>86,716</u>	<u>31,147</u>	<u>481,572</u>

9. **RETIREMENT SYSTEMS**

Substantially all employees of the school board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consist 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,

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

respectively. The school board is required to contribute at an actuarially determined rate. The current rate is 16.6 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 state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the school board.

The school board's contributions to the TRS for the years ending June 30, 1999, 1998, and 1997, were \$1,264,929, \$1,353,322, and \$1,000,748, respectively, equal to the required contributions for each year. (If the required contributions and the actual amount contributed do not equal, disclose the required contribution in dollars and the percentage of that amount contributed for the current year and each of the two preceding years.)

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. This 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 and 1998, and 1997, were \$3,009, \$3,062, \$1,877, respectively, equal to the required contributions for the year. (If the required contributions and the actual amount contributed do not equal, disclose the required contribution in dollars and the percentage of that amount contributed for the current year and each of the two preceding years.)

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

10. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Madison Parish School Board provides certain continuing health care and life insurance benefits for its 85 retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through an insurance company or the State Employees Group Benefits Program, 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, which were \$286,143 for 1999.

11. LIABILITY FOR COMPENSATED ABSENCES

During fiscal year 1999, employees were allowed to accrue ten to twelve days sick leave each year, without limit, and could elect to receive any unused portion of their local sick leave in cash. Effective September 1, 1991, the School Board adopted a new sick leave policy that will not allow employees to receive cash for unused local sick days. Due to this change, many employees elected to receive cash for their unused portion of local sick days prior to August 31, 1991.

Teachers and administrative personnel do not receive paid vacations but are paid only for the number of days they are required to work each year (183 days for teachers and 230 days for administrative personnel). Maintenance employees are granted vacation leave in varying amounts. In the event of termination an employee is reimbursed for any unused accumulated leave. The School Board has no liability for unused vacation pay since all vacation leave is used or lost if not taken each year. Vacation pay is charged to operations when taken by the employees of the School Board.

12. SELF-INSURANCE FUND

Beginning in 1992, the School Board established a Worker's Compensation self-insurance plan for School Board employees to minimize the cost of insurance to the School Board. This program is for the benefit of all School Board employees. The School Board established an Internal Service Fund to account for these activities and to facilitate accountability and management control.

13. ACCOUNTS, SALARIES & OTHER PAYABLES

	General Fund	Special Revenue Fund	Proprietary Fund	Total
Salaries	661,394	574,399		1,235,793
Accounts	455,843	59,219		515,062
Due to other Funds		1,287,132		1,287,132
Total	1,406,778	1,920,750		3,327,528

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

14. DUE TO FROM / FROM OTHER FUNDS

	Due to General Fund	Due From
Due to General Fund	1,383,373.00	
Special Revenue Funds:		
Lunch Fund		110.00
Chapter 1		87,803.00
Summer Feed		2,001.63
West Side		991,331.26
Vocational Ed		43,450.00
Adult Ed		15,393.06
PL 94-142		148,245.00
Drug-Free		9,425.51
	Due to Workers Comp	
Due to Workers Comp	27,989.00	
Depend Care		15,509.95
Preschool Ap		7,301.46
Learn		13,641.90
LASIP		11,878.72
McCall Jr. High		930.
McCall Sr. High		326.64
Thomastown		326.64
Westside		30.00
Other		63,973.31
	<u>1,411,362.00</u>	<u>1,411,362.00</u>

15. COMMITMENTS AND CONTINGENCIES

The Board is the defendant in several lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse affect on the accompanying combined financial statements, and, accordingly, no provision for losses has been recorded.

The Board participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Board has not complied by the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 1998, may be impaired. In the opinion of the Board, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants. Thus no provision has been recorded in the accompanying financial statements for such contingencies.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Notes to the Financial Statements (Continued)

16. ONGOING INVESTIGATION

The Legislative Auditor is conducting an on-going investigation concerning construction contracts for the Madison Parish School Board during this fiscal year. Nothing has been reported at this time.

