

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

CONTENTS (Continued)

	<u>EXHIBIT</u>	<u>PAGE</u>
OTHER REPORTS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS</u> :		20
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		21-22
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		23
STATUS OF PRIOR AUDIT FINDINGS		24-25
REPORTABLE CONDITIONS		
Coushatta Elementary School	A	26
Coushatta High School	B	27-30
Hall Summit High School	C	31-32
Martin High School	D	33-35
Springville Middle School	E	36-39

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

CONTENTS (Continued)

	<u>SCHEDULE</u>	<u>PAGE</u>
SUPPLEMENTARY INFORMATION SCHEDULES		9
Coushatta Elementary School		
Balance Sheet - Cash Basis	1	10
Statement of Revenues, Expenditures and Changes in Account Balances - Cash Basis	2	11
Coushatta High School		
Balance Sheet - Cash Basis	3	12
Statement of Revenues, Expenditures and Changes in Account Balances - Cash Basis	4	13
Hall Summit High School		
Balance Sheet - Cash Basis	5	14
Statement of Revenues, Expenditures and Changes in Account Balances - Cash Basis	6	15
Martin High School		
Balance Sheet - Cash Basis	7	16
Statement of Revenues, Expenditures and Changes in Account Balances - Cash Basis	8	17
Springville Middle School		
Balance Sheet - Cash Basis	9	18
Statement of Revenues, Expenditures and Changes in Account Balances - Cash Basis	10	19

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996**

CONTENTS

	<u>STATEMENT</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT		1-2
FINANCIAL STATEMENTS - GENERAL AND RESTRICTED FUNDS:		
Balance Sheet - Cash Basis	A	3
Statement of Revenues, Expenditures and Changes in Fund Balances - Cash Basis	B	4
Statement of Changes in Restricted Funds	C	5
Notes to the Financial Statements		6-8

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT E

**REPORTABLE CONDITIONS
SPRINGVILLE MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

3. Employee Versus Independent Contractor

CONDITION: In testing cash disbursements, several instances of contract payments to one person for janitorial services were noted. This person was paid as contract labor but should have been paid through payroll.

REASON IMPROVEMENT NEEDED: All school employees should be paid through the School Board's payroll system.

CAUSE OF CONDITION: School officials were unaware that employees they considered temporary should be paid through payroll.

EFFECT OF CONDITION: Noncompliance with Internal Revenue Service and state payroll procedures.

RECOMMENDATION: All employees of the school system should be paid through the School Board's payroll.

MANAGEMENT'S RESPONSE: The former principal used this person to help the janitor clean the building. He was paid a certain amount each week. This was not my responsibility. It was not done the whole year, just for a few months. This type of payment has not nor will be made by me.

4. Test of Cash Disbursements

CONDITION: Out of 25 checks tested, the following was found:

1. Fourteen instances of the invoice not being canceled properly.
2. Four instances of payment made from the purchase order or a vendor statement.
3. Two instances of payment for reimbursement without supporting receipts.
4. Two instances of payments which were not current when compared to the invoices.
5. One instance of payment including past due charges, late charges, finance charges and sales/use tax.

REASON IMPROVEMENT NEEDED: To improve controls over disbursements, to prevent duplicate payments, and to prevent unnecessary payments.

CAUSE OF CONDITION: Unknown. This was also a finding at June 30, 1995.

EFFECT OF CONDITION: Poor control over disbursements cycle.

RECOMMENDATION: All disbursements should be made promptly from the original invoice; the invoice should be properly defaced to avoid duplicate payment by stamping the invoice PAID; reimbursements should require supporting receipts or invoices; and only allowable charges should be paid.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT D

**REPORTABLE CONDITIONS
MARTIN HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

5. Concession Receipts

CONDITION: The school does not take a physical inventory of concession items on a frequent basis, and there is no reconciliation of receipts to sales.

REASON IMPROVEMENT NEEDED: Physical inventories allow a reconciliation of total receipts to total sales. No such reconciliation can be performed at the current time.

CAUSE OF CONDITION: School personnel did not realize that a physical inventory needed to be taken frequently.

EFFECT OF CONDITION: Poor controls exist over cash receipts from concessions.

RECOMMENDATION: Physical inventories of concessions should be performed frequently. With this information, a reconciliation of receipts to sales should be prepared.

MANAGEMENT'S RESPONSE: We are studying methods of doing such that are efficient and feasible for us.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT D

**REPORTABLE CONDITIONS
MARTIN HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

3. Test of Cash Disbursements (Continued)

REASON IMPROVEMENT NEEDED: To improve controls over cash disbursements, to ensure that payments are not made more than once, and to ensure that no unnecessary payments are made. This was also a finding at June 30, 1995.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: No support for expenditure and possibility of an invoice being paid twice.

RECOMMENDATION: Payments should only be made from vendor's original invoice or other proper documentation and the invoice should be stamped PAID upon payment.

MANAGEMENT'S RESPONSE: Some disbursements do not have accompanying invoices. In this case we have the payee sign the accounting sheet which would have been attached to the invoice. Since the invoices are attached to said sheets with the check information on it there is little need to write canceled on them.

