

CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana
Independent Auditor's Report,
June 30, 1996

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information 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 the Claiborne Parish School Board. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards* and OMB Circular A-128, I have also issued reports dated December 3, 1996, on the Claiborne Parish School Board's schedule of federal financial assistance; compliance with laws, regulations, contracts, and grants; and my consideration of the agency's internal control structure.



West Monroe, Louisiana
December 3, 1996



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Independent Auditor's Report

CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

I have audited the general purpose financial statements of the Claiborne Parish School Board as of June 30, 1996, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Claiborne Parish School Board'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; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 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 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 in the first paragraph present fairly, in all material respects, the financial position of the Claiborne Parish School Board as of June 30, 1996, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

Bank Balances	<u>\$5,788,160</u>
Federal deposit insurance	\$667,687
Pledged securities (uncollateralized)	<u>3,248,225</u>
Total	<u>\$3,915,912</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the school board, they are considered uncollateralized (Category 3) under the provisions of GASB Codification C20.106; however, 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 bank has failed to pay deposited funds upon demand.

II. 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 expenses 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.

I. VACATION, SICK, AND SABBATICAL LEAVE

All twelve month employees earn from 10 to 15 days of vacation leave each year, depending upon length of service with the school board. Vacation leave can be accumulated. Upon separation, all unused vacation leave is forfeited.

All school board employees earn from 10 to 18 days of sick leave each year that can be accumulated without limitation. Upon retirement or death, employees or their heirs are paid for up to 25 days of accumulated sick leave at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, all accumulated sick leave, excluding the 25 days paid to the teacher, is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all accumulated sick leave, excluding the 25 days paid to the employee, is used in the retirement benefit computation as earned service.



**Independent Auditor's Report
on the Internal Control Structure**

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

I have audited the general purpose financial statements of the Claiborne Parish School Board as of June 30, 1996, and for the year then ended, and have issued my report thereon dated December 3, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

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CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

**Independent Auditor's Report
on Internal Control Structure,
June 30, 1996**

In planning and performing my audit of the general purpose financial statements of the Claiborne Parish School Board for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted a certain matter involving the internal control structure and its operation that I consider to be reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the entity's ability to record process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

**NEED TO IMPROVE CONTROLS OVER
COLLECTION OF SALES TAXES**

Finding: As part of my audit procedures, I performed a review and evaluation of the internal control structure policies and procedures over sales tax collections. My tests included examining a sample of twenty vendors selected from the June 30, 1996 delinquent tax listing and thirteen bank deposits. The following items were noted in performing my audit procedures:

1. Six (30%) of the vendors selected from the delinquent listing were determined not to be delinquent. The problem occurs because correct sales tax collection periods are not entered into the computer. For example, July and August remittances (with zero amount due) may not be entered until September, with a September date. This causes the vendor to be placed on the delinquent listing for July and August.
2. Proper action is not being taken to collect from delinquent vendors due to the discrepancies in the delinquent listing which also indicates that revenue realized by the taxing bodies is below its potential.

CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

Independent Auditor's Report
on Internal Control Structure,
June 30, 1996

3. Twelve (92%) deposits were not made on a timely basis. I scanned deposits for the remainder of the year and found that only one deposit is made for several days of collections. This practice increases the risk that funds will be misdirected.

4. The sales tax collector is responsible for collecting taxes, posting collections to the sales tax records, making deposits, and following up on delinquent vendors. Lack of segregation of duties places employees in a position to both perpetrate and conceal errors or irregularities that would not be detected within a timely period by other employees in the normal course of performing their assigned functions.

Recommendation: I recommend that internal controls over sales tax collections be strengthened as follows:

1. The school board should determine which vendors are actually delinquent, update the delinquent listing accordingly, and actively pursue collection of sales tax from those vendors.

2. The school board should ensure that all vendors are included on the master listing and are remitting sales tax.

3. The school board should ensure that deposits are made on a daily basis.

4. The school board should ensure that separate individuals are responsible for a) receiving funds, b) making deposits, c) recording transactions, d) and following up on delinquent taxpayers.

Management's Response:

1. This problem occurred due to an oversight in keypunching monthly sales tax returns to the proper reporting period. When delinquent returns were received, they were keypunched into the current month and not applied to the month of delinquency. Therefore, these vendors still appeared on the delinquency listing even though they were not actually delinquent. In order to correct and maintain an accurate delinquency list, the following procedures are currently being performed:

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For The Year Ended June 30, 1996

SPECIAL REVENUE FUNDS

MAINTENANCE FUNDS

The Parishwide Maintenance Fund is financed by a parishwide ad valorem tax levy to provide additional support to operate and maintain all school facilities in the parish. Districts No. 11, No. 13, and No. 16 Maintenance Funds are financed by an ad valorem tax levy for each district, which provides additional funds to operate and maintain school facilities in the respective districts.

**ELEMENTARY AND SECONDARY
EDUCATION ACT FUNDS**

Title I

Title I of the Elementary and Secondary Education Act (ESEA) is a program designed to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas with high concentrations of children from low-income families. The program is federally financed, state-administered, and locally operated by the school board. The activities supplement, rather than replace, state and locally mandated activities.

Program Improvement

Program Improvement of the Elementary and Secondary Education Act (ESEA) is a program by which the federal government provides funds to the school board for resources and technical assistance to schools with Title I students.

Title VI

Title VI of the Elementary and Secondary Education Act (ESEA) is a program by which the federal government provides funds to the school board to a) assist local educational reform efforts, b) to support efforts to accomplish the National Education Goals, c) to implement promising educational reform programs, d) to provide a continuing source of innovation and educational improvement, including support for library services and instructional and media materials, and e) to meet the special educational needs of at-risk and high cost students.

SUPPLEMENTAL INFORMATION SCHEDULES

CLAIBORNE PARISH SCHOOL BOARD
 Homer, Louisiana
 Notes to the Financial Statements (Continued)

As shown on Statement A, \$468,863 is available in debt service funds to service the general obligation bonds. The annual requirements to amortize all general obligation bonds outstanding at June 30, 1996, including interest of \$269,470, are as follows:

<u>Year</u>	<u>Amount</u>
1997	\$285,483
1998	218,050
1999	255,937
2000	253,585
2001	230,643
2002 - 2005	<u>321,772</u>
Total	<u>\$1,565,470</u>

General obligation bonds totaling \$1,296,000 at June 30, 1996, are secured by an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 39:562, the school board is restricted from incurring long-term bonded debt in excess of 50 per cent of the assessed value of taxable property in the parish or district. The school board is within that statutory limitation.

12. DESIGNATION OF FUND BALANCE

The \$406,349 designated for contingencies, shown on Statement A, represents amounts intended to be used in the event of an emergency requiring expenditures not appropriated in the General Fund and for general liability expenses not covered by insurance. The following is a summary of transactions relating to the designated fund balance for the year ended June 30, 1996:

Balance at July 1, 1995	\$459,230
Additions - interest earnings	20,230
Deductions - Workmen's compensation and other claims	<u>(73,111)</u>
Balance at June 30, 1996	<u>\$406,349</u>

13. LITIGATION AND CLAIMS

At June 30, 1996, the school board is not involved in any lawsuits which would have a material effect on the financial statements nor is it aware of any unasserted claims.

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Lease Purchase</u>	<u>Total</u>
Long-term obligations at July 1, 1995	\$1,494,000	\$599,436	\$173,566	\$2,267,002
Additions		281,169		281,169
Retirements	<u>(198,000)</u>	<u>(301,272)</u>	<u>(137,550)</u>	<u>(636,822)</u>
Long-term obligations at June 30, 1996	<u>\$1,296,000</u>	<u>\$579,333</u>	<u>\$36,016</u>	<u>\$1,911,349</u>

General obligation bonds payable at June 30, 1996, are comprised of the following individual issues:

<p>\$219,000 - 1995 bonds for the advance refunding of Series 1985 bonds which were for the acquisition and construction of school facilities. Principal is due in annual installments of \$17,000 to \$28,000 through January 1, 2005. Interest rate is 6.25 per cent. Debt retirement payments are made from School District No. 1 Debt Service Fund.</p>	\$201,000
<p>\$2,448,000 - 1977 bonds for the acquisition and construction of school facilities. Principal is due in annual installments of \$140,000 to \$190,000 through May 1, 2002. Interest rates are 5.8 per cent to 5.9 per cent. Debt retirement payments are made from School District No. 11 Debt Service Fund.</p>	990,000
<p>\$200,000 - 1980 bonds for the acquisition and construction of school facilities. Principal is due in annual installments of \$15,000 to \$20,000 through February 1, 2000. Interest rates are 7.9 per cent to 8.0 per cent. Debt retirement payments are made from School District No. 16 Debt Service Fund.</p>	70,000
<p>\$400,000 - 1977 bonds for the acquisition and construction of school facilities. Principal is due in annual installments of \$35,000 through May 1, 1997. Interest rates are 5.5 per cent to 5.8 per cent. Debt retirement payments are made from School District No. 26 Debt Service Fund.</p>	<u>35,000</u>
<p>Total general obligation bonds</p>	<p><u>\$1,296,000</u></p>

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

The school board's contributions to the LSERS for the years ending June 30, 1996, 1995, and 1994, were \$44,096, \$46,151, and \$48,125, respectively, equal to the required contributions for each year.

9. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Claiborne Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the school board's employees become eligible for these benefits if they reach normal retirement age while working for the school board. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program, whose monthly premiums are paid jointly by the employee and by 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 was \$692,069 for 1996. Of this amount, \$298,254 was for retiree benefits.

10. CHANGES IN AGENCY DEPOSITS DUE OTHERS

A summary of changes in the agency fund deposits due others follows:

	<u>Sales Tax</u>	<u>School Activity</u>	<u>Total</u>
Balance at July 1, 1995	NONE	\$205,814	\$205,814
Additions	2,556,185	602,675	3,158,860
Reductions	<u>(2,556,185)</u>	<u>(591,486)</u>	<u>(3,147,671)</u>
Balance at June 30, 1996	<u>NONE</u>	<u>\$217,003</u>	<u>\$217,003</u>

11. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended June 30, 1996:

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

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.

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 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, 1996, 1995, and 1994, were \$1,169,900, \$1,129,404, and \$1,114,603, respectively, equal to the required contributions for each year.

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

The LSERS 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 LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. 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.

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 LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The school board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

General fixed assets for the year ended June 30, 1995 have been restated to reflect change. The school board removed several items which had been junked in previous years and not removed from the listing and added a building which had been purchased in the previous year and not added to the list.

7. LEASES

The school board records items under capital leases as an asset and an obligation in the accompanying financial statements. At June 30, 1996, the school board has one capital lease in effect for school buses. The lease had an original recorded amount of \$170,250. Lease obligations are retired from the General Fund. The following is a summary of future minimum lease payments, together with the present value of the net minimum lease payments, as of June 30, 1996:

<u>Year</u>	<u>Payments</u>
1997	<u>\$38,265</u>
Total minimum lease payments	38,265
Less - amount representing interest	<u>(2,249)</u>
Present value of net minimum lease payments	<u><u>\$36,016</u></u>

8. 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)**

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

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

5. INTERFUND ACCOUNTS RECEIVABLE/PAYABLE

Individual balances for interfund accounts receivable/payable at June 30, 1996, are as follows:

<u>Fund</u>	<u>Interfund Accounts Receivable</u>	<u>Interfund Accounts Payable</u>
General Fund	\$14,873	\$245
Special revenue funds:		
Lunch Fund		8,203
District 11 Maintenance		15,556
District 13 Maintenance	15,556	
Title I	520	3,971
Title I Carryover		9
Title VI		263
Title II		233
Special Education		332
Project Independence		1,020
Drug-Free Schools		248
Program Improvements		520
Adult Education		50
Vocational	245	
Starting Points		544
Total	<u>\$31,194</u>	<u>\$31,194</u>

6. GENERAL FIXED ASSETS

The following schedule presents changes in general fixed assets for the year ended June 30, 1996:

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
Land	\$96,923			\$96,923
Buildings	6,652,961	\$115,328	(\$6,761)	6,761,528
Furniture and equipment	3,967,854	170,460	(44,060)	4,094,254
Total	<u>\$10,717,738</u>	<u>\$285,788</u>	<u>(\$50,821)</u>	<u>\$10,952,705</u>

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

3. RECEIVABLES

The receivables of \$242,690 at June 30, 1996, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Taxes - ad valorem	\$557	\$913	\$1,470
Grants - federal	26,496	203,960	230,456
Other	10,764		10,764
Total	<u>\$37,817</u>	<u>\$204,873</u>	<u>\$242,690</u>

4. INTERFUND LOANS RECEIVABLE/PAYABLE

Individual balances for interfund loans receivable/payable at June 30, 1996, are as follows:

<u>Fund</u>	<u>Interfund Loans Receivable</u>	<u>Interfund Loans Payable</u>
General Fund	\$201,716	
Special revenue funds:		
Title I		\$86,857
Title I Carryover		604
Title VI		3,500
Title II		2,951
Special Education		30,000
Vocational Programs		2,000
Medicaid		59,000
Project Independence		1,500
Drug-Free Schools		4,700
Adult Education		4,000
Starting Points		6,604
Total	<u>\$201,716</u>	<u>\$201,716</u>

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

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.

At June 30, 1996, employees of the school board have accumulated and vested \$579,333 of employee leave benefits, computed in accordance with GASB Codification Section C60. The liability is recorded within the general long-term obligations account group.

J. SALES TAX

On January 21, 1978, the voters of Claiborne Parish approved the assessment of a one per cent sales tax. The net revenues from the tax, which may be used for any school purpose, are used to supplement salaries and related benefits of school board employees. The tax is collected by the school board and has no expiration date.

K. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, 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.

Title II

Title II of the Elementary and Secondary Education Act (ESEA) 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 the areas of mathematics, science, computer learning, and foreign languages and to increase the accessibility of such instruction to all students.

DRUG-FREE SCHOOLS FUND

The Drug-Free Schools Fund is a program by which the federal government provides funds to the school board for the establishment, operation, and improvement of local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in elementary and secondary schools.

SCHOOL LUNCH FUND

The School Lunch Fund accounts for operations of the school cafeterias. Funding is provided by federal and state grants-in-aid and charges for meals served.

SPECIAL EDUCATION FUND

Special Education Fund of the Handicapped Preschool and School Program is a federally financed program of free education, in the least restrictive environment, for children with exceptionalities.

VOCATIONAL EDUCATION FUND

The Vocational Education Fund accounts for specific funds received from the Louisiana Department of Education to purchase instructional materials, supplies, and equipment for vocational education programs.

PROJECT INDEPENDENCE FUND

The Project Independence Fund accounts for grants from the United States Department of Health and Human Services through the Louisiana Department of Social Services. The purpose of the program is to assure that needy families with children obtain the education, training, and employment that will help them avoid long-term welfare dependency.

ADULT EDUCATION FUND

The Adult Education Fund accounts for allotments of federal Adult Education State-Administered Program funds from the Louisiana Department of Education to provide adult education programs in the parish.

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

to transfer amounts between line items within any fund. However when actual revenues within a fund fail to meet budgeted revenues by five per cent or more and/or actual expenditures within a fund exceed budgeted expenditures by five per cent or more, a budget amendment is adopted by the school board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrance accounting is not employed however, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

G. CASH AND CASH EQUIVALENTS

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

At June 30, 1996, the school board has cash and cash equivalents (book balances) net of cash overdrafts totaling \$4,527,175, as follows:

Demand deposits	\$1,995,232
Time deposits	<u>2,531,943</u>
Total	<u>\$4,527,175</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. Cash and cash equivalents (bank balances) at June 30, 1996, are under secured as follows:

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

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

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

Other Financing Sources (Uses)

Sales of fixed assets and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

E. BUDGET PRACTICES

Preliminary budgets for the ensuing year are prepared by the business manager and made available for public inspection and comments from the taxpayers at the school board office during August. At a board meeting in September, a public hearing is held and the proposed budgets are legally adopted by the school board. The budgets, which include proposed expenditures and the means of financing them, are published in the official journal at least 15 days prior to the public hearings.

The school board adopted budgets for the General Fund and all special revenue funds. Budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end and must be reappropriated during the following year to be expended. Encumbrances are not 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

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the current year.

State revenue sharing, which is based on population and homesteads in the parish, is recorded as revenue in lieu of taxes in the year received which coincides with the recognition of the related ad valorem taxes discussed above. State equalization entitlement funds are recognized as unrestricted grants-in-aid when the school board is entitled to them.

Sales taxes are recognized when received by the Sales Tax Fund, except for taxes collected by the Louisiana Department of Public Safety and Corrections, which are recognized in the year received by the state.

