

RECEIVED
LEGISLATIVE AUDITOR
2000 JAN -3 AM 10:01

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**JACKSON PARISH SCHOOL BOARD
JONESBORO, LOUISIANA**

**GENERAL PURPOSE FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 1999
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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

Release Date 2-2-00

KENNETH D. FOLDEN & CO.
CERTIFIED PUBLIC ACCOUNTANTS

302 EIGHTH STREET, JONESBORO, LA 71251
(318) 259-7316
FAX (318) 259-7315

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

General Purpose Financial Statements
As of and for the Year Ended June 30, 1999
With Supplemental Information Schedules

CONTENTS

	<u>Statement</u>	<u>Page</u>
Independent Auditors' Report		1
General Purpose Financial Statements:		
Combined Balance Sheet - All Fund Types and Account Groups	A	3-4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund	B	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General and Special Revenue Funds	C	6-7
Notes to the Financial Statements		8-18
Supplemental Information Schedules:	<u>Schedule</u>	
Special Revenue Funds:		
Combining Balance Sheet	1	20-21
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances:	2	22-23
Debt Service Funds:		
Combining Balance Sheet	3	25
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances:	4	26
Capital Projects Funds:		
Combining Balance Sheet	5	28
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	6	29

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

General Purpose Financial Statements
As Of And For the Year Ended June 30, 1999
With Supplemental Information Schedules

C O N T E N T S (Continued)

	<u>Schedule</u>	<u>Page</u>
Agency and Trust Funds:		
Combining Balance Sheet	7	31
Schedule of Changes in Deposits Due Others:		
School Activity Agency Fund	8	32
Schedule of Compensation Paid Board Members	9	33
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>		34
REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133		35-36
Schedule of Federal Financial Assistance	10	37
Schedule of Findings and Questioned Costs		38
Summary Schedule of Prior Audit Findings		39

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Members of the
Jackson Parish School Board
Jonesboro, Louisiana

We have audited the general purpose financial statements of the Jackson Parish School Board, as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Jackson Parish School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We were unable to audit financial statements supporting the financial activities of the General Fixed Asset Account Group because the beginning balances of the General Fixed Asset Account Group have not been subjected to auditing procedures. These financial activities are included in the General Fixed Asset Account Group and represent 100 percent of the assets, respectively, of that fund type.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to audit the financial statements of the General Fixed Asset Account Group, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Jackson Parish School Board, Jonesboro, Louisiana, as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 17, 1999, on our consideration of the Jackson Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Jackson Parish School Board taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is 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.

Kenneth D. Folden, CPA

Kenneth D. Folden & Co, CPAs
Jonesboro, Louisiana

December 17, 1999

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1999

	GOVERNMENTAL FUND TYPE			
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 922,549	\$ 438,474	\$ 745,461	\$ 39,665
Accounts receivable	1,663,916	300,766		
Interfund receivable	419,000			
Inventories		18,403		
Prepaid expenses	50			
General fixed assets				
Other debits				
Amt. available in debt service				
Amt. to be provided for retirement of general long term debt				
Total assets	\$ 3,005,515	\$ 757,643	\$ 745,461	\$ 39,665
Liabilities and Fund Equity				
Liabilities				
Current liabilities				
Accounts payable	\$ 2,116,380	\$ 317,051	\$ 48,611	
Interfund payable		419,000		
Deferred revenues		6,999		
Other liabilities				
Deposits due others				
Long-term liabilities				
Total liabilities	2,116,380	743,050	48,611	NONE
Fund equity				
Investment in general fixed assets				
Fund balance				
Reserved for scholarships			696,850	
Reserved for debt service	80,025			
Unreserved - undesignated	809,110	14,593		39,665
Total fund equity	889,135	14,593	696,850	39,665
Total liabilities and fund equity	\$ 3,005,515	\$ 757,643	\$ 745,461	\$ 39,665

FIDUCIARY FUND TYPE	ACCOUNT GROUPS		Totals (Memorandum Only)
	Trust & Agency Funds	General Fixed Assets	
\$ 398,756	\$	\$	\$ 2,544,905
			1,964,682
			419,000
			18,403
			50
	15,390,793		15,390,793
		745,461	745,461
		2,657,976	2,657,976
<u>\$ 398,756</u>	<u>\$ 15,390,793</u>	<u>\$ 3,403,437</u>	<u>\$ 23,741,270</u>
\$	\$	\$	\$ 2,482,042
			419,000
			6,999
232,259			232,259
		3,403,437	3,403,437
<u>232,259</u>	<u>NONE</u>	<u>3,403,437</u>	<u>6,543,737</u>
	15,390,793		15,390,793
166,497			166,497
			776,875
			863,368
<u>166,497</u>	<u>15,390,793</u>	<u>NONE</u>	<u>17,197,533</u>
<u>\$ 398,756</u>	<u>\$ 15,390,793</u>	<u>\$ 3,403,437</u>	<u>\$ 23,741,270</u>

The accompanying notes are an integral part of these statements.

JACKSON PARISH SCHOOL BOARD

Statement B

Jonesboro, Louisiana

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Fund
For the Year Ended June 30, 1999