17. YEAR 2000 CONSIDERATION

The School Board could be adversely affected if its computer systems and other date-sensitive equipment do not properly process data from and after January 1, 2000. The School Board is currently taking steps designed to address the year 2000 issue. However, there are no assurances that these steps will be sufficient to avoid all adverse effects.

18. SUBSEQUENT EVENTS

On November 10, 1998, the Tallulah Junior High School was partially destroyed by fire. Insurance has paid 916,691 on the building and contents. No work has been done to the building at this time.

SUPPLEMENTAL INFORMATION SCHEDULES

Special Revenue Funds

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Supplemental Information Schedules
As of and For the Year Ended June 30, 1999

School Lunch Fund

The School Lunch Fund accounts for operations of the school cafeterias where the governing body has decided that periodic determination of revenue earned, expenditures incurred, and the amount of subsidies required from state and federal sources is appropriate.

Education Consolidation and Improvement Act Funds

Chapter I of the Education Consolidation and Improvement Act (ECIA) is a program for economically and educationally deprived school children that is federally financed, state administered and locally operated by the school board. The Chapter I services are provided through various projects that are designed to meet the special needs of the educationally deprived children. The activities supplement rather than replace state and locally mandated activities.

Chapter II of the Education Consolidation and Improvement Act encompasses the regular program for which the federal government provides block grant funds to the school system based on a per pupil allocation for audio-visual material and equipment and for library resources.

Special Education -- Public Law 94-142

Public Law 94-142 is a federally financed program of free education in the least restrictive environment for children with exceptionalities.

Summer Food Service Program for Children

The Summer Food Service Program for Children provides assistance to states through grants, aids and other means. This program conducts non-profit food service programs for needy children during the summer months and at other approved times, when area schools are closed for vacation.

Drug Free Schools

The Drug-Free School Program provides funds for certain types of alcohol and drug abuse prevention, treatment and rehabilitation services specified by statute.

Job Training Partnership Act

The Job Training Partnership Act (JTPA) provides funds to states to use to establish programs to prepare youth and unskilled adults for entry into the labor force. These programs should afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment and who are in special need of such training to obtain productive employment.

MADISON PARISH SCHOOL BOARD
Tallulah, Louisiana

Supplemental Information Schedules (Continued)

Fiduciary Fund Type -- School Activity Agency Fund

The School Activity Agency Fund accounts for those monies collected by pupils and school personnel for school-purposed or for school-related purposes. The school activity accounts are classified as agency funds, and the School Board's responsibility for these accounts is fiduciary in nature.

Each school accounts for its individual student body organizations. The revenues of these accounts consist primarily of fees, fund raising projects and contributions. Expenditures are made for a wide variety of school activities. These accounts are under the supervision of the school principals.

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1999

	SCHOOL LUNCH	SUMMER FOOD	WESTSIDE HIGH	CHAPTER I	CHAPTER 1 CARRYOVER	CHAPTER II	PUBLIC LAW	DRUG-FREE SCHOOL	TOTAL
ASSETS									
Cash	246,390.84	41,584.23			25,616.00	-		-	313,571.07
Receivables from General Fund		(19,484.23)				-		-	(19,484.23)
Due from fed/state govt	7.96		991,802.41	622,220.71		95,736.00	151,731.51	9,425.51	1,870,824.10
Inventory	9,071.00								9,071.00
TOTAL ASSETS	<u>255,469.80</u>	<u>22,080.00</u>	<u>991,802.41</u>	<u>622,220.71</u>	<u>25,616.00</u>	<u>95,736.00</u>	<u>151,731.51</u>	<u>9,425.51</u>	<u>2,174,081.94</u>
LIABILITIES AND FUND EQUITY									
Liabilities:									
Salaries Payable	43,256.80	(20,827.80)		501,410.44	1,714.00	45,187.17	3,193.01		573,943.62
Accounts Payable			471.13	33,007.27	23,902.00	1,545.15	293.42		59,218.97
Due to other funds	110.00	2,002.00	991,331.28	87,803.00		48,215.00	148,245.08	9,425.51	1,287,131.87
Deferred Revenues	-	40,905.80				778.00			41,683.80
TOTAL LIABILITIES	<u>43,366.80</u>	<u>22,080.00</u>	<u>991,802.41</u>	<u>622,220.71</u>	<u>25,616.00</u>	<u>95,735.32</u>	<u>151,731.51</u>	<u>0.00</u>	<u>1,961,978.26</u>
Fund Equity:									
Fund Balance - Unreserv	212,103.00	0.00	0.00	-		-	-	-	212,103.00
TOTAL FUND EQUITY	<u>212,103.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>212,103.00</u>
TOTAL LIABILITIES & FUND EQUITY	<u>255,469.80</u>	<u>22,080.00</u>	<u>991,802.41</u>	<u>622,220.71</u>	<u>0.00</u>	<u>95,735.32</u>	<u>151,731.51</u>	<u>9,425.51</u>	<u>2,174,081.26</u>

