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**Grant Parish School Board
Colfax, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 1999**

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

Release Date 2-2-00

Grant Parish School Board
Colfax, Louisiana

Annual Financial Report
As of and for the Year Ended June 30, 1999

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Grant Parish School Board
Colfax, Louisiana

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Grant Parish School Board
Colfax, Louisiana

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ALLEN, GREEN & COMPANY, LLP

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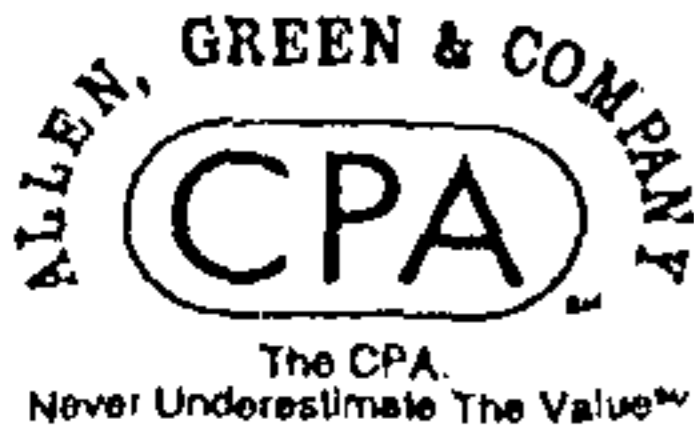
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Independent Auditors' Report

Board Members
Grant Parish School Board
Colfax, Louisiana

We have audited the accompanying GENERAL-PURPOSE FINANCIAL STATEMENTS of Grant Parish School Board, as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the 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. Those 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

The School Board reports its workers' compensation activity in an internal service fund. Internal service fund accounting is on an economic resources measurement focus and full accrual basis of accounting. During the preparation of the financial statements for the year ended June 30, 1999 it was discovered that the estimated outstanding reserves for workers' compensation claims at the end of the previous year had not been recorded. Accordingly, the beginning retained earnings balance of \$14,035 was adjusted to reflect the correction of error for the unrecorded estimated outstanding reserves for workers' compensation claims of \$336,802 outstanding at the end of the prior fiscal year (June 30, 1998). The Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) for the year ended June 30, 1999, on page 11 of this report, reflects this adjustment. Net income on the Statement of Revenues, Expenses and Changes in Retained Earnings (Deficit) for the prior fiscal year ended June 30, 1998 would also have been overstated by \$336,802.

Board Members
Grant Parish School Board
Colfax, Louisiana

The year 2000 information on page 40 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board (GASB) Technical Bulletin (TB) 99-1, Disclosures About Year 2000 Issues - an amendment of Technical Bulletin 98-1. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the School Board is or will become Year 2000 compliant, that the School Board's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the School Board does business are or will become Year 2000 compliant.

In accordance with Government Auditing Standards, we have also issued our report dated November 17, 1999, on our consideration of the 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 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.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
November 17, 1999

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

ALL FUND TYPES AND ACCOUNT GROUPS
Combined Balance Sheet
June 30, 1999

*****GOVERNMENTAL FUNDS*****				
	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS
ASSETS AND OTHER DEBITS				
Assets				
Cash and cash equivalents	\$ 648,918	\$ 682,950	\$ 144,990	\$ 19,390
Investments	1,557,115	678,187	337,578	456,927
Receivables	87,098	553,617	4,059	964
Interfund receivables	474,808	26,562	0	0
Inventory	0	18,251	0	0
Prepaid items	131,427	75	0	0
Land, buildings and equipment	0	0	0	0
Other debits				
Amount available in debt service funds	0	0	0	0
Amount to be provided for retirement of general-term obligations	0	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 2,899,366	\$ 1,959,642	\$ 486,627	\$ 477,281
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities				
Accounts, salaries and other payables	\$ 1,865,384	\$ 360,352	\$ 0	\$ 5,913
Interfund payables	47,812	471,014	0	0
Deposits due others	0	0	0	0
Deferred revenue	0	11,266	0	0
Bonds payable	0	0	0	0
Compensated absences payable	0	0	0	0
Incurred but not reported claims	0	0	0	0
Total Liabilities	\$ 1,913,196	\$ 842,632	\$ 0	\$ 5,913
Equity and other credits				
Investment in general fixed assets	\$ 0	\$ 0	\$ 0	\$ 0
Retained Earnings	0	0	0	0
Fund Balances:				
Reserved for inventory	0	6,985	0	0
Reserved for prepaid items	131,427	0	0	0
Reserved for debt service	0	0	486,627	0
Unreserved:				
Designated for self insurance	239,894	0	0	0
Designated for catastrophic claims	300,000	0	0	0
Undesignated	314,849	1,110,025	0	471,368
Total Equity and Other Credits	\$ 986,170	\$ 1,117,010	\$ 486,627	\$ 471,368
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 2,899,366	\$ 1,959,642	\$ 486,627	\$ 477,281

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

Statement A

PROPRIETARY FUNDS- INTERNAL SERVICE	FIDUCIARY FUNDS- AGENCY FUNDS	*****ACCOUNT GROUPS*****		TOTAL (MEMORANDUM ONLY)
		GENERAL FIXED ASSETS	GENERAL LONG-TERM OBLIGATIONS	
\$ 23,952	\$ 266,181	\$ 0	\$ 0	\$ 1,786,381
0	0	0	0	3,029,807
71,773	0	0	0	717,511
21,250	0	0	0	522,620
0	0	0	0	18,251
0	0	0	0	131,502
0	0	20,610,310	0	20,610,310
0	0	0	486,627	486,627
0	0	0	3,012,810	3,012,810
<u>\$ 116,975</u>	<u>\$ 266,181</u>	<u>\$ 20,610,310</u>	<u>\$ 3,499,437</u>	<u>\$ 30,315,819</u>
\$ 70,649	\$ 0	\$ 0	\$ 0	\$ 2,302,298
3,794	0	0	0	522,620
0	266,181	0	0	266,181
0	0	0	0	11,266
0	0	0	2,780,000	2,780,000
0	0	0	719,437	719,437
<u>327,803</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>327,803</u>
<u>\$ 402,246</u>	<u>\$ 266,181</u>	<u>\$ 0</u>	<u>\$ 3,499,437</u>	<u>\$ 6,929,605</u>
\$ 0	\$ 0	\$ 20,610,310	\$ 0	\$ 20,610,310
(285,271)	0	0	0	(285,271)
0	0	0	0	6,985
0	0	0	0	131,427
0	0	0	0	486,627
0	0	0	0	239,894
0	0	0	0	300,000
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,896,242</u>
<u>\$ (285,271)</u>	<u>\$ 0</u>	<u>\$ 20,610,310</u>	<u>\$ 0</u>	<u>\$ 23,386,214</u>
<u>\$ 116,975</u>	<u>\$ 266,181</u>	<u>\$ 20,610,310</u>	<u>\$ 3,499,437</u>	<u>\$ 30,315,819</u>

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

ALL GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 1999

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES					
Local sources:					
Taxes					
Ad valorem	\$ 373,111	\$ 627,772	\$ 535,513	\$ 0	\$ 1,536,396
Sales and use	0	800,600	0	0	800,600
Investment income	116,126	41,864	17,492	22,338	197,820
Food services	0	274,113	0	0	274,113
Other	73,719	13,871	0	0	87,590
State sources:					
Equalization	11,919,888	1,753,032	0	0	13,672,920
Other	563,691	261,451	0	0	825,142
Federal sources	338,618	2,182,409	0	0	2,521,027
Total revenues	\$ 13,385,153	\$ 5,955,112	\$ 553,005	\$ 22,338	\$ 19,915,608
EXPENDITURES					
Current:					
Instruction:					
Regular programs	\$ 6,926,413	\$ 68,288	\$ 0	\$ 18,497	\$ 7,013,198
Special programs	2,044,442	585,341	0	0	2,629,783
Other instructional programs	1,020,257	212,679	0	0	1,232,936
Support services:					
Student services	587,845	68,164	0	0	656,009
Instructional staff support	720,969	431,713	0	0	1,152,682
General administration	296,282	77,729	19,377	0	393,388
School administration	1,170,663	57,657	0	5,177	1,233,497
Business services	217,158	6,824	216	144	224,342
Plant services	1,111,607	368,272	0	10,638	1,490,517
Student transportation services	105,873	1,801,338	0	0	1,907,211
Central services	3,528	0	0	0	3,528
Food services	45,005	1,651,389	0	0	1,696,394
Community service programs	2,326	0	0	0	2,326
Facilities acquisition and construction	645	64,077	0	26,431	91,153
Debt service:					
Principal retirement	0	0	350,000	0	350,000
Interest and bank charges	0	0	147,268	0	147,268
Total expenditures	\$ 14,253,013	\$ 5,393,471	\$ 516,861	\$ 60,887	\$ 20,224,232

(CONTINUED)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

ALL GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 1999

Statement B

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL (MEMORANDUM ONLY)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (867,860)	\$ 561,641	\$ 36,144	\$ (38,549)	\$ (308,624)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$ 926,473	\$ 739,546	\$ 0	\$ 0	\$ 1,666,019
Operating transfers out	(477,546)	(1,188,473)	0	0	(1,666,019)
Sale of fixed assets	6,974	4,970	0	0	11,944
TOTAL OTHER FINANCING SOURCES (USES)	\$ 455,901	\$ (443,957)	\$ 0	\$ 0	\$ 11,944
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (411,959)	\$ 117,684	\$ 36,144	\$ (38,549)	\$ (296,680)
FUND BALANCES AT BEGINNING OF YEAR	1,398,129	999,326	450,483	509,917	3,357,855
FUND BALANCES AT END OF YEAR	\$ 986,170	\$ 1,117,010	\$ 486,627	\$ 471,368	\$ 3,061,175