Federal and state grants and reimbursements are recorded when the school board is entitled to the funds.

Revenue from local sources 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.

Substantially all other revenues are recognized when received by the school board.

Based on the above criteria, federal and state grants, and certain revenues from local sources have been treated as susceptible to accrual.

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Approximately 87 per cent of fixed assets are valued at actual cost, while the remaining 13 per cent are valued at estimated cost based on the actual cost of like items. Donated fixed assets are valued at their fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal expenditure of the governmental funds. Public domain or infrastructure general fixed assets consisting of sidewalks, parking lots, etc. are not capitalized, as these assets are immovable and of value only to the school board. No depreciation is recognized on general fixed assets of the school board.

Long-term obligations, such as bonded debt and capital lease payables, are recognized as a liability of a governmental fund only when due. For other long-term obligations, such as compensated absences, only that portion expected to be financed from expendable available financial resources is reported as a liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term obligations account group.

D. BASIS OF ACCOUNTING

The 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 generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types and the fiduciary fund type agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The school board uses the following practices in recognizing and reporting revenues and expenditures:

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The school board's current operations require the use of the governmental and fiduciary fund categories. The fund types used by the school board are described as follows:

Governmental Fund Type:

General Fund

The General Fund is the general operating fund of the school board. It accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds

The special revenue funds account for the proceeds of specific revenue sources, such as state and federal grants, which are legally restricted to expenditures for specified purposes.

Debt Service Funds

The debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fiduciary Fund Type - Agency Funds

Agency funds account for assets held in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**C. GENERAL FIXED ASSETS AND
LONG-TERM OBLIGATIONS**

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in the

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

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

Based on the previous criteria, the school board has determined that there are no component units that are part of the reporting entity.

B. 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

Notes to the Financial Statements
As of and For The Year Ended June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Claiborne Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Claiborne 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 ten members who are elected for terms of four years.

The school board operates nine schools within the parish with a total enrollment of 3,011 pupils for the year ended June 30, 1996. 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.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government entities. The GASB has issued a codification of governmental accounting and financial reporting standards (1987). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

A. REPORTING ENTITY

As the governing authority of the parish school board, for reporting purposes, the Claiborne Parish School Board is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (school board), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement No. 14 establishes criteria for determining which component units should be considered part of the Claiborne Parish School Board for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

CLAIBORNE PARISH SCHOOL BOARD
 Homer, Louisiana
 GOVERNMENTAL FUND TYPE - GENERAL
 AND SPECIAL REVENUE FUNDS
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual, 1996

GENERAL FUND.....			...SPECIAL REVENUE FUNDS...		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
EXPENDITURES (CONTD.)						
Education: (Contd.)						
Support services: (Contd.)						
Food services	\$131,396	\$122,453	\$8,943	\$1,245,583	\$1,257,929	(\$12,346)
Central services	2,450	5,431	(2,981)			
Community service programs	6,660	9,464	(2,804)	501	401	100
Facilities acquisition and construction	20,000		20,000	143,200	163,653	(20,453)
Debt service	45,725	45,725				
Total expenditures	<u>10,405,653</u>	<u>10,318,566</u>	<u>87,087</u>	<u>3,556,843</u>	<u>3,482,034</u>	<u>74,809</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(522,457)</u>	<u>(411,122)</u>	<u>111,335</u>	<u>(231,046)</u>	<u>(190,136)</u>	<u>40,910</u>
OTHER FINANCING SOURCES (Uses)						
Sale or compensation for loss of fixed assets		200	200	2,991	2,991	
Operating transfers in	14,000	14,273	273			
Operating transfers out				(14,533)	(14,273)	260
Total other financing sources (uses)	<u>14,000</u>	<u>14,473</u>	<u>473</u>	<u>(11,542)</u>	<u>(11,282)</u>	<u>260</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(508,457)</u>	<u>(396,649)</u>	<u>111,808</u>	<u>(242,588)</u>	<u>(201,418)</u>	<u>41,170</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,522,703</u>	<u>1,623,202</u>	<u>100,499</u>	<u>1,321,213</u>	<u>1,386,401</u>	<u>65,188</u>
FUND BALANCES AT END OF YEAR	<u>\$1,014,246</u>	<u>\$1,226,553</u>	<u>\$212,307</u>	<u>\$1,078,625</u>	<u>\$1,184,983</u>	<u>\$106,358</u>

(Concluded)

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SCHOOL BOARD
Homer, 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, 1996

GENERAL FUND.....			...SPECIAL REVENUE FUNDS...		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES						
Local sources:						
Taxes:						
Ad valorem	\$613,290	\$626,755	\$13,465	\$582,300	\$573,853	(\$8,447)
Sales and use	1,200,000	1,207,494	7,494			
Food service				152,025	153,321	1,296
Earnings on investments	98,500	93,308	(5,192)	53,846	61,857	8,011
Other revenue from local sources	95,750	95,650	(100)	41,000	39,414	(1,586)
State sources:						
Unrestricted grants-in-aid	7,409,214	7,415,960	6,746	354,933	354,132	(801)
Restricted grants-in-aid	327,947	330,859	2,912	369	369	
Revenue in lieu of taxes	98,495	98,495				
Federal sources:						
Unrestricted grants-in-aid	40,000	38,923	(1,077)	14,533	14,273	(260)
Restricted grants-in-aid				2,126,791	2,094,679	(32,112)
Total revenues	<u>9,883,196</u>	<u>9,907,444</u>	<u>24,248</u>	<u>3,325,797</u>	<u>3,291,898</u>	<u>(33,899)</u>
EXPENDITURES						
Education:						
Instruction:						
Regular programs	5,002,016	4,930,467	71,549	12,300	10,167	2,133
Special programs	40,309	41,958	(1,649)	825,908	773,111	52,797
Special education programs	1,209,124	1,203,605	5,519			
Adult and continuing education programs	16,399	19,003	(2,604)	68,608	68,302	306
Vocational programs	450,527	441,488	9,039	35,476	34,826	650
Other instructional programs	176,617	172,101	4,516		385	(385)
Support services:						
Pupil support services	339,237	350,424	(11,187)	149,908	164,206	(14,298)
Instructional staff support	331,208	341,086	(9,878)	183,921	206,432	(22,511)
General administration	360,049	347,913	12,136	77,446	68,583	8,863
School administration	725,883	711,751	14,132	1,998	9,039	(7,041)
Business services	99,217	100,861	(1,644)	7,418	13,044	(5,626)
Operation and maintenance of plant services	633,980	659,708	(25,728)	706,399	616,379	90,020
Student transportation services	814,856	815,128	(272)	98,177	95,577	2,600

(Continued)

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
GOVERNMENTAL FUND TYPE
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances, 1996

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
EXPENDITURES (CONTD.)				
Education: (Contd.)				
Support services: (Contd.)				
Food services	\$122,453	\$1,257,929		\$1,380,382
Central services	5,431			5,431
Community service programs	9,464	401		9,865
Facilities acquisition and construction		163,653		163,653
Debt service	45,725		\$287,800	333,525
Total expenditures	<u>10,318,566</u>	<u>3,482,034</u>	<u>315,600</u>	<u>14,116,200</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(411,122)</u>	<u>(190,136)</u>	<u>25,789</u>	<u>(575,469)</u>
OTHER FINANCING SOURCES (Uses)				
Sale or compensation for loss of fixed assets	200	2,991		3,191
Operating transfers in	14,273			14,273
Operating transfers out		(14,273)		(14,273)
Total other financing sources (uses)	<u>14,473</u>	<u>(11,282)</u>	<u>NONE</u>	<u>3,191</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(396,649)</u>	<u>(201,418)</u>	<u>25,789</u>	<u>(572,278)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>1,623,202</u>	<u>1,386,401</u>	<u>443,074</u>	<u>3,452,677</u>
FUND BALANCES AT END OF YEAR	<u>\$1,226,553</u>	<u>\$1,184,983</u>	<u>\$468,863</u>	<u>\$2,880,399</u>

(Concluded)

