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Union Parish School Board
Farmerville, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 1938

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Under provisions of state law, this report is a public document. A copy of this report has been submitted to the State Auditor, as required, and a copy of this report is available for public inspection at the State Department of the Legislature Building, Baton Rouge, Louisiana, at the office of the public clerk of court.

Union Parish School Board
 Farmerville, Louisiana
 Annual Financial Report
 As of and for the Year Ended June 30, 1998

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Farmerville, Louisiana
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Independent Auditor's Report

Board Members
Union Parish School Board
Farmerville, Louisiana

We have audited the accompanying **GENERAL-PURPOSE FINANCIAL STATEMENTS** of the Union Parish School Board, Farmerville, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Union Parish School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Union Parish School Board as of June 30, 1998, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with **Government Auditing Standards**, we have also based our report dated October 8, 1998, on our consideration of the Union Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the School Board taken as a whole. The accompanying **SUPPLEMENTAL INFORMATION**, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Also, the accompanying **OTHER INFORMATION**, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, accordingly, we express no opinion on it.

Monroe, Louisiana
October 8, 1998

Allen, Green & Company, LLP
ALLEN, GREEN & COMPANY, LLP
Registered Public Accountants
Legislative Panel 1998

BRIDGE PARISH SCHOOL BOARD
Rosemeade, Louisiana

All Fund Types and Account Groups
Condensed Balance Sheet
June 30, 2008

	-----GOVERNMENTAL FUNDS-----			
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUND
ASSETS AND OTHER DEBITS				
Assets				
Cash and cash equivalents	\$ 2,711,180	\$ 400,890	\$ 47,174	\$ 0
Investments	1,272	0	658,000	0
Receivables	17,384	805,872	18,698	0
Interfund receivable	814,281	7,787	0	0
Inventory	0	54,890	0	0
Fixed assets	0	0	0	0
Other debts				
Amount available in debt service funds	0	0	0	0
Amount to be provided for payment of debt	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 4,753,917	\$ 1,269,659	\$ 718,900	\$ 0
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts, salaries and other payables	\$ 1,784,403	\$ 235,823	\$ 0	\$ 0
Interfund payable	3,788	814,280	0	0
Deposits due others	0	0	0	0
Deferred revenue	0	50,898	0	0
Bonds payable	0	0	0	0
Leases payable	0	0	0	0
Compensated absences payable	0	0	0	0
Workers' compensation payable	0	0	0	0
Total Liabilities	\$ 1,788,191	\$ 719,893	\$ 0	\$ 0
Equity and other credits				
Investment in general fund assets	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances:				
Reserve:				
For inventory	0	54,890	0	0
Debt service	0	0	718,900	0
Unreserved:				
Designated	245,000	0	0	0
Undesignated	1,288,893	332,878	0	0
Total Equity and other credits	\$ 1,533,893	\$ 314,698	\$ 718,900	\$ 0
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 4,753,917	\$ 1,269,659	\$ 718,900	\$ 0

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

Statement A

FIDUCIARY- AGENCY FUND	ACCOUNT GROUPS		TOTAL MEMORANDUM CHG. (+)
	GENERAL FUNDS ASSETS	GENERAL LONG-TERM DEBT	
\$ 100,760	\$ 0	\$ 0	\$ 2,004,147
0	0	0	551,842
0	0	0	641,398
0	0	0	521,008
0	0	0	81,808
0	14,827,882	0	14,827,882
0	0	746,180	746,180
0	0	2,257,832	2,257,832
<u>\$ 100,760</u>	<u>\$ 14,827,882</u>	<u>\$ 2,804,012</u>	<u>\$ 22,634,882</u>
\$ 0	\$ 0	\$ 0	\$ 1,400,276
0	0	0	521,888
100,760	0	0	100,760
0	0	0	24,808
0	0	2,088,000	2,088,000
0	0	80,000	80,000
0	0	588,544	588,544
0	0	128,888	128,888
<u>\$ 100,760</u>	<u>\$ 0</u>	<u>\$ 2,806,308</u>	<u>\$ 5,024,368</u>
\$ 0	\$ 14,827,882	\$ 0	\$ 14,827,882
0	0	0	81,808
0	0	0	746,180
0	0	0	248,000
0	0	0	1,888,042
<u>\$ 0</u>	<u>\$ 14,827,882</u>	<u>\$ 0</u>	<u>\$ 11,688,732</u>
<u>\$ 100,760</u>	<u>\$ 14,827,882</u>	<u>\$ 2,806,308</u>	<u>\$ 31,524,000</u>

WISCH PARKER SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1988

Statement B

	GENERAL FUNDS	SPECIAL FUNDABLE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES					
LOCAL SOURCES:					
Taxes:					
Ad valorem	\$ 428,800	\$ 165,740	\$ 577,733	\$ 0	\$ 1,172,273
Sales and use	0	1,428,288	0	0	1,428,288
Interest earnings	127,200	27,771	24,298	0	189,269
Fees for service	0	290,270	0	0	290,270
Other	15,485	33,470	0	0	48,955
State sources:					
Equalization	18,838,200	246,428	0	0	19,084,628
Other	258,811	530,283	0	0	789,094
Federal sources	8,614	2,782,885	13,888	0	2,794,487
Total revenues	\$ 21,002,135	\$ 3,883,687	\$ 605,919	\$ 0	\$ 17,491,741
EXPENDITURES					
Current:					
Instruction:					
Regular programs	\$ 1,455,504	\$ 800,544	\$ 0	\$ 0	\$ 2,256,048
Special programs	1,008,874	813,745	0	0	1,822,619
Other instructional programs	428,601	743,875	0	0	1,172,476
Support services:					
Student services	280,708	13,843	0	0	294,551
Instructional staff support	578,273	790,332	0	0	1,368,605
General administration	329,383	114,689	15,891	0	459,963
School administration	528,673	51,270	0	0	579,943
Business services	73,493	93,888	0	0	167,381
Fleet services	785,205	453,360	0	0	1,238,565
Student transportation services	1,024,248	53,689	0	0	1,077,937
Central services	75,072	4,501	0	0	79,573
Food services	83,078	1,773,794	0	0	1,856,872
Community service program	3,880	1,388	0	0	5,268
Facilities acquisition and construction	85,376	0	0	15,743	101,119
Debt service:					
Principal retirement	30,843	28,078	478,000	0	536,921
Interest and bank charges	3,770	8,678	127,608	0	140,056
Total expenditures	\$ 11,851,480	\$ 5,072,485	\$ 605,919	\$ 15,743	\$ 17,545,627
EXCESS (DEF) BALANCE OF REVENUES OVER EXPENDITURES					
	\$ 880,655	\$ 21,682	\$ 0	\$ (15,743)	\$ 906,594

(continued)

UNION PARISH SCHOOL BOARD
 Ferriday, Louisiana

GOVERNMENTAL FUNDS
 Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 1998

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$ 0	\$ 318,311	\$ 0	\$ 0	\$ 318,311
Operating transfers out	0	(218,311)	0	0	(218,311)
Sale of equipment	12,481	0	0	0	12,481
Total other financing sources (used)	\$ 12,481	\$ 0	\$ 0	\$ 0	\$ 12,481
EXPENSES (DEFICIENCY) OR REVENUES AND OTHER SOURCED OTHER EXPENDITURES AND OTHER USES					
	\$ 593,147	\$ 21,488	\$ (47,082)	\$ (15,342)	\$ 551,209
FUND BALANCES AT BEGINNING OF YEAR	558,836	383,188	793,182	15,745	1,750,951
FUND BALANCES AT END OF YEAR	\$ 1,554,865	\$ 374,588	\$ 746,100	\$ 0	\$ 2,675,553

(CONTINUED)

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

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Prior-GAAP Basis) and Actual
For the Year Ended June 30, 1998

Statement C

	*****GENERAL FUND*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 412,122	\$ 418,809	\$ 6,687
Interest earnings	112,800	117,308	4,508
Other	5,000	10,455	5,455
State sources:			
Equalization	12,824,287	16,000,399	3,176,112
Other	238,291	258,875	20,584
Federal sources:			
	2,800	8,614	5,814
Total revenues	\$ 13,605,312	\$ 17,824,465	\$ 4,219,153
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 5,275,211	\$ 6,488,384	\$ 1,213,173
Special programs	1,000,211	1,005,614	5,403
Other instructional programs	434,848	428,800	(6,048)
Support services:			
Student services	285,338	285,708	370
Instructional staff support	554,812	548,279	(6,533)
General administration	302,837	305,282	2,445
School administration	679,850	698,573	18,723
Business services	84,847	73,480	(11,367)
Plant services	818,580	792,500	(26,080)
Student transportation services	1,478,814	1,487,181	8,367
Central services	55,000	23,200	(31,800)
Food services	64,000	83,018	19,018
Community service program	2,500	2,500	0
Facilities acquisition and construction	57,000	55,078	(1,922)
Data services:			
Principal retirement	0	0	0
Interest and debt charges	0	0	0
Total expenditures	\$ 11,088,138	\$ 11,281,485	\$ 193,347