(CONCLUDED)

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

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

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

Statement C

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes			
Ad valorem	\$ 379,953	\$ 376,532	\$ (3,421)
Investment income	105,807	116,126	10,319
Other	0	73,719	73,719
State sources:			
Equalization	11,919,888	11,919,888	0
Other	562,149	560,270	(1,879)
Federal sources	353,889	338,618	(15,271)
 Total revenues	 \$ 13,321,686	 \$ 13,385,153	 \$ 63,467
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 6,883,658	\$ 6,926,413	\$ (42,755)
Special programs	2,033,707	2,044,442	(10,735)
Other instructional programs	1,061,123	1,020,257	40,866
Support services:			
Student services	588,045	587,845	200
Instructional staff support	605,118	720,969	(115,851)
General administration	295,311	296,282	(971)
School administration	1,155,468	1,170,663	(15,195)
Business services	215,277	217,158	(1,881)
Plant services	1,035,873	1,111,607	(75,734)
Student transportation services	122,334	105,873	16,461
Central services	3,500	3,528	(28)
Food services	43,499	45,005	(1,506)
Community service programs	2,750	2,326	424
Facilities acquisition and construction	645	645	0
 Total expenditures	 \$ 14,046,308	 \$ 14,253,013	 \$ (206,705)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 \$ (724,622)	 \$ (867,860)	 \$ (143,238)

(CONTINUED)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

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

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 881,894	\$ 926,473	\$ 44,579
Operating transfers out	(472,284)	(477,546)	(5,262)
Sale of fixed assets	0	6,974	6,974
	<u>409,610</u>	<u>455,901</u>	<u>46,291</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ 409,610	\$ 455,901	\$ 46,291
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (315,012)	\$ (411,959)	\$ (96,947)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,398,025</u>	<u>1,398,129</u>	<u>104</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,083,013</u>	<u>\$ 986,170</u>	<u>\$ (96,843)</u>

(CONTINUED)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

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

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes			
Ad valorem	\$ 613,213	\$ 627,772	\$ 14,559
Sales and use	743,500	800,600	57,100
Investment income	16,877	41,864	24,987
Food services	288,000	274,113	(13,887)
Other	13,000	13,871	871
State sources:			
Equalization	1,753,043	1,753,032	(11)
Other	286,278	261,451	(24,827)
Federal sources			
	<u>2,181,735</u>	<u>2,182,409</u>	<u>674</u>
 Total revenues	 <u>\$ 5,895,646</u>	 <u>\$ 5,955,112</u>	 <u>\$ 59,466</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 65,896	\$ 68,288	\$ (2,392)
Special programs	600,585	585,341	15,244
Other instructional programs	217,587	212,679	4,908
Support services:			
Student services	68,164	68,164	0
Instructional staff support	447,921	431,713	16,208
General administration	71,021	77,729	(6,708)
School administration	62,241	57,657	4,584
Business services	6,494	6,824	(330)
Plant services	418,285	368,272	50,013
Student transportation services	1,882,154	1,801,338	80,816
Food services	1,678,199	1,651,389	26,810
Facilities acquisition and construction	<u>67,857</u>	<u>64,077</u>	<u>3,780</u>
 Total expenditures	 <u>\$ 5,586,404</u>	 <u>\$ 5,393,471</u>	 <u>\$ 192,933</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ 309,242</u>	 <u>\$ 561,641</u>	 <u>\$ 252,399</u>

(CONTINUED)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

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

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 607,609	\$ 739,546	\$ 131,937
Operating transfers out	(1,035,126)	(1,188,473)	(153,347)
Sale of fixed assets	0	4,970	4,970
TOTAL OTHER FINANCING SOURCES (USES)	\$ (427,517)	\$ (443,957)	\$ (16,440)
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (118,275)	\$ 117,684	\$ 235,959
FUND BALANCES AT BEGINNING OF YEAR	967,035	999,326	32,291
FUND BALANCES AT END OF YEAR	\$ 848,760	\$ 1,117,010	\$ 268,250

(CONCLUDED)

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

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Revenues, Expenses,
and Changes in Retained Earnings (Deficit)
For the Year Ended June 30, 1999

Statement D

OPERATING REVENUE	
Premium income	\$ 321,250
Other sources - Third party reimbursements	71,521
Other local revenue	<u>227</u>
Total operating revenue	\$ 392,998
OPERATING EXPENSES	
Claims	<u>355,678</u>
Operating income (loss)	\$ 37,320
NONOPERATING REVENUES	
Earnings on investments	<u>176</u>
Net income (loss)	<u>\$ 37,496</u>
RETAINED EARNINGS AT BEGINNING OF YEAR, AS ORIGINALLY STATED	\$ 14,035
Prior Period Adjustment	<u>(336,802)</u>
RETAINED EARNINGS AT END OF YEAR, AS RESTATED	<u>\$ (322,767)</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ (285,271)</u>

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

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Cash Flows
For the Year Ended June 30, 1999

Statement E

CASH FLOW FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 37,320
Adjustments to reconcile operating income to net cash provided (used) for operating activities:	
(Increase) decrease in receivable	(43,133)
(Increase) decrease in interfund receivables	(21,250)
Increase (decrease) in payable	45,983
Increase (decrease) in interfund payables	<u>3,794</u>
Net cash provided (used) for operating activities	\$ 22,714
CASH FLOW FROM INVESTING ACTIVITIES	
Earnings on investments	<u>176</u>
Net increase (decrease) in cash and cash equivalents	\$ 22,890
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,062</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 23,952</u>

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

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

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**Grant Parish School Board
Collfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

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**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The School Board operates nine schools within the parish with a total enrollment of approximately 3,687 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 fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally 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 issue 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 management in demonstrating compliance with finance-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.

The 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:

Grant Parish School Board
Collax, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999

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 construction 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 funds - account for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Capital projects funds - account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

Proprietary Funds

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds in that focus is on measurement, which, together with the maintenance of equity is an important financial indicator. Proprietary funds include the following:

Internal service funds - account for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

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.

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. These funds are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School activity agency fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Deferred compensation fund - accounts for contributions and earnings by employees who participate in the plan.

Grant Parish School Board
Colfax, Louisiana

Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

Account Groups

The *general fixed assets account 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 unmatured interest on general long-term debt which is recognized when the obligations are expected 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

Ad valorem 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 revenue 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 revenue at that time.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

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

Other financing sources (uses)

Transfers between funds that are not expected to be repaid (or any other types, 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.

Proprietary Funds

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Pursuant to GASB Statement No. 20, the School Board has elected to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Fiduciary 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 in an agency capacity.

D. BUDGETS

General Budget Practices

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.

Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS (Continued)

General Budget Practices (Continued)

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function 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.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, 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). 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 budgets 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, interest-bearing demand deposits and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. INVESTMENTS

Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INVESTMENTS (Continued)

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reports at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

The School Board participates in the Louisiana Asset Management Pool, Inc. (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

The investment objective of the LAMP is the preservation of capital and the maintenance of liquidity and, to the extent consistent with such objective, current yield.

The LAMP was established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Board of Directors of LAMP provides certain management and administrative services to LAMP and, through a competitive bidding process, selects a custodial bank and an investment advisor. The custodial bank holds the assets of LAMP and the investment decisions are made by the investment advisor. Both the custodial bank and the investment advisor are subject to the review and oversight of LAMP.

An annual audit of LAMP is conducted annually by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

The LAMP may invest in U. S. Government Securities. The LAMP is designed to comply with restriction on investment by municipalities, parishes, and other types of political subdivisions imposed under Louisiana Revised Statute 33:2955.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. INVESTMENTS (Continued)

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. The LAMP's portfolio securities are valued at fair value. The LAMP operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs money market mutual funds (although the LAMP is not a money market fund and has no obligation to conform to this rule). In addition, the LAMP will generally comply with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 397 days and meet certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

The fair value of the position in the pool is the same as the value of the pool shares.

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 interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

H. INVENTORIES AND PREPAID ITEMS

Inventories of the governmental fund type are recorded as expenditures when purchased. Except for inventory of the school food service fund, the amounts are not considered material at June 30, 1999.

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenue when used; however, all inventory items are recorded as expenditures when consumed. Unused commodities at June 30 are reported as deferred revenue. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items.

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.

Approximately 90% of fixed assets are valued at actual costs, while the remaining 10% are valued at estimated cost based on the actual cost of like items.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. FIXED ASSETS (Continued)

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks and other assets that are immovable 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 assets' lives are not included in the general fixed assets account group.

J. DEFERRED REVENUES

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

K. COMPENSATED ABSENCES

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

All School Board employees earn from 10 to 18 days of sick leave each year that can be accumulated without limitation. Upon retirement or death, 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.

The 12-month employees earn 10 days of vacation leave each year. Vacation leave cannot be accumulated beyond 18 months. Vacation leave must be used with 18 months of the July 1 accrual date.

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

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

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other 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. The School Board uses this approach to accrue the liability for sick leave.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. COMPENSATED ABSENCES (Continued)

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

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

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

L. 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 expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate fund.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts as well as issuance cost are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Issuance cost are reported as deferred charges.

M. FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use. Reservations of retained earnings are limited to outside third-party restrictions.