	GOVERNMENTAL FUND TYPE				FIDUCIARY FUND TYPE	Total (Memorandum Only)
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Expendable Trust Fund	
Revenues						
Revenue from local sources						
Taxes - ad valorem	\$ 1,216,314		\$ 367,408			\$ 1,583,722
Taxes - sales tax	2,581,634					2,581,634
Tuition	10					10
Interest on investments	79,555			2,512	7,670	89,737
Food service income		203,268				203,268
Rent & royalties	3,319					3,319
Miscellaneous	27,952		7,049		9,500	44,501
Revenue from state sources						
Unrestricted grants-in-aid	9,373,216	203,600				9,576,816
Restricted grants-in-aid	541,915					541,915
Revenue from federal sources						
Restricted grants-in-aid	56,718	1,693,475				1,750,193
Total Revenues	13,880,633	2,100,343	374,457	2,512	17,170	16,375,115
Expenditures						
Instruction	8,924,501	976,141				9,900,642
Support services	4,847,973		30,567		6,000	4,884,540
Food service programs		1,156,715				1,156,715
Operation of non-instructional services	176,786					176,786
Facilities acquisition & construction	151,647		67,363	66,347		285,357
Debt service	159,723		569,835			729,558
Total Expenditures	14,260,630	2,132,856	667,765	66,347	6,000	17,133,598
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(379,997)	(32,513)	(293,308)	(63,835)	11,170	(758,483)
FUND BALANCES AT BEGINNING OF YEAR	1,269,132	47,106	990,158	103,500	155,327	2,565,223
FUND BALANCES AT END OF YEAR	\$ 889,135	\$ 14,593	\$ 696,850	\$ 39,665	\$ 166,497	\$ 1,806,740

The accompanying notes to financial statements are an integral part of these statements.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Combined Statement of Revenues, Expenditures, And Changes in
Fund Balances - Budget (GAAP Basis) And Actual
General and Special Revenue Funds
For the Year Ended June 30, 1999

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Revenue from local sources	\$ 4,007,525	\$ 3,908,784	\$ (98,741)
Revenue from state sources	10,145,206	9,915,131	(230,075)
Revenue from federal sources	41,802	56,718	14,916
Total Revenues	<u>14,194,533</u>	<u>13,880,633</u>	<u>(313,900)</u>
Expenditures			
Instruction	9,204,671	8,924,501	280,170
Support services	5,045,764	4,847,973	197,791
Food service programs	62,465		62,465
Operation of non-instructional services		176,786	(176,786)
Facilities acquisition & construction		151,647	(151,647)
Debt service	54,876	159,723	(104,847)
Total Expenditures	<u>14,367,776</u>	<u>14,260,630</u>	<u>107,146</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(173,243)</u>	<u>(379,997)</u>	<u>(206,754)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>907,702</u>	<u>1,269,132</u>	<u>361,430</u>
FUND BALANCE AT END OF YEAR	<u>\$ 734,459</u>	<u>\$ 889,135</u>	<u>\$ 154,676</u>

The accompanying notes are an integral part of these statements.

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$ 156,083	\$ 203,268	\$ 47,185
203,600	203,600	
<u>1,660,973</u>	<u>1,693,475</u>	<u>32,502</u>
<u>2,020,656</u>	<u>2,100,343</u>	<u>79,687</u>
995,519	976,141	19,378
1,050,679	1,156,715	(106,036)
<u>2,046,198</u>	<u>2,132,856</u>	<u>(86,658)</u>
(25,542)	(32,513)	(6,971)
<u>37,671</u>	<u>47,106</u>	<u>9,435</u>
<u>\$ 12,129</u>	<u>\$ 14,593</u>	<u>\$ 2,464</u>

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements
June 30, 1999

INTRODUCTION

The Jackson Parish School Board was created by Louisiana Revised Statute (LRS) 17:51 for the purpose of providing public education for the children within Jackson Parish. The School Board is authorized by LRS 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of ten compensated members who are elected for terms of four years.

The School Board operates nine schools within the parish with a total enrollment of 2,720 pupils for the 1998-99 fiscal year. In conjunction with the regular educational programs, some of those schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. *The basic criterion for including a potential component unit within the reporting entity is financial accountability. For financial reporting purposes, in conformance with GASB Statement No. 14, the Jackson Parish School Board includes all funds, account groups, et cetera, that are within the oversight responsibility of the parish school board. Oversight responsibility is determined on the basis of appointment of governing body, ability to significantly influence operations, accountability for fiscal matters, and the nature and significance of an organization's relationship with the primary government. Based on consideration of the foregoing criteria, the parish school board is deemed to be a separate reporting entity. Certain units of local government over which the parish school board exercises no oversight responsibility, such as the parish police jury, other independently-elected officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish school board.*

C. FUND ACCOUNTING

The Jackson Parish School Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

C. FUND ACCOUNTING (continued)

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

Governmental Funds

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

1. **General Fund** - the general operating fund of the Jackson Parish School Board used to account for all financial resources, except those required to be accounted for in other funds.
2. **Special revenue funds** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. **Debt service funds** - account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.
4. **Capital projects funds** - account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Jackson Parish School Board. Fiduciary funds of the School Board include:

1. **Expendable trust fund** - accounted for in essentially the same manner as governmental funds. The resources, including both principal and earnings, may be expended.
2. **Agency funds** - account for assets held by the Jackson Parish School Board on behalf of others as its agents. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and the expendable trust fund is accounted for using a current financial resources measurement focus. 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 modified accrual basis of accounting is used by all governmental funds, expendable trust fund, and agency funds. The governmental funds and the expendable trust fund use the following practices in recording revenues and expenditures:

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

D. BASIS OF ACCOUNTING (CONTINUED)

Revenues

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year.

Sales taxes collected by the sales tax collection agency and remitted to the school board within 60 days are recognized as revenues.

Interest income on time deposits is recorded upon maturity, when the income is available.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales 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.

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 before the incurrence of qualifying expenditures. In subsequent periods, when the school board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

E. BUDGETS (CONTINUED)

The proposed budget for the fiscal year ended June 30, 1999 was made available for public inspection and comments from taxpayers at the School Board office. The proposed budget was then adopted by the School Board.

Formal budget integration is employed as a management control device during the year. The budget is monitored by the School Board members on a quarterly basis; however, no action is taken by the board to amend the budget at these times. The School Board adopts all amendments to the budget in an open meeting near the end of the fiscal year.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is not utilized by the School Board.