4. Financial Reporting

CONDITION: The school codes checks and deposits to the same account so that revenues and expenses are netted. The school also miscoded some deposits to incorrect accounts.

REASON IMPROVEMENT NEEDED: To accurately account for revenues and expenses and to ensure that an accurate financial report is presented to the School Board.

CAUSE OF CONDITION: The school has not been on a computerized accounting system for long and are just now becoming familiar with accounting software.

EFFECT OF CONDITION: The financial statements prepared by the school are inaccurate in that revenues and expenses are netted and miscoded.

RECOMMENDATION: The school should correctly code deposits to revenue accounts and checks to expense accounts.

MANAGEMENT'S RESPONSE: This has been changed to meet the requirement set by auditors.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT D

**REPORTABLE CONDITIONS
MARTIN HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

1. Test of Cash Receipts.

CONDITION: Out of 50 receipts tested, seven were not deposited timely.

REASON IMPROVEMENT NEEDED: To ensure proper controls over cash receipts.

CAUSE OF CONDITION: The school's bank is not located near the school. Receipts are held for several days at the school until the employee responsible for making deposits goes to the bank.

EFFECT OF CONDITION: Weakens controls over safeguarding of assets.

RECOMMENDATION: All deposits should be made timely.

MANAGEMENT'S RESPONSE: School Board policy requires us to make deposits once a week. In the past, we have exceeded that limit. However, we are currently trying to make improvements which will change this.

2. Admission Fees

CONDITION: The school does not adequately account for admission fees to school events.

REASON IMPROVEMENT NEEDED: To improve internal controls over school event receipts and to ensure all receipts from ticket sales to school events are adequately accounted for.

CAUSE OF CONDITION: Prenumbered tickets are not used to control the admission fees. School personnel rely on a head count taken at the door to verify the amount of admission fees.

EFFECT OF CONDITION: Controls over admission receipts are poor and receipts cannot be reconciled.

RECOMMENDATION: Prenumbered tickets should be utilized to obtain an admission count for school events. Receipts should be reconciled to the admission count.

MANAGEMENT'S RESPONSE: We are considering several different means of eliminating this condition in order to comply with the auditors request.

3. Test of Cash Disbursements

CONDITION: Out of 25 cash disbursements tested, the following were found:

1. One instance of no invoice or other proper documentation.
2. One instance of invoice not being canceled.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT C

**REPORTABLE CONDITIONS
HALL SUMMIT HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

3. Concession Receipts

CONDITION: The school does not take a physical inventory of concession items on a frequent basis, and there is no reconciliation of receipts to sales.

REASON IMPROVEMENT NEEDED: Physical inventories allow a reconciliation of total receipts to total sales. No such reconciliation can be performed at the current time.

CAUSE OF CONDITION: School personnel did not realize that a physical inventory needed to be taken frequently.

EFFECT OF CONDITION: Poor controls exist over cash receipts from concessions.

RECOMMENDATION: Physical inventories of concessions should be performed frequently. With this information, a reconciliation of receipts to sales should be prepared.

MANAGEMENT'S RESPONSE: We will implement a procedure for reconciling receipts to sales and we will also begin taking a physical inventory on a regular basis.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT C

**REPORTABLE CONDITIONS
HALL SUMMIT HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

1. Test of Cash Receipts

CONDITION: Out of 25 cash receipts tested, five of the receipts were not deposited intact. In all cases, a portion of the cash receipt was used for a petty cash reimbursement.

REASON IMPROVEMENT NEEDED: To adequately ensure that all cash receipts are accounted for by being deposited into each school's bank account.

CAUSE OF CONDITION: Use of part of the receipts to make petty cash reimbursement.

EFFECT OF CONDITION: The school does not have adequate internal control over their cash receipts.

RECOMMENDATION: All receipts should be deposited intact.

MANAGEMENT'S RESPONSE: We will discontinue the practice of holding money from deposits. In the future, all petty cash reimbursements will be made by check.

2. Test of Cash Disbursements

CONDITION: Out of 25 checks tested, the following were found:

1. Thirteen instances of the invoice not being properly canceled.
2. Five instances of no verification of receipt of the goods or services.

REASON IMPROVEMENT NEEDED: To ensure that invoices are not paid more than once and to ensure that goods paid for are received by the school.

CAUSE OF CONDITION: Canceled checks were stapled to invoices in order to cancel the invoice. No employee signed for or otherwise documented when goods were received. This was also a finding at June 30, 1995.

EFFECT OF CONDITION: Poor controls over cash disbursements.

RECOMMENDATION: The original invoice used to make payment should be stamped PAID and the employee responsible for receiving the goods or services should indicate receipt on the face of the original invoice.