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
GOVERNMENTAL FUND TYPE

Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$626,755	\$573,853	\$319,230	\$1,519,838
Sales and use	1,207,494			1,207,494
Food service		153,321		153,321
Earnings on investments	93,308	61,857	22,159	177,324
Other revenue from local sources	95,650	39,414		135,064
State sources:				
Unrestricted grants-in-aid	7,415,960	354,132		7,770,092
Restricted grants-in-aid	330,859	369		331,228
Revenue in lieu of taxes	98,495			
Federal sources:				
Unrestricted grants-in-aid	38,923	14,273		53,196
Restricted grants-in-aid		2,094,679		2,094,679
Total revenues	<u>9,907,444</u>	<u>3,291,898</u>	<u>341,389</u>	<u>13,540,731</u>
EXPENDITURES				
Education:				
Instruction:				
Regular programs	4,930,467	10,167		4,940,634
Special programs	41,958	773,111		815,069
Special education programs	1,203,605			1,203,605
Adult and continuing education programs	19,003	68,302		87,305
Vocational programs	441,488	34,826		476,314
Other instructional programs	172,101	385		172,486
Support services:				
Pupil support services	350,424	164,206		514,630
Instructional staff support	341,086	206,432		547,518
General administration	347,913	68,583	27,800	444,296
School administration	711,751	9,039		720,790
Business services	100,861	13,044		113,905
Operation and maintenance of plant services	659,708	616,379		1,276,087
Student transportation services	815,128	95,577		910,705

(Continued)

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1996

	GOVERNMENTALFUND TYPE.....			FIDUCIARY FUND TYPE -ACCOUNT GROUPS.....		TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	SCHOOL ACTIVITY AGENCY FUND	GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
ASSETS AND OTHER DEBITS							
Cash and cash equivalents	\$2,463,542	\$1,378,054	\$468,905	\$217,003			\$4,527,504
Receivables	37,817	204,873					242,690
Interfund accounts receivable	14,873	16,321					31,194
Interfund loans receivable	201,716						201,716
Inventory		22,822					22,822
Other assets	7,665						7,665
Land, buildings, equipment, and improvements					\$10,952,705		10,952,705
Amount available in the Debt Service Fund						\$468,863	468,863
Amount to be provided for retirement of general long-term obligations						1,442,486	1,442,486
TOTAL ASSETS AND OTHER DEBITS	\$2,725,613	\$1,622,070	\$468,905	\$217,003	\$10,952,705	\$1,911,349	\$17,897,645
LIABILITIES AND FUND EQUITY							
Liabilities:							
Cash overdraft		\$287	\$42				\$329
Accounts payable	\$11,817	31,045					42,862
Salaries payable	1,476,048	173,090					1,649,138
Interfund accounts payable	245	30,949					31,194
Interfund loans payable		201,716					201,716
Deferred revenue	10,950						10,950
Deposits due others				\$217,003			217,003
Bonds payable						\$1,296,000	1,296,000
Compensated absences payable						579,333	579,333
Lease purchase payable						36,016	36,016
Total Liabilities	<u>1,499,060</u>	<u>437,087</u>	<u>42</u>	<u>217,003</u>	<u>NONE</u>	<u>1,911,349</u>	<u>4,064,541</u>
Fund Equity:							
Investment in general fixed assets					\$10,952,705		10,952,705
Fund balances:							
Reserved for debt service			\$468,863				468,863
Reserved for inventory		22,822					22,822
Unreserved - designated for contingencies	406,349						406,349
Unreserved - designated for roofing		102,543					102,543
Unreserved - undesignated	820,204	1,059,618					1,879,822
Total Fund Balances	<u>1,226,553</u>	<u>1,184,983</u>	<u>468,863</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>2,880,399</u>
Total Fund Equity	<u>1,226,553</u>	<u>1,184,983</u>	<u>468,863</u>	<u>NONE</u>	<u>10,952,705</u>	<u>NONE</u>	<u>13,833,104</u>
TOTAL LIABILITIES AND FUND EQUITY	\$2,725,613	\$1,622,070	\$468,905	\$217,003	\$10,952,705	\$1,911,349	\$17,897,645

The accompanying notes are an integral part of this statement.

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Notes to the Financial Statements (Continued)

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem tax millages for the year ended June 30, 1996:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parishwide taxes:			
Constitutional	5.00	5.56	Indefinite
Maintenance	5.44	5.44	2005
Maintenance	5.44	5.44	2005
District taxes:			
Special revenue funds:			
District No. 11	3.26	3.59	1997
District No. 13	12.60	12.60	1997
District No. 16	4.00	3.91	2000
Debt service funds:			
District No. 1	Variable	6.00	2005
District No. 11	Variable	12.00	2002
District No. 16	Variable	2.75	2000
District No. 26	Variable	9.00	1997

The difference between authorized and levied millages is the result of reassessments of taxable property as required by Article 7, Section 18(f) of the Louisiana Constitution of 1974

The following are the principal taxpayers for the parish and their 1996 assessed valuations.

	<u>1996 Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Marathon Oil Company	\$3,291,740	4.80%
Ludlow Corporation	2,466,220	3.60%
Texas Gas Transmission	2,187,050	3.19%
Heard Producing Company, Inc	1,586,900	2.32%
Bellsouth Telecommunications	1,476,310	2.15%
Hunt Oil Company	1,433,830	2.09%
Louisiana Power and Light Company	1,412,280	2.06%
Claiborne Electric Co-Op., Inc.	1,225,340	1.79%
Oxy USA, Inc.	1,086,340	1.59%
Smith Operating & Mgmt.	744,300	1.09%
Total	<u>\$16,910,310</u>	<u>24.68%</u>

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For The Year Ended June 30, 1996

AGENCY FUNDS

SCHOOL ACTIVITY AGENCY FUND

The School Activity Agency Fund accounts for monies generated by the individual schools and organizations within the schools of the parish. While the school activity 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.

SALES TAX FUND

The Sales Tax Fund accounts for the collection and distribution of sales taxes by the sales tax department of the Claiborne Parish School Board on behalf of the five taxing authorities located within Claiborne Parish.

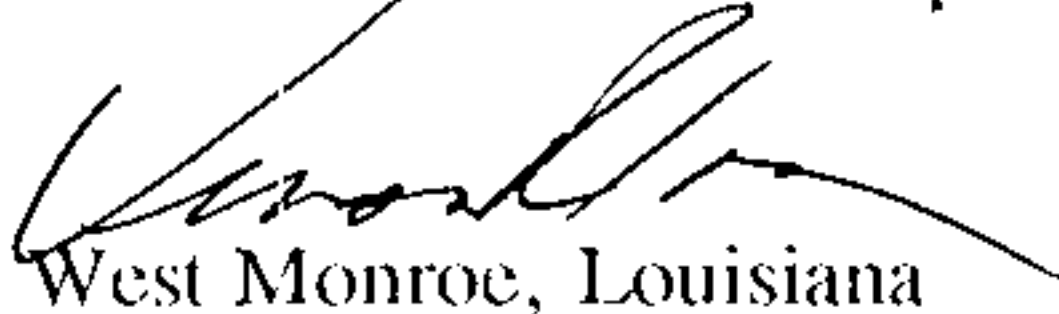
CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

Independent Auditor's Report
on Compliance, etc.

June 30, 1996

This report is intended for the information of members of the Claiborne Parish School Board, management of the school board, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be "W. Monroe", written over the printed name "West Monroe, Louisiana".

West Monroe, Louisiana

December 3, 1996

**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Major
Federal Financial Assistance Programs**

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

I have audited the general purpose financial statements of the Claiborne Parish School Board as of June 30, 1996 and for the year then ended, and have issued my report thereon dated December 3, 1996.

I have also audited the Claiborne Parish School Board's compliance with the requirements governing types of services allowed, eligibility, matching/level of effort, reporting, period of availability, carryover, participation of private school children, schoolwide programs, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Claiborne Parish School Board is responsible for the Claiborne Parish School Board's compliance with those requirements. My responsibility is to express an opinion on compliance with those requirements based on my audit.

I conducted my audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Claiborne Parish School Board's compliance with those requirements. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the Claiborne Parish School Board complied, in all material respects, with the requirements governing types of services allowed, eligibility, matching/level of effort, reporting, period of availability, carryover, participation of private school children, schoolwide programs, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

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CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

Independent Auditor's Report
on Compliance with Specific

Requirements, etc.,

June 30, 1996

This report is intended for the information of members of the Claiborne Parish School Board, management of the school board, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana

December 3, 1996



**Independent Auditor's Report on Compliance
With General Requirements Applicable to
Federal Financial Assistance Programs**

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

I have audited the general purpose financial statements of the Claiborne Parish School Board as of June 30, 1996 and for the year then ended, and have issued my report thereon dated December 3, 1996.