G. CASH AND CASH EQUIVALENT AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. The Jackson Parish School Board treats amounts in demand deposits and certificates of deposit as "cash and cash equivalents". Under state law, the Jackson Parish School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Jackson Parish School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The Jackson Parish School Board has no investments as of June 30, 1999 as defined in this paragraph.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

I. INVENTORIES

Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture. The commodities are recorded as revenues when received; however, all inventories are recorded as expenditures when consumed. All inventory items purchased are valued at cost, and commodities are assigned values based on information provided by the United States Department of Agriculture.

The costs of other governmental fund-type inventories are recorded as expenditures when purchased. The inventory of such materials and supplies at June 30, 1999, would not be material to the financial statements.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

J. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items.

K. FIXED ASSETS

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

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

L. COMPENSATED ABSENCES

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

All 12-month employees earn from 12 to 18 days of vacation leave each year, depending on the number of years employed. Vacation leave can be accumulated without limitation. Employees are not paid for vacation leave upon retirement or separation of service. Vacation leave may be used in retirement benefit computations as earned service.

All 9-month employees earn a minimum of 10 days of sick leave each year, and all 12-month employees earn from 10 to 18 days of sick leave each year, depending upon the number of years employed. Sick leave for all employees can be accumulated without limitation. Upon retirement or death, unused sick leave of up to 25 days is paid to employees (or their heirs) at the employee's current rate of pay, and all unused sick leave is used in the retirement benefit computation as earned service.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

M. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

N. FUND EQUITY

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

O. 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 nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

P. SALES AND USE TAX

The School Board receives a two and four-tenths (2.4) percent sales and use tax. The tax is collected by the School Board and is recorded as revenue in the General Fund. One and four-tenths (1.4) percent of the sales tax is used to pay salaries of teachers, administrators, and supervisors in the public elementary and secondary schools of the parish, for salaries of lunch room employees, bus operators, janitors, maids, maintenance, office personnel, and for expenses of operating the schools. One percent is used for transportation and maintenance costs.

Sales and use tax revenues are recorded in the month collected by the Jackson Parish Sales Tax Collection Agency.

Q. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the combined 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 changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. CASH AND CASH EQUIVALENTS

At June 30, 1999, the Jackson Parish School Board has cash and cash equivalents (book balances) totaling \$2,544,905. This amount includes \$232,259 in School Activity Funds. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the Jackson Parish School Board has \$3,783,496 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$7,986,182 of pledged securities held by the custodial bank in the name of the fiscal agent bank (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 Jackson Parish School Board that the fiscal agent has failed to pay deposited funds upon demand.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

3. LEVIED TAXES

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

	Authorized Millage	1999 Levied Millage
Parish wide taxes:		
Constitutional	5.21	5.21
Additional support - maintenance and operation of school buildings	8.01	7.7
District taxes:		
Consolidated School district No.1		
Regular district taxes	7.05	6.07
Additional support	7.93	7.63
Quitman School District	21	18.57
Weston School District	28	24.39
Chatham School District	30.5	26.5

Ad valorem taxes (which are based on population and homesteads in the parish) are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15, of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

4. FIXED ASSETS

The changes in general fixed assets follow:

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Land	\$ 186,450	\$	\$	\$ 186,450
Buildings	8,733,820	562,211		9,296,031
Improvements other than buildings	947,833			947,833
Construction in progress	410,564	54,150	410,564	54,150
Furniture and equipment	4,400,014	506,314		4,906,328
Total	\$ 14,678,681	\$ 1,122,676	\$ 410,564	\$ 15,390,793

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

5. RETIREMENT SYSTEMS

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

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8.0 percent, 9.1 percent, and 5.0 percent of their annual covered salary for the Regular Plan, Plan A, and Plan B, respectively. The school board is required to contribute at an actuarially determined rate. The current rate is 16.5 percent of annual covered payroll for all three membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The school board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the school board.

The school board's contributions to the TRS for the years ending June 30, 1999, 1998 and 1997, were \$1,340,881, \$1,158,879 and \$1,156,813, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Fund Policy. Plan members are required to contribute 6.35 percent of their annual covered salary and the school board is required to contribute at an actuarially determined rate. The current rate is 6.00 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The school board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations.

The school board's contributions to the LSERS for the years ending June 30, 1999, 1998 and 1997, were \$59,464, \$56,454 and \$52,892, respectively, equal to the required contributions for each year.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

6. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$2,482,042 at June 30, 1999, are as follows:

	General Fund	Special Revenue Funds	Debt Service Funds	Total
Salaries & withholdings	\$ 2,013,625	\$ 203,516		\$ 2,217,141
Accounts	102,755	113,535	48,611	264,901
Total	\$ 2,116,380	\$ 317,051	\$ 48,611	\$ 2,482,042

7. COMPENSATED ABSENCES

At June 30, 1999, employees of the Jackson Parish School Board have accumulated and vested \$111,437 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term debt account group. The accumulated and vested leave benefits at June 30, 1999, are based on the employee's current rates of pay and include the accumulated sick leave of all employees having 20 years or more of service, up to a maximum of 25 days.

8. GENERAL LONG-TERM DEBT

Long-term debt at June 30, 1999, includes the following bonds and certificates:

Description	Rate	Final Maturity Date	Range of Annual Principal Payments		Amount Issued	Amount Outstanding
			From	To		
General obligation bonds:						
Chatham School District September 1, 1992	5.20 - 5.50 %	4-1-2004	\$ 95,000	\$ 125,000	\$ 950,000	\$ 545,000
Weston School District February 1, 1992	5.5 - 6.2 %	2-1-2012	35,000	90,000	1,000,000	800,000
Quitman School District September 1, 1990 - Series 1990	7.0 %	3-1-2000	30,000	30,000	700,000	30,000
August 1, 1997 - Series A	4.6 - 7.5 %	3-1-2010	5,000	65,000	535,000	530,000
August 1, 1997 - Series B	4.85 - 5.35 %	3-1-2017	15,000	40,000	500,000	470,000
						<u>2,375,000</u>
Certificates of Indebtedness:						
Jonesboro-Hodge School District January 1, 1997	5.24 %	1-1-2006	112,000	152,000	1,220,000	917,000
						<u>\$ 3,292,000</u>

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

8. LONG-TERM DEBT (CONTINUED)

All principal and interest requirements of the general obligation bonds 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 \$696,850 in the debt service funds for future debt requirements.