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MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1999

	School Lunch	Summer Food	Westside High	Chapter I	Chapter 1 carryover	Chapter 11	Public Law	Drug-Free Schools	TOTAL
REVENUES:									
Local Sources:									
Earnings on Investments	\$ 13,155	\$							13,155
Food Service	30,011								30,011
Other	4,680								4,680
State Sources:									
Unrestricted Grants-in-Aid									0
School Lunch	234,565	97,124	1,590,396						1,922,085
Federal Sources:									
Value of USDA Commodities	66,157								66,157
Restricted Grants-in-Aid	872,183			1,275,114	391,261	314,807	167,697	31,571	3,052,633
TOTAL REVENUES	1,220,751	97,124	1,590,396	1,275,114	391,261	314,807	167,697	31,571	5,088,721
EXPENDITURES:									
Instruction:									
Regular Programs	558,055		204,835						762,690
Special Programs		84,362	776,032	740,210	204,214	314,807	93,024	30,747	2,243,396
Education Programs				36,944					36,944
Student Services			201,778	147,263			32,801		381,842
Instructional Staff			50,009	232,939	90,600		24,191		397,739
General Administration			191,733		78,648		12,317		282,698
Plant Services	73,390				9,746				83,136
Food Service	566,055								566,055
Building Improvement									0
Operations				74,215					74,215
Indirect Costs			8,053		8,053		3,702		19,808
Other	55,359						1,661	824	57,844
TOTAL EXPENDITURES:	1,252,859	84,362	1,432,240	1,231,571	391,261	314,807	167,696	31,571	4,906,367
EXCESS (Deficiency) OF									
REVENUES OVER EXPENDITURES	(32,109)	12,762	158,156	43,543	0	0	0	0	182,354
OTHER FINANCING SOURCES (USES)									
VALUE OF USDA COMMODITIES									
OPERATIONAL TRANSFERS IN (OUT)	51,750	(12,762)	(158,156)	(43,543)					(162,711)
TOTAL OTHER FINANCING SOURCES	51,750	(12,762)	(158,156)	(43,543)	0	0	0	0	(162,711)
EXCESS (Deficiency) of Revenues and	0	0	0	0	0	0	0	0	19,643
of other sources over expenditures	19,642	0	0	0	0	0	0	0	0
and other uses	19,642	0	0	0	0	0	0	0	0
FUND BALANCES (Deficit) AT									
BEGINNING OF YEAR	211,287	(18,825)	0	0	0	0	0	0	192,462
FUND BALANCES (Deficit) AT									
END OF YEAR	\$ 230,929	\$ (18,825)	0	0	0	0	0	0	212,105

..
MADISON PARISH SCHOOL BOARD
AGENCY FUNDS
..
BALANCE SHEET
JUNE 30, 1999

ASSETS:		School Activity Fund
	Cash	<u>36,015.69</u>
	Total Assets	<u><u>36,015.69</u></u>

LIABILITIES:		
	Deposits held for others	<u>36,015.69</u>
	Total Liabilities	<u><u>36,015.69</u></u>