(CONTINUED)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1988

Statement C

	*****GENERAL FUNDS*****		VARIANCE FAVORABLE UNFAVORABLE
	BUDGET	ACTUAL	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 20,895	\$ 200,880	\$ 200,880
OTHER FINANCING SOURCES (USES)			
Insurance proceeds	\$ 12,481	\$ 12,481	\$ 0
Operating transfers out	(10,000)	0	10,000
Designation of fund balance	(20,880)	(20,880)	0
Total other financing sources (uses)	\$ (18,399)	\$ (7,399)	\$ 10,800
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 2,496	\$ 173,481	\$ 200,880
FUND BALANCES AT BEGINNING OF YEAR	731,555	558,835	232,880
FUND BALANCES AT END OF YEAR	\$ 734,051	\$ 732,316	\$ 200,880

(continued)

UNION PARISH SCHOOL BOARD
 Ferrisville, Louisiana

GOVERNMENTAL FUNDS
 Combined Statement of Revenues, Expenditures, and Changes
 in Fund Balances - Budget (non-GAAP basis) and Actual
 For the Year Ended June 30, 1999

Statement C

REVENUES	*****SPECIAL REVENUE*****		VARIANCE FAVORABLE (OR UNFAVORABLE)
	BUDGET	ACTUAL	
Local sources:			
Taxes:			
Ad valorem	\$ 198,177	\$ 192,168	\$ 6,009
Sales and use	1,408,000	1,408,000	0.000
Interest earnings	28,000	27,771	229
Fees service	298,770	298,578	192
Other	50,500	52,448	1,948
State sources:			
Equalization	548,058	548,428	370
Other	508,500	508,000	500
Federal sources	2,287,040	2,284,087	2,953
Total revenues	\$ 5,107,754	\$ 5,007,488	\$ 100,266
EXPENDITURES:			
Current:			
Instruction:			
Regular programs	\$ 683,800	\$ 685,044	\$ (1,244)
Special programs	1,012,781	973,178	39,603
Other instructional programs	688,000	684,000	4,000
Support services:			
Student services	53,817	83,040	29,223
Instructional staff support	178,458	185,222	6,764
General administration	124,604	174,588	49,984
School administration	68,750	81,370	12,620
Business services	91,831	80,880	10,951
Plant services	488,000	483,388	4,612
Student transportation services	82,310	85,088	2,778
Central services	8,000	4,581	3,419
Food services	1,771,388	1,781,801	10,413
Community service program	8,000	1,388	6,612
Facilities acquisition and construction	0	0	0
Total expenditures	\$ 5,128,078	\$ 5,810,288	\$ 681,210
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (21,324)	\$ 21,800	\$ 43,124

(DOLLAR AMOUNTS)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1988

Statement C

	*****SPECIAL REVENUE*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 210,000	\$ 215,211	\$ 5,211
Operating transfers out	<u>(210,000)</u>	<u>(215,211)</u>	<u>(5,211)</u>
Total other financing sources (uses)	\$ _____	\$ _____	\$ _____
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (21,772)	\$ 21,400	\$ 49,172
FUND BALANCES AT BEGINNING OF YEAR	<u>365,187</u>	<u>365,188</u>	<u>1</u>
FUND BALANCES AT END OF YEAR	\$ <u>343,415</u>	\$ <u>386,588</u>	\$ <u>49,173</u>

(CONTINUED)

UNION FREEISH SCHOOL BOARD
Parsonsville, Louisiana

GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 1998

Statement 0

	BUDGET		ACTUAL	VARIANCE FAVORABLE UNFAVORABLE
	BUDGET	ACTUAL		
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 863,204	\$ 877,732	\$	\$ 14,528
Interest earnings	24,800	24,200		(\$600)
Federal sources - payment in lieu of taxes	20,800	13,858		(\$6,942)
	<u>908,804</u>	<u>915,790</u>	\$	<u>6,986</u>
Total revenues	\$ 908,804	\$ 915,790	\$	<u>6,986</u>
EXPENDITURES				
Current:				
Support services:				
General administration	\$ 70,800	\$ 72,091	\$	\$ 1,291
Debt service:				
Principal retirement	470,800	470,000		800
Interest and bank charges	330,211	327,809		(\$2,402)
	<u>871,811</u>	<u>870,800</u>	\$	<u>1,011</u>
Total expenditures	\$ 871,811	\$ 870,800	\$	<u>1,011</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 36,993	\$ 44,990	\$	<u>7,997</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>765,982</u>	<u>765,982</u>		<u>0</u>
FUND BALANCES AT END OF YEAR	\$ 802,975	\$ 810,972	\$	<u>7,997</u>

(CONCLUDED)

Union Parish School Board
Farmerville, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998

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**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Union Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

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

The School Board operates eleven schools within the parish with a total enrollment of approximately 3,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is financially independent of other state or local governments. As used in GASB Statement 14, financially independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and incur bonded debt. The School Board also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS AND ACCOUNT GROUPS

The accounts of the School Board are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid in demonstrating compliance with financial-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

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

Union Parish School Board
Farmerville, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Governmental Funds

Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or maintenance of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund — the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

Special Revenue Funds — account for revenue sources that are legally restricted to expenditures for specified purposes (not including expendable trusts or major capital projects).

Debt Service Fund — accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Capital Projects Fund — accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Trust funds account for assets held by the government under the terms of a normal trust agreement.

Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

1. **School Activity Agency Fund** — accounts for assets held by the School Board as an agent for the individual schools and school organizations.
2. **Sales Tax Collection Agency Fund** — accounts for monies collected on behalf of other taxing authorities within the parish.
3. **Deferred Compensation Plan Fund** — accounts for monies withheld from employees salaries.

Union Parish School Board
Farmerville, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Account Groups

The general fund assets group is used to account for fixed assets not accounted for in proprietary or trust funds.

The general long-term debt account group is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they are "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 pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for compensated absence and claims and judgments which are recognized when the obligations are reported to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

All realism taxes and sales taxes are susceptible to accrual.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenues at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees who died to be paid over twelve months are accrued at June 30.

Union Parish School Board
Farmerville, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1988

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other type, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Agency Funds

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. This fund is used to account for assets that the School Board holds for others in an agency capacity.

D. BUDGETS

General Budget Policies

The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund and all special revenue funds.

The capital projects fund budget is adopted on a project basis as projects are approved by the Board. By statute, the Board is not required to adopt a budget for its capital projects fund; therefore, this fund uses project budgets rather than annual budgets and accountability is controlled over the life of the project.

The debt service fund's budget is approved by the Board even though not required by state.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant-oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the grantor. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Fiscal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental or project level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board. All budget revisions are approved by the Board.

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS (Continued)

Expenditures

Expenditure accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriations, 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.

Budget Basis of Accounting

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP) except for a special revenue fund that did not include cost-of-sales payments. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal office in Louisiana.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. Those are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, except for investments in defined compensation agency fund, which are reported at market.

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INVESTMENTS

Investments are limited by L.S.A.R.S. 33:2953 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90-days or less, they are classified as cash equivalents.

Investments in participating interest-bearing contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a combined measure as per GASB Statement No. 31.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

H. INVENTORY AND PREPAID ITEMS

Inventories of the governmental fund type are recorded as expenditures as purchased except for inventory of the school food service fund.

Inventories of the school food service fund (general revenue fund) consist of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost using the first-in, first-out (FIFO) method. The value of commodities inventory is the assigned value provided by the United States Department of Agriculture.

I. FIXED ASSETS

Fixed assets used in governmental fund types of the School Board are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest during construction is not capitalized on general fixed assets.

Fixed assets valued at estimated historical cost where no historical records exist was \$2,335,217 at year-end.

Public domain (infrastructure) general fixed assets (e.g. roads, bridges, sidewalks and other assets that are inalienable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not included in the general fixed assets account group.

Union Parish School Board
Farmerville, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1988

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. COMPENSATED ABSENCES

All 12-month employees earn 30 days of cumulative vacation leave each year. Upon separation of employment, all accrued vacation leave is forfeited.

All 12-month employees earn from 33 to 18 days of sick leave each year, depending on their length of service with the School Board, and 3-month employees earn 30 days of sick leave each year. Sick leave can be accumulated without limitation.

Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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.

The School Board's recognition and measurement criteria for compensated absence follows:

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

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

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

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

Sabbatical leave benefits are recorded as expenditures in the period paid.

Union Parish School Board
Farmerville, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. COMPENSATED ABSENCES (Continued)

Only the current portion of the liability for compensated absences is reported in the fund. The current portion is the amount that would be payable at the end of the reporting period that normally would be liquidated with expendable available financial resources. The remainder of the liability is reported in the general long-term obligations account group.

K. LONG-TERM OBLIGATIONS

The School Board reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not reported to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

L. FUND EQUITY

Reserves

Reservations of fund balance represent amounts that are not appropriable or are legally appropriated for a specific purpose.

Designated Fund Balances

Designations of fund balance represent tentative management plans that are subject to change.