Designations of fund balance represent tentative management plans that are subject to change. The proprietary funds contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. INTERFUND TRANSACTIONS

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

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

O. SALES TAXES

On March 26, 1977, the voters of Grant Parish approved a one percent sales and use tax to be levied by the Grant Parish School Board. The sales and use tax is collected by the School Board and deposited in the sales tax special revenue fund. The net revenues derived from the sales and use tax are used to improve the salaries of all School Board personnel and for the administrative and general school operating expenditures. No more than 20 percent can be used for administrative and general school operating expenditures.

P. MEMORANDUM ONLY-TOTAL COLUMNS

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

Q. 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 those estimates.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Deficit Fund Balances/Retained Earnings

The following fund has a deficit in the fund balance at June 30, 1999:

<u>Fund</u>	<u>Deficit Amount</u>
Proprietary Funds	
Internal Service Fund	<u>\$285,271</u>

Management expects to correct the deficit by increasing premium income for 1999-2000.

B. Excess of Expenditures Over Appropriations in Individual Funds

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

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$14,046,308	\$14,253,014	\$206,706
Special Revenue Funds			
Sales Tax	22,148	24,664	2,516
Parish-wide Salary Supplement	11,200	11,440	240
Montgomery District 21	12,894	19,063	6,169
South Grant	15,490	16,342	852

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last budget revision. These budget variances were not over 5%, therefore the budgets were not required to be revised.

NOTE 3 - LEVIED TAXES

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

The Grant Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Millage rates adopted	August 6, 1998
Levy date	October 1, 1998
Tax bills mailed	On or about November 15, 1998
Due date	December 31, 1998
Lien date	January 1, 1999

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 3 - LEVIED TAXES (Continued)

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

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% 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 \$42,557,446 in calendar year 1998. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$16,066,228 of the assessed value in calendar year 1998.

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. After notice is given to the delinquent taxpayers, 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, special revenue and debt service funds 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 past 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 receivable 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 1999 property taxes to be collected occurs in December 1999, and January and February of 2000. As a result, no property taxes receivable for 1999 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 ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 3 - 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	5.89	5.89	Statutory
General supports	7.11	7.11	2008
Maintenance	4.97	4.97	2002
Salary supplement	11.90	11.90	2003
District maintenance and operations taxes:			
Colfax School #1	4.57	4.57	2002
Consolidated School #9	7.93	7.93	Statutory
Consolidated School #11	4.28	4.28	2002
Consolidated School #33	2.62	2.62	2008
Montgomery School #21	4.38	4.38	2008
Verda School #31	4.05	4.05	2002
Georgetown School #16	4.28	4.28	2008
District sinking fund taxes:			
Consolidated School #33	Variable	20.00	2005
Montgomery School #21	Variable	26.00	2011
Verda School #31	Variable	32.00	2011
Georgetown School #16	Variable	16.00	2008

NOTE 4 - CASH AND CASH EQUIVALENTS

At June 30, 1999, the School Board has cash and cash equivalents totaling \$1,786,381 as follows:

Demand deposit	\$ 280,828
Interest-bearing demand deposits	1,505,553
Time deposits	<u>776,608</u>
Total deposits	2,562,989
Less: time deposits classified as investments	<u>776,608</u>
Total cash and cash equivalents per statement A	<u>\$1,786,381</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

At year-end, the School Board's carrying amount of deposits was \$2,562,989 (including \$776,608 of certificate of deposits classified as investments) and the bank balance was \$2,854,948. Of the bank balance, \$258,387 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, \$2,596,561 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 3).

Even though the pledged securities are considered uncollateralized (Category 3) 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 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the School Board or its agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the School Board's name.
3. Uninsured 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:

<u>Type of investment</u>	<u>Category</u>			<u>Carrying Amount</u>			<u>Total Carrying Amount</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Cost</u>	
Government securities	\$ 995,372	\$ -	\$ -	\$ -	\$ 995,372	\$ -	\$ 995,372
U. S. Treasury note	275,000	-	-	-	275,000	-	275,000
Certificate of deposit	-	-	<u>766,608</u>	-	-	766,608	766,608
Total	<u>\$1,270,372</u>	<u>\$ -</u>	<u>\$766,608</u>				
Investments not subject to categorization:							
External investment pool (LAMP)				984,338	-	-	984,338
Red and black fund held by Louisiana Treasury Department				<u>8,489</u>	-	-	<u>8,489</u>
Total investments				<u>\$992,827</u>	<u>\$1,270,372</u>	<u>\$766,608</u>	<u>\$3,029,807</u>

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 6 - RECEIVABLES

The receivables of \$674,990 at June 30, 1999, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Project Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
Taxes:						
Ad valorem	\$ 184	\$ 70	\$ -	\$ -	\$ -	\$ 254
Sales and use	-	151,640	-	-	-	151,640
Intergovernmental - grants:						
Federal	8,235	255,134	-	-	-	263,369
State	56,669	143,102	-	-	-	199,771
Local Accounts	6,907	986	-	-	29,252	37,145
Interest	<u>15,103</u>	<u>2,685</u>	<u>4,059</u>	<u>964</u>	<u>-</u>	<u>22,811</u>
Total	<u>\$87,098</u>	<u>\$553,617</u>	<u>\$4,059</u>	<u>\$964</u>	<u>\$29,252</u>	<u>\$674,990</u>

NOTE 7 - FIXED ASSETS

The changes in general fixed assets are as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Land	\$ 335,014	\$ -	\$ -	\$ 335,014
Building	14,573,307	29,015	-	14,602,322
Furniture and equipment	<u>5,051,732</u>	<u>785,368</u>	<u>164,126</u>	<u>5,672,974</u>
Total	<u>\$19,960,053</u>	<u>\$814,383</u>	<u>\$164,126</u>	<u>\$20,610,310</u>

NOTE 8 - 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 lunchroom 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.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 8 - RETIREMENT SYSTEMS (Continued)

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 30 or more years of creditable service, at 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 fifty-five 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.

Both TRS 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 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
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 employee 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 TRS, as provided by state law, is funded by the state of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. 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, 1999, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.00%	16.50%
Plan A	9.10%	16.50%
Louisiana School Employees' Retirement System	6.35%	6.00%

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 8 - RETIREMENT SYSTEMS (Continued)

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 1999, amounted to \$9,483,166, \$143,143, and \$1,414,422, respectively. Employer contributions for the year ended June 30, 1999, and each of the two preceding years are as follows:

<u>Fiscal Year Ending</u>TRS.....	LSERS.....	
	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid
June 30, 1998	\$1,434,450	92.32	\$74,160	100.36
June 30, 1999	1,643,869	88.89	83,851	96.32
June 30, 2000	1,776,075	89.43	88,108	96.32

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, 1999. Each annual actuarially required contribution for the year ended June 30, 1999, is based upon each plan's annual financial report for the year ended June 30, 1998, which is the latest information available.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS

In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the Louisiana Group Benefits whose monthly premiums are paid jointly by the employee and by the School Board. The School Board recognizes the cost of providing these benefits (which includes the state's reimbursement) as an expenditure when the monthly premiums are due. The cost of retiree benefits included in these expenditures was \$469,601, for approximately 196 retirees.

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$2,302,298, at June 30, 1999, are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>
Salaries	\$1,360,952	\$297,501	\$ -	\$ -	\$1,658,453
Accounts	<u>504,432</u>	<u>62,851</u>	<u>5,913</u>	<u>70,649</u>	<u>643,845</u>
Total	<u>\$1,865,384</u>	<u>\$360,352</u>	<u>\$5,913</u>	<u>\$70,649</u>	<u>\$2,302,298</u>

**Grant Parish School Board
Collfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 11 - COMPENSATED ABSENCES

At June 30, 1999, employees of the School Board have accumulated and vested \$719,437 of employee leave benefits, which includes \$87,507 of employee-related benefits. These benefits were computed in accordance with GASB Codification Section C60. Of this amount, \$719,437 is recorded within the general long-term debt account group.

NOTE 12 - AGENCY FUND DEPOSITS DUE OTHERS

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

	<u>Balance, Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, End of Year</u>
School activity fund	<u>\$221,309</u>	<u>\$827,207</u>	<u>\$782,335</u>	<u>\$266,181</u>

NOTE 13 - GENERAL LONG-TERM OBLIGATIONS

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

	<u>Bonds Payable</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance, beginning of year	\$3,130,000	\$671,736	\$3,801,736
Additions	-	94,013	94,013
Deductions	<u>350,000</u>	<u>46,312</u>	<u>396,312</u>
Balance, end of year	<u>\$2,780,000</u>	<u>\$719,437</u>	<u>\$3,499,437</u>

All School Board bonds outstanding at June 30, 1999, in the amount of \$2,780,000, are general obligation bonds.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 13 - GENERAL LONG-TERM OBLIGATIONS (Continued)

The individual issues are as follows:

<u>Date</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
District 33 - Consolidated 1993	\$3,240,000	4.20-4.50%	Mar. 1, 2005	\$334,815	\$2,060,000
District 21 - Montgomery 1996	500,000	5.05-5.65%	Mar. 1, 2011	177,840	440,000
District 31 - Verda 1996	325,000	5.05-5.65%	Mar. 1, 2011	<u>114,427</u>	<u>280,000</u>
Total				<u>\$627,082</u>	<u>\$2,780,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 1999, the School Board has accumulated \$486,627 in the debt service funds for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2000	\$ 345,000	\$130,005	\$ 475,005
2001	350,000	115,115	465,115
2002	380,000	99,995	479,995
2003	400,000	82,990	482,990
2004	425,000	64,540	489,540
2005-2011	<u>880,000</u>	<u>134,437</u>	<u>1,014,437</u>
Total	<u>\$2,780,000</u>	<u>\$627,082</u>	<u>\$3,407,082</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 1999, the statutory limit is \$14,895,106, and outstanding net bonded debt totals \$2,293,373.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 14 - INTERFUND ASSETS/LIABILITIES