The debt service requirements to maturity, including \$1,148,520 of interest, are as follows:

Fiscal Year Ending June 30,	Amount
2000	\$ 477,498
2001	477,287
2002	475,879
2003	488,404
2004	490,671
Thereafter	<u>2,030,781</u>
Total	<u>\$ 4,440,520</u>

Changes in long-term debt

The following is a summary of the School Board's long-term debt transactions for the year ended June 30, 1999:

	General Obligation	Certificates of Indebtedness	Total
Balance at July 1, 1998	\$ 2,785,000	\$ 1,023,000	\$ 3,808,000
Additions	NONE	NONE	NONE
Payments	<u>410,000</u>	<u>106,000</u>	<u>516,000</u>
Balance at June 30, 1999	<u>\$ 2,375,000</u>	<u>\$ 917,000</u>	<u>\$ 3,292,000</u>

9. INTERFUND ASSETS/LIABILITIES

Receivable fund	Payable fund	Amount
General	Drug Free School	\$ 11,000
	Title II	25,000
	Title I	265,000
	Title VI	35,000
	Special Education 94-142	75,000
	Special Education Preschool	<u>8,000</u>
		<u>\$ 419,000</u>

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Notes to the Financial Statements (Continued)
June 30, 1999

10. LITIGATION AND CLAIMS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government attorney the resolution of these matters will not have a material adverse effect on the financial condition of the government.

11. YEAR 2000 COMPLIANCE

The worldwide challenge facing organizations, commonly referred to as the Year 2000 (Y2K) issue, is the result of problems that may be encountered with date-related transactions on systems that have historically recognized years using two digits vs. four digits, e.g. 98 versus 1998. These systems will potentially recognize the "00" as the year 1900 instead of 2000.

On the surface, the Y2K problem sounds simple enough; however, the implications of this problem are far reaching and could impact a full range of business services and activities.

The Jackson Parish School Board has conducted a study of its own systems and operations. Based on this study, the Jackson Parish School Board has initiated a project to take all necessary and reasonable steps to get the mission critical systems and operations Y2K compliant in a timely manner.

The total costs of the Y2K efforts are immaterial and as of June 30, 1999, it has not been necessary for the Jackson Parish School Board to expend any funds toward making its systems year 2000 compliant.

The assessment of the costs of the Y2K compliance effort, and the timetable for the planned completion of the internal Y2K modifications, are management's estimates. The estimates were based on numerous assumptions as to future events. There can be no guarantee that these estimates will prove accurate, and actual results could differ from those estimated if these assumptions prove inaccurate. Additionally, there can be no absolute guarantee that significant third parties will successfully and timely convert their systems.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Supplemental Information Schedules
For the Year Ended June 30, 1999

Special Revenue Funds

Federal Impact Aid Fund:

The Federal Impact Aid Fund accounts for specific federal revenues for school assistance in federally affected areas as prescribed by Public Law 81-874.

Title I Fund:

Title I Fund is a federally funded program to expand and improve elementary and secondary school programs, and meet the special needs of educationally deprived public and private school children in low-income areas of the Jackson Parish School System.

Title VI Fund:

Title VI Fund is a federally funded program to improve elementary and secondary education by providing formula grants and supporting a broad range of local programs in basic skills development, educational improvement and support and special projects.

Drug Free School Fund:

The Drug Free Schools and Communities Act of 1986 is a federally financed program that provides a comprehensive education curriculum for drug and alcohol prevention education for grades K - 12.

Title II Fund:

Title II program provides grants for the use of state and local programs to improve the skills of teachers and the quality of instruction in the field of mathematics, science, computer learning, and foreign languages, as well as to increase the access of all students to such instruction.

Special Education Funds:

The Special Education Funds account for allotments from the Louisiana Department of Education for Public Law 94-142 Project Bold, and Extended Year funds for the education and enhancement of exceptional children.

School Lunch Fund:

The School Lunch Program provides nourishing meals for school children and is subsidized through federal and state grants. The School Lunch Fund accounts for both the revenue derived from meals sold and the grant subsidies received.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1999

Federal Impact Aid	Title I	Title I Building Disposal	Title VI	Drug Free School
--------------------------	---------	---------------------------------	----------	------------------------

Assets

Cash and cash equivalents	\$ 2,655	\$ 200,435	\$ 229	\$ 34,822	\$ 6,197
Accounts receivable		235,740		178	4,803
Inventory					
Total assets	\$ 2,655	\$ 436,175	\$ 229	\$ 35,000	\$ 11,000

Liabilities and fund balance

Liabilities

Accounts payable	\$	\$ 170,870	\$	\$	
Interfund payable		265,000		35,000	11,000
Deferred revenues	2,655	305	229		
Total liabilities	2,655	436,175	229	35,000	11,000

Fund balance

Fund balance

Unreserved - undesignated

Total fund balance	NONE	NONE	NONE	NONE	NONE
Total liabilities and fund balance	\$ 2,655	\$ 436,175	\$ 229	\$ 35,000	\$ 11,000

Title II	Extended Year Special Ed	Special Ed 94-142	Special Ed Preschool	Lunch Fund	Total
\$ 23,077		\$ 53,924	\$ 3,847	\$ 113,288	\$ 438,474
1,923	8,000	42,443	4,153	3,526	300,766
				18,403	18,403
<u>\$ 25,000</u>	<u>\$ 8,000</u>	<u>\$ 96,367</u>	<u>\$ 8,000</u>	<u>\$ 135,217</u>	<u>\$ 757,643</u>
\$ 25,000	\$ 7,331	\$ 18,444	\$ 8,000	\$ 120,406	\$ 317,051
	669	75,000			419,000
		2,923		218	6,999
<u>25,000</u>	<u>8,000</u>	<u>96,367</u>	<u>8,000</u>	<u>120,624</u>	<u>743,050</u>
				14,593	14,593
NONE	NONE	NONE	NONE	14,593	14,593
<u>\$ 25,000</u>	<u>\$ 8,000</u>	<u>\$ 96,367</u>	<u>\$ 8,000</u>	<u>\$ 135,217</u>	<u>\$ 757,643</u>