MANAGEMENT'S RESPONSE: We will begin stamping all invoices PAID and stamp all invoices for orders as RECEIVED and have the employee sign for the goods.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA**

Schedule 8

**MARTIN HIGH SCHOOL
General and Restricted Accounts
Statement of Revenues, Expenditures,
and Changes in Account Balances - Cash Basis
For the Year Ended June 30, 1996**

	OPERATING ACCOUNT	RESTRICTED ACCOUNT
REVENUES	\$ 32,346	\$
Athletics	11,587	
Administration		13,546
Club and class accounts	24,000	
Concessions		
Courtesy fund		
Daycare		
Fund raisers	19,079	
Instruction	1,265	
Maintenance	6,357	
Miscellaneous	15,569	
Other	5,416	
School publications		
Summer school		
Total revenues	\$ 115,619	\$ 13,546
 EXPENDITURES	 \$ 32,885	 \$
Athletics	11,277	
Administration		12,576
Club and class accounts	26,027	
Concessions		
Courtesy fund		
Daycare		
Fund raisers	15,727	
Instruction	205	
Maintenance	4,752	
Miscellaneous	8,221	
Other	2,858	
School publications		
Summer School		
Total expenditures	\$ 101,952	\$ 12,576
 EXCESS OF REVENUES OVER EXPENDITURES	 \$ 13,667	 \$ 970
Account Balance at June 30, 1995	3,725	(1,148)
Account Balance at June 30, 1996	\$ 17,392	\$ (178)



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT

BOARD MEMBERS
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

We were engaged to audit the financial statements of the School Activity Fund of Red River Parish School Board as of and for the year ended June 30, 1996. These financial statements are the responsibility of Red River Parish School Board's management.

The schools have not maintained adequate records for cash receipts and disbursements. Accordingly, we were unable to extend our auditing procedures sufficiently to determine the extent to which the financial statements may have been affected by these conditions. Management has refused to provide written representations as to its responsibility for the fair presentation of the financial statements and other matters which could materially affect the amounts and classification of items included in the financial statements. Such representations are required under generally accepted auditing standards.

Since the schools have not maintained adequate records for cash receipts and disbursements and we were not able to apply other auditing procedures to satisfy ourselves as to the extent to which the financial statements are affected by these matters, and since the management of the School Board has refused to provide written representations as noted in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements.

In accordance with Government Auditing Standards, we have issued a report dated October 3, 1996 on our consideration of the School Activity Fund's internal control structure and a report dated October 3, 1996 on its compliance with laws and regulations.

As discussed in Note 1, the financial statements present only the School Activity Fund and are not intended to present fairly the financial position and results of operations of Red River Parish School Board, in conformity with generally accepted accounting principles. Also as discussed in Note 1, the School Activity Fund of Red River Parish School Board prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA**

Schedule 10

**SPRINGVILLE MIDDLE SCHOOL
General and Restricted Accounts
Statement of Revenues, Expenditures,
and Changes In Account Balances - Cash Basis
For the Year Ended June 30, 1996**

	OPERATING ACCOUNT
REVENUES	
Athletics	\$ 4,188
Administration	9,881
Club and class accounts	
Concessions	6,342
Courtesy fund	
Daycare	
Fees	
Fund raisers	2,164
Instruction	3,353
Maintenance	11
Miscellaneous	
Other	2,151
School publications	
Summer school	
Total revenues	\$ 28,090
 EXPENDITURES	
Athletics	\$ 2,338
Administration	14,443
Club and class accounts	
Concessions	3,803
Courtesy fund	
Daycare	
Fees	
Fund raisers	1,726
Instruction	1,751
Maintenance	1,425
Miscellaneous	
Other	3,897
School publications	0
Summer School	
Total expenditures	\$ 29,383
 EXCESS OF REVENUES OVER EXPENDITURES	\$ (1,293)
Account Balance at June 30, 1995	2,189
Account Balance at June 30, 1996	\$ 896

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT E

**REPORTABLE CONDITIONS
SPRINGVILLE MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

6. Bank Reconciliation (Continued)

RECOMMENDATION: Reconcile bank statements correctly and review and eliminate any differences. Any outstanding checks or deposits carried over to the next month should be investigated.

MANAGEMENT'S RESPONSE: My attempt to reconcile in June was hampered by uncleared transactions in the past. I returned to past bank statements to locate cleared checks, but was unable to make Quicken respond to the clearing of the check. Closing out a year with no knowledge of how things were deposited, recorded, coded or spent made the process very difficult. Since I will be setting up for the year, I think I will be able to reconcile correctly each month.



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

BOARD MEMBERS
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

We were engaged to audit the financial statements of the School Activity Fund of the Red River Parish School Board as of and for the year ended June 30, 1996 and have issued our report thereon dated October 3, 1996. Our report stated that because the schools have not maintained adequate records for cash receipts and disbursements and management has refused to provide written representations, the scope of our work was not sufficient to enable us to express, and we did not express, an opinion on the financial statements.

We conducted our procedures in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

As discussed in Note 1, the financial statements present only the School Activity Fund of the Red River Parish School Board and are not intended to present fairly the financial position and results of operation of the Red River Parish School Board in conformity with generally accepted accounting principles.

In planning and performing our procedures to the extent they were performed for the year ended June 30, 1996, we considered the internal control structure of the School Activity Fund of the Red River Parish School Board in order to determine the procedures that would be necessary for issuing an opinion on the financial statements and not to provide assurance on the internal control structure.

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

BOARD MEMBERS
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. These conditions are listed by school in Exhibits A through E.