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

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

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. SALES TAXES

The voters of Union Parish approved on May 19, 1979, a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. The proceeds from the tax are dedicated for salaries and retirement benefits for school teachers and other school employees and/or for maintaining and operating school buildings, facilities, and equipment. The costs of collecting and administering the tax are paid from the sales tax apportionment fund.

O. MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the general-purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in aggregation of this data.

P. USE OF ESTIMATES

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations in Individual Funds

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 1998:

Fund	Budget	Actual	Unfavorable - Variance -
Special Revenue Fund			
Sales Tax	<u>\$1,235,149</u>	<u>\$1,282,371</u>	<u>(\$47,222)</u>

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last budget revision.

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 3 - BUDGET/GAAP RECONCILIATION

The following schedule reconciles the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances — Budget to Actual, to the amounts on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances:

	<u>General Fund</u>	<u>Special Revenues</u>
Fund balances (Budget)	\$ 1,521,662	\$ 570,288
Revenues		
Federal sources	-	96,506
Expenditures		
Instruction: Special programs		(50,500)
General administration	-	-
Transportation	26,522	
Central services	7,188	
Food services		37,857
Debt services		
Principal retirement	(76,842)	(26,238)
Interest - bank charges	(5,770)	(8,619)
Other financing sources (uses)		
Other Uses	20,000	
Fund balance designation	(20,000)	-
Fund balances (GAAP)	<u>\$ 1,521,662</u>	<u>\$ 570,288</u>

For the general fund and special revenue funds, budget/GAAP reporting differences are a result of reclassification. All capital outlays and debt service expenditures were reported separately for GAAP reporting purposes, but were reported in the appropriate functional category for budget purposes. Also, the change for the year for workers' compensation board-designated fund balance was classified as an "other financing use" for budget purposes, but reported as designated fund balance for GAAP purposes.

Other budget/GAAP reporting differences in special revenues are a result of on-behalf payments from another governmental entity.

NOTE 4 - LIQUID TAXES

The School Board levies taxes on real and business personal property located within Union Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Union Parish tax assessor and approved by the State of Louisiana Tax Commission.

The Union Parish sheriff's office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Union Parish School Board
Farmerville, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1998

NOTE 4 - LEVYED TAXES (Continued)

Property Tax Calendar:

Millage rates adopted	May 12, 1997
Levy date	October 31, 1997
Tax bills mailed	On or about November 15, 1997
Due date	December 31, 1997
Lien date	January 1, 1998

Assessed values are established by the Union Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	17% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	27% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$80,380,600 in calendar year 1997. Louisiana state law exempts the first \$25,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$21,338,000 of the assessed value in calendar year 1997.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. A lien notice is given to the delinquent taxpayer, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general, District A special revenue fund and debt service fund on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on paid experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivables are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 1997 property taxes to be collected covers in December, January and February of the next year. As a result, no property taxes receivable for 1997 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

Historically, virtually all of valuations taxes receivable were collected since they are assessed by property. Therefore, there is no allowance for uncollectible taxes.

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 4 - LEVIED TAXES (Continued)

The following is a summary of authorized and levied (tax rate per \$1,000 assessed value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	5.00	5.01	Statutory
Maintenance	1.38	1.72	1998
Maintenance	3.18	2.98	1998
District taxes:			
Bond and interest	Variable	0.50	2000

NOTE 5 - CASH AND CASH EQUIVALENTS

At June 30, 1998, the School Board has cash and cash equivalents (bank balances) totaling \$3,394,147 as follows:

Demand deposit	\$ 60,458
Interest-bearing demand deposits	1,785,126
Time deposits	<u>1,297,552</u>
School	3,394,147
Less deposits classified as investments	<u>(1,099,000)</u>
Total	<u>\$ 3,394,147</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 as a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the School Board's carrying amount of deposits was \$3,394,147 and the bank balance was \$4,523,972. Of the bank balance, \$231,175 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining balance, \$4,292,797 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 2).

Even though the pledged securities are considered uncollateralized (Category 2) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 4 - INVESTMENTS

Investments are categorized into three three categories of credit risk:

1. Issued or registered, or securities held by the School Board or its agent in the School Board's name.
2. Unissued and unregistered, with securities held by the counter party's trust department or agent in the School Board's name.
3. Unissued and unregistered, with securities held by the counter party, or by its trust department or agent, but not in the School Board's name.

At year end, the School Board investment balances were as follows:

Type of Investment	Category			Carrying Amount			Total Carrying Amount
	1	2	3	Fair Value	Amortized Cost	Cost	
Certificates of deposit	\$650,000	\$ -	\$ -	\$ -	\$ -	\$650,000	\$650,000
Cash held in state treasury	_____	1,312	____	____	____	1,312	1,312
Total	\$650,000	\$1,312	\$ -				
Total Investments				\$ -	\$ -	\$651,312	\$651,312

NOTE 7 - RECEIVABLES

The receivables of \$641,189 at June 30, 1998, are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Debt Service Fund	Total
Taxes				
Ad valorem	\$13,120	\$ 3,427	\$18,000	\$ 35,487
Intergovernmental - grants				
State	1,000	884,997	-	885,997
Other	3,122	15,688	-	18,810
Total	\$17,142	\$888,022	\$18,000	\$941,189

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 4 - FIXED ASSETS

The changes in general fixed assets follow:

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Land	\$ 186,364	\$ -	\$ -	\$ 186,364
Buildings	9,245,758	53,771	13,208	9,286,321
Furniture and equipment	5,283,819	283,808	80,832	5,486,805
Total	<u>\$15,715,941</u>	<u>\$337,579</u>	<u>\$94,040</u>	<u>\$16,359,480</u>

NOTE 5 - RETIREMENT SYSTEMS

Plan description

Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and instructional workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age sixty with ten years of service, or at any age with twenty years of service. The formula for annual maximum retirement benefits is generally two percent (with less than twenty-five years of service) or 2.5 percent (with twenty-five or more years of service) times the years of creditable service times the average salary of the thirty-six highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 80 or more years of creditable service, or age fifty-five with at least twenty-five years of creditable service and at age sixty with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the thirty-six highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after thirty years of service, or after twenty-five years of service at age 60 plus or after ten years of service at age sixty. The maximum retirement allowance is computed at 2.5 percent times the highest thirty-six months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 9 - RETIREMENT SYSTEMS (Continued)

Both TERS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-0123
(225) 925-6486

Louisiana School Employees' Retirement System
Post Office Box 44818
Baton Rouge, Louisiana 70804
(225) 925-6484

Funding Policy

Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employees and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TERS, as provided by state law, is funded by the state of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by contributions from the School Board. For the LSERS, the School Board's employer contribution is funded by the state of Louisiana through annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 1998 are as follows:

	Employer	Employee
Louisiana Teachers' Retirement System:		
Regular	8.00%	18.00%
Plan A	5.10%	18.00%
Louisiana School Employees' Retirement System	6.50%	6.00%

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 9 - RETIREMENT SYSTEMS (Continued)

Total covered payroll of the School Board for TCS - Regular Plan, TCS - Plan A, and LERS for the year ended June 30, 1998 amounted to \$1,885,688, \$85,362, and \$1,249,299 respectively. Employer contributions for the year ended June 30, 1998 and each of the two preceding years are as follows:

Fiscal Year Ending	TCS		LERS	
	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid
June 30, 1996	\$1,317,381	91.44 %	\$12,139	93.92 %
June 30, 1997	1,368,280	92.85 %	14,726	100.14 %
June 30, 1998	1,368,680	92.85 %	14,726	100.14 %

Annual actuarially required contributions for each plan above is based on the plan's annual financial report for that year except for the year ended June 30, 1996. Each annual actuarially required contribution for the year ended June 30, 1998 is based upon each plan's annual financial report for the year ended June 30, 1997 which is the latest information available.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

In accordance with state statute, the School Board provides certain continuing health care and life insurance benefits for its school 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 Louisiana Employees Group Insurance Plan, whose monthly premiums are paid jointly by the employee and by the School Board. The cost of retiree benefits totaled \$473,453 for approximately 243 retirees.

NOTE 11 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$1,480,275 at June 30, 1998, are as follows:

	General Fund	Special Revenue Funds	Total
Salaries	\$1,697,362	\$ -	\$1,697,362
Accounts	106,891	275,822	382,713
Total	\$1,804,253	\$275,822	\$2,080,075

Union Parish School Board
Farmerville, Louisiana

Notes to the General Purpose Financial Statements
As of and for the Year Ended June 30, 1998

NOTE 12 - COMPENSATED ABSENCES

At June 30, 1998, employees of the Union Parish School Board have accumulated and vested \$400,544 of employee leave benefits, which was computed in accordance with GASB Codification Section 100. Of this amount, \$400,544 is recorded within the general long-term debt account group.