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
SPECIAL REVENUE FUNDS
Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 1999

	Federal Impact Aid	Title I	Title I Building Disposal	Title VI	Drug Free School
Revenues					
Revenue from local sources					
Food service program					
Revenue from state sources					
Unrestricted grants-in-aid					
Revenue from federal sources					
Restricted grants-in-aid	3,939	673,805		19,298	17,612
Total revenues	3,939	673,805	NONE	19,298	17,612
Expenditures					
Instruction	3,939	673,805		19,298	17,612
Food service program					
Total expenditures	3,939	673,805	NONE	19,298	17,612
Excess (deficiency) of revenues over (under) expenditures	NONE	NONE	NONE	NONE	NONE
Fund Balances at beginning of year	NONE	NONE	NONE	NONE	NONE
Fund Balances at end of year	NONE	NONE	NONE	NONE	NONE

Title II	Extended Year Special Ed	Special Ed 94-142	Special Ed Preschool	Lunch Fund	Total
\$	\$	\$	\$	\$ 203,268	\$ 203,268
				203,600	203,600
13,325	9,563	219,179	19,420	717,334	1,693,475
13,325	9,563	219,179	19,420	1,124,202	2,100,343
13,325	9,563	219,179	19,420		976,141
				1,156,715	1,156,715
13,325	9,563	219,179	19,420	1,156,715	2,132,856
NONE	NONE	NONE	NONE	(32,513)	(32,513)
NONE	NONE	NONE	NONE	47,106	47,106
NONE	NONE	NONE	NONE	\$ 14,593	\$ 14,593

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Supplemental Information Schedules
For the Year Ended June 30, 1999

Debt Service Funds

Quitman, Chatham, Weston, and Jonesboro-Hodge School District Funds:

The debt service funds accumulate monies for payment of the respective bond issues. The bonds were issued by the respective school districts to acquire lands for building sites, to purchase, erect, and improve school buildings, and to acquire the necessary equipment and furnishings. The bond issues are financed by a specific property tax levy on property within the legal boundaries of the respective school districts.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 1999

	Chatham Bond	Quitman Bond	Weston Bond	Jonesboro- Hodge Bond	Total Current Year
Assets					
Cash and cash equivalents	\$ 190,516	\$ 89,924	\$ 210,553	\$ 254,468	\$ 745,461
Total Assets	\$ 190,516	\$ 89,924	\$ 210,553	\$ 254,468	\$ 745,461
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$	\$	\$	\$ 48,611	\$ 48,611
Total Liabilities	NONE	NONE	NONE	48,611	48,611
Fund Balance					
Reserved for debt service	190,516	89,924	210,553	205,857	696,850
Total Fund Balances	190,516	89,924	210,553	205,857	696,850
Total Liabilities and Fund Balances	\$ 190,516	\$ 89,924	\$ 210,553	\$ 254,468	\$ 745,461

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
DEBT SERVICE FUNDS
Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 1999

	Chatham Bond	Quitman Bond	Weston Bond	Jonesboro- Hodge Bond	Total Current Year
Revenues					
Revenue from local sources					
Taxes - ad valorem	\$ 150,021	\$ 95,961	\$ 121,426		\$ 367,408
Miscellaneous		7,049			7,049
Total Revenues	150,021	103,010	121,426	NONE	374,457
Expenditures					
Support services					
General administration	12,435	7,993	10,139		30,567
Debt service					
Principal retirement	85,000	50,000	35,000	240,000	410,000
Interest and bank charges	34,334	59,249	50,994	15,258	159,835
Construction costs	1,280			66,083	67,363
Total Expenditures	133,049	117,242	96,133	321,341	667,765
Excess of revenues over expenditures	16,972	(14,232)	25,293	(321,341)	(293,308)
Fund Balances at beginning of year	173,544	104,156	185,260	527,198	990,158
Fund Balances at end of year	<u>\$ 190,516</u>	<u>\$ 89,924</u>	<u>\$ 210,553</u>	<u>\$ 205,857</u>	<u>\$ 696,850</u>

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Supplemental Information Schedules
For the Year Ended June 30, 1999

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account of the acquisition or construction of major capital facilities.

Quitman Capital Projects Fund: this fund is used to account for construction and renovation of capital facilities in the Quitman School District.

Jonesboro-Hodge Capital Projects Fund: This fund is used to account for construction and renovation of capital facilities in the Jonesboro-Hodge School District.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 1999

	QUITMAN CONSTRUCTION	JONESBORO - HODGE CONSTRUCTION	TOTAL
Assets			
Cash and cash equivalents	\$ 26,090	\$ 13,575	\$ 39,665
Total Assets	<u>\$ 26,090</u>	<u>\$ 13,575</u>	<u>\$ 39,665</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	NONE	NONE	NONE
Fund Balances			
Unreserved - undesignated	26,090	13,575	39,665
Total Liabilities and Fund Balances	<u>\$ 26,090</u>	<u>\$ 13,575</u>	<u>\$ 39,665</u>

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 1999

	QUITMAN CONSTRUCTION	JONESBORO - HODGE CONSTRUCTION	TOTAL
Revenues			
Revenues from local sources			
Interest	\$ 1,967	\$ 545	\$ 2,512
Total Revenues	<u>1,967</u>	<u>545</u>	<u>2,512</u>
Expenditures			
Facilities acquisition and const			
Equipment	12,197		12,197
Construction	54,150		54,150
Total Expenditures	<u>66,347</u>	<u>NONE</u>	<u>66,347</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(64,380)</u>	<u>545</u>	<u>(63,835)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>90,470</u>	<u>13,030</u>	<u>103,500</u>
FUND BALANCES AT END OF YEAR	<u>\$ 26,090</u>	<u>\$ 13,575</u>	<u>\$ 39,665</u>

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Supplemental Information Schedules
For the Year Ended June 30, 1999

AGENCY AND TRUST FUNDS

School Activity Agency Fund:

The School Activity Agency Fund accounts for those monies collected by pupils and school personnel for school or school-related purposes. The school activity accounts are classified as an agency fund, and the school board's responsibilities for these accounts are fiduciary in nature.