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	
	Title I	\$221,224
	Title VI	299
	Vocational Education	16,893
	Title II	13,629
	Special Education	67,820
	Adult Education	291
	Goals 2000	26,897
	Sales Tax	10,000
	School Food Service	609
	Other Miscellaneous Funds	110,216
	South Grant	<u>3,136</u>
Subtotal		<u>471,014</u>
	Proprietary Fund	
	Internal Service	<u>3,794</u>
Special Revenue		
School Food Service	General Fund	25,425
Parish-wide Salary Supplement	General Fund	275
Georgetown	General Fund	<u>862</u>
Subtotal		<u>26,562</u>
Proprietary Funds		
Internal Service	General Fund	<u>21,250</u>
Total		<u><u>\$522,620</u></u>

NOTE 15 - DEFERRED COMPENSATION

Under the guidelines established in accordance with the Internal Revenue Code Section 457, the School Board has one deferred compensation plan which is administered by Great-West Life and Annuity Insurance Company on behalf of all participating employees. The plan, which is voluntary for all employees, permits them to defer a portion of their salary until future years. The deferred pay and any income 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.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 15 - DEFERRED COMPENSATION (Continued)

A summary of changes in deferred compensation payable for the year ended June 30, 1999 is as follows:

Balance, beginning of year	\$ 188,414
Additions	
Deductions	<u>(188,414)</u>
Balance, end of year	<u>\$ _____</u>

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.

NOTE 16 - 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.

Prepaid Items Fund balance is reserved for prepaid expenditures which indicates that fund balances in that amount is not available for appropriation and expenditures.

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 Self Insurance This amount has been accumulated over several years to fund the subsequent year expenditures arising from possible insurance claims.

Designated for Catastrophic Claims This amount represents a portion of fund balance that has been designated to fund possible losses from lawsuits.

The following is an analysis of the changes in designated fund balances for the year ended June 30, 1999:

	<u>Designation for Self-Insurance</u>	<u>Designation for Catastrophic Claims</u>
Balance, beginning of year	\$239,984	\$300,000
Additions	-	-
Deletions	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$239,984</u>	<u>\$300,000</u>

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 17 - INTERFUND TRANSFERS

Operating transfers for the year ended June 30, 1999, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 926,473	\$ 477,546
Special Revenue Funds:		
Sales Tax		743,460
Transportation	406,136	
School Food Service	107,129	
Parish-wide Salary Supplement	137,393	445,013
Maintenance Funds:		
Colfax	5,946	
Dry Prong	12,565	
Georgetown	10,367	
Grant	9,297	
Montgomery District 21	10,684	
Pollock	10,433	
Verda	5,476	
South Grant	5,342	
Parish-wide	<u>18,778</u>	
Totals	<u>\$1,660,019</u>	<u>\$1,666,019</u>

NOTE 18 - RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation insurance in fiscal year 1992. Premiums are paid into the internal service fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 1999 a total of \$364,677 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$175,000. Inter-fund premiums are based primarily upon the individual funds payroll and are reported as expenditures in the individual funds.

The Internal Service Fund - Workers' Compensation incurred a net income for the year of \$14,035 and at year end had a retained earnings deficit balance of \$285,271.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 18 - RISK MANAGEMENT (Continued)

Changes in the claims amount in previous fiscal years were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Ending of Fiscal Year Liability</u>
Workers' Compensation:				
1997 - 1998	\$252,485	\$359,551	\$259,567	\$352,469
1998 - 1999	352,469	410,660	364,677	398,452

In addition, the School Board is at risk for property damage, liability and theft which are covered by insurance policies.

NOTE 19 - LITIGATION AND CLAIMS

Litigation The School Board is a defendant in several lawsuits. Management and legal council for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position.

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 audits will not be material.

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

Self-Insurance The School Board is partially self-insured for workers' compensation. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$175,000 per claim for each employee, or \$690,600 aggregate in two years for workers' compensation insurance coverage. 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.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the General-Purpose Financial Statements
As of and for the Year Ended June 30, 1999**

NOTE 20 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

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 revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$15,052. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 21 - SUBSEQUENT EVENTS

On November 4, 1999, a fire at Grant High School damaged several classrooms. The School Board has insurance for such occurrences. The deductible for this policy is \$100,000.

The finance director for the School Board retired effective December 31, 1999. A new finance director was hired before December 31, 1999.

**Grant Parish School Board
Colfax, Louisiana**

REQUIRED SUPPLEMENTAL INFORMATION

**Grant Parish School Board
Colfax, Louisiana**

**REQUIRED SUPPLEMENTAL INFORMATION
June 30, 1999**

On March 29, 1999, the Governmental Accounting Standards Board (GASB) issued Technical Bulletin (TB) 99-1, *Disclosures about Year 2000 Issues - an amendment of Technical Bulletin 98-1*. The amendment, among other things, provides that required year 2000 disclosures may be reported as required supplementary information. The School Board reported the year 2000 disclosures as required supplemental information.

Year 2000 Information

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The School Board has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conducting school board operations. These systems are financial reporting, payroll, school activity accounting, and educational statistics reporting.

As of June 30, 1999, the financial reporting system has been assessed, and remediated; validation and testing of this system has been completed by the vendor.

As of June 30, 1999 the payroll system has been assessed and remediated; validation and testing of this system has been completed by the vendor.

As of June 30, 1999, the school activity accounting has been assessed. The School Board has installed new computers in each school and contracted with an outside vendor to remediate these systems.

The state of Louisiana distributes a substantial sum of money to the Board in the form of "foundation" and federal and state grant payments. The foundation payments are based on student and financial data that is collected from the School Board and its schools. As of June 30, 1999, the School Board has assessed the student data collection system. Further, the state processes a significant amount of financial and non-financial information about the Board through the state's Department of Education management information system. The state is responsible for the remediation of these systems.

The Grant Parish Sheriff's Office collects sales taxes and property taxes for distribution to the School Board. The sheriff's office is responsible for remediating the tax collection system.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the School Board is or will be Year 2000-ready, that the School Board's remediation efforts will be successful in whole or in part, or that parties with whom the School Board does business will be Year 2000-ready.

**Grant Parish School Board
Colfax, Louisiana**

SUPPLEMENTAL INFORMATION

**Grant Parish School Board
Colfax, Louisiana**

SPECIAL REVENUE FUNDS

TITLE I

This program was designed 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 VI

This program was designed 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 enhancements projects to the educational program and climate of the school.

VOCATIONAL EDUCATION

BASIC GRANTS TO STATES

To make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

TITLE II

This program was designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

(Continued)

**Grant Parish School Board
Colfax, Louisiana**

SPECIAL REVENUE FUNDS

SPECIAL EDUCATION

STATE GRANTS

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

PRESCHOOL GRANTS

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

K-3 READING AND MATH INITIATIVE

This program was designed to improve the reading and math skills of Louisiana public school students in kindergarten through third grade.

ADULT EDUCATION

To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

GOALS 2000

To provide grants to state education agencies (SEAs) on a formula basis to support the development and implementation of comprehensive reform plans at the state, local and school levels to improve the teaching and learning of all children. To support top-down and bottom-up reform by requiring SEAs to flow 90 percent of funds to local education agencies (LEAs) and LEAs to flow funds to schools. To support the establishment by states and localities of high standards in their core content areas. All aspects of the educational process are aligned including, but not limited to assessments, curriculum, professional development, and preservice training.

SALES TAX

Grant Parish School Board is the centralized sales tax collection agency for all taxing authorities in Grant Parish. As a result, the School Board receives a fee of 1.75 to 5.00 percent of collections for performing the duties of collection agency. Expenditures are the cost of operating the sales tax department.

TRANSPORTATION

The transportation fund accounts for the financial activity that is required to provide transportation for school children. The fund also provides for the sale and rental of school buses to contracted drivers.

(Continued)

**Grant Parish School Board
Colfax, Louisiana**

SPECIAL REVENUE FUNDS

SCHOOL FOOD SERVICE

Through cash grants and food donations, the school food service fund provides a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

PARISH-WIDE SALARY SUPPLEMENT

The parish-wide salary supplement fund is used to account for monies collected from an additional ad valorem tax passed during 1994. These funds are used to supplement teachers' salaries.

OTHER MISCELLANEOUS

CLASSROOM-BASED TECHNOLOGY

This grant was designed to purchase computers, graphing calculators, scientific equipment, etc. to bring technology into the classroom.

LITERACY CHALLENGE GRANT

This grant was designed to be used along with the classroom-based technology grant for staff development.

8G INNOVATIVE PROFESSIONAL DEVELOPMENT PROGRAM

This grant was designed to provide computer-assisted instruction to staff in order for them to have a working knowledge of using the Internet in the classroom.

SCHOOL TO WORK

This program was designed to equip students with the skills they need to perform the jobs of a modern, competitive world economy.

MAINTENANCE FUNDS

The maintenance funds for the various school districts are used to account for the proceeds of ad valorem taxes levied for the purpose of maintaining and improving schools within each school district.