NOTE 13 - CHANGES IN AGENCY FUND DEPOSITS AND OTHERS

A summary of changes in agency fund deposits and others follows:

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
School activity accounts	\$160,000	\$ 930,064	\$ 904,871	\$185,193
Sales tax collection	—————	4,673,111	4,673,111	—————
Total	<u>\$160,000</u>	<u>\$5,603,175</u>	<u>\$5,578,982</u>	<u>\$185,193</u>

NOTE 14 - LEASES

The School Board records lease under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of equipment under capital leases:

Item	Recorded Amount
Computer equipment - school food service	\$ 81,887
Computer software - school food service	68,819
Computer software - general	33,955
Total	<u>\$184,661</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1998:

	Equipment
1998-1999	\$ 46,392
1999-2000	86,912
2000-2001	8,634
Total minimum lease payments	<u>141,938</u>
Less - amounts representing imputed costs	—————
Net minimum lease payments	<u>141,938</u>
Less - amounts representing interest	18,263
Present value of net minimum lease payments	<u>\$123,675</u>

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 18 - CHANGES IN GENERAL, LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1998:

	Bonded Debt	Long- Purchase Agreements	Compensated Absences	Workers' Compensation	Total
Balance, June 30, 1997	\$2,585,808	\$199,878	\$688,264	\$ -	\$3,373,950
Additions	-	-	308,811	199,896	438,707
Deductions	<u>470,800</u>	<u>188,181</u>	<u>344,631</u>	<u>-</u>	<u>1,003,612</u>
Balance, June 30, 1998	<u>\$2,095,008</u>	<u>\$ 9,697</u>	<u>\$652,444</u>	<u>\$199,896</u>	<u>\$3,857,145</u>

The School Board bond outstanding at June 30, 1998, in the amount of \$2,095,008, is a general obligation bond with maturities from 1999 to 2002 and an interest rate of 4.97 percent. Bond principal and interest payable in the next fiscal year are \$498,800 and \$194,322, respectively. The issue is as follows:

Bond Issue	Original Issue	Interest Rate	Final Payment Due	Interest to Maturity	Principal Outstanding
1996	\$2,625,808	4.97%	2800	\$366,144	\$2,095,800

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 1998, the School Board has accumulated \$715,408 in the debt service fund for future debt requirements. The bonds are also as follows:

Year Ending June 30,	Principal Payments	Interest Payments	Total
1999	\$ 498,800	\$194,122	\$ 692,922
2000	318,800	76,768	395,568
2001	523,800	54,432	578,232
2002	<u>746,800</u>	<u>27,832</u>	<u>774,632</u>
Total	<u>\$2,095,800</u>	<u>\$353,154</u>	<u>\$2,448,954</u>

In accordance with Louisiana Revised Statute 29:362, the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the assessed value of taxable property. At June 30, 1998, the statutory limit is \$28,285,251, and outstanding bonded debt totals \$2,095,808.

Union Parish School Board
Farmerville, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998

NOTE 16 - INTERFUND ASSETS/LIABILITIES

Due from/others funds:

Receivable Fund	Payable Fund	Amount
	Title I	\$126,950
	Title VI	127
General fund	Special education	11,404
	Special fund	325,752
Subtotal		504,233
Title I	General	7,255
Special education	General	362
Total		<u>\$521,850</u>

NOTE 17 - RESERVED AND DESIGNATED FUND BALANCES

Reservations

Inventory This amount represents the portion of fund balance relating to inventory on hand which is therefore unavailable to be expended for other purposes.

Debt Service This amount represents the portion of fund balance that has been reserved in the debt service fund for future payment of principal and interest on bonded debt.

Designations

Designated for Contingencies This amount represents a portion of fund balance that has been designated to fund possible losses from self-insurance; liability for workers' compensation and to cover the deductible for property insurance.

The School Board has designated portions of the fund balance of the general fund for self-insurance for workers' compensation and to cover the deductibles for property insurance. The following is an analysis of the changes in the designated fund balances for the year ended June 30, 1998:

	Property	Workers' Compensation	Total
Balance at beginning of year	\$115,000	\$110,000	\$225,000
Additions	10,000	10,000	20,000
Deductions	_____	_____	_____
Balance at end of year	<u>\$125,000</u>	<u>\$120,000</u>	<u>\$245,000</u>

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998**

NOTE 18 - INTERFUND TRANSFERS

Operating transfers for the year ended June 30, 1998, were as follows:

Fund	Transfers In	Transfers Out
Special Revenue Funds:		
Sales Tax		8113,311
District A	8113,311	

NOTE 19 - RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation in 1991. During fiscal year 1998, a total of \$135,491 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$200,000. Maximum retention expense for aggregate claims amounts to \$1,000,000. An amount for self-insurance losses of \$128,080 was designated at June 30, 1998. The amount of settlement did not exceed insurance coverage for each of the past three years.

Changes in the claims amount for years ending June 30, 1996, 1997 and 1998 are as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefits Payments and Claims	Ending of Fiscal Year Liability
Year ending June 30:				
1996	\$ 45,124	\$ 28,891	\$ (11,530)	\$ 62,485
1997	61,464	180,718	(124,232)	117,950
1998	187,968	187,427	(179,491)	195,894

NOTE 20 - LITIGATION AND CLAIMS

Litigation

As June 30, 1998, the School Board is involved in a few matters involving litigation. It is the opinion of the legal adviser for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

Grant Disallowances

The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Union Parish School Board
Farmerville, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998

NOTE 20 - LITIGATION AND CLAIMS (Continued)

Tax Arbitrage Refute

Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the dissemination of the proceeds must be allocated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage refute liability at year-end.

Year 2000 Compliant

The turn of the century will be an exciting time for many, but could turn into a disaster unless plans have been made concerning year 2000 compliance for many School Board's computer systems. The basic problem lies in the way most computer software, both operating systems and application programs, calculate dates. Most programs use two digits to represent the last two years of the 19XX dates, therefore the programs are conditioned to expect dates between the year 1980 and 1999. If dates for the year 2000 are entered into these non-compliant programs, the programs will assume the year 2000 to be the year 1900. Many arithmetic calculations, such as date dates and interest calculations, will therefore be incorrect. The impact of this problem, if not corrected, could be that the entire computing system would cease to function. This would obviously cause tremendous problems to important areas such as accounts payable and payroll just to name a few.

School Board's management has been addressing this issue and doesn't expect this matter to have any significant disruption or material financial impact to the School Board.

Self-Insurance

The School Board is partially self-insured for workers' compensation, and health insurance coverage. Claims are funded through employee contributions and operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$1,000,000 and \$200,000 per occurrence for each employee for workers' compensation insurance coverage, and for health coverage, respectively. All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the financial statements. A portion of fund balance of the general fund has been designated for payment of future claims.

NOTE 21 - DEFERRANCE OF DEBT

The School Board deferred in the prior year certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the deferred bonds are not included in the School Board's financial statements. On June 30, 1998, \$2,600,000 of bonds outstanding are considered deferred.

Union Parish School Board
Farmerville, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1998

NOTE 11 - ON-BEHALF PAYMENTS

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenues and expenditures on expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Programs) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board to the amount of \$15,812. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The School Board is one member of the NLEAC/LEARN consortium, comprised of eleven school boards. One of the other school boards serves as the fiscal agent and pays the bills for all the participating members in the consortium. The fiscal agent paid \$56,306 for computers, upgrades, computer equipment and services for the School Board. This amount has been recorded as federal revenue and an expenditure in the special revenue fund titled special funds.

NOTE 12 - DEFERRED COMPENSATION PLAN

Under the guidelines established in accordance with the Internal Revenue Code Section 457, the School Board has a deferred compensation plan which is administered by Public Employees Benefit Services Corporation on behalf of all participating employees. The plan, mandatory for part-time, seasonal and temporary employees, and voluntary for all employees, permits them to defer a portion of their salary until future years. The deferred pay and any interest earned on it is not subject to income taxes until actually received by the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The assets in the plans are held in a trust for the exclusive benefit of the participants and their beneficiaries.

A summary of changes in deferred compensation payable for the year ended June 30, 1998 is as follows:

Balance, June 30, 1997	\$ 90,472
Additions	-
Deductions	<u>(38,432)</u>
Balance, June 30, 1998	\$ 52,040

These amounts have been shown as agency funds in the past. Due to changes in laws governing Section 457 plans, funds have been set up in a trust. The trust is administered by a third party and the School Board exercises no responsibility in this matter. Accordingly, these amounts are no longer included in the financial statements.

**Union Parish School Board
Farmerville, Louisiana**

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**Union Parish School Board
Farmerville, Louisiana**

SUPPLEMENTAL INFORMATION

**Union Parish School Board
Farmerville, Louisiana**

SPECIAL EDUCATION FUNDS

TITLE I

To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

TITLE III

To assist state and local educational agencies to improve elementary and secondary education.

Grants are awarded for students at risk of failure in school; instructional materials; school-wide improvements and effective school programs; training and professional development; early identification of children with reading disabilities; personal excellence of students and student achievements; and innovative collaborative projects to the educational program and climate of the school.

SPECIAL EDUCATION

PRESCHOOL GRANTS

To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children ages three through five years.