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
FIDUCIARY FUND TYPE - AGENCY FUND
SCHOOL FUND ACTIVITY ACCOUNTS
SCHEDULE OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>Fund Balance July 1, 1998</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Fund Balance June 30, 1999</u>
Tallulah High School	11,650.85	66,248.84	69,363.02	8,536.67
Tallulah Elementary School	5,541.03	33,352.18	34,631.10	4,262.11
Tallulah Junior High School	3,553.02	4,890.99	8,368.61	75.40
Reuben McCall High School	5,300.66	69,080.94	72,211.33	2,170.27
Reuben McCall Junior High School	901.54	33,163.73	32,013.90	2,051.37
Wright Elementary School	18,179.54	41,198.49	44,936.45	14,441.58
Thomastown High School	<u>4,588.38</u>	<u>16,217.22</u>	<u>16,327.31</u>	<u>4,478.29</u>
Total	<u><u>49,715.02</u></u>	<u><u>264,152.39</u></u>	<u><u>277,851.72</u></u>	<u><u>36,015.69</u></u>

**MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 1999**

Joseph C. Chandler, Jr.	\$7,500.00
Jack Head	\$7,200.00
Norwyn Johnson	\$7,200.00
Percy S. Livingston	\$7,200.00
Jay Morgan	\$7,200.00
Rhondie Morris	\$3,600.00
C.J. Oney	\$7,500.00
James Lee Williams	\$7,200.00
Percy Wright	<u>\$3,600.00</u>
Total Compensation	<u>\$58,200.00</u>

MADISON PARISH SCHOOL BOARD
TALLULAH, LOUISIANA
Schedule of Federal Financial Assistance
For the Year Ended June 30, 1999

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	CFDA NUMBER	STATE NUMBER	EXPENDITURES
United States Department of Agriculture:			
Passed Through Louisiana Department of Education:			
National School Lunch Program *	10.555		969,307
National School Breakfast Programs	10.553		234,565
Summer Food Program	10.559		97,124
Food Distribution Program	10.550		66,157
Total United States Department of Agriculture			1,367,153
United States Department of Education:			
Adult Education - State-Administered Program	84.002	99-AEII-387	34,138
Chapter I Programs - Local Educational Agencies *	84.010	99-IASA-33-1	1,667,272
Special Education State Grants - IDEA	84.027	033-EC-990	8,915
idea -Part B			167,000
Infant Toddler	84.048		3,200
Vocational Education	84.048		84,567
Dwight D. Eisenhower	84.281a	99-IASA-33-11	13,812
Educational Improvement-Goals 2000	84.151		82,537
Library		99-IASA-33V11	20,263
Starting Points		CFMS-533846	44,442
Drug Free Schools	13992	99-IASA-33-IV	31,571
			2,158,414
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 3,525,567

* DENOTES MAJOR PROGRAM

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Report On Compliance With Requirements
Applicable To Each Major Program And Internal Control
Over Compliance In Accordance With OMB Circular A-133

Madison Parish School Board
Tallulah, Louisiana

Compliance

I have audited the compliance of Madison Parish School Board, Tallulah, Louisiana, 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. Madison Parish School Board, Tallulah, Louisiana'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 Madison Parish School Board, Tallulah, Louisiana's management. My responsibility is to express an opinion on Madison Parish School Board, Tallulah, Louisiana's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Madison parish School Board, Tallulah, Louisiana's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Madison Parish School Board, Tallulah, Louisiana's compliance with those requirements.

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

My 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

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

Jimmie Self, CPA



Monroe, Louisiana

December 21, 1999

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Report On Compliance And On Internal Control Over Financial
Reporting Based On An Audit Of Financial Statements Performed
In Accordance With *Government Auditing Standards*.

Madison Parish School Board
Tallulah, Louisiana

I have audited the general purpose financial statements of Madison Parish School Board, Tallulah, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated December 21, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Madison Parish School Board, Tallulah, Louisiana's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The result of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Madison Parish School Board, Tallulah, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and do not provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

Jimmie Self, CPA



Monroe, Louisiana
December 21, 1999

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Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1999

I have audited the financial statements of Madison Parish School Board as of and for the year ended June 30, 1998, and have issued my report dated December 21, 1999. I conducted my audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. [and the provisions of OMB Circular A-133.] My audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion (qualified, adverse, disclaimer).