Colfax
Dry Prong
Georgetown
Grant
Montgomery District 21
Pollock
Verda
South Grant
Parish-wide

(Concluded)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1999

	TITLE I	TITLE VI	VOCATIONAL EDUCATION	TITLE II	SPECIAL EDUCATION
ASSETS					
Cash and cash equivalents	\$ 79,352	\$ 299	\$ 0	\$ 13,629	\$ 19,970
Investments	0	0	0	0	0
Receivables	192,691	0	18,240	0	62,252
Interfund receivables	0	0	0	0	0
Inventory	0	0	0	0	0
Prepaid items	75	0	0	0	0
TOTAL ASSETS	\$ 272,118	\$ 299	\$ 18,240	\$ 13,629	\$ 82,222
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts, salaries & other payables	\$ 50,894	\$ 0	\$ 1,347	\$ 0	\$ 14,402
Interfund payables	221,224	299	16,893	13,629	67,820
Deferred revenue	0	0	0	0	0
Total Liabilities	\$ 272,118	\$ 299	\$ 18,240	\$ 13,629	\$ 82,222
Fund Equity					
Fund Balances:					
Reserved for inventory	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved and undesignated	0	0	0	0	0
Total Equity	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL LIABILITIES AND FUND EQUITY	\$ 272,118	\$ 299	\$ 18,240	\$ 13,629	\$ 82,222

Exhibit 1

ADULT EDUCATION	GOALS 2000	SALES TAX	TRANSPORTATION	SCHOOL FOOD SERVICE	PARISHWIDE SALARY SUPPLEMENT	OTHER MISCELLANEOUS FUNDS
\$ 291	\$ 18,065	\$ 2,495	\$ 222,850	\$ 175,887	\$ 18	3,550
0	0	1,484	66	318,769	512	0
0	8,832	151,640	0	1,952	0	117,207
0	0	0	0	25,425	275	0
0	0	0	0	18,251	0	0
0	0	0	0	0	0	0
<u>\$ 291</u>	<u>\$ 26,897</u>	<u>\$ 155,619</u>	<u>\$ 222,916</u>	<u>\$ 540,284</u>	<u>\$ 805</u>	<u>120,757</u>
\$ 0	\$ 0	\$ 0	\$ 172,597	\$ 87,842	\$ 0	10,541
291	26,897	10,000	0	609	0	110,216
0	0	0	0	11,266	0	0
<u>\$ 291</u>	<u>\$ 26,897</u>	<u>\$ 10,000</u>	<u>\$ 172,597</u>	<u>\$ 99,717</u>	<u>\$ 0</u>	<u>120,757</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,251	\$ 0	0
0	0	145,619	50,319	422,316	805	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 145,619</u>	<u>\$ 50,319</u>	<u>\$ 440,567</u>	<u>\$ 805</u>	<u>0</u>
<u>\$ 291</u>	<u>\$ 26,897</u>	<u>\$ 155,619</u>	<u>\$ 222,916</u>	<u>\$ 540,284</u>	<u>\$ 805</u>	<u>120,757</u>

(CONTINUED)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1999

	<u>COLFAX</u>	<u>DRY PRONG</u>	<u>GEORGETOWN</u>	<u>GRANT</u>	<u>MONTGOMERY DISTRICT 21</u>
ASSETS					
Cash and cash equivalents	\$ 42,858	\$ 7,487	\$ 1,406	\$ 5,699	\$ 8,577
Investments	21,570	15,954	0	10,896	21,145
Receivables	0	0	0	0	0
Interfund receivables	0	0	862	0	0
Inventory	0	0	0	0	0
Prepaid items	0	0	0	0	0
TOTAL ASSETS	\$ 64,428	\$ 23,441	\$ 2,268	\$ 16,595	\$ 29,722
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts, salaries & other payables	\$ 22	\$ 505	\$ 768	\$ 2,414	\$ 1,121
Interfund payables	0	0	0	0	0
Deferred revenue	0	0	0	0	0
Total liabilities	\$ 22	\$ 505	\$ 768	\$ 2,414	\$ 1,121
Fund Equity					
Fund Balances:					
Reserved for inventory	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved and undesignated	64,406	22,936	1,500	14,181	28,601
Total equity	\$ 64,406	\$ 22,936	\$ 1,500	\$ 14,181	\$ 28,601
TOTAL LIABILITIES AND FUND EQUITY	\$ 64,428	\$ 23,441	\$ 2,268	\$ 16,595	\$ 29,722

Exhibit 1

<u>POLLOCK</u>	<u>VERDA</u>	<u>SOUTH GRANT</u>	<u>PARISH WIDE</u>	<u>TOTAL</u>
\$ 31,572	\$ 15,163	\$ 0	\$ 33,782	682,950
195,468	5,162	21,272	65,889	678,187
733	0	0	70	553,617
0	0	0	0	26,562
0	0	0	0	18,251
0	0	0	0	75
<u>\$ 227,773</u>	<u>\$ 20,325</u>	<u>\$ 21,272</u>	<u>\$ 99,741</u>	<u>1,959,642</u>

\$ 771	\$ 181	\$ 523	\$ 16,424	360,352
0	0	3,136	0	471,014
0	0	0	0	11,266
<u>\$ 771</u>	<u>\$ 181</u>	<u>\$ 3,659</u>	<u>\$ 16,424</u>	<u>842,632</u>

\$ 0	\$ 0	\$ 0	\$ 0	18,251
227,002	20,144	17,613	83,317	1,098,759
<u>\$ 227,002</u>	<u>\$ 20,144</u>	<u>\$ 17,613</u>	<u>\$ 83,317</u>	<u>1,117,010</u>
<u>\$ 227,773</u>	<u>\$ 20,325</u>	<u>\$ 21,272</u>	<u>\$ 99,741</u>	<u>1,959,642</u>

(CONCLUDED)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

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

	TITLE I	TITLE VI	VOCATIONAL EDUCATION	TITLE II	SPECIAL EDUCATION
REVENUES					
Local sources:					
Taxes:					
Ad Valorem	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sales and use	0	0	0	0	0
Investment income	0	0	0	0	0
Food services	0	0	0	0	0
Other	0	0	0	0	0
State sources:					
Equalization	0	0	0	0	0
Other	0	0	0	0	92,938
Federal sources	753,277	21,295	43,442	21,546	295,313
Total Revenues	\$ 753,277	\$ 21,295	\$ 43,442	\$ 21,546	\$ 388,251
EXPENDITURES					
Current:					
Instruction:					
Regular programs	\$ 0	\$ 0	\$ 0	\$ 0	53,500
Special Programs	390,193	0	0	0	190,412
Other instructional programs	45,009	0	43,412	0	0
Support services:					
Student services	14,966	0	0	0	40,380
Instructional staff support	240,121	20,807	0	21,052	80,523
General administration	15,593	488	30	494	5,872
School administration	0	0	0	0	0
Business services	0	0	0	0	5,826
Plant services	47,395	0	0	0	8,452
Student transportation services	0	0	0	0	904
Food services	0	0	0	0	0
Facilities acquisition and construction	0	0	0	0	2,382
Total Expenditures	\$ 753,277	\$ 21,295	\$ 43,442	\$ 21,546	\$ 388,251
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Exhibit 2

ADULT EDUCATION	GOALS 2000	SALES TAX	TRANSPORTATION	SCHOOL FOOD SERVICE	PARISHWIDE SALARY SUPPLEMENT	OTHER MISCELLANEOUS FUNDS
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 311,081	\$ 0
0	0	800,600	0	0	0	0
0	0	4,420	729	18,544	963	0
0	0	0	0	274,113	0	0
0	0	0	12,406	781	0	0
0	0	0	1,447,932	305,100	0	0
0	0	0	0	0	0	118,087
16,276	62,117	0	0	923,842	0	45,301
<u>\$ 16,276</u>	<u>\$ 62,117</u>	<u>\$ 805,020</u>	<u>\$ 1,461,067</u>	<u>\$ 1,522,380</u>	<u>\$ 312,044</u>	<u>\$ 163,388</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,013
0	0	0	0	0	0	4,736
15,328	0	0	0	0	0	108,930
0	0	0	0	0	0	12,818
948	48,492	0	0	0	0	19,770
0	1,385	24,601	0	0	11,395	578
0	12,240	0	0	0	0	0
0	0	63	36	0	45	0
0	0	0	21,166	0	0	9,495
0	0	0	1,800,386	0	0	48
0	0	0	0	1,651,389	0	0
0	0	0	266	0	0	0
<u>\$ 16,276</u>	<u>\$ 62,117</u>	<u>\$ 24,664</u>	<u>\$ 1,821,854</u>	<u>\$ 1,651,389</u>	<u>\$ 11,440</u>	<u>\$ 163,388</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 780,356</u>	<u>\$ (360,787)</u>	<u>\$ (129,009)</u>	<u>\$ 300,604</u>	<u>\$ 0</u>

(CONTINUED)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

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

	TITLE I	TITLE VI	VOCATIONAL EDUCATION	TITLE II	SPECIAL EDUCATION
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0	0
Operating transfers out	0	0	0	0	0
Sale of fixed assets	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ 0	\$ 0	\$ 0	0
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