STATE GRANTS

To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

SPECIAL FUND

Accounts for various state and federal grants, including the following programs:

Various (3C) State Grants
Vocational Education
Title II
Job Training Partnership Act (JTPA)
Adult Education
E.O. Reading Initiative
Classroom - Based Technologies Grant

**Union Parish School Board
Farmerville, Louisiana**

SPECIAL REVENUE FUNDS (Continued)

SALES TAX

The sales tax fund accounts for a one percent sales tax used to pay salaries and retirement benefits for school teachers and other school employees and/or to maintain and operate school buildings, facilities, and equipment. The School Board is the centralized sales tax collection agency for all taxing authorities in the parish. As a result, the School Board receives a fee of one percent of collections for performing the duties of the collection agency. The costs of collecting and administering the tax are paid from the fund.

DISTRICT A

The District A fund accounts for the proceeds of an ad valorem tax dedicated for maintenance and upkeep of school facilities.

SCHOOL FOOD SERVICE

To assist through cash grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

The Summer Food Service Program for Children provides nonprofit food service programs for needy children during the summer months and at other approved times when area schools are closed for vacation.

UNION PARK SCHOOL BOARD
Farmerville, Louisiana

Special Revenue Funds
Combining Balance Sheet
June 30, 1999

	<u>TITLE 1</u>	<u>TITLE 5</u>	<u>SPECIAL EDUCATION</u>	<u>SPECIAL FUND</u>
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Receivables:	187,897	0,000	24,871	403,763
Interest receivable	2,358	0	843	0
Inventory	0	0	0	0
Total Assets	\$ 190,255	\$ 0,000	\$ 25,714	\$ 403,763
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts, salaries and other payables	\$ 48,777	\$ 4,000	\$ 74,789	\$ 28,038
Medicaid payable	128,835	137	71,484	379,734
Deferred revenue	0	0	0	0
Total Liabilities	\$ 177,612	\$ 4,137	\$ 146,273	\$ 407,772
Fund Equity				
Fund Balance:				
Reserved for inventory	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved and undesignated	0	0	0	0
Total Equity	0	0	0	0
TOTAL LIABILITIES AND FUND EQUITY	\$ 177,612	\$ 4,137	\$ 146,273	\$ 407,772

EXHIBIT 1

SALES TAX	DISTRICT A	SCHOOL FOOD SERVICE	TOTAL
\$ 18,308	\$ 352,712	\$ 142,094	\$ 493,094
\$ 0	\$ 2,428	\$ 0	\$ 2,428
\$ 0	\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 21,008	\$ 21,008
<u>\$ 18,308</u>	<u>\$ 355,140</u>	<u>\$ 142,094</u>	<u>\$ 615,542</u>

\$ 802	\$ 67,884	\$ 72,378	\$ 140,264
\$ 0	\$ 0	\$ 0	\$ 0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 28,852</u>	<u>\$ 28,852</u>
<u>\$ 802</u>	<u>\$ 67,884</u>	<u>\$ 101,230</u>	<u>\$ 170,016</u>

\$ 0	\$ 0	\$ 81,800	\$ 81,800
<u>\$ 14,800</u>	<u>\$ 288,300</u>	<u>\$ 20,811</u>	<u>\$ 323,911</u>
<u>\$ 14,800</u>	<u>\$ 288,300</u>	<u>\$ 14,800</u>	<u>\$ 317,900</u>
<u>\$ 14,800</u>	<u>\$ 288,128</u>	<u>\$ 183,883</u>	<u>\$ 616,811</u>

UNION PARISH SCHOOL BOARD
Ramerville, Louisiana

SPECIAL REVENUE FUNDS
Combining Schedule of Revenue, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999

	TITLE I	TITLE II	SPECIAL EDUCATION	SPECIAL FUND
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 0 \$	0 \$	0 \$	0
Sales and use	0	0	0	0
Interest earnings	0	0	0	0
Fees (rentals)	0	0	0	0
Other	0	0	0	0
State sources:				
Unrestricted	0	0	0	0
Restricted	0	0	0	500,000
Federal sources	558,000	20,000	174,300	100,140
Total revenues	\$ 558,000	\$ 20,000	\$ 174,300	\$ 700,140
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 0 \$	0 \$	0 \$	0
Special Programs	678,404	0	107,100	10,210
Other instructional programs	0	0	0	584,075
Support services:				
Student services	0	0	0	27,040
Instructional staff support	100,000	20,100	60,000	0
General administration	20,000	0	4,000	0
Business administration	0	0	0	0
Business services	80,000	0	5,000	0
Plant services	27,004	0	0,000	0
Student transportation services	0	0	0	0
Central services	0	0	0	0
Food services	0	0	0	0
Community service programs	1,000	0	0	0
Facilities acquisition and construction	0	0	0	0
Debt service:				
Principal retirement	0	0	0	0
Interest and bond charges	0	0	0	0
Total expenditures	\$ 890,000	\$ 20,000	\$ 174,300	\$ 731,290
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	\$ 0 \$	\$ 0 \$	\$ 0 \$	\$ 0

Exhibit 2

SALES TAX	DISTRICT A	SCHOOL FOOD SERVICE	TOTAL
\$ 0	\$ 100,740	\$ 0	\$ 100,740
1,436,890	0	0	1,436,890
12,762	0,000	8,700	27,771
0	0	308,370	308,370
82,470	0	0	82,470
0	20,071	107,908	348,439
0	0	0	0
0	2,000	1,000,700	2,112,800
\$ 1,482,182	\$ 120,737	\$ 1,009,311	\$ 2,612,230

\$ 0	\$ 0	\$ 0	\$ 0
980,544	0	0	980,544
140,804	0	0	140,740
50,580	0	0	740,870
20,000	0	0	20,040
48,820	0	0	165,720
70,427	10,000	0	714,588
81,378	0	0	81,270
1,748	0	0	80,890
10,887	308,880	0	493,388
83,458	0	0	83,580
2,881	2,000	0	4,581
190,518	0	1,818,271	1,723,794
0	0	0	1,000
0	0	0	0
0	0	20,738	20,738
0	0	0,000	0,000
\$ 1,758,730	\$ 314,101	\$ 1,898,108	\$ 3,970,939

\$ 312,800	\$ 270,421	\$ 81,071	\$ 2,169
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(CONTINUED)

WICH PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2000

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>SPECIAL EDUCATION</u>	<u>SPECIAL FUND</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	\$	\$	\$	\$
Operating transfers out	\$	\$	\$	\$
Total other financing sources (uses)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$	\$	\$	\$
FUND BALANCES AT BEGINNING OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
FUND BALANCES AT END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Exhibit 2

SALES TAX	DISTRICT A	SCHOOL FOOD SERVICE	TOTAL
\$ 0 \$	215,211 \$	0 \$	215,211
<u>(215,211)</u>	<u>0</u>	<u>0</u>	<u>215,211</u>
\$ (215,211) \$	215,211 \$	0 \$	0
\$ 7,540 \$	(75,112) \$	32,872 \$	31,400
<u>7,540</u>	<u>75,112</u>	<u>(32,872)</u>	<u>31,400</u>
\$ 74,028 \$	215,100 \$	95,432 \$	274,560

(continued)

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1988

Exhibit 2-1

	BUDGET		ACTUAL		VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES					
Federal sources:	\$	831,888	\$	830,892	\$ (996)
Total revenues	\$	831,888	\$	830,892	\$ (996)
EXPENDITURES					
Current:					
Instruction:					
Special programs	\$	650,000	\$	610,444	\$ 39,556
Support services:					
Instructional staff support		115,140		105,832	\$ 9,308
General administration		23,208		20,829	\$ 2,379
Business services		80,176		82,810	\$ (2,634)
Plant services		42,500		37,234	\$ 5,266
Community service programs		5,280		1,280	\$ 4,000
Total expenditures	\$	831,888	\$	830,892	\$ (996)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$	0	\$	0	\$ 0
FUND BALANCE AT BEGINNING OF YEAR		0		0	0
FUND BALANCE AT END OF YEAR	\$	0	\$	0	\$ 0

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1998

Exhibit 2.2

	TITLE II		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
REVENUES			
Federal sources:	\$ 20,000	\$ 20,000	0
Total revenues	\$ 20,000	\$ 20,000	0
EXPENDITURES			
Current:			
Support services:			
Instructional staff support	\$ 20,000	\$ 20,000	0
General administration	500	500	0
Total expenditures	\$ 20,500	\$ 20,500	0
EXCESS (deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	0

UNION PARISH SCHOOL BOARD
 Leesville, Louisiana

SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

Exhibit 2-3

	*****SPECIAL EDUCATION*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE
REVENUES			
Federal sources	\$ 188,425	\$ 174,388	(14,037)
Total revenues	<u>\$ 188,425</u>	<u>\$ 174,388</u>	<u>(14,037)</u>
EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 182,388	\$ 127,182	\$ 55,217
Support services:			
Instructional staff support	0	18,914	(18,914)
General administration	4,055	4,517	234
Business services	0	8,548	(8,548)
Plant services	3,412	8,813	(5,401)
Total expenditures	<u>\$ 189,855</u>	<u>\$ 174,388</u>	<u>\$ 15,467</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**UNION PARISH SCHOOL BOARD
Farmerville, Louisiana**

**SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (Base-SHAPE) Basis and Actual
For the Year Ended June 30, 1999**

Exhibit B-4

	-----SPECIAL FUNDS-----		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
State sources:			
Education	\$ 330,000	\$ 338,000	\$ 8,000
Federal sources:	140,700	138,832	(1,868)
Total revenues	<u>\$ 470,700</u>	<u>\$ 476,832</u>	<u>\$ 6,132</u>
EXPENDITURES			
Current:			
Instruction:			
Special programs	\$ 10,000	\$ 19,815	\$ 9,815
Support services:			
Adult and continuing education	831,713	837,700	5,987
Student services	30,000	27,840	(2,160)
General administration	0	0	0
Facility acquisition and construction	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>\$ 941,713</u>	<u>\$ 945,355</u>	<u>\$ 3,642</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUND
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2022

Exhibit 3-6

	*****SALES TAX*****		
	BUDGET	ACTUAL	BALANCE FAVORABLE
	-----	-----	(UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 1,400,000	\$ 1,430,000	\$ 30,000
Interest earnings	10,000	15,982	580
Other	20,000	30,432	1,038
	<u>\$ 1,420,000</u>	<u>\$ 1,476,412</u>	<u>\$ 31,618</u>
Total revenues	<u>\$ 1,420,000</u>	<u>\$ 1,476,412</u>	<u>\$ 31,618</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 683,000	\$ 609,644	\$ (73,356)
Special programs	101,500	149,804	4,328
Other instructional programs	54,000	65,800	(1,200)
Support services:			
Student services	27,400	25,860	1,420
Instructional staff support	46,100	49,800	(4,470)
General administration	82,200	75,527	6,730
School administration	48,700	54,230	(2,570)
Business services	1,000	1,740	(60)
Plant services	48,000	60,887	(1,887)
Student transportation services	82,200	80,800	(1,200)
Confer services	4,500	2,594	1,900
Food services	105,000	105,510	282
	<u>\$ 1,255,200</u>	<u>\$ 1,398,231</u>	<u>\$ (14,882)</u>
Total expenditures	<u>\$ 1,255,200</u>	<u>\$ 1,398,231</u>	<u>\$ (14,882)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 207,801</u>	<u>\$ 122,854</u>	<u>\$ 15,200</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	\$ (210,000)	\$ (210,211)	\$ (211)
	<u>\$ (210,000)</u>	<u>\$ (210,211)</u>	<u>\$ (211)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (2,199)</u>	<u>\$ 7,643</u>	<u>\$ 8,889</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>7,296</u>	<u>7,296</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,947</u>	<u>\$ 14,939</u>	<u>\$ 8,889</u>

UNION PARISH SCHOOL BOARD
Bossierite, Louisiana

SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

EXHIBIT D-6

	BUDGET		ACTUAL		VARIANCE FAVORABLE UNFAVORABLE
	BUDGET	ACTUAL	BUDGET	ACTUAL	
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 100,077	\$ 100,749	\$ 100,077	\$ 100,749	\$ 672
Interest earnings	9,880	9,860	9,880	9,860	(20)
State sources:					
Unreimbursed	25,280	25,871	25,280	25,871	591
Federal sources:	3,883	3,808	3,883	3,808	(75)
Total revenues	<u>\$ 139,120</u>	<u>\$ 138,328</u>	<u>\$ 139,120</u>	<u>\$ 138,328</u>	<u>\$ 792</u>
EXPENDITURES					
Current:					
Support services:					
General administration	\$ 10,000	\$ 10,900	\$ 10,000	\$ 10,900	\$ 900
Plant services	283,870	338,935	283,870	338,935	55,065
Capital services	3,883	3,808	3,883	3,808	(75)
Total expenditures	<u>\$ 417,753</u>	<u>\$ 419,743</u>	<u>\$ 417,753</u>	<u>\$ 419,743</u>	<u>\$ 2,000</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (278,633)</u>	<u>\$ (281,415)</u>	<u>\$ (278,633)</u>	<u>\$ (281,415)</u>	<u>\$ 2,782</u>
OTHER FINANCING SOURCES GAINED					
Operating transfers in	\$ 210,000	\$ 210,211	\$ 210,000	\$ 210,211	\$ 211
TOTAL OTHER FINANCING SOURCES GAINED	<u>\$ 210,000</u>	<u>\$ 210,211</u>	<u>\$ 210,000</u>	<u>\$ 210,211</u>	<u>\$ 211</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (68,633)</u>	<u>\$ (71,204)</u>	<u>\$ (68,633)</u>	<u>\$ (71,204)</u>	<u>\$ 2,571</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>307,445</u>	<u>307,445</u>	<u>307,445</u>	<u>307,445</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 238,812</u>	<u>\$ 236,241</u>	<u>\$ 238,812</u>	<u>\$ 236,241</u>	<u>\$ 2,571</u>

BRICK PARISH SCHOOL BOARD
Farmerville, Louisiana

SPECIAL REVENUE FUNDS
Statement of Revenues, Expenditures, and Changes
in Fund Balances - (Budget (GRAP Items) and Actual
For the Year Ended June 30, 1998

EXHIBIT 1-F

	-----SCHOOL FOOD SERVICE-----		
	BUDGET	ACTUAL	BALANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Local sources:			
Interest earnings	\$ 0,000	\$ 0,001	\$ 1,181
Food services	200,770	200,370	400
State sources:			
Elected	321,208	321,850	0
Federal sources:	1,870,628	1,882,382	(11,754)
Total revenues	\$ 1,792,706	\$ 1,884,711	\$(9,052)
EXPENDITURES:			
Current:			
Food services	\$ 1,890,484	\$ 1,893,730	\$ 3,246
Total expenditures	\$ 1,890,484	\$ 1,893,730	\$ 3,246
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 40,222	\$ 9,981	\$(3,224)
OTHER FINANCING SOURCES (USES):			
Other sources - sale of equipment	\$ 0	0	0
Total other financing sources (uses)	\$ 0	0	0
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 40,222	\$ 9,981	\$(3,224)
FUND BALANCE AT BEGINNING OF YEAR	55,446	55,447	0
FUND BALANCE AT END OF YEAR	\$ 95,668	\$ 65,428	\$(3,240)

**Union Parish School Board
Farmerville, Louisiana**

AGENCY FUNDS

SCHOOL ACTIVITY FUND

The activities of the various individual school accounts are accounted for in the school activity agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

SALES TAX COLLECTION FUND

The sales tax collection agency accounts for monies collected on behalf of the other taxing authorities in Union Parish. Upon receipts of sales tax returns and monies, the School Board issues checks to other taxing authorities periodically throughout each month.

DEFERRED COMPENSATION FUND

The deferred compensation agency fund is used to account for employee deductions, investment earnings, and eventual payments of benefits to employees under deferred compensation plans established by the School Board under Section 457 of the Internal Revenue Code. Due to change in federal law, this fund is no longer considered an agency fund.

UNION PARISH SCHOOL BOARD
Farmville, Louisiana

AGENCY FUND
Combining Schedule of Assets and Liabilities
June 30, 1998

Exhibit 4

	SCHOOL ACTIVITY FUND	SALES TAX COLLECTION FUND	DEFERRED COMPENSATION	TOTAL
ASSETS				
Cash and cash equivalents	\$ 195,792	\$ 0	\$ 0	\$ 195,792
Investments	0	0	0	0
TOTAL ASSETS	\$ 195,792	\$ 0	\$ 0	\$ 195,792
LIABILITIES				
Deferred compensation/benefits pay	\$ 0	\$ 0	\$ 0	\$ 0
Deposits due others	195,792	0	0	195,792
TOTAL LIABILITIES	\$ 195,792	\$ 0	\$ 0	\$ 195,792

WISON PARISH SCHOOL BOARD
Farmerville, Louisiana

SCHOOL ACTIVITY AGENCY FUND
Schedule of Changes in Deposits (See Others)
For the Year Ended June 30, 1998

Exhibit B

SCHOOL	Balance, Beginning	Additions	Debitations	Balance, Ending
BERNICE HIGH	\$ 37,816	\$ 77,304	\$ 77,873	\$ 37,247
DOWNVILLE HIGH	59,430	183,054	158,800	59,675
FARMERVILLE ELEMENTARY	31,894	84,894	84,263	32,525
FARMERVILLE HIGH	15,790	108,790	106,850	45,730
FARMERVILLE MIDDLE	50,391	115,748	114,700	51,439
LELIE MIDDLE	4,807	54,244	53,783	5,268
LEWISVILLE HIGH	9,889	87,643	88,752	8,780
MARION HIGH	2,707	44,874	48,708	1,273
ROCKY BRANCH ELEMENTARY	9,717	18,271	18,312	9,676
SPICERVILLE HIGH	811	82,738	82,807	742
Total	\$ 459,890	\$ 903,054	\$ 904,873	\$ 459,765