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses yes no Reportable Conditions yes no

Compliance

Compliance material to Financial Statements yes no

b. Federal Awards

Internal Control

Material Weaknesses yes no Reportable Conditions yes no

Type of Opinion On Compliance Unqualified Qualified
For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section 510(a)? yes no

c. Identification of major Programs:

CFDA Number (s) 10-555 ; 84010 Name of Federal Program (or Cluster) 1.National School Lunch Program ; 2.Chapter I Programs.

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

1. National School Lunch Program:

Is the auditee a "low-risk", as defined by OMB Circular A-133? yes no

2. Chapter I:

Is the auditee a "low-risk", as defined by OMB Circular A-133? yes no

Madison Parish School Board
Summary Schedule of Prior Audit Findings
Year Ended June 30, 1999

Finding Number 98-01

1. *Fixed Assets Inventory Not Properly Maintained*

Louisiana Revised Statute 24:515 states in part (paraphrased):

The head of every public entity subject to examination and audit under the provisions of R.S. 24:513(A) shall maintain records of all land, building, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable. The records shall include information as to the date and purpose of such disposition, and the receipt of the property or disposed equipment. When ascertaining the exact cost, exact selling price, or any other relevant information on property or equipment obtained to January 1, 1980, creates a hardship on the School Board involved, such School Board may provide estimates of the information which cannot be ascertained.

The above referenced law imposes a requirement upon the School Board to designate an individual with the responsibilities to comply with the above law. The School Board was in violation of the above law in the following manner:

2. Property inventory records were not maintained on a current basis to include all land, building, and equipment owned by the School Board.

Recommendations:

- The School Board should implement a plan to inventory all fixed assets, labeling each item and placing a cost and a market value on each asset, and each month have this inventory updated. At year-end, a physical inventory should be taken of all assets, reconciling the inventory to the records which have been established during the year.

Current Status:

- Finding 98-01: During the year 1999, the School board hired an independent employee to physically inventory, research purchase history, and reconcile all inventory records. This finding has been resolved.
- Finding 98-02: The School Board fidelity bond is not adequate for the amount of risk involved.

Conclusion:

- The fidelity bond has been increased.
- Finding 98-03: School Activity funds – Internal Control Needs Improvement.

Recommendations:

- The School Board should implement a plan to ascertain all bank accounts are timely reconciled; a plan for segregation of duties in reference to cash and ticket sales transactions.

Conclusion:

- The School Board agrees and is presently working to implement better cash ticket control policies.

Madison Parish School Board
Schedule of Findings
June 30, 1999

Findings Number 99-01

1. School Activity Funds: Decrease trend continues for Tallulah High School .

Recommendation:

The School Board should implement a plan to timely monitor decreases in activity income.

Conclusion:

The School Board agrees and is still working to implement more effective controls.

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GCL: 51 Communication With Audit Committees

Madison Parish School Board
Tallulah, Louisiana

I have audited the financial statements of Madison Parish School Board for the year ended June 30, 1999, and have issued my report thereon dated December 21, 1999. Professional standards require that I provide you with the following information related to my audit.

My Responsibility under Generally Accepted Auditing Standards

As stated in my engagement letter dated June 30, 1999, my responsibility, as described by professional standards is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with generally accepted accounting principals. Because of the concept of reasonable assurance and because I did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by me.

As part of my audit, I considered the internal control of Madison Parish School Board. Such considerations were solely for the purpose of determining my audit procedures and not to provide any assurance concerning such internal control.

The audit was performed in accordance with OMB Circular A-133, replace this section with the following:

Our Responsibility under Generally Accepted Auditing Standards and OMB Circular A-133

As stated in my engagement letter dated June 30, 1999, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because I did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by me.

In planning and performing my audit, I considered Madison Parish School Board's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial reporting. I also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Madison Parish School Board's financial statement's are free of material misstatement, tests of compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit. Also, in accordance with OMB Circular A-133, I examined, on a test basis,

evidence about Madison Parish School Board's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Madison Parish School Board's compliance with those requirements. While my audit provides a reasonable basis for my opinion, it does not provide a legal determination on Madison Parish School Board's compliance with those requirements.

Spencer Lee CPA
12-15-99