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

I. J. Allen Memorial Scholarship Expendable Trust Fund:

The I. J. Allen Memorial Scholarship Expendable Trust Fund was created on October 1, 1980, by contributions and memorials from the family and friends of the late I. J. Allen, a prominent Jackson Parish resident and long-time friend and supporter of the Jackson Parish school system. The resources of this fund are used to award a scholarship annually to worthy and needy parish students. The fund is administered by the school board, but it has no financial interest in the fund.

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
AGENCY AND TRUST FUNDS
Combining Balance Sheet
June 30, 1999

School Activity Agency Fund	I.J. Allen Memorial Scholarship Expendable Trust Fund	Total
--------------------------------------	---	-------

Assets

Cash and cash equivalents	\$ 232,259	\$ 166,497	\$ 398,756
Total Assets	\$ 232,259	\$ 166,497	\$ 398,756

Liabilities and Fund Balance**Liabilities**

Deposits due others	\$ 232,259		\$ 232,259
Total Liabilities	232,259	NONE	232,259

Fund Balance

Reserved for scholarships		166,497	166,497
Total Fund Balance	NONE	166,497	166,497
Total Liabilities and Fund Balance	\$ 232,259	\$ 166,497	\$ 398,756

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
School Activity Agency Fund
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 1999

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
School:				
Chatham High School	\$ 23,166	\$ 45,719	\$ 49,371	\$ 19,514
Hawk Elementary	1,635	18,346	18,603	1,378
Hodge Elementary	1,939	12,075	10,132	3,882
Jasper Henderson Elementary	2,883	35,896	35,260	3,519
Jonesboro-Hodge Jr. High	16,296	61,582	57,563	20,315
Jonesboro-Hodge Sr. High	43,533	161,618	167,700	37,451
Quitman High	47,793	162,472	165,563	44,702
Southside Elementary	5,380	24,378	25,415	4,343
Weston High	97,444	200,364	200,653	97,155
Total	\$ 240,069	\$ 722,450	\$ 730,260	\$ 232,259

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 1999

	1999
Board Member:	
Robert Schmidt, President	\$ 6,000
Charles Cage	4,800
Randall Dark	4,800
Peggy Donaldson	2,400
Jimmy Golden	4,800
Robert Humble	2,400
Franklin Kelley	4,800
Doug Latimer	2,400
Wade McBride	2,400
Gerry Mims	4,800
Rudolph Tarver	2,400
Calvin Waggoner	4,800
Paul Walsworth	2,400
	<hr/>
Total	\$ <u>49,200</u>

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Members of the
Jackson Parish School Board
Jonesboro, LA

We have audited the general purpose financial statements of the Jackson Parish School Board, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 17, 1999. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Jackson Parish 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 noncompliance that is required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of noncompliance, which we have reported to management of the Jackson Parish School Board in a separate letter dated December 17, 1999.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jackson Parish 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.

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

Kenneth D. Folden & Co., CPAs

KENNETH D. FOLDEN & CO.
Certified Public Accountants

Jonesboro, Louisiana
December 17, 1999

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Members of the
Jackson Parish School Board
Jonesboro, Louisiana

Compliance

We have audited the compliance of the Jackson Parish School Board with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The Jackson Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Jackson Parish School Board's management. Our responsibility is to express an opinion on the Jackson Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular 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 Jackson Parish 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 Jackson Parish School Board's compliance with those requirements.

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

Internal Control Over Compliance

The management of the Jackson Parish 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 Jackson Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

Kenneth D. Folden & Co., CPAs
KENNETH D. FOLDEN & CO.
Certified Public Accountants

Jonesboro, Louisiana
December 17, 1999

**JACKSON PARISH SCHOOL BOARD
JONESBORO, LOUISIANA
Schedule of Federal Financial Assistance
For the Year Ended June 30, 1999**

Schedule 10

Federal Grantor / Pass-Through Grantor / Program Name	CFDA Number	Expenditures June 30, 1999
United States Department of Agriculture Programs:		
Passed through Louisiana Department of Education:		
Summer Lunch Program	10.559 \$	72,398
*National School Lunch Program	10.555	440,761
School Breakfast Program	10.553	150,716
Passed through Louisiana Department of Agriculture and Forestry:		
Food Distribution	10.550	<u>73,057</u>
Total United States Department of Agriculture		<u>736,932</u>
United States Department of Education Direct Programs:		
Indian Education-Formula Grants to Local Educational Agencies and Tribal Schools:		
Title II	84.041	13,325
Drug Free School Act	84.164	17,612
Passed through Louisiana Department of Education:		
Improving School Programs - State Block Grant	84.151	19,298
*Educationally Deprived Children - Local Educational Agencies	84.010	673,805
Special Education:		
Handicapped - State Grants	84.027	228,742
Handicapped - Preschool Incentive Grants	84.173	19,420
Vocational Education (included in General Fund):		
Basic Grants to States	<u>84.048</u>	<u>30,468</u>
Total United States Department of Education		<u>1,002,670</u>
Total Program Expenditures		<u>\$ 1,739,602</u>

* Denotes major program

**JACKSON PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 1999**

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses a qualified opinion on the (general purpose) financial statements of the Jackson Parish School Board.
2. No reportable conditions relating to the audit of the financial statement are reported in the **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**.
3. No instances of noncompliance material to the financial statements of the Jackson Parish School Board was disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs is reported in the **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**.
5. The auditors' report on compliance for the major federal award program for the Jackson Parish School Board expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Jackson Parish School Board are reported in Part C. of this Schedule.
7. The programs tested as major programs include the National School Lunch Program (CFDA #10.555) and the Educationally Deprived Children - Local Educational Agencies (CFDA #84.010).
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Jackson Parish School Board was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

NONE

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

**JACKSON PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 1999**

Findings - There were no audit findings included in the prior audit's schedule of findings and questioned costs. The current status of the findings included in our prior audit's management letter are shown on our current audit's management letter.