Exhibit 2

ADULT EDUCATION	GOALS 2000	SALES TAX	TRANSPORTATION FUNDS	SCHOOL FOOD SERVICE	PARISHWIDE SALARY SUPPLEMENT	OTHER MISCELLANEOUS FUNDS
\$ 0	\$ 0	\$ 0	\$ 406,136	\$ 107,129	\$ 137,393	\$ 0
0	0	(743,460)	0	0	(445,013)	0
0	0	0	4,970	0	0	0
<hr/>						
\$ 0	\$ 0	\$ (743,460)	\$ 411,106	\$ 107,129	\$ (307,620)	\$ 0
<hr/>						
\$ 0	\$ 0	\$ 36,896	\$ 50,319	\$ (21,880)	\$ (7,016)	\$ 0
0	0	108,723	0	462,447	7,821	0
<hr/>						
\$ 0	\$ 0	\$ 145,619	\$ 50,319	\$ 440,567	\$ 805	\$ 0
<hr/>						

(CONTINUED)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

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

	<u>COLFAX</u>	<u>DRY PRONG</u>	<u>GEORGETOWN</u>	<u>GRANT</u>	<u>MONTGOMERY</u>	<u>DISTRICT 21</u>
REVENUES						
Local sources:						
Taxes:						
Ad Valorem	\$ 38,497	\$ 11,321	\$ 5,021	\$ 55,367	\$	7,284
Sales and use	0	0	0	0		0
Investment income	1,576	924	54	1,055		1,225
Food services	0	0	0	0		0
Other	0	0	90	0		0
State sources:						
Equalization	0	0	0	0		0
Other	4,360	5,010	994	8,690		1,300
Federal sources						
	0	0	0	0		0
Total Revenues	\$ 44,433	\$ 17,255	\$ 6,159	\$ 65,112	\$	9,809
EXPENDITURES						
Current:						
Instruction:						
Regular programs	\$ 0	\$ 0	\$ 0	\$ 0	\$	156
Special Programs	0	0	0	0		0
Other instructional programs	0	0	0	0		0
Support services:						
Student services	0	0	0	0		0
Instructional staff support	0	0	0	0		0
General administration	1,506	494	1,984	3,490		1,813
School administration	8,332	2,042	1,478	25,634		2,234
Business services	0	146	146	90		134
Plant services	21,033	22,875	13,194	26,457		14,356
Student transportation services	0	0	0	0		0
Food services	0	0	0	0		0
Facilities acquisition and construction	6,700	899	0	21,015		370
Total Expenditures	\$ 37,571	\$ 26,456	\$ 16,802	\$ 76,686	\$	19,063
EXCESS (Deficiency) OF REVENUES						
OVER EXPENDITURES	\$ 6,862	\$ (9,201)	\$ (10,643)	\$ (11,574)	\$	(9,254)

Exhibit 2

<u>POLLOCK</u>	<u>VERDA</u>	<u>SOUTH GRANT</u>	<u>PARISHWIDE</u>	<u>TOTAL</u>
\$ 65,926	\$ 4,023	\$ 0	\$ 129,252	\$ 627,772
0	0	0	0	800,600
8,783	529	1,150	1,912	41,864
0	0	0	0	274,113
594	0	0	0	13,871
0	0	0	0	1,753,032
9,453	504	0	20,115	261,451
0	0	0	0	2,182,409
<u>\$ 84,756</u>	<u>\$ 5,056</u>	<u>\$ 1,150</u>	<u>\$ 151,279</u>	<u>\$ 5,955,112</u>
\$ 0	\$ 0	\$ 0	\$ 7,619	\$ 68,288
0	0	0	0	585,341
0	0	0	0	212,679
0	0	0	0	68,164
0	0	0	0	431,713
2,534	161	0	5,311	77,729
1,804	0	0	3,893	57,657
144	127	10	57	6,824
31,980	6,167	16,172	129,530	368,272
0	0	0	0	1,801,338
0	0	0	0	1,651,389
18,637	2,952	160	10,696	64,077
<u>\$ 55,099</u>	<u>\$ 9,407</u>	<u>\$ 16,342</u>	<u>\$ 157,106</u>	<u>\$ 5,393,471</u>
<u>\$ 29,657</u>	<u>\$ (4,351)</u>	<u>\$ (15,192)</u>	<u>\$ (5,827)</u>	<u>\$ 561,641</u>

(CONTINUED)

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

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

	<u>COLFAX</u>	<u>DRY PRONG</u>	<u>GEORGETOWN</u>	<u>GRANT</u>	<u>MONTGOMERY DISTRICT 21</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$ 5,946	\$ 12,565	\$ 10,367	\$ 9,297	\$ 10,684
Operating transfers out	0	0	0	0	0
Sale of fixed assets	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 5,946</u>	<u>\$ 12,565</u>	<u>\$ 10,367</u>	<u>\$ 9,297</u>	<u>\$ 10,684</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 12,808	\$ 3,364	\$ (276)	\$ (2,277)	\$ 1,430
FUND BALANCES AT BEGINNING OF YEAR	<u>51,598</u>	<u>19,572</u>	<u>1,776</u>	<u>16,458</u>	<u>27,171</u>
FUND BALANCES AT END OF YEAR	<u>\$ 64,406</u>	<u>\$ 22,936</u>	<u>\$ 1,500</u>	<u>\$ 14,181</u>	<u>\$ 28,601</u>

Exhibit 2

<u>POLLOCK</u>	<u>VERDA</u>	<u>SOUTH GRANT</u>	<u>PARISHWIDE</u>	<u>TOTAL</u>
\$ 10,433	\$ 5,476	\$ 5,342	\$ 18,778	\$ 739,546
0	0	0	0	(1,188,473)
0	0	0	0	4,970
<hr/>				
\$ 10,433	\$ 5,476	\$ 5,342	\$ 18,778	\$ (443,957)
<hr/>				
\$ 40,090	\$ 1,125	\$ (9,850)	\$ 12,951	\$ 117,684
186,912	19,019	27,463	70,366	999,326
<hr/>				
\$ 227,002	\$ 20,144	\$ 17,613	\$ 83,317	\$ 1,117,010

(CONCLUDED)

**Grant Parish School Board
Colfax, Louisiana**

DEBT SERVICE FUNDS

CONSOLIDATED NO. 33
GEORGETOWN NO. 16
MONTGOMERY NO. 21
VERDA NO. 31

The school district debt service funds are used to accumulate monies for payment of the four remaining bond issues. The bonds were issued by the respective school districts for the purpose of acquiring and improving sites, erecting and equipping additional public school buildings, acquiring necessary equipment and furnishings, and improving existing public school buildings. The bond issues are financed by a special property tax levy on property within the territorial limits of the appropriate school districts.

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 1999

Exhibit 3

	<u>CONSOLIDATED</u> NO. 33	<u>GEORGETOWN</u> NO. 16	<u>MONTGOMERY</u> NO. 21	<u>VERDA</u> NO. 31	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$ 85,228	\$ 2,387	\$ 38,618	\$ 18,757	\$ 144,990
Investments	337,578	0	0	0	337,578
Receivables	4,059	0	0	0	4,059
Total Assets	\$ 426,865	\$ 2,387	\$ 38,618	\$ 18,757	\$ 486,627
FUND EQUITY					
Fund equity - fund balances:					
Reserved for debt service	\$ 426,865	\$ 2,387	\$ 38,618	\$ 18,757	\$ 486,627
Total equity and other credits	\$ 426,865	\$ 2,387	\$ 38,618	\$ 18,757	\$ 486,627
Total Fund Equity	\$ 426,865	\$ 2,387	\$ 38,618	\$ 18,757	\$ 486,627

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures
and Changes In Fund Balances
For the Year Ended June 30, 1999

Exhibit 4

	CONSOLIDATED NO. 33	GEORGETOWN NO. 16	MONTGOMERY NO. 21	VERDA NO. 31	TOTAL
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 422,659	\$ 24,284	\$ 53,562	\$ 35,008	\$ 535,513
Investment income	15,921	326	815	430	17,492
TOTAL REVENUES	\$ 438,580	\$ 24,610	\$ 54,377	\$ 35,438	\$ 553,005
EXPENDITURES					
Current:					
Support services:					
General administration	\$ 15,291	\$ 877	\$ 1,935	\$ 1,274	\$ 19,377
Business services	35	105	50	26	216
Debt Service:					
Principal retirement	285,000	30,000	20,000	15,000	350,000
Interest and bank charges	102,730	1,925	25,833	16,780	147,268
TOTAL EXPENDITURES	\$ 403,056	\$ 32,907	\$ 47,818	\$ 33,080	\$ 516,861
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 35,524	\$ (8,297)	\$ 6,559	\$ 2,358	\$ 36,144
FUND BALANCE AT BEGINNING OF YEAR	391,341	10,684	32,059	16,399	450,483
FUND BALANCE AT END OF YEAR	\$ 426,865	\$ 2,387	\$ 38,618	\$ 18,757	\$ 486,627

**Grant Parish School Board
Colfax, Louisiana**

CAPITAL PROJECTS FUND

DISTRICT 33 ELEMENTARY SCHOOL
DISTRICT 31 CAPITAL IMPROVEMENTS
DISTRICT 21 IMPROVEMENTS PROJECT

The capital projects funds account for the construction and improvements of public school facilities. Financing has been provided by the proceeds from sale of general obligation bonds.