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

SALES TAX COLLECTION AGENCY FUND -
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 1999

Exhibit B

DEPOSIT BALANCE AT BEGINNING OF YEAR	\$ _____
ADDITIONS	
Sales tax collections	\$ <u>4,479,111</u>
DEDUCTIONS:	
Transfer to general fund - sales tax collection fee	\$ 29,821
Payments to:	
Union Parish Sheriff	719,600
Union Parish School Board	1,445,405
Union Parish Police Jury	1,451,687
Town of Farmerville	202,881
Town of Iberia	184,100
Town of Minden	122,709
Town of Jumbo City	19,818
Audit fee (sales tax vendors)	<u>18,242</u>
Total deductions	\$ <u>4,479,111</u>
DEPOSIT BALANCE AT END OF YEAR	\$ _____

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

DEFERRED COMPENSATION AGENCY FUND -
Schedule of Changes in Deferred Compensation Benefits Payable
For the Year Ended June 30, 1988

EXHIBIT

DEFERRED COMPENSATION BENEFITS PAYABLE AT BEGINNING OF YEAR	\$ 30,432
ADDITIONS	
Contributions	0
Interest Income	0
Total additions	\$ 0
DEDUCTIONS	
Withdrawals	30,432
DEFERRED COMPENSATION BENEFITS PAYABLE AT END OF YEAR	\$ 0

UNION PARISH SCHOOL BOARD
Farmerville, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended June 30, 1988

EXHIBIT B

GENERAL

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 17:28, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$200 per month, and the president receives \$250 per month for performing the duties of the office.

MR. C. W. WHEELER, PRESIDENT	\$ 7,500
MR. HOWARD ALLEN	5,000
MR. DOBBY R. GURMS	5,000
MR. DOBBY GREEN	5,000
MR. MICHAEL HOLLEY	5,000
MR. ROBERT C. JAMES, JR.	5,000
MR. FORNIE JONES	5,000
MR. GUY HALE	5,000
MR. MARCEL WOOD HUNTLEY	5,000
TOTAL	\$ 50,000

**Union Parish School Board
Farmerville, Louisiana**

**Other Report Required by
Government Auditing Standards**

The first report following this page is a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. The section of the report on compliance is based solely on the audit of the general-purpose financial statements and programs, where applicable, compliance matters that would be material to the general-purpose financial statements. The section of the report on internal control over financial reporting is, likewise, based solely on the audit of the general-purpose financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses.

**Other Report Required by
OMB of Management and Budget (OMB) Circular No. A-133**

The second report following this page contains information on the report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular No. A-133. The section of the report on compliance is related to terms of compliance with laws, regulations, contracts and grants relating to federal awards programs. The section of the report on internal control over compliance is, likewise, related to matters that would be significant and/or material to federal awards programs.

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board Members
Union Parish School Board
Farmerville, Louisiana

We have audited the financial statements of the Union Parish School Board, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 8, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Management Letter Items

However, we noted certain instances of noncompliance which we have reported to management of School Board in a separate letter dated October 8, 1998, included later in this report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 98-01 and 98-02.

Board Members
Union Parish School Board
Farmerville, Louisiana

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements to amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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

Allen Green & Company, LLP

ALLEN GREEN & COMPANY, LLP

Monroe, Louisiana
October 8, 1998

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board Members
Union Parish School Board
Bossierville, Louisiana

Compliance

We have audited the compliance of the Union Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133, Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The Union Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Union Parish School Board's management. Our responsibility is to express an opinion on the Union Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Union Parish School Board's compliance with these requirements.

In our opinion, the Union Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular No. A-133.

Board Members
Union Parish School Board
Farmerville, Louisiana

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Union Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular No. A-133.

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

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the School Board, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 8, 1998. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

Allan Green & Company, L.L.P.

ALLAN GREEN & COMPANY, L.L.P.

Monroe, Louisiana
October 8, 1998

**Union Parish School Board
Farmerville, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998**

EXHIBIT 9

FEDERAL GRANTOR PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-through Control No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
School Breakfast Program	16.562	NONE	\$ 507,186
National School Lunch Program	16.552	NONE	658,324
Summer Food Programs for Children	16.559	NONE	<u>96,144</u>
Total United States Department of Agriculture			<u>1,261,654</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.032	NONE	21,730
Title I Grants to Local Educational Agencies	84.010	93-1A5A-95	796,988
Title I Grants to Local Educational Agencies (Carryover)		96-800-96	64,787
Special Education:			
Grants to States (Part B)	84.027	96-FY-96	126,419
Grants to States (Part B)		96-FY-96/EXT	21,262
Grants to States (Part B)		96-FY-96	1,649
Project Grant	84.173	96-PP-96	15,063
Project Grant		93-PP-96/EXT	2,457
Grants for Infant's Families with Disabilities (Part H Infant/Toddler)	84.181	97-CY1-96	871
(Part H Infant/Toddler)		96-CY1-96	161
Visual Impairment:			
Basic Grants to States	84.048	96-01-CY-28/02	58,538
Innovative Education Programs Strategies -			
Title VI (formerly Chapter 2)	84.298	96-1A5A-95	28,680
Title II (Innovative Professional Development - State Grants)	83.282	96-1A5A-96-2	22,807
Title IV (State and Drug-Free Schools - State Grant)	84.186	96-1A5A-96-4	25,138
Passed through Franklin Parish School Board:			
Grade 2000			
State and Local Education Systemwide Improvement Grants (Grade 2000) State Grants - Louisiana LEAP21 for the 21st Century	84.276	975A0018	<u>56,580</u>
Total United States Department of Education			<u>1,738,288</u>

(Continued)

**Union Parish School Board
Farmerville, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998**

Exhibit B

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Labor Passed Through the Community Action of Farmerville, Louisiana Job Training Partnership Act (JTPA)	07.250	07-8681-CPSLMI	<u>\$ 11,854</u>
Other Cash Federal Awards Passed Through the Farmerville Housing Authority Payment in Lieu of Taxes	04.1805	NONE	<u>25,892</u>
TOTAL CASH FEDERAL AWARDS			<u>\$ 37,746</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture Passed Through Louisiana Department of Agriculture and Forestry Food Distribution (Commodities)	10.590	NONE	<u>83,568</u>
TOTAL FEDERAL AWARDS			<u>\$121,414</u>
			FC-0000000

**Union Parish School Board
Farmerville, Louisiana**

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1998**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Union Parish School Board, Farmerville, Louisiana. The Union Parish School Board (the "School Board") reporting entity is defined in note 1 to the School Board's general-purpose financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's general-purpose financial statements.

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

Federal awards expenditures are reported in the School Board's general-purpose financial statements as follows:

	Federal Amount
General Fund	5,954
Special Revenue Funds:	
Title I	856,093
Title VI	39,686
Special Education Fund	174,368
Special Fund	155,143
District A	2,589
School Food Service	1,802,192
Data Service Fund	<u>13,829</u>
	<u>\$2,734,454</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related Federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.

NOTE 5 - MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS

The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

Union Parish School Board
Farmerville, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1998

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

The reportable conditions disclosed were not considered material weaknesses as defined by the Government Auditing Standards.
- iii. There was no instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section 3.20(a).
- vii. The major federal programs are:

Special Education Cluster
CFDA #84.027 Grants to States (Part B)
CFDA #84.173 Federal Grants

Child Nutrition Program Cluster
CFDA #18.535 School Breakfast Program
CFDA #18.535 National School Lunch
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section 3.20(b) was \$180,808.
- ix. The auditors did not qualify as a low-risk auditors under OMB Circular No. A-133, Section 3.16.

Union Parish School Board
Farmerville, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1998

PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference(s) and title: SS-11 School Activity Fund

- 1. Criteria or specific requirement:** Student activity fund disbursements should be supported by proper documentation and should be paid in a timely manner. Student activity fund receipts should be documented with a written receipt and deposited intact in a timely manner.
- 2. Condition found:** Testing of receipts of student activity funds at Marion High School revealed that no receipts were being issued for monies received. The following conditions were found in testing disbursements:
 1. Seven disbursements showed no evidence of receipt of goods or services.
 2. Three disbursement invoice amounts did not agree to the disbursement amount.
 3. Ten disbursement charges were not supported by proper documentation.
 4. Four disbursement invoice dates were not current when compared to the date of the disbursements.
 5. Seven disbursement accounting distributions were not consistent or correctly posted.
 6. One disbursement charge did not appear to be necessary.
- 3. Proper perspective for judging the pervasiveness and consequences:** At Marion High School, twenty-five disbursements were tested. Receipts could not be tested due to the practice of the school not issuing receipts.
- 4. Possible asserted effect (cause and effect):**

Cause: Proper documentation was not required in order for disbursements to be made. The practice of the school did not include the issuance of receipts for monies collected.