Kenneth D. Folden & Co.

Kenneth D. Folden, CPA

Certified Public Accountants

Ted W. Sanderlin, CPA

Members
Society of Louisiana
Certified Public Accountants

302 Eighth Street
Jonesboro, LA 71251
(318) 259-7316
FAX (318) 259-7315

Members
American Institute of
Certified Public Accountants

December 17, 1999

To the Members of the
Jackson Parish School Board
Jonesboro, Louisiana

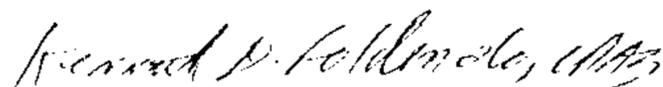
In planning and performing our audit of the general purpose financial statements of the Jackson Parish School Board, for the year ended June 30, 1999, and to obtain reasonable assurance about whether the financial statements are free of material misstatement, we considered the following:

- (1) The internal control structure 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 structure; and,
- (2) As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Jackson Parish School Board's compliance with certain provisions of laws, regulations and contracts. The objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we did not express an opinion.

During our audit, we became aware of certain matters involving immaterial noncompliance with laws and matters disclosed in the audit report, as of and for the year ended June 30, 1999, involving the internal control structure that are opportunities for strengthening internal controls and compliance requirements. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. (We previously reported on the Jackson Parish School Board's internal control structure in our report dated December 17, 1999.) This letter does not affect our report dated December 17, 1999, on the financial statements of the Jackson Parish School Board.

We have already discussed these comments and suggestions with various Jackson Parish School Board personnel and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Sincerely,



Kenneth D. Folden & Co., CPAs
Jonesboro, Louisiana

Budgets

1. Budgetary Control

The Jackson Parish School Board failed to adequately amend the budgeted revenues of the Special Ed 94-142 Special Revenue Fund. The Jackson Parish School Board failed to adequately amend the budgeted expenditures of the following Special Revenue Funds: Lunch Fund and Federal Impact Aid Fund. Louisiana Revised Statute 39:1310 requires that amendments shall be made whenever actual revenues are failing to meet budgeted revenues by five percent or more and when actual expenditures are exceeding budgeted expenditures by five percent or more.

We recommend that the Jackson Parish School Board comply with Louisiana Revised Statute 39:1310.

In a letter dated December 27, 1999, the management of the Jackson Parish School Board agreed with the finding. Management stated that their personnel had again monitored their budgets at the fund type level and not on the individual funds level. Management stated that the individual funds will be monitor for the fiscal year ending June 30, 2000.

2. Budget Preparation

The Jackson Parish School Board failed to adopt a budget for the Special Ed Extended Year Fund. This resulted in the Special Ed Extended Year Fund not being included in the comprehensive special revenue funds budget. Louisiana Revised Statute 39:1304 requires that a budget shall be prepared for each special revenue fund.

We recommend that the Jackson Parish School Board comply with Louisiana Revised Statute 39:1304.

In a letter dated December 27, 1999, the management of the Jackson Parish School Board agreed with the finding. Management stated that procedures will be strengthen to ensure that all special revenues funds are budgeted in the future.

Invoices

Approximately 12% of the invoices selected in our test of disbursements did not have a notation indicating that either the items were received or that the services were performed. Good business practice requires that invoices should have such notation to ensure that items were received or that services were performed.

We recommend that the School Board personnel should make a notation indicating the receipt of goods or that services were performed.

In a letter dated December 27, 1999, the management of the Jackson Parish School Board stated that procedures would be implemented immediately to ensure that all invoices have notations showing the receipt of the items or that the services were performed.

School Activity Funds

We tested the 4 following schools regarding the school activity funds: Quitman High School, Chatham High School, Southside Elementary School, and Jasper-Henderson Elementary School. Our test revealed the following deficiencies regarding the school activity funds at these schools:

Quitman High School-
None.

Chatham High School -

- a) Approximately 8% of the checks tested did not have adequate supporting documentation.
- b) Approximately 8% of the invoices selected in our test of disbursements did not have a notation indicating that either the items were received or that the services were performed.
3. Supporting documentation for receipts was not provided for approximately 16% of the receipts tested. Over-the-counter receipts were available to show the monies reported but the supporting documentation, such as recap of ticket sales, list of cash sales, etc could not be provided.
4. One account had a negative cash balance of approximately \$352 at June 30, 1999.

Southside Elementary School -

- a) Approximately 8% of the invoices selected in our test of disbursements did not have a notation indicating that either the items were received or that the services were performed.
- b) The only 1998-99 monthly bank reconciliation prepared was for the month of June 1999.

Jasper-Henderson Elementary School -

- a) Approximately 32% of the purchase orders selected in our test of disbursements were not properly prepared. The purchase orders did not adequately list the items being purchased.
- b) Approximately 20% of the invoices selected in our test of disbursements did not have a notation indicating that either the items were received or that the services were performed.
- c) In our test of disbursements, approximately 40% of the checks were not written timely when compared to the invoice dates. These noted untimely disbursements were for invoices ranging from two months to one year prior to their payment.
- d) One account had a negative cash balance of approximately \$70 at June 30, 1999.

The above deficiencies are in violation of the school board policy regarding purchase orders, supporting documentation, timely payments, etc. We recommend that the above deficiencies should be corrected so that the individual schools will be in compliance with the school board's policy.