I have applied procedures to test the Claiborne Parish School Board's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

My procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Claiborne Parish School Board's compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to my attention that caused me to believe that the Claiborne Parish School Board had not complied, in all material respects, with those requirements.

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CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

Independent Auditor's Report

on Compliance, etc.

June 30, 1996

**Bank Deposits Should
Be Fully Secured**

Finding: At June 30, 1996, deposits with two financial institutions were not adequately covered by federal deposit insurance or the pledge of bank owned securities. Louisiana Revised Statutes (LRS) 39:1225 requires that the school board's bank deposits be fully secured at all times by either federal deposit insurance or pledged securities owned by the bank. Interfund loans affecting two banks were repaid on June 28, 1996 causing a major increase in bank balances that was not detected by the bank in a timely manner. Consequently, at June 30, 1996, the school board's deposits totaling \$5,788,160 were under secured by \$1,872,247.

Recommendation: I recommend that the school board monitor its deposits and require that banks provide security equal to one hundred percent of the amount on deposit at all times less the amount of deposits covered by federal deposit insurance.

Management's Response: The Claiborne Parish School Board conducts business at two depository banks. During the fiscal year, one of our depository banks changed hands twice: once in December 1995, then again in June 1996. As a result of the change-over in June 1996, pledged securities were not closely monitored by the new depository bank resulting in the deficiency in pledged securities at fiscal year-end. At our other depository bank, large deposit transfers were made at year-end but were not secured within the time-frame allowed by law. In the future when large transfers are made, the management will make every effort to notify the depository bank in order for deposits to be properly and timely collateralized. Currently, the Claiborne Parish School Board has adequately secured deposits at both depository banks. In addition, in order to insure proper collateralization is maintained, the business manager will verify on a regular basis with depository banks that deposits are adequately secured.

I considered this instance of noncompliance in forming my opinion on whether the school board's 1995-96 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated December 3, 1996, on those general purpose financial statements.

I also noted certain immaterial instances of noncompliance that I have reported to the management of the Claiborne Parish School Board in a separate letter dated December 3, 1996.



**Independent Auditor's Report on Compliance
With Laws, Regulations, Contracts and Grants**

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

I have audited the general purpose financial statements of the Claiborne Parish School Board as of June 30, 1996, and for the year then ended, and have issued my report thereon dated December 3, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Claiborne Parish School Board, is the responsibility of the Claiborne Parish School Board's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Claiborne Parish School Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, or contracts that cause me to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of my tests of compliance disclosed the following instances of noncompliance.

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**UNITED STATES DEPARTMENT
OF HEALTH AND HUMAN SERVICES**

Passed through Louisiana Department of Education -

Starting Points Preschool Program

Passed through Louisiana Department of Health and Hospitals -

Medical Assistance Program

Total United States Department of Health and Human Services

93.575	N/A	11.357	38.563	38.563	12.123
93.778	N/A	NONE	76.405	76.405	NONE
		<u>11.357</u>	<u>114.968</u>	<u>114.968</u>	<u>12.123</u>

**UNITED STATES DEPARTMENT
OF INTERIOR**

Passed through Louisiana Department of the Treasury -

Payment in -lieu-of taxes

NONE	N/A	NONE	38.923	38.923	NONE
		<u>\$283.858</u>	<u>\$2,147,875</u>	<u>\$2,147,875</u>	<u>\$204,138</u>

Total Federal Financial Assistance

* Major federal financial assistance programs

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

Schedule of Federal Financial Assistance
For the Year Ended June 30, 1996

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR NAME/ PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	ACCRUED REVENUE AT JULY 1, 1995	REVENUE RECOGNIZED	EXPENDITURES	ACCRUED REVENUE AT JUNE 30, 1996
UNITED STATES DEPARTMENT OF AGRICULTURE						
Passed through Louisiana Department of Education:						
National School Lunch Program	10.555 *	N/A	NONE	\$569,822	\$569,822	NONE
School Breakfast Program	10.553	N/A	NONE	238,458	238,458	NONE
Passed through Louisiana Department of Agriculture and Forestry -						
Food Distribution Program	10.550	N/A	NONE	78,006	78,006	NONE
Total United States Department of Agriculture			<u>NONE</u>	<u>886,286</u>	<u>886,286</u>	<u>NONE</u>
UNITED STATES DEPARTMENT OF EDUCATION						
Passed Through Louisiana Department of Education:						
Adult Education - State-Administered Basic Grant Program	84.002	N/A	3,480	37,219	37,219	3,698
ESEA Title I Grants to Local Educational Agencies 1996	84.010 *	96-018-14	235,583	721,012	721,012	149,121
ESEA Title I Grants to Local Educational Agencies Carryover	84.010	95-013-14	NONE	61,243	61,243	NONE
ESEA Title I Program Improvement Grant	84.010	N/A	NONE	4,000	4,000	NONE
Special Education:						
Handicapped - State Grants	84.027	96-FT-14	7,500	127,369	127,369	17,827
Handicapped - Preschool Incentive Grants	84.173	96-PF-14	108	37,579	37,579	6,381
Vocational Education:						
Basic Grants to States 1996	84.048	28-96-AP-2-B	1,294	35,054	35,054	2,042
Basic Grants to States Carryover	84.048	28-95-AP-2-B	NONE	157	157	NONE
Innovative Education Program Strategies	84.298	28-96-0014-6	5,031	18,631	18,631	4,839
Eisenhower Professional Development State Grants 1996	84.281	28-96-5014-II	14,138	16,511	16,511	2,363
Safe and Drug-Free Schools - State Grants 1996	84.186	28-96-7014-D	3,073	17,328	17,328	3,505
Passed through Louisiana Office of Family Support						
- Project Independence	93.561	N/A	2,294	31,595	31,595	2,239
Total United States Department of Education			<u>272,501</u>	<u>1,107,698</u>	<u>1,107,698</u>	<u>192,015</u>



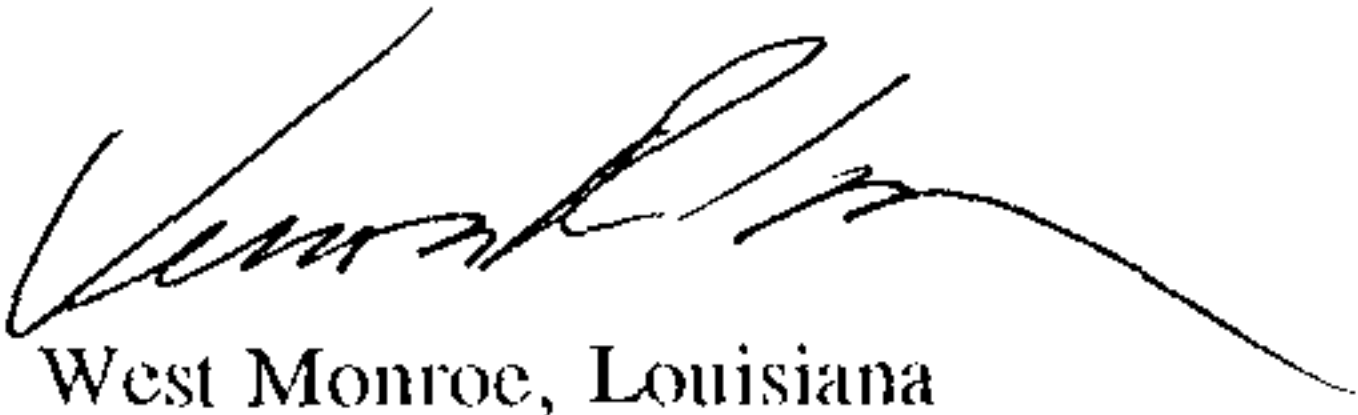
**Independent Auditor's Report on Supplementary
Schedule of Federal Financial Assistance**

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

I have audited the general purpose financial statements of the Claiborne Parish School Board as of June 30, 1996, and for the year then ended, and have issued my report thereon dated December 3, 1996. These general purpose financial statements are the responsibility of the Claiborne Parish School Board'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; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 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 financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Claiborne Parish School Board, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



West Monroe, Louisiana
December 3, 1996

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**Independent Auditor's Reports on Federal
Financial Assistance, Compliance with Laws,
Regulations, Contracts, and Grants,
and Internal Control Structure**

The following independent auditor's reports on the schedule of federal financial assistance; compliance with laws, regulations, contracts, and grants and internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States; the Office of Management and Budget's Circular A-128, *Audits of State and Local Governments*; the *Single Audit Act of 1984*; and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

CLAIBORNE PARISH SCHOOL BOARD
Homer, LouisianaSchedule of Compensation Paid Board Members
For The Year Ended June 30, 1996

A. J. Coleman	\$7,200
Juanita Cook	7,200
Stanley Edwards	7,200
B. Stewart Griffin	7,200
Aubrey Guinn	7,200
Danny Lee	7,200
Robert Sanders	7,200
Beverly Taylor	7,200
Donald Tucker	7,200
Guy G. Waldron, President	<u>7,200</u>
Total	<u>\$72,000</u>

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
For The Year Ended June 30, 1996

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the 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 \$600 per month.