Effect: Disbursements were made without proper documentation. Receipts were not available to back-up disputed monies.
- 5. Recommendations to prevent future occurrence:** Proper documentation should be required before disbursements are made. Disbursements should agree to the invoiced amount and be made in a timely manner. Receipts should be written for all monies received.

Union Parish School Board
Farmerville, Louisiana

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1998

PART II - Findings related to the financial statements which are required to be reported in accordance with Generally Accepted Government Auditing Standards:

Reference and title: 88-02 Inventory of Fixed Assets

1. **Criteria or specific requirement:** In accordance with R. S. 24:515(D), the board of every school subject to audit shall maintain records of all land, buildings, improvements other than buildings, equipment and any other personal fixed assets which were purchased or otherwise acquired, and for which such entity is accountable.

The lack of a fixed asset listing is a weak internal control situation.

2. **Condition found:** The School Board's fixed asset listing is in the process of being updated, but it is not complete. The listing does not include date of purchase for many items which does not allow a complete listing of additions and deletions to be printed. All school inventories have been updated manually, but have not been added to the fixed asset listing, the central office inventory however, is not current. Until the School Board's listing is complete, the School Board will have inadequate control over fixed assets.

3. **Impact prospect for judging the generalities and consequences:** The School Board has made a great effort to compile a complete and current list of fixed assets. The School Board has created a new position which is responsible for fixed assets.

4. **Possible stated effect cause and effect:**

Cause: For prior years, no one person was in charge of accounting for fixed assets.

Effect: The School Board has not had a current fixed asset listing to provide good internal control.

5. **Recommendations to prevent future occurrences:** The School Board should continue their effort in completing a fixed asset listing including description, tag number, date of purchase, number of items, location and cost. These records should be updated at least quarterly, and an annual physical inventory should be taken.

**Union Parish School Board
Farmerville, Louisiana**

Other Information

The information in the following section concerns management's actions or intentions concerning prior and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular No. A-133. This information has been prepared by the management of the Union Parish School Board. Management accepts full responsibility, as required by OMB Circular No. A-133, for the accuracy of the information. This information has not been audited by the auditor except as required by OMB Circular No. A-133 Section 9802c, and accordingly, no opinion is expressed. Section 9802c requires the auditor to follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee, and report, as a current-year audit finding when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.

Also, included at the end of this section is a management letter.

Union Parish School Board
Farmerville, Louisiana

Summary Schedule of Prior Audit Findings
June 30, 1998

Reference # and title: 93-1 **Inventory of Fixed Assets**

Finding initially reported: Fiscal year ended June 30, 1996.

Condition: In prior years, the School Board had no listing of fixed assets for all programs other than Title I and Title VI. As of the beginning of the current year, the School Board began the comprehensive task of compiling a list of all fixed assets. Despite efforts to complete the listing, the School Board had at least one school with an incomplete inventory listing. Until the School Board's listing is complete, the School Board will have inadequate control over the safeguarding of fixed assets.

Corrective action planned: The School Board has continued to place more emphasis on maintaining better controls over fixed assets. A procedure manual is being considered to document the steps that are necessary to assure fixed assets are tagged and added to the listing, as well as setting guidelines for additions and deletions and physical inventories, with periodic spot checks. Also, an additional control officer position has been created and assigned the responsibility of gathering and maintaining these records. See Finding 98-02 in the Schedule of Findings and Quantified Costs included earlier in this report.

Reference # and title: 95-2 **Budget Overruns**

Finding initially reported: Fiscal year ended June 30, 1995.

Condition: The School Board had an unfavorable budget variance exceeding 5% for the following fund for the year ended June 30, 1997:

	Budget	Actual	Unfavorable Variance
Special revenue fund			
Special fund	\$258,000	\$271,778	\$63,848

The Louisiana Local Government Budget Act requires budgets to be amended if reported actual expenditures exceed budgeted expenditures by 5% or more.

Corrective action taken: The Special Fund is where all grants and additional allotments are coded. There had been a lack of communication between grant writers and the business office. There were several grants that the business office did not know about until after the end of year budgets had already been revised. A closer watch of grants has been established and all budgets are being checked proactively and amended if necessary.

**Union Parish School Board
Farmerville, Louisiana**

**Corrective Action Plan for Current-Year Findings and Questioned Cost
As of and for the Year Ended June 30, 1999**

Reference # and title: **88-01** **School Activities Fund**

Corrective action planned: A one-day seminar is being planned to re-educate principals and secretaries regarding school accounting requirements. Examples will be shown, questions can be addressed and proper procedures can be outlined. At present, the Superintendent has done an audit of each school's funds during the spring. We are also going to add surprise visits from the business manager, as well as quarterly checks to help assist our school accounting procedures.

Person responsible for corrective action:

Ms. Donna Crawford, Business Manager
Union Parish School Board
P. O. Box 308
Farmerville, Louisiana 71241-0308

Telephone: (318) 368-9715
Fax: (318) 368-3311

Anticipated completion date: June 30, 1999.

Reference # and title: **88-02** **Inventory of Fixed Assets**

Corrective action planned: The School Board continues to support its effort in completing the desired listing. A new position has been agreed that will assume responsibility for fixed assets record keeping. A procedure manual is being developed to establish guidelines and updates, as well as to set a time line to assure that procedures are followed. Superintendent and business manager will monitor this undertaking and plan to have a complete listing by the year 2000.

Person responsible for corrective action:

Ms. Donna Crawford, Business Manager
Union Parish School Board
P. O. Box 308
Farmerville, Louisiana 71241-0308

Telephone: (318) 368-9715
Fax: (318) 368-3311

Anticipated completion date: December 31, 1999.

ALLEN, GREEN & COMPANY, LLP

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Management Letter

Board Members
Union Parish School Board
Farmerville, Louisiana

In planning and performing our audit of the general-purpose financial statements of the Union Parish School Board, Farmerville, Louisiana for the year ended June 30, 1998, we considered the School Board's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted a certain matter involving compliance that is presented for your consideration. This letter does not affect our report, October 8, 1998, on the financial statements of Union Parish School Board, Farmerville, Louisiana. We will review the status of this comment during our next audit engagement. Our comment and recommendation which have been discussed with management is intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Management's response has also been included. We have performed no audit work to verify the content of the response.

Reference # and title: 26.011 Issuing a State of Emergency

Comments: Public Statute Law 1:5.8-9.5, 36:2113-36:2117 requires all public emergencies to be published within 10-days of declaration. A declaration of public emergency was not certified within 10-days of declaration. This was the only state of emergency declared for the year ended June 30, 1998.

Recommendation: If any state-of emergency is declared by the School Board, a notice should be published in the official journal within 10 days.

Corrective action plan: Supervisors and other staff are being made aware of this law and each department will be notified of the action that needs to be taken if an emergency is declared. Corrective action will be completed by October 30, 1998.

Person responsible for corrective action:

Ms. Donna Crawford, Business Manager
Union Parish School Board
P. O. Box 608
Farmerville, LA 71341-0508

Telephone: (504) 368-9715
Fax: (504) 368-9301

Board Members
Linton Parish School Board
Farmerville, Louisiana

Also included immediately following this letter is a Status of Prior Management Letter Items. This information has not been audited by Allen, Green & Company, LLP, and no opinion is expressed. However, we did follow up on prior management letter items and performed procedures to assess the reasonableness of the Status of Prior Management Letter Items prepared by the auditee, and we would report, as a current-year management letter item, when Allen, Green & Company, LLP, concludes that the Status of Prior Management Letter Items materially misrepresents the status of any prior management letter item.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended for the information of the Board and management. However, this report is a matter of public record and its distribution is not limited.

Allen Brown & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
October 8, 1998

Union Parish School Board
Farmerville, Louisiana

Summary Schedule of Prior Management Letter Items
June 30, 1998

Finding reference # and title: Instructional Expenditures Less Than the Seventy Percent Threshold

Initially occurring: Fiscal Year Ended June 30, 1998.

Condition: Article VIII, Section 1303 of the Constitution of Louisiana requires the State Board of Elementary and Secondary Education (SEBE) to adopt and the Legislature to approve a formula for state funding to all public elementary and secondary schools in Louisiana. A cost distribution formula which was adopted as part of Senate Concurrent Resolution #215 during the 1993 regular session, requires that local School Boards ensure that seventy percent of state funds are expended on instruction. The School Board fell short of the seventy percent threshold by spending 68.3 percent on instruction.

Corrective action taken: For the year ended June 30, 1998, the School Board met the seventy percent threshold, therefore this item has been resolved.

Finding reference # and title: Student Activity Accounts

Initially occurring: Fiscal Year Ended June 30, 1996.

Condition: Controls over the student activity funds of Deereville High School are not adequate. The receipts collected were not being deposited intact. A cash amount was being held out and not deposited until the next deposit was made. Of the 15 disbursements tested, three invoices were not converted to cash payment in order to prevent duplicate payment, three charges were not supported by proper documentation, and one charge had no evidence of receipt of the goods.

Corrective action taken: See current year audit finding 98-11.