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 1999

Exhibit 5

	DISTRICT 33 ELEMENTARY SCHOOL	DISTRICT 31 CAPITAL IMPROVEMENTS	DISTRICT 21 IMPROVEMENTS PROJECT	TOTAL
ASSETS				
Cash and cash equivalents	\$ 4,488	\$ 10,591	\$ 4,311	\$ 19,390
Investments	89,261	21,026	346,640	456,927
Receivables	0	148	816	964
Total Assets	\$ 93,749	\$ 31,765	\$ 351,767	\$ 477,281
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 0	\$ 0	\$ 5,913	\$ 5,913
Total liabilities	\$ 0	\$ 0	\$ 5,913	\$ 5,913
Fund equity - fund balances:				
Undesignated	\$ 93,749	\$ 31,765	\$ 345,854	\$ 471,368
Total Liabilities and Fund Equity	\$ 93,749	\$ 31,765	\$ 351,767	\$ 477,281

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 1999

Exhibit 6

	DISTRICT 33 ELEMENTARY SCHOOL	DISTRICT 31 CAPITAL IMPROVEMENTS	DISTRICT 21 IMPROVEMENTS PROJECT	TOTAL
REVENUES				
Local sources:				
Investment income	\$ 4,402	\$ 1,274	\$ 16,662	\$ 22,338
Total revenues	\$ 4,402	\$ 1,274	\$ 16,662	\$ 22,338
EXPENDITURES				
Current:				
Instruction:				
Regular instruction	\$ 0	\$ 0	\$ 18,497	\$ 18,497
Support services:				
School administration	0	0	5,177	5,177
Business services	121	7	16	144
Plant services	3,420	785	6,433	10,638
Facilities acquisition and construction	0	14,438	11,993	26,431
Total expenditures	\$ 3,541	\$ 15,230	\$ 42,116	\$ 60,887
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 861	\$ (13,956)	\$ (25,454)	\$ (38,549)
FUND BALANCES AT BEGINNING OF YEAR	92,888	45,721	371,308	509,917
FUND BALANCES AT END OF YEAR	\$ 93,749	\$ 31,765	\$ 345,854	\$ 471,368

**Grant Parish School Board
Colfax, 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.

DEFERRED COMPENSATION

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.

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 1999

Exhibit 7

	SCHOOL ACTIVITY FUND	DEFERRED COMPENSATION	TOTAL
	-----	-----	-----
ASSETS			
Cash and cash equivalents	\$ 266,181	\$ 0	\$ 266,181
Investments	0	0	0
	-----	-----	-----
Total assets	<u>\$ 266,181</u>	<u>\$ 0</u>	<u>\$ 266,181</u>
LIABILITIES			
Deposits due others	\$ 266,181	\$ 0	\$ 266,181
Deferred compensation payable	0	0	0
	-----	-----	-----
Total liabilities	<u>\$ 266,181</u>	<u>\$ 0</u>	<u>\$ 266,181</u>

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

AGENCY FUNDS
Combining Statement of Changes In Assets and Liabilities
For the Year June 30, 1999

Exhibit 8

	<u>Balance, July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 1999</u>
*****SCHOOL ACITIVTY FUND*****				
ASSETS				
Cash and cash equivalents	\$ 221,309	\$ 827,207	\$ 782,335	\$ 266,181
LIABILITIES				
Deposits due others	\$ 221,309	\$ 827,207	\$ 782,335	\$ 266,181
*****DEFERRED COMPENSATION PLAN FUND*****				
ASSETS				
Investments	\$ 188,414	\$ 0	\$ 188,414	\$ 0
LIABILITIES				
Deferred compensation payable	\$ 188,414	\$ 0	\$ 188,414	\$ 0
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	\$ 221,309	\$ 827,207	\$ 782,335	\$ 266,181
Investments	<u>188,414</u>	<u>0</u>	<u>188,414</u>	<u>0</u>
Total Assets	<u>\$ 409,723</u>	<u>\$ 827,207</u>	<u>\$ 970,749</u>	<u>\$ 266,181</u>
LIABILITIES				
Deposits due others	\$ 221,309	\$ 827,207	\$ 782,335	\$ 266,181
Deferred compensation payable	<u>188,414</u>	<u>0</u>	<u>188,414</u>	<u>0</u>
Total Liabilities	<u>\$ 409,723</u>	<u>\$ 827,207</u>	<u>\$ 970,749</u>	<u>\$ 266,181</u>

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

SCHOOL ACTIVITY AGENCY FUNDS
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 1999

Exhibit 9

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Colfax Elementary	\$ 13,070	\$ 51,908	\$ 48,578	\$ 16,400
Dry Prong Junior High	52,063	92,440	84,504	59,999
Montgomery-Gaines Junior High	17,366	20,457	19,176	18,647
Georgetown High	24,388	92,455	86,721	30,122
Grant High	54,608	295,399	288,854	61,153
Montgomery High	(355)	103,645	87,301	15,989
Pollock Elementary	20,229	61,996	63,733	18,492
Verda Elementary	18,102	47,184	43,802	21,484
South Grant Elementary	<u>21,838</u>	<u>61,723</u>	<u>59,666</u>	<u>23,895</u>
Total	<u>\$ 221,309</u>	<u>\$ 827,207</u>	<u>\$ 782,335</u>	<u>\$ 266,181</u>

GRANT PARISH SCHOOL BOARD
Colfax, Louisiana

DEFERRED COMPENSATION AGENCY FUND -
Schedule of Changes in Deferred Compensation Benefits Payable
For the The Year Ended June 30, 1999

Exhibit 10

DEFERRED COMPENSATION BENEFITS PAYABLE AT BEGINNING OF YEAR	\$ <u>188,414</u>
ADDITIONS	
Contributions	0
Interest income	<u>0</u>
Total additions	<u>0</u>
DEDUCTIONS	
Withdrawals	<u>188,414</u>
DEFERRED COMPENSATION BENEFITS PAYABLE AT END OF YEAR	\$ <u>0</u>

**Grant Parish School Board
Colfax, Louisiana**

GENERAL

Exhibit 11

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$500 per month.

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEAR ENDED JUNE 30, 1999**

<u>Board Member</u>	<u>Amount</u>
A. D. Futrell, President	\$ 6,000
Linda Amberg	6,000
Eddie Baxley	6,000
Bobby W. Deen	6,000
Walter Jerro, Jr.	6,000
R. L. Pennison	6,000
H. Neal Reeder	6,000
Gary L. Walker	<u>6,000</u>
TOTAL	<u>\$48,000</u>

**Grant Parish School Board
Colfax, 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 presents, 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
OFFICE 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 tests 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.

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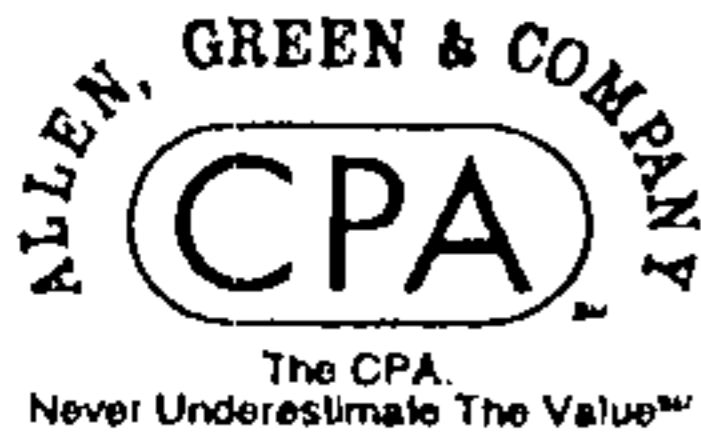
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Tim Green, CPA

Margie Williamson, CPA



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
Grant Parish School Board
Colfax, Louisiana

We have audited the financial statements of Grant Parish School Board, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 17, 1999. 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 those 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 non-compliance that is required to be reported under Government Auditing Standards.

Management Letter Items

We also noted an immaterial instance of noncompliance which we have reported to management of the School Board in a separate letter dated November 17, 1999, 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Management Letter Items

We noted a matter involving the internal control over financial reporting which we have reported to management of the School Board in a separate letter dated November 17, 1999, included later in this report.

Board Members
Grant Parish School Board
Colfax, Louisiana

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
November 17, 1999

ALLEN, GREEN & COMPANY, LLP

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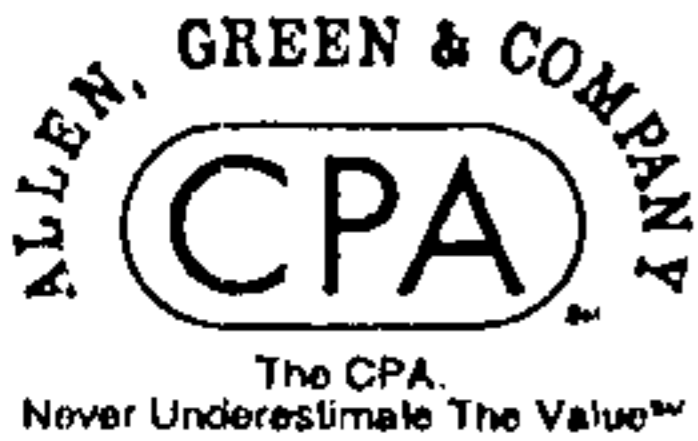
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Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board Members
Grant Parish School Board
Colfax, Louisiana

Compliance

We have audited the compliance of Grant 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, 1999. The School Board's major federal programs are identified in the summary of auditors' 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 School Board's management. Our responsibility is to express an opinion on the 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. Those 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 those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of 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 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.