**Independent Auditor's Report on Compliance With
Specific Requirements Applicable to Nonmajor
Federal Financial Assistance Program Transactions**

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

I have audited the general purpose financial statements of the Claiborne Parish School Board as of June 30, 1996 and for the year then ended, and have issued my report thereon dated December 3, 1996.

In connection with my audit of the general purpose financial statements of the Claiborne Parish School Board and with my consideration of the Claiborne Parish School Board's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audits of State and Local Governments*, I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed, eligibility, matching and period of availability that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Claiborne Parish School Board's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the Claiborne Parish School Board had not complied, in all material respects, with those requirements.

This report is intended for the information of the members of the Claiborne Parish School Board, management of the school board, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

West Monroe, Louisiana
December 3, 1996

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CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
SCHOOL ACTIVITY AGENCY FUND

Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 1996

<u>SCHOOL</u>	<u>BALANCE JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 1996</u>
Athens High	\$5,233	\$34,227	(\$32,411)	\$7,049
Haynesville Elementary	9,724	31,632	(33,058)	8,298
Haynesville Junior High	25,124	42,961	(41,408)	26,677
Haynesville High	57,909	146,901	(146,665)	58,145
Homer Elementary	29,706	62,166	(57,325)	34,547
Homer Junior High	16,351	54,523	(55,838)	15,036
Homer High	22,462	129,640	(131,349)	20,753
Pineview High	12,066	52,958	(52,586)	12,438
Summerfield High	27,239	47,667	(40,846)	34,060
Total	<u>\$205,814</u>	<u>\$602,675</u>	<u>(\$591,486)</u>	<u>\$217,003</u>

CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

Independent Auditor's Report
on Compliance with General
Requirements, etc.,
June 30, 1996

This report is intended for the information of members of the Claiborne Parish School Board, management of the school board, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be 'Vernon R. ...', written in a cursive style.

West Monroe, Louisiana
December 3, 1996

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
DEBT SERVICE FUNDS - SCHOOL DISTRICTS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	<u>NO. 1</u>	<u>NO. 11</u>	<u>NO. 16</u>	<u>NO. 26</u>	<u>TOTAL</u>
REVENUES					
Local sources:					
Ad valorem taxes	\$45,775	\$221,920	\$22,512	\$29,023	\$319,230
Earnings on investments	<u>3,403</u>	<u>16,412</u>	<u>1,133</u>	<u>1,211</u>	<u>22,159</u>
Total revenues	<u>49,178</u>	<u>238,332</u>	<u>23,645</u>	<u>30,234</u>	<u>341,389</u>
EXPENDITURES					
Support services - general administration	3,870	18,924	2,338	2,668	27,800
Debt service	<u>31,125</u>	<u>201,240</u>	<u>21,770</u>	<u>33,665</u>	<u>287,800</u>
Total expenditures	<u>34,995</u>	<u>220,164</u>	<u>24,108</u>	<u>36,333</u>	<u>315,600</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	14,183	18,168	(463)	(6,099)	25,789
FUND BALANCES AT BEGINNING OF YEAR	<u>72,831</u>	<u>320,319</u>	<u>25,421</u>	<u>24,503</u>	<u>443,074</u>
FUND BALANCES AT END OF YEAR	<u>\$87,014</u>	<u>\$338,487</u>	<u>\$24,958</u>	<u>\$18,404</u>	<u>\$468,863</u>

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
DEBT SERVICE FUNDS - SCHOOL DISTRICTS

Combining Balance Sheet, June 30, 1996

	<u>NO. 1</u>	<u>NO. 11</u>	<u>NO. 16</u>	<u>NO. 26</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	<u>\$87,014</u>	<u>\$338,487</u>	<u>\$25,000</u>	<u>\$18,404</u>	<u>\$468,905</u>
LIABILITIES AND FUND EQUITY					
Liabilities - cash overdraft			\$42		\$42
Fund Equity - fund balances - unreserved - undesignated	<u>\$87,014</u>	<u>\$338,487</u>	<u>24,958</u>	<u>\$18,404</u>	<u>468,863</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$87,014</u>	<u>\$338,487</u>	<u>\$25,000</u>	<u>\$18,404</u>	<u>\$468,905</u>

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For The Year Ended June 30, 1996

DEBT SERVICE FUNDS

**SCHOOL DISTRICTS NO. 1, NO. 11,
NO. 16, AND NO. 26 FUNDS**

The school district debt service funds accumulate monies for payment of the remaining bonds. The bonds were issued to acquire lands for building sites, to erect and improve school buildings, and to acquire necessary equipment and furnishings. The bonds are financed by special property tax levies on property within the territorial limits of the appropriate school districts.

EXCESS OF REVENUES OVER EXPENDITURES	9.783	NONE	731	263	233	248	11.258
OTHER FINANCING USES							
Operating transfers out	<u>(9.783)</u>	<u>NONE</u>	<u>(731)</u>	<u>(263)</u>	<u>(233)</u>	<u>(248)</u>	<u>(11.258)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	NONE	NONE	NONE	NONE	NONE	NONE	NONE
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCES AT END OF YEAR	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>	<u><u>NONE</u></u>

CLAIBORNE PARISH SCHOOL BOARD
 Homer, Louisiana
 SPECIAL REVENUE FUNDS - ELEMENTARY
 AND SECONDARY EDUCATION ACT

Combining Schedule of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 1996

	TITLE I	PROGRAM IMPROVEMENT	TITLE I CARRYOVER	TITLE VI	TITLE II	DRUG-FREE SCHOOLS	TOTAL
REVENUES							
Federal sources:							
Unrestricted grants-in-aid	\$9,783		\$731	\$263	\$233	\$248	\$11,258
Restricted grants-in-aid	711,229	\$4,000	60,512	18,368	16,278	17,080	827,467
Total revenues	<u>721,012</u>	<u>4,000</u>	<u>61,243</u>	<u>18,631</u>	<u>16,511</u>	<u>17,328</u>	<u>838,725</u>
EXPENDITURES							
Education:							
Instruction - special programs	565,973	4,000	24,630	16,601			611,204
Support services:							
Pupil support services						17,080	17,080
Instructional staff support	124,789		19,825		16,278		160,892
General administration				64			64
School administration				1,703			1,703
Plant services	14,898		16,057				30,955
Food services	1,893						1,893
Student transportation services	75						75
Community service programs	401						401
Facilities acquisition and construction	<u>3,200</u>						<u>3,200</u>
Total expenditures	<u>711,229</u>	<u>4,000</u>	<u>60,512</u>	<u>18,368</u>	<u>16,278</u>	<u>17,080</u>	<u>827,467</u>

CLAIBORNE PARISH SCHOOL BOARD
 Homer, Louisiana
 SPECIAL REVENUE FUNDS - ELEMENTARY AND
 SECONDARY EDUCATION ACT FUNDS

Combining Balance Sheet, June 30, 1996

	TITLE I	PROGRAM IMPROVEMENT	TITLE I CARRYOVER	TITLE VI	TITLE II	DRUG-FREE SCHOOLS	TOTAL
ASSETS							
Cash and cash equivalents	\$23,143	\$520	\$613	\$975	\$821	\$1,443	\$27,515
Receivables	149,022			4,839	2,363	3,505	159,729
Interfund accounts receivable	520						520
TOTAL ASSETS	<u>\$172,685</u>	<u>\$520</u>	<u>\$613</u>	<u>\$5,814</u>	<u>\$3,184</u>	<u>\$4,948</u>	<u>\$187,764</u>
LIABILITIES AND FUND EQUITY							
Liabilities:							
Salaries payable	\$81,857			\$2,051			\$83,908
Interfund accounts payable	3,971	\$520	\$9	263	\$233	\$248	5,244
Interfund loans payable	86,857		604	3,500	2,951	4,700	98,612
Total Liabilities	<u>172,685</u>	<u>520</u>	<u>613</u>	<u>5,814</u>	<u>3,184</u>	<u>4,948</u>	<u>187,764</u>
Fund Equity - fund balances - unreserved - undesignated	NONE	NONE	NONE	NONE	NONE	NONE	NONE
TOTAL LIABILITIES AND FUND EQUITY	<u>\$172,685</u>	<u>\$520</u>	<u>\$613</u>	<u>\$5,814</u>	<u>\$3,184</u>	<u>\$4,948</u>	<u>\$187,764</u>