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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control 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. We believe the following reportable conditions are also material weaknesses:

- Exhibit B, #1, #2, #3, #4 and #6
- Exhibit C, #1, #2 and #3
- Exhibit D, #4 and #5
- Exhibit E, #1, #4 and #5

This report is intended solely for the use of the Board Members and management, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Allen Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
October 3, 1996



ALLEN, GREEN & ROBINETTE, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS
2414 FERRAND STREET
MONROE, LOUISIANA 71201

ERNEST L. ALLEN, CPA
(A PROFESSIONAL ACCOUNTING CORPORATION)

TIMOTHY J. GREEN, CPA
BONNIE T. ROBINETTE, CPA

MAIL ADDRESS:
POST OFFICE BOX 6075
MONROE, LA 71211-6075
TELEPHONE (318) 388-4422
FAX (318) 388-4664

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

BOARD MEMBERS
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

We were engaged to audit the financial statements of the School Activity Fund of the Red River Parish School Board as of and for the year ended June 30, 1996 and have issued our report thereon dated October 3, 1996. Our report stated that because the schools have not maintained adequate records for cash receipts and disbursements and management has refused to provide written representations, the scope of our work was not sufficient to enable us to express, and we did not express, an opinion on the financial statements.

As discussed in Note 1, the financial statements present only the School Activity Fund of the Red River Parish School Board and are not intended to present fairly the financial position and results of operation of the Red River Parish School Board in conformity with generally accepted accounting principles.

Compliance with laws and regulations applicable to the School Activity Fund of the Red River Parish School Board is the responsibility of management of the School Board. Except as described in the first paragraph, we performed tests of the School Activity Fund's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the use of the Board Members and management, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which is a matter of public record.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
October 3, 1996

**OFFICIAL
FILE COPY**
DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 1996
WITH SUPPLEMENTAL INFORMATION**

RECEIVED
LEGISLATIVE AUDITOR
97 JAN -2 AM 11:52

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

Release Date JAN 08 1997

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT B

**REPORTABLE CONDITIONS
COUSHATTA HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

6. Vendors' Open Accounts (Continued)

MANAGEMENT'S RESPONSE: A purchase order number (PO#) is needed for any item not paid directly by school check. Obtain the number through the secretary or the principal. Give the number to the vendor and make sure that the number is recorded on the invoice.

No bills may be charged to the school or to the district funds without explicit authorization of the principal. Exception: some staff members have job descriptions which routinely involve purchase to carry out their responsibility (e.g. lawn care, cleaning supplies, cafeteria supplies, concessions).

Staff authorized to make fuel purchases are required to follow the audit and purchase procedures established by the Red River Parish School Board: signature, identity of vehicle, license, odometer, recording, trip or use. Small engine, lawn mower, oil, etc. should be clearly identified as to purpose.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

**STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1996**

COUSHATTA HIGH SCHOOL

1. Test of Cash Receipts

This finding has been corrected.

2. Test of Disbursements

See current year finding #2.

3. Athletic Donation Account

See current year finding #3.

HALL SUMMIT HIGH SCHOOL

1. Record Keeping of Cash Receipts and Disbursements

This finding has been corrected.

2. Tests of Disbursements

See current year finding #2.

3. Test of Cash Receipts

See current finding #1.

4. Inventory of Concessions

See current year finding #3.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

**STATUS OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1996**

MARTIN HIGH SCHOOL

1. **Test of Disbursements**

See current year finding #3.

2. **Financial Reporting**

See current year finding #4.

SPRINGVILLE MIDDLE SCHOOL

1. **Disbursements**

See current year finding #4.

2. **Financial Reporting**

See current year finding #5.

3. **Bank Reconciliation**

See current year finding #6.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT A

**REPORTABLE CONDITIONS
COUSHATTA ELEMENTARY SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

1. Test of Cash Receipts

CONDITION: Out of 25 receipts tested, thirteen were not deposited timely.

REASON IMPROVEMENT NEEDED: To strengthen controls over cash receipts.

CAUSE OF CONDITION: Cash collections were held for several days before a deposit was made.

EFFECT OF CONDITION: Weakens controls over safeguarding of assets.

RECOMMENDATION: All deposits should be made timely and should be reconciled to the deposit detail.

MANAGEMENT'S RESPONSE: We will make deposits on a timely basis.

2. Test of Cash Disbursements

CONDITION: Out of 25 disbursements tested, the following were found:

1. One instance of invoice not being canceled properly.
2. Eight instances of no evidence of the receipt of the goods or services.

REASON IMPROVEMENT NEEDED: To avoid payment of invoices more than once and to document receipt of goods or services.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Invoices could potentially be paid multiple times and no assurance is provided that the school received the goods.

RECOMMENDATION: Original invoices should be stamped PAID after payment and where applicable the employee responsible for receiving the goods or services should acknowledge receipt on the face of the original invoice.

MANAGEMENT'S RESPONSE: We will sign all invoices. We will mark all invoices PAID.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT B

**REPORTABLE CONDITIONS
COUSHATTA HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

1. Advances and Cash Receipts

CONDITION: Of six cash disbursements for advances tested, the following were noted:

1. Three of the advances had no supporting cash receipt showing refund of advance not spent.
2. Two of the advances had no invoices or receipts verifying the use of the advance nor a cash receipt showing refund of any portion of the advance not spent.