In a letter dated December 27, 1999, the management of the Jackson Parish School Board stated that it has been over two years since the last in-service meeting was held regarding the school activity funds' policy. The purpose of these in-service meetings was to keep the secretaries informed on the policy's requirements. Two of the three schools cited above have hired new secretaries since the last meeting. Management stated that they will again hold an in-service meeting to aid in instructing the schools' secretaries regarding the school activity funds.

Excess Taxes

As disclosed in the prior audit report for the year ended June 30, 1998, the Jonesboro-Hodge Bond Fund had collected \$272,798 in excess ad valorem taxes over the amount needed for the bonded debt service. Louisiana Attorney General Opinion 79-328 states that if a pro-rata return to the taxpayers is impossible, then the funds may be used for another project which is similar in nature. The Jackson Parish School Board deemed that a pro-rata return was impossible, thus they elected to spend the excess taxes on a similar project. The \$66,083 spent in the current audit period was deemed a similar project.

At June 30, 1999, the Weston Bond Fund had cash of \$210,553 and its outstanding debt for the next two fiscal years only totaled \$174,510. Therefore, the School Board has collected \$36,043 in excess of the amount needed for the next two fiscal years. Louisiana Attorney General Opinion 79-328 states that only a reasonable amount should be collected over the amount needed for bonded debt service. Excess taxes should not be collected.

We recommend that the School Board comply with Louisiana Attorney General Opinion 79-328 and only collect a reasonable amount for the bonded debt service.

In a letter dated December 27, 1999, the management of the Jackson Parish School Board stated that the tax millage levied would be monitored closer to prevent excess taxes from being collected in the future.

Debt Restrictions

The Chatham Bond Fund still has bonded debt issues outstanding at June 30, 1999. The Chatham Bond Fund disbursed monies that did not pertain to the payment of its principal and interest. Louisiana Attorney General Opinion 88-281 states that proceeds of a bond millage levied may not be used for any purpose other than payment of principal and interest as long as bonds are outstanding.

We recommend that the School Board comply with the provisions of Louisiana Attorney General Opinion 88-281.

In a letter dated December 27, 1999, the management of the Jackson Parish School Board stated that the cited monies should have not been paid from the Chatham Bond Fund. In the future, only costs associated with principal and interest will be paid from the bond issues that have outstanding debt.

Bids

Our tests revealed two instances where adequate documentation was not available to support bids from the General Fund. The Jackson Parish School Board failed to maintain its bid documentation as required by Louisiana Revised Statute 3822:12 as follows: (1) Only the written bids for the purchase of \$48,000 air conditioning equipment was available for inspection; no documentation was presented to show that the equipment was advertised for bids. (2) Only the advertisement for the purchase of two new buses could be located; the bids pertaining to their purchase for \$94,440 was not available for inspection.

We recommend that the Jackson Parish School Board comply with all of the provisions of Louisiana Revised Statute 39:3822:12.

In a letter dated December 27, 1999, the management of the Jackson Parish School Board agreed with the finding. Management stated that the person responsible for maintaining the above bid documentation was on medical leave and was unavailable during this audit. Subsequent to June 30, 1999, the maintenance of bid documentation has been assigned to another staff member. Management stated that this procedure should ensure that future documentation complies with Louisiana Revised Statute 39:3822:12.

Financial Statements

As stated in our auditors' report, the general fixed assets account group was not audited because the beginning balances have no supporting documentation. Our test of the general fixed assets account group revealed that progress has been made since the prior audit. However, the Jackson Parish School Board is still in violation of Louisiana Revised Statute 39:321-332.

We recommend that the School Board comply with Louisiana Revised Statute 39:321-332.

In a letter dated December 27, 1999, the management of the Jackson Parish School Board stated that they are continuing to work on their general fixed assets account group. The projected completion date of their compilation is prior to June 30, 2000.

Prior Year Findings

The current status of the findings in the prior year audit report are as follows:

Management Letter

Budgets:

- 1. Public notice - The School Board did not publish a public notice stating the time, place, and date of the public hearing regarding the adoption of the budgets. Corrective action has been taken; this finding is considered cleared.**
- 2. Budgetary control - The School Board failed to adequately amend the budgeted revenues and budgeted expenditures of certain funds of the Special Revenue Funds. As shown above, a repeat comment has been made concerning certain funds of the Special Revenue Funds.**
- 3. Budget preparation- The School Board failed to adopt a budget for the Special Ed Extended Year Fund. As shown above, a repeat comment has been made.**

Invoices - Approximately 11% of the invoices selected in our test of disbursements did not have a notation indicating that either the items were received or that the services were performed. As shown above, a repeat comment has been made.

School Activity Funds - The supporting documentation for the concessions sales at selected ball games could not be provided from Quitman High School. Current year test of Quitman High School revealed that corrective action had been taken; this finding is considered cleared.

Excess Taxes - The School Board had collected excess ad valorem taxes over the amount needed for the bonded debt service for the Jonesboro-Hodge Bond Fund. As shown above, the excess monies are being used for a similar project and no ad valorem taxes were collected in current year; the prior year finding concerning the Jonesboro-Hodge Bond Fund is considered cleared. As shown above, a current year comment was made concerning the Weston Bond Fund.

Bids - Prior year tests revealed two instances that the Title I program failed to obtain competitive bids or telephone quotes. As shown above, the current year comment concerns the General Fund only; the prior year finding concerning the Title I program is considered cleared.

State Bond Commission Approval - The School Lunch program failed to obtain State Bond Commission approval before obtaining a loan exceeding 90 days. No such debt was found in current year; this finding is considered cleared.

Lack of supporting documentation - The supporting documentation of one check in the Title I program could not be located. Supporting documentation for all checks tested in current year was located; this finding is considered cleared.

Financial Statements

- 1. General fixed assets account group could not be audited. As shown above, a repeat comment has been made.**