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
SPECIAL REVENUE FUNDS - MAINTENANCE FUNDS

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1996

	<u>PARISHWIDE</u>	<u>DISTRICT 11</u>	<u>DISTRICT 13</u>	<u>DISTRICT 16</u>	<u>TOTAL</u>
REVENUES					
Taxes - ad valorem	\$288,645	\$66,391	\$186,809	\$32,008	\$573,853
Earnings on investments	18,234	2,374	21,044	2,240	43,892
State - unrestricted grants-in-aid	35,279	8,581	44,448		88,308
Total revenues	<u>342,158</u>	<u>77,346</u>	<u>252,301</u>	<u>34,248</u>	<u>706,053</u>
EXPENDITURES					
Education:					
Instruction:					
Regular programs	8,932		1,235		10,167
Support services:					
Student services		586			586
Pupil support services	117		8,705		8,822
General administration	37,200	5,585	15,540	2,920	61,245
School administration	7,336				7,336
Business services	7,654				7,654
Plant services	371,539	65,019	128,298	13,854	578,710
Student transportation services	49,529		44,976		94,505
Facilities acquisition and construction			115,079		115,079
Total expenditures	<u>482,307</u>	<u>71,190</u>	<u>313,833</u>	<u>16,774</u>	<u>884,104</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(140,149)	6,156	(61,532)	17,474	(178,051)
OTHER FINANCING SOURCE					
Sale or compensation for loss of fixed assets	<u>NONE</u>	991	2,000	<u>NONE</u>	2,991
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES	(140,149)	7,147	(59,532)	17,474	(175,060)
FUND BALANCES AT BEGINNING OF YEAR	<u>290,357</u>	<u>46,383</u>	<u>507,870</u>	<u>45,294</u>	<u>889,904</u>
FUND BALANCES AT END OF YEAR	<u>\$150,208</u>	<u>\$53,530</u>	<u>\$448,338</u>	<u>\$62,768</u>	<u>\$714,844</u>

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
SPECIAL REVENUE FUNDS - MAINTENANCE FUNDS

Combining Balance Sheet, June 30, 1996

	<u>PARISHWIDE</u>	<u>DISTRICT 11</u>	<u>DISTRICT 13</u>	<u>DISTRICT 16</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$168,390	\$69,211	\$439,276	\$63,140	\$740,017
Receivables	275		638		913
Interfund accounts receivable			15,556		15,556
TOTAL ASSETS	<u>\$168,665</u>	<u>\$69,211</u>	<u>\$455,470</u>	<u>\$63,140</u>	<u>\$756,486</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$16,952	\$125	\$7,132	\$372	\$24,581
Salaries payable	1,505				1,505
Interfund accounts payable			15,556		15,556
Total Liabilities	<u>18,457</u>	<u>15,681</u>	<u>7,132</u>	<u>372</u>	<u>41,642</u>
Fund Equity - fund balances:					
Unreserved - designated for roofing			102,543		102,543
Unreserved - undesignated	150,208	53,530	345,795	62,768	612,301
Total fund balances	<u>150,208</u>	<u>53,530</u>	<u>448,338</u>	<u>62,768</u>	<u>714,844</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$168,665</u>	<u>\$69,211</u>	<u>\$455,470</u>	<u>\$63,140</u>	<u>\$756,486</u>

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
SPECIAL REVENUE FUNDS

Combining Balance Sheet, June 30, 1996

	MAINTENANCE FUNDS	ESEA	SCHOOL LUNCH	SPECIAL EDUCATION	VOCATIONAL EDUCATION	PROJECT INDEPENDENCE	ADULT EDUCATION	MEDICAID	STARTING POINTS	TOTAL
ASSETS										
Cash and cash equivalents	\$740,017	\$27,515	\$590,288	\$6,204		\$282	\$6,322	\$6,610	\$816	\$1,378,054
Receivables	913	159,729		24,128	\$2,042	2,238	3,700		12,123	204,873
Interfund accounts receivable	15,556	520			245					16,321
Inventory			22,822							22,822
TOTAL ASSETS	<u>\$756,486</u>	<u>\$187,764</u>	<u>\$613,110</u>	<u>\$30,332</u>	<u>\$2,287</u>	<u>\$2,520</u>	<u>\$10,022</u>	<u>\$6,610</u>	<u>\$12,939</u>	<u>\$1,622,070</u>
LIABILITIES AND FUND EQUITY										
Liabilities:										
Cash overdraft					\$287					\$287
Accounts payable	\$24,581		\$6,464							31,045
Salaries payable	1,505	\$83,908	68,427				\$5,972	\$7,487	\$5,791	173,090
Interfund accounts payable	15,556	5,244	8,203	\$332		\$1,020	50		544	30,949
Interfund loans payable		98,612		30,000	2,000	1,500	4,000	59,000	6,604	201,716
Total Liabilities	<u>41,642</u>	<u>187,764</u>	<u>83,094</u>	<u>30,332</u>	<u>2,287</u>	<u>2,520</u>	<u>10,022</u>	<u>66,487</u>	<u>12,939</u>	<u>437,087</u>
Fund Equity - fund balances:										
Reserved for inventory	102,543		22,822							22,822
Unreserved - designated for roofing	612,301	NONE	507,194	NONE	NONE	NONE	NONE	(59,877)	NONE	102,543
Unreserved - undesignated	714,844	NONE	530,016	NONE	NONE	NONE	NONE	(59,877)	NONE	1,059,618
Total Fund Equity										1,184,983
TOTAL LIABILITIES AND FUND EQUITY	<u>\$756,486</u>	<u>\$187,764</u>	<u>\$613,110</u>	<u>\$30,332</u>	<u>\$2,287</u>	<u>\$2,520</u>	<u>\$10,022</u>	<u>\$6,610</u>	<u>\$12,939</u>	<u>\$1,622,070</u>

MEDICAID FUND

The Medicaid Fund is a federally financed program that provides financial assistance and related services to handicapped students.

STARTING POINTS FUND

The Starting Points Fund accounts for from the United States Department of Health and Human Services through the Louisiana Department of Education. The purpose of the program is to provide for early childhood development of at-risk four year old children in full day preschool programs.

CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

Independent Auditor's Report
on Internal Control Structure,
June 30, 1996

a. In order to produce an accurate delinquency listing, the tax returns of delinquent vendors will be reviewed to determine whether current delinquencies actually exist. Delinquencies that do not exist will be purged from the delinquency listing.

b. In order to prevent future keypunch errors, the tax period on the monthly returns will be highlighted when they are received in order to bring attention to the proper tax period for posting.

2. Although attempts are made to collect sales taxes from some delinquent vendors by mailing notices or making phone calls, the Claiborne Parish School Board has not been able to make attempts to collect sales taxes from all delinquent vendors due to the inaccurate delinquency listing which we hope to correct by applying the procedures outlined in #1 above.

3. With the limited staff handling sales tax, deposits were not being made timely. The Claiborne Parish School Board will require deposits to be made when feasible on the day of receipt or the next day thereafter.

4. In order to segregate the duties of the sales tax collector, the Claiborne Parish School Board will delegate a separate individual other than the sales tax collector to open sales tax mail, handle cash, and make deposits. The sales tax collector will still retain other responsibilities such as, but not limited to, maintaining current master lists, recording transactions, resolving sales tax discrepancies, preparing distributions to taxing bodies, and following up on delinquent taxpayers.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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.