REASON IMPROVEMENT NEEDED: To improve controls over cash disbursements and receipts.

CAUSE OF CONDITION: Receipts were not required by the school for advances spent and a reconciliation of advance spent to supporting receipts was not performed.

EFFECT OF CONDITION: Inadequate controls over cash, resulting in cash disbursements and receipts being unaccounted for.

RECOMMENDATION: All advances should require a reconciliation to receipts for expenditures. A cash receipt should be issued for any portion of the advance returned.

MANAGEMENT'S RESPONSE: A cash advance for a trip or purchase is not the preferred way of conducting business. However, there are instances in which this is the only realistic manner of handling the finances of the trip. Those instances shall be approved by the principal in advance and budget arranged. A check will be issued to the party for the amount of the budget. Upon completion of the purchase or trip, properly signed invoices, cash tickets and records of the expense shall be submitted to the office. A receipt shall be given for any cash returned. A reconciliation from the office shall be given for signature as soon as possible.

2. Test of Cash Disbursements

CONDITION: Out of 30 cash disbursements tested, the following were found:

1. Ten instances of invoices not being canceled properly.
2. Four instances of no evidence of receipt of goods or services.
3. One instance of invoice amount not agreeing to check amount.
4. Seven instances of payment made from other than proper documentation.
5. Two instances of invoice date not being current compared to check date.

REASON IMPROVEMENT NEEDED: To ensure that goods and services are received; to ensure that payments are made and recorded properly; and to avoid paying invoices multiple times.

CAUSE OF CONDITION: Unknown. This was also a finding at June 30, 1995.

EFFECT OF CONDITION: Inadequate controls over disbursements cycle.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT B

**REPORTABLE CONDITIONS
COUSHATTA HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

2. Test of Cash Disbursements (Continued)

RECOMMENDATION: Payments should only be made from vendor's original invoice; if applicable, the invoice should be signed by the person receiving the goods or services; amounts per invoice should agree to amount of check; and invoices should be stamped PAID after payment has been made.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

3. Athletic Donation Account

CONDITION: The school maintains a separate bank account for proceeds from a donation restricted to athletics. The transactions in this account were not entered on the computer and were not reported to the School Board. Also, a coach who was an authorized check signer of the account was not covered in the School Board bonding insurance policy.

REASON IMPROVEMENT NEEDED: To comply with School Board policy requiring monthly financial reporting to the Board and to ensure proper controls over a restricted bank account.

CAUSE OF CONDITION: Unknown. This was also a finding at June 30, 1995.

EFFECT OF CONDITION: Noncompliance with School Board policies and inadequate controls over a restricted bank account.

RECOMMENDATION: The school should integrate accounting and reporting of any special accounts with accounting software already in place. Reports should be made to the Board monthly. All check signers should be added to bonding policy.

MANAGEMENT'S RESPONSE: This account was closed.

4. Financial Reporting

CONDITION: The school had not prepared a year-to-date financial report for its general fund which must be turned in to the School Board. Records were entered only through November 1995.

REASON IMPROVEMENT NEEDED: To comply with School Board policy.

CAUSE OF CONDITION: A fire destroyed the school's computer and all computerized records. The year's computerized records had to be recreated. The principal resigned after the 1995-1996 school year and left the accounting records incomplete.

EFFECT OF CONDITION: Noncompliance with School Board policy and auditors had to complete financials.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT B

**REPORTABLE CONDITIONS
COUSHATTA HIGH SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

4. Financial Reporting (Continued)

RECOMMENDATION: The school should ensure that proper reporting is made to the School Board and financial records are up-to-date.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

5. Bank Reconciliation

CONDITION: The June 1996 bank reconciliation was prepared incorrectly in that several old checks and deposits were listed as outstanding when they had cleared in previous months.

REASON IMPROVEMENT NEEDED: To ensure that cash is accounted for correctly.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: Cash was reported incorrectly at June 30, 1996.

RECOMMENDATION: Reconcile bank statements correctly and review and eliminate any differences.

MANAGEMENT'S RESPONSE: We will comply with the auditors' recommendation.

6. Vendors' Open Accounts

CONDITION: Coushatta High had charge accounts at several businesses with unpaid balances totaling \$42,037 at June 30, 1996. The school was unable to pay these balances and the School Board had to assume this liability.

REASON IMPROVEMENT NEEDED: To strengthen controls over use of charge accounts.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: The School Board had to assume the liability of the school.

RECOMMENDATION: We recommend the schools not be allowed to open a charge account without the approval of the School Board. Authorized users should also be approved by the School Board and the business manager should be informed that charges are only to be allowed with a purchase order number.

SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA

Schedule 9

SPRINGVILLE MIDDLE SCHOOL
Balance Sheet - Cash Basis
June 30, 1996

	OPERATING ACCOUNT
ASSETS	
Cash in bank	\$ 896
Total assets	\$ 896 =====
LIABILITIES AND ACCOUNT BALANCES	
Operating account balance	\$ 896
Restricted account balance	
Total liabilities and account balances	\$ 896 =====

SCHOOL ACTIVITY FUND
 RED RIVER PARISH SCHOOL BOARD
 COUSHATTA, LOUISIANA

Schedule 2

COUSHATTA ELEMENTARY SCHOOL
 General and Restricted Accounts
 Statement of Revenues, Expenditures,
 and Changes in Account Balances - Cash Basis
 For the Year Ended June 30, 1996

	OPERATING ACCOUNT
REVENUES	\$
Athletics	18,465
Administration	
Club and class accounts	4,495
Concessions	157
Courtesy fund	5,733
Daycare	8,763
Fund raisers	6,423
Instruction	3,598
Maintenance	1,932
Miscellaneous	
Other	
School publications	1,590
Summer school	
Total revenues	\$ 51,156
EXPENDITURES	\$
Athletics	12,586
Administration	
Club and class accounts	3,539
Concessions	
Courtesy fund	6,861
Daycare	6,011
Fund raisers	4,847
Instruction	5,132
Maintenance	1,451
Miscellaneous	
Other	
School publications	205
Summer School	
Total expenditures	\$ 40,632
EXCESS OF REVENUES OVER EXPENDITURES	\$ 10,524
Account Balances at June 30, 1995	\$ 5,126
Account Balances at June 30, 1996	\$ 15,650

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD**

EXHIBIT E

**REPORTABLE CONDITIONS
SPRINGVILLE MIDDLE SCHOOL
FOR THE YEAR ENDED JUNE 30, 1996**

1. Test of Cash Receipts

CONDITION: The school did not issue receipts for any monies received.

REASON IMPROVEMENT NEEDED: To improve controls over cash receipts.

CAUSE OF CONDITION: Unknown.

EFFECT OF CONDITION: All receipts can not be adequately accounted for.

RECOMMENDATION: The school should issue a prenumbered receipt for any monies received. All receipts should be accounted for.

MANAGEMENT'S RESPONSE: The former principal left his job on May 15. We finished the year out in the manner set by the principal, Mr. Myers. As interim principal, we began issuing receipts July 1, 1996 and are using receipts now. These receipts are written by Mrs. Webb, the secretary. I did not manage finances last year.

2. School Concessions

CONDITION: There is a lack of segregation of duties in that beginning and ending inventory counts, cash receipt, and receipt to sales reconciliation functions are all performed by a single employee.

REASON IMPROVEMENT NEEDED: Controls over concession receipts are inadequate.

CAUSE OF CONDITION: One employee performs all duties.

EFFECT OF CONDITION: Lack of segregation of duties weakens controls over concession sales.

RECOMMENDATION: The employee responsible for cash collection should not take beginning or ending inventory nor perform the reconciliation. One employee should count the inventory and perform a reconciliation of receipts to sales and a second should receive the cash.

MANAGEMENT'S RESPONSE: Concessions were sold at ball games and at some break times during the school year. The workers were given supplies, not counted, and money was turned in to me after a count was made. The money was recounted and any supplies were secured for the next activity. I then turned in the money to the secretary, who made out the bank deposit. I made daily bank deposits.

Concessions at athletic events beginning in August consist only of popcorn. This can not be inventoried. Two people work the concession stand. The money is counted and turned in to me. I sign for it, then turn it in to the secretary to recount and deposit. Moneys from the drink machine are collected daily by the coordinator. This money is counted and turned in to the secretary for deposit. A revenue sheet is filled out and submitted with the money. The janitor and coordinator fill the machines.

BOARD MEMBERS
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana

We were engaged to audit the financial statements of the School Activity Fund of Red River Parish School Board for the purpose of forming an opinion on those statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the School Activity Fund financial statements of Red River Parish School Board. As discussed in the second and third paragraphs above, the scope of our work was not sufficient to enable us to express an opinion on the financial statements. Similarly, we are unable to express, and do not express, an opinion on the accompanying supplemental information.

Allen, Green & Robinette

ALLEN, GREEN & ROBINETTE, L.L.P.

Monroe, Louisiana
October 3, 1996

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA**

Schedule 6

**HALL SUMMIT HIGH SCHOOL
General and Restricted Accounts
Statement of Revenues, Expenditures,
and Changes in Account Balances - Cash Basis
For the Year Ended June 30, 1996**

	OPERATING ACCOUNT	RESTRICTED ACCOUNT
REVENUES		
Athletics	\$ 6,095	\$
Administration	6,585	
Club and class accounts		13,550
Concessions	19,710	
Courtesy fund		
Daycare		
Fund raisers		
Instruction	8,306	
Maintenance	7,554	
Miscellaneous	69	
Other		
School publications	4,358	
Summer school		
Total revenues	\$ 52,677	\$ 13,550
 EXPENDITURES		
Athletics	\$ 7,420	\$
Administration	15,078	
Club and class accounts		13,595
Concessions	15,033	
Courtesy fund		
Daycare		
Fund raisers		
Instruction	6,910	
Maintenance	4,725	
Miscellaneous		
Other	56	
School publications	7,975	
Summer School		
Total expenditures	\$ 57,197	\$ 13,595
 EXCESS OF REVENUES OVER EXPENDITURES	\$ (4,520)	\$ (45)
Account Balance at June 30, 1995	3,953	3,066
Account Balance at June 30, 1996	\$ (567)	\$ 3,021