Board Members
Grant Parish School Board
Colfax, Louisiana

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, 1999, and have issued our report thereon dated November 17, 1999. 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 intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
November 17, 1999

**Grant Parish School Board
Colfax, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
School Breakfast Program	10.553	N/A	\$ 189,547
National School Lunch Program	10.555	N/A	656,019
Passed through Louisiana Department of Treasury:			
Schools and Roads - Grants to States (National Forest Lands)	10.665	N/A	<u>338,618</u>
Total United States Department of Agriculture			<u>1,184,184</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	N/A	15,328
Adult Education - Teacher Training Grants	84.002A	99-AETT-22-F	948
Title I Grants to Local Educational Agencies	84.010	99-IASA-22-1 98-IASA-22-1C/O	753,277
Special Education:			
Grants to States (Part B)	84.027	99-IB-22 98-FT-22	244,593
Preschool Grants	84.173	99-IP-22 98-PF-22	33,946
Part H - Infant/Toddler	84.181	98-IH-22-S-c/o 99	16,774
Vocational Education:			
Basic Grants to States	84.048	28-99-22-2B/BG c/o 28-99-22-2B/BG	43,442
Innovative Education Program Strategies - Title VI	84.298	99-IASA-22-6	21,295
Title II (Eisenhower Professional Development)	84.281	99-IASA-22-2 98-IASA-22-2C/O	21,546
Title IV (Safe and Drug Free Schools - State Grants)	84.186	99-IASA-22-4 99-IASA-22-4 c/o	22,835
Goals 2000			
State and Local Education Systematic Improvement Grants (Goals 2000 State Grants)	84.276	99-LI-22-L	62,117
Literacy Challenge Grant	84.318X	99-LCF-22-F	<u>5,464</u>
Total United States Department of Education			<u>1,241,565</u>

(Continued)

**Grant Parish School Board
Colfax, Louisiana**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS (Continued)			
United States Department of Labor Passed Through the Rapides Parish Office of Economic and Workforce Development: Louisiana School-to-Work	98.510	N/A	\$ <u>17,002</u>
TOTAL CASH FEDERAL AWARDS			<u>2,442,751</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution (Commodities)	10.550		<u>78,276</u>
TOTAL FEDERAL AWARDS			<u>\$2,521,027</u>
			(Concluded)

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Grant Parish School Board, Colfax, Louisiana. The Grant 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 revenues are reported in the School Board's general-purpose financial statements as follows:

	<u>Federal Sources</u>
General Fund	\$ 338,618
<i>Special Revenue Funds:</i>	
Title I	753,277
Title VI	21,295
Vocational Education	43,442
Title II	21,546
Special Education	295,313
Adult Education	16,276
Goals 2000	62,117
School Food Service	923,842
Other Miscellaneous Funds	<u>45,301</u>
Total	<u>\$2,521,027</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.

**Grant Parish School Board
Colfax, Louisiana**

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999**

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.

**Grant Parish School Board
Colfax, Louisiana**

**Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1999**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

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 of major federal awards was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal awards are:

Nutrition Cluster

CFDA #10.553 School Breakfast Program
CFDA #10.555 National School Lunch
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.

**Grant Parish School Board
Colfax, 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 Grant 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 auditors except as required by OMB Circular No. A-133 Section 500(e), and accordingly, no opinion is expressed. Section 500(e) 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.

**Grant Parish School Board
Colfax, Louisiana**

Management Letter Items

ALLEN, GREEN & COMPANY, LLP

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Management Letter

Board Members
Grant Parish School Board
Colfax, Louisiana

In planning and performing our audit of the general-purpose financial statements of the Grant Parish School Board, for the year ended June 30, 1999, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated November 17, 1999, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments and management's response is summarized as follows:

99-M1 Student Activity Funds

Comment: Uniform procedures and requirements for school activity funds accounting are described in the *School Activity Funds Accounting Auditing, and Financial Reporting* handbook issued by the Louisiana Legislative Auditor. The policies and controls adopted by the School Board concerning school activity funds should be based on the information provided in this manual.

As part of our auditing procedures, two schools were haphazardly selected to do agreed-upon procedures.

At School 1, the following was noted:

1. Disbursements contained only one approval signature.
2. Ticket reconciliations were not done for 1998-1999.
3. Teachers' collection logs/receipts were not turned in the office at the end of the year.
4. Some instances where disbursements were not supported by adequate documentation.
5. Disbursements for change are made payable to school and cashed by the secretary. This disbursement should be made payable to the person who is responsible for cashing the check.
6. Personal checks were cashed from funds on hand.

Board Members
 Grant Parish School Board
 Colfax, Louisiana

7. Concession inventory reconciliation were not completed until January 1999. From January until May the following was noted:

	<u>Deposits</u>	<u>Estimated Sales</u>	<u>Difference</u>
January	\$ 496.52	\$ 728.00	\$ 231.48
February	441.00	760.00	319.00
March	354.50	783.00	428.50
April	387.50	616.00	228.50
May	<u>437.25</u>	<u>725.00</u>	<u>287.75</u>
	<u>\$2,116.77</u>	<u>\$3,612.00</u>	<u>\$1,495.23</u>

Estimated sales is based on beginning inventory plus purchases less ending inventory with each item sold for a certain price. For the five months ended May 31, 1999, the estimated loss is \$1,495.23.

At School 2, the following was noted:

1. Four instances where receipt could not be traced to a reconciliation nor teachers' log.

Recommendation: Employees responsible for School Activity Funds should be familiar with the policies, procedures, and requirements of the School Board. These policies and procedures should be followed at all times.

Management's response: A meeting will be held with all principals. At the meeting, the policies, procedures, and requirements of the School Board will be reviewed. Particular attention will be paid to the above mentioned items.

99-M2 Request for Reimbursement

Comment: Beginning July 1, 1999, the Louisiana State Department of Education (LDOE) began implementation of "Guidelines for State and Local Federal Flow-through Funds." The LDOE has established guidelines for the reporting of budgets, request for reimbursements, and the project completion reports.

These guidelines establish a deadline for final budget revisions, procedures for carryover budgets, details of when funds can be requested and procedures for completing the project completion report.

A copy of this publication can be obtained from the LDOE.

Recommendation: The School Board should obtain a copy of this publication. The School Board should also adopt and implement policies and procedures consistent with the guidelines established in this publication.

Management's response: The School Board will adopt and implement policies and procedures consistent with the above-mentioned guidelines.

Board Members
Grant Parish School Board
Colfax, Louisiana

99-M3 **Impact of GASB Statement No. 34**

Comment: The Governmental Accounting Standards Board (GASB), which determines the standards of financial reporting for governmental entities, recently released Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. GASB's new reporting model will be mandatory for Louisiana school boards for either the fiscal years ending June 30, 2002 or 2003. The amount of the School Board's revenues and other financing sources for the year ended June 30, 1999 will be the criteria for determining the year of required implementation. School boards with annual revenues and other financing sources exceeding \$100,000,000 will be required to implement for the year ending June 30, 2002. They will allow smaller school districts an additional year. They allow earlier implementation.

This new reporting model will dramatically change several aspects of the financial reporting for the School Board. Three major changes are a part of this new model. First, the new reporting model will include the current set of financial statements with modifications and will add a new set of financial statements. The new set will be on the economic resources measurement focus and the full accrual basis of accounting, the same as exist today in the commercial environment. Allen, Green & Company believes, at this early stage, that the prudent approach is for the School Board to continue its current budget or modified accrual methodology for its books. Side adjustments will be made at year-end to convert the financial statements to the full accrual accounting method.

The single change that will probably pose the most challenge to the School Board may be accounting for general capital assets. Under the new reporting model, general capital assets will be accounted for in virtually the same manner as commercial entities. Assets will be capitalized, depreciated, and shown consolidated on the new Statement of Net Assets with the funds, rather than displayed separately in the fixed assets account group. The changes required by GASB Statement No. 34 will obviously require the School Board to place a greater emphasis on accounting for fixed assets than is required by the current model.

Another addition to the annual financial report will be the Management's Discussion and Analysis (MD&A). This document, which will be several pages in length, will be a narrative explanation of the major financial events/changes during the fiscal year, what caused the events/changes, and project what the events/changes' effects will be on future years. It will also give the reader insight on management's decisions underlining the budget.

Recommendation: Several important issues need to be addressed before setting up the new reporting model.

Since the fixed assets will require depreciation, the listing will need to be current and comprehensive. We encourage the current listing be evaluated to decide if efforts are necessary to bring it up to date, both in content and accuracy. An evaluation of the fixed asset software will be necessary to decide if the system can provide a comprehensive listing in a usable format for depreciating assets. The software system should have fields for useful lives, salvage value, depreciation methods and fund assignments. The system should be capable of calculating depreciation and printing reports for assets' depreciation and accumulated depreciation by asset, by fund for each year. The system must also be able to roll-forward information each year.

The School Board should start now to implement the changes. A longer implementation period will allow more time for testing and remediation of the new depreciation system and the other elements of the new model. An early start will spread the cost over a longer period, thereby smoothing the impact to cash flow. Hopefully, the longer implementation period will partially reduce the anxiety.

Board Members
Grant Parish School Board
Colfax, Louisiana

The School Board should evaluate the need for possible changes to the current basis of accounting and should be cognizant that the new reporting model will provide the reader with more information than is currently being provided.

Management's response: The School Board is aware of GASB Statement No. 34 and will make every effort to be prepared when implementation is required.

* * * * *

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 solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Allen, Green & Company, LLP

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
November 17, 1999

Grant Parish School Board
Colfax, Louisiana

Status of Prior Management Letter Items
June 30, 1999

Reference # and title: 98-M1 Student Activity Funds

Comment: During a field test, we discovered money was being stored in a safe and not receipted until deposits were made. Deposits are being made weekly.

Management action taken: See 99-M1 in the current-year Management Letter Items.