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
SALES TAX FUND

Schedule of Changes in Deposit Due Others
For the Year Ended June 30, 1996

BALANCE, JULY 1, 1995	<u>NONE</u>
SALES TAX COLLECTIONS	<u>\$2,556,185</u>
SETTLEMENTS:	
School Board General Fund:	
Sales tax	1,207,494
Collections Fees	31,192
Police Jury	93,955
Town of Homer	785,961
Town of Haynesville	423,651
Junction City	<u>13,932</u>
Total settlements	<u>2,556,185</u>
BALANCE, JUNE 30, 1996	<u><u>NONE</u></u>

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CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and For The Year Ended
June 30, 1996
With Supplemental Information Schedules

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1996 JUN 12 11 01

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

General Purpose Financial Statements
With Independent Auditor's Report
As of and For The Year Ended
June 30, 1996
With Supplemental Information Schedules

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December 3, 1996

MANAGEMENT LETTER

MEMBER AMERICAN
INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC
ACCOUNTANTS

PRACTICE LIMITED TO
GOVERNMENTAL
ACCOUNTING, AUDITING
AND FINANCIAL REPORTING

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

In planning and performing my audit of the Claiborne Parish School Board's financial statements for the year ended June 30, 1996, certain matters came to my attention which I believe should be conveyed to management of the school board. These matters, while not appropriate for inclusion in the various auditor's reports accompanying the financial statements, are items which I believe should be brought to your attention.

**EXCESS BALANCES IN
DEBT SERVICE FUNDS**

Article VI, Section 33(B) of the Louisiana Constitution provides that the school board shall levy and collect ad valorem taxes sufficient to pay principal and interest on general obligation bonds as they mature. Likewise, Louisiana Revised Statute 39:569 (A) provides that the school board shall impose and collect annually, a tax sufficient in amount to pay the interest annually or semiannually and the principal falling due each year for any sinking fund necessary to retire said bonds. The attorney general has long held that only taxes necessary for the ensuing year's debt service requirements are to be levied and collected. At June 30, 1996, the Consolidated School District No. 1 and School District No. 11 Debt Service Funds had fund balances of \$87,014 and \$338,487 respectively. These balances exceed the funds debt service obligations for the ensuing year by \$57,452 and \$140,077 respectively. In addition, the Consolidated School District No. 26 Debt Service Fund has a fund balance of \$18,404 this balance is not sufficient to meet the principal and interest payments for the next year by \$18,521. The school board should monitor the balances in all its debt service funds and adjust millages levied so that the balances at year end do not materially exceed the ensuing year's debt service requirements.

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WEST MONROE,
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CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

Independent Auditor's Report
on Internal Control Structure, etc.,
June 30, 1996

For all of the internal control structure categories listed above, I obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and I assessed control risk.

During the year ended June 30, 1996, the Claiborne Parish School Board expended 60 per cent of its total federal financial assistance under major federal financial assistance programs.

I performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements and general requirements that are applicable to the school board's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

My consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operations that I consider to be material weaknesses as defined above.

This report is intended for the information of the members of the Claiborne Parish School Board, management of the school board, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana
December 3, 1996

CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana

Independent Auditor's Report

on Internal Control Structure, etc.,

June 30, 1996

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

For the purpose of this report, I have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting applications:

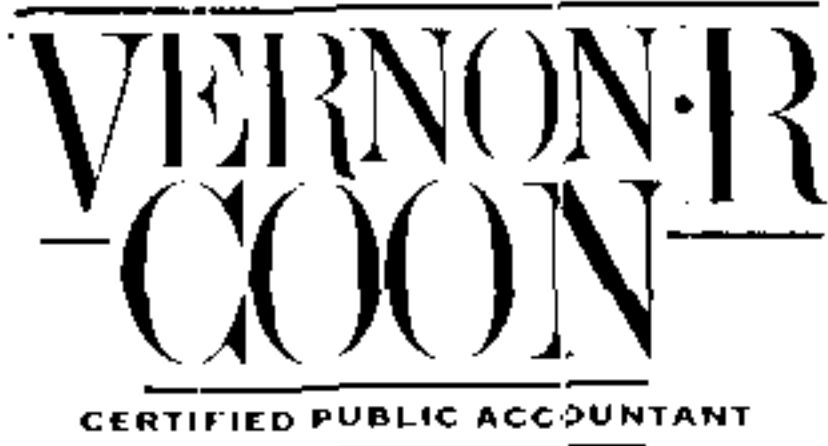
- Revenues/receipts
- Expenditures/disbursements
- Payroll/personnel
- Budgeting/budgetary reporting
- Electronic data processing

General Requirements:

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Drug-Free Workplace Act
- Allowable costs/cost principles
- Administrative requirements

Specific Requirements:

- Types of services allowed
- Eligibility
- Matching, level of effort
- Special requirements
- Claims for advances and reimbursements
- Amounts claimed or used for matching



**Independent Auditor's Report on Internal Control
Structure Used in Administering Federal
Financial Assistance Programs**

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana

I have audited the general purpose financial statements of the Claiborne Parish School Board as of June 30, 1996, and for the year then ended, and have issued my report thereon dated December 3, 1996. I have also audited the compliance of Claiborne Parish School Board with requirements applicable to major federal financial assistance programs and have issued my report thereon dated December 3, 1996.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether Claiborne Parish School Board complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing my audit for the year ended June 30, 1996, I considered the internal control structure of the Claiborne Parish School Board in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements of the Claiborne Parish School Board and on the compliance of the Claiborne Parish School Board with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of general purpose financial statements in a separate report dated December 3, 1996.

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CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana
Independent Auditor's Report
on Internal Control Structure,
June 30, 1996

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe the reportable condition describe above is not a material weakness.

This report is intended for the information of the members of the Claiborne Parish School Board, management of the school board, and interested state and federal agencies. This is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in black ink, appearing to be 'V. ...', written over a horizontal line.

West Monroe, Louisiana
December 3, 1996

CLAIBORNE PARISH SCHOOL BOARD
Homer, Louisiana
Contents, June 30, 1996

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CLAIBORNE PARISH SCHOOL BOARD

Homer, Louisiana
Management Letter
Page Two
June 30, 1996

**NEED TO COMPLY WITH
TAX PROPOSITIONS**

The tax propositions approved by the voters of School Districts No. 11 and No. 13 provide that the proceeds of the taxes are for the purpose of maintaining and operating school houses, buildings, and other related facilities in the school districts. The tax proposition for the parishwide tax states that it is to be used for the purpose of constructing, improving and maintaining school houses and property. During the year ended June 30, 1996, the school board purchased band instruments and supplies totaling \$1,524 from the District No. 11 Maintenance Fund. In addition, during the year ended June 30, 1996 the school board purchased supplies, band, athletic, and other equipment, and two activity busses totaling \$58,365 from the District No. 13 Maintenance Fund. The parishwide Maintenance Fund was used to purchase supplies, various equipment and furniture, and insurance totaling \$30,211. These expenditures do not appear to be consistent with the purposes of the taxes approved by the voters of the district. Because the tax propositions leave room for interpretation I recommend that the school board obtain an opinion from their attorney or from the Attorney General's office as to what type of expenditures constitute maintenance and operation.

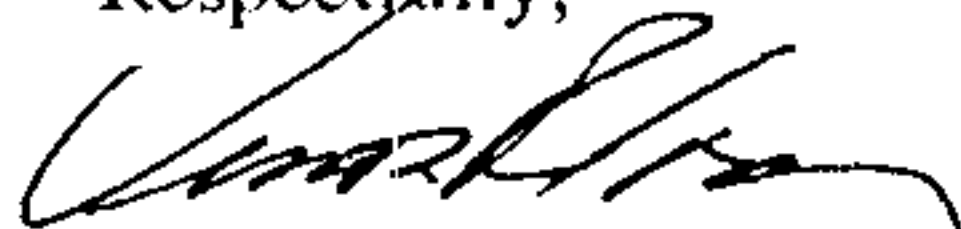
FAILURE TO COMPLY WITH PUBLIC BID LAW

It was noted that two busses totaling \$44,000 were purchased during the year without advertising for bids or properly declaring an emergency. While the school board declared an emergency during its regular July, 1995 meeting, the minutes of that meeting were not published within ten days. The purchase was made in response to notice by the Department of Education that vans would no longer be acceptable transportation for students. Louisiana Revised Statute 38:2212(D) addresses emergencies and requires that the school board certify that an emergency exists and publish notice of such declaration within ten days of the declaration. In the future, the school board should comply with the provisions of LRS 38:2212 (D) as it relates to the declaration of emergencies and maintain adequate documentation to demonstrate compliance with the statute.

GENERAL

I am available to assist the school board with any problems or questions they may have concerning the above or any other matters.

Respectfully,



Vernon R. Coon