SCHOOL ACTIVITY FUND
 RED RIVER PARISH SCHOOL BOARD
 COUSHATTA, LOUISIANA

Schedule 5

HALL SUMMIT HIGH SCHOOL
 Balance Sheet - Cash Basis
 June 30, 1996

	OPERATING ACCOUNT	RESTRICTED ACCOUNT
ASSETS		
Cash in bank	\$ (567)	\$ 3,021
Total assets	\$ (567) =====	\$ 3,021 =====
 LIABILITIES AND ACCOUNT BALANCES		
Operating account balance	\$ (567)	\$ 3,021
Restricted account balance		
Total liabilities and account balances	\$ (567) =====	\$ 3,021 =====

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA**

Schedule 4

**COUSHATTA HIGH SCHOOL
General and Restricted Accounts
Statement of Revenues, Expenditures,
and Changes In Account Balances - Cash Basis
For the Year Ended June 30, 1996**

	OPERATING ACCOUNT	RESTRICTED ACCOUNT
REVENUES		
Athletics	\$ 21,627	\$
Athletic donation account		73
Administration	11,664	
Club and class accounts		4,334
Concessions	20,022	
Courtesy fund		
Daycare		
Fund raisers		
Instruction	2,532	
Maintenance	50	
Miscellaneous	316	
Other	508	
School publications	4,907	
Summer school		
Total revenues	\$ 61,626	\$ 4,407
EXPENDITURES		
Athletics	\$ 23,982	\$
Athletic donation account		11,275
Administration	9,492	
Club and class accounts		6,069
Concessions	12,667	
Courtesy fund		
Daycare		
Fund raisers		
Instruction	5,574	
Maintenance	2,622	
Miscellaneous	2,736	
Other	73	
School publications	2,754	
Summer School		
Total expenditures	\$ 59,900	\$ 17,344
EXCESS OF REVENUES OVER EXPENDITURES	1,726	(12,937)
Account Balance at June 30, 1995	\$ 786	\$ 11,340
Account Balance at June 30, 1996	\$ 2,512	\$ (1,597)

SCHOOL ACTIVITY FUND
 RED RIVER PARISH SCHOOL BOARD
 COUSHATTA, LOUISIANA

Schedule 7

MARTIN HIGH SCHOOL
 Balance Sheet - Cash Basis
 June 30, 1996

	OPERATING ACCOUNT	RESTRICTED ACCOUNT
ASSETS		
Cash in bank	\$ 17,392	\$ (178)
Total assets	\$ 17,392	\$ (178)
 LIABILITIES AND ACCOUNT BALANCES		
Operating account balance	\$ 17,392	\$ (178)
Restricted account balance		
Total liabilities and account balances	\$ 17,392	\$ (178)

SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA

Schedule 1

COUSHATTA ELEMENTARY SCHOOL
Balance Sheet - Cash Basis
June 30, 1996

	OPERATING ACCOUNT
ASSETS	
Cash in bank	\$ 15,650
Total assets	<u>\$ 15,650</u> =====
LIABILITIES AND ACCOUNT BALANCES	
Operating account balance	\$ 15,650
Restricted account balance	
Total liabilities and account balances	<u>\$ 15,650</u> =====

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

SUPPLEMENTARY INFORMATION SCHEDULES

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND CASH EQUIVALENTS

Under state law, each school, as a segment of the Red River Parish School Board, may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. At June 30, 1996, the school has cash and cash equivalents (book balances) totaling \$37,129 as follows:

Non-interest and Interest-bearing demand deposit accounts	<u>\$37,129</u>
Total	<u>\$37,129</u>

These deposits are stated at cost, which approximates market. At June 30, 1996, the bank balances of cash and cash equivalents total \$41,814. These bank balances are aggregated with other deposits of the Red River Parish School Board and, under state law, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit for the Red River Parish School Board with the bank. Information on the aggregate deposits of the School Board and how they are secured is available in the general purpose financial statements of the Red River Parish School Board for the year ended June 30, 1996.

F. VACATION, SICK LEAVE, AND PENSION PLANS

Employees at the individual schools are employed by the Red River Parish School Board. The School Board is obligated for leave benefits and contributions to the pension system. Information on leave benefits and pension plans is available in the general purpose financial statements of the Red River Parish School Board for the year ended June 30, 1996.

NOTE 2 - LITIGATION

The School Activity Fund is a part of the Red River Parish School Board, the legal entity. Any litigation involving the schools would be against the Red River Parish School Board.

NOTE 3 - SUBSEQUENT EVENTS

The accounts payable at June 30, 1996 at one of the schools exceeded \$42,000. The school was unable to pay this liability and the Red River Parish School Board assumed the liability.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA**

Statement B

**GENERAL AND RESTRICTED FUNDS
Statement of Revenues, Expenditures,
and Changes In Fund Balances - Cash Basis
For The Year Ended June 30, 1996**

	GENERAL FUND	RESTRICTED FUND	TOTAL
REVENUES			
Administration	\$ 58,182	\$	\$ 58,182
Athletics	64,256		64,256
Athletic donation account		73	73
Club and class accounts		31,430	31,430
Concession	74,569		74,569
Daycare	5,733		5,733
Fund raisers	10,927		10,927
Instruction	39,693		39,693
Other	28,649		28,649
Maintenance	12,478		12,478
School publications	14,681		14,681
	\$ 309,168	\$ 31,503	\$ 340,671
EXPENDITURES			
Administration	\$ 62,876	\$	\$ 62,876
Athletics	66,625		66,625
Athletic donation account		11,275	11,275
Concessions	61,069		61,069
Club and class accounts		32,240	32,240
Daycare	6,861		6,861
Fund raisers	7,737		7,737
Instruction	34,809		34,809
Operation and maintenance	14,109		14,109
Other	21,391		21,391
School publications	13,587		13,587
	\$ 289,064	\$ 43,515	\$ 332,579
EXCESS OF REVENUES OVER EXPENDITURES	\$ 20,104	\$ (12,012)	\$ 8,092
Fund Balance at June 30, 1995	15,779	13,258	29,037
Fund Balance at June 30, 1996	\$ 35,883	\$ 1,246	\$ 37,129

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
COUSHATTA, LOUISIANA**

Statement A

**GENERAL AND RESTRICTED FUNDS
Balance Sheet - Cash Basis
June 30, 1996**

	GENERAL FUND	RESTRICTED FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 35,883	\$ 1,246	\$ 37,129
	-----	-----	-----
Total assets	\$ 35,883	\$ 1,246	\$ 37,129
	=====	=====	=====
 LIABILITIES AND FUND BALANCES			
Liabilities			
Fund Balances:			
Unrestricted	\$ 35,883	\$ 1,246	\$ 35,883
Restricted			1,246
	-----	-----	-----
Total Fund Balances	\$ 35,883	\$ 1,246	\$ 37,129
	-----	-----	-----
Total liabilities and fund balances	\$ 35,883	\$ 1,246	\$ 37,129
	=====	=====	=====

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUND ACCOUNTS (Continued)

Restricted Fund (Accounts)

Monies that are normally restricted to a specific segment of the school population and are not intended to benefit the general school population are recorded in the restricted accounts. These accounts are for various school athletics, activities, classes and clubs.

C. FIXED ASSETS AND LONG-TERM OBLIGATIONS

Fixed assets purchased or used by each school are accounted for in the general fixed assets account group of the Red River Parish School Board. The individual schools have no long-term obligations at June 30, 1996.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The School Activity Fund accounts are maintained on the cash basis of accounting as follows:

Revenues

Sales are recorded in the period cash is received.

Interest income on the interest-bearing demand deposit accounts is recorded when the interest is earned. Interest income on time deposits is recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized when the related disbursement is made.

**SCHOOL ACTIVITY FUND
RED RIVER PARISH SCHOOL BOARD
Coushatta, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1996**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The public schools of Red River Parish were established by the Red River Parish School Board, the governing authority of the Red River Parish Public School System. The schools administer revenues generated within the schools from student fees, concessions, and other school activities. These revenues are used for a variety of purposes ranging from miscellaneous supplies for the principal's office to those that benefit the instructional programs of the schools. These revenues supplement, rather than replace, funds for activities and services provided by the Red River Parish School Board. The general operations of the individual schools within the Red River Parish Public School System, are funded through state and local revenues generated by the Red River Parish School Board.

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 governmental entities. The GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local government.

A. REPORTING ENTITY

In conformance with GASB Statement 14, which established criteria for determining the governmental reporting entity, the Red River Parish School Board is the reporting entity of the Red River Parish Public School System. The School Activity Fund is an agency fund of the Red River Parish School Board reporting entity. Accordingly, the accompanying financial statements present only the general and restricted accounts of the School Activity Fund and are not intended to present fairly the financial position and results of operations of the Red River Parish School Board in conformity with generally accepted accounting principles. The School Activity Fund is included as part of the general purpose financial statements of the Red River Parish School Board.

B. FUND ACCOUNTS

The accounts presented in the financial statements are described as follows:

General Fund (Operating Account)

All revenues and expenditures that tend to benefit the general school population are recorded in the operating account. Revenues and expenditures are not restricted to any specific group or activity.

SCHOOL ACTIVITY FUND
 RED RIVER PARISH SCHOOL BOARD
 COUSHATTA, LOUISIANA

Statement C

STATEMENT OF CHANGES IN RESTRICTED FUNDS
 For the Year Ended June 30, 1996

Restricted accounts:	BALANCE, JUNE 30, 1995	ADDITIONS	DEDUCTIONS	BALANCE, JUNE 30, 1996
Coushatta High School	\$ 11,340	\$ 4,407	\$ 17,344	\$ (1,597)
Hall Summit High School	3,066	13,550	13,595	3,021
Martin High School	(1,148)	13,546	12,576	(178)
Total	\$ <u>13,258</u> =====	\$ <u>31,503</u> =====	\$ <u>43,515</u> =====	\$ <u>1,246</u> =====

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.