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EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Financial Report

Year Ended June 30, 1996

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Release Date FEB 26 1997

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(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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MANAGEMENT LETTER

Dr. Albert Zackrie, Jr., Superintendent
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana 70586

Gentlemen:

Our audit of the general purpose financial statements of the Evangeline Parish School Board as of and for the year ended June 30, 1996 revealed certain areas in which improvements in the accounting system and financial practices of the School Board may be desirable. Therefore, the following improvements are submitted for your consideration:

1. The School Board should consider utilizing centralized purchasing for all purchases. Purchases of goods and services should be initiated by authorized requisitions bearing the approval of officials designated to authorize requisitions. Requisitions should be pre-numbered and properly controlled. Purchase orders should be controlled and issued by the purchasing agent after receipt of an authorized requisition and verification of sufficient budgeted funds. Also, all bids (materials, supplies, public works, etc.) should be handled by the purchasing department.
2. A complete physical inventory of all fixed assets belonging to the School Board should be conducted at least annually. In addition, the School Board should update the fixed asset records for all additions and deletions in a timely manner.
3. Program reimbursement requests should be filed timely in order to reduce the amount of time the monies are owed to the General Fund from the various programs. This would allow the School Board to maximize its interest earnings.
4. The School Board should strengthen the controls over budgeting by reviewing the requirements of the Local Government Budget Act and implementing the necessary controls to make certain that the requirements of the Budget Act are followed.

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We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Ville Platte, Louisiana
November 14, 1996

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INDEPENDENT AUDITOR'S REPORT

Dr. Albert Zackrie, Jr., Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have audited the accompanying general purpose financial statements of the Evangeline Parish School Board, as of and for the year ended June 30, 1996. 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.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 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.

The Evangeline Parish School Board has not maintained adequate internal accounting controls for the general fixed assets account group. These inadequacies made it impractical to extend our auditing procedures to enable us to express, and we do not express an opinion on the general fixed assets account group or on the changes in fixed assets as presented in Note 6 to the financial statements. The general fixed assets account group has assets with a stated value of \$21,515,678 at June 30, 1996.

In our opinion, except for the effects on the financial statements of such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient evidential matter regarding the general fixed assets account group as mentioned in the third paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Evangeline Parish School Board as of June 30, 1996 and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards we have also issued a report dated November 14, 1996 on our consideration of the School Board's internal control structure and a report dated November 14, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" 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 Evangeline Parish School Board. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
November 14, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1996

	Governmental Fund Types		Fiduciary Fund Type Agency	Account Groups		Totals		
	General	Special Revenue		Debt Service	General Fixed Assets	Long-Term Obligations	(Memorandum Only)	
							1996	1995
ASSETS AND OTHER DEBITS								
Assets:								
Cash and interest-bearing deposits	\$3,001,129	\$1,413,793	\$156,541	\$	\$	\$ 4,809,579	\$ 5,718,765	
Receivables	14,979	491,959	-	-	-	506,938	387,081	
Due from other funds	215,993	-	7,419	-	-	223,412	248,086	
Inventories	-	78,223	-	-	-	78,223	98,824	
Land, buildings, and equipment	-	-	-	21,515,678	-	21,515,678	20,642,231	
Other debits:								
Amount available in debt service funds	-	-	-	-	163,960	163,960	175,146	
Amount to be provided for retirement of general long-term debt	-	-	-	-	2,757,698	2,757,698	3,012,875	
Total assets and other debits	\$3,232,101	\$1,983,975	\$163,960	\$21,515,678	\$2,921,658	\$30,055,488	\$30,283,008	
LIABILITIES, EQUITY AND OTHER CREDITS								
Liabilities:								
Cash overdraft	\$	\$	\$	\$	\$	\$	\$ 41,774	
Accounts payable	50,917	224,615	-	-	-	275,532	160,037	
Due to other funds	-	203,412	-	20,000	-	223,412	248,086	
Salaries payable	2,116,199	324,132	-	-	-	2,440,331	3,053,646	
Claims payable	117,773	-	-	-	-	117,773	33,168	
Other liabilities	-	-	-	976	-	976	3,743	
School activity funds payable	-	-	-	217,140	-	217,140	236,400	
Bonds payable and certificates of indebtedness	-	-	-	-	-	-	-	
Compensated absences payable	-	-	-	-	1,470,000	1,470,000	1,740,000	
Total liabilities	2,284,889	752,159	-	238,116	1,451,658	6,196,822	6,964,875	
Equity and other credits:								
Investment in general fixed assets	-	-	-	-	-	-	-	
Fund balances -								
Reserved for worker's compensation	150,000	-	-	21,515,678	-	21,515,678	20,642,231	
Reserved for inventory	-	78,223	-	-	-	150,000	172,000	
Reserved for debt service	-	-	163,960	-	-	78,223	98,824	
Unreserved, undesignated	797,212	1,153,593	-	-	-	1,950,805	175,146	
Total equity and other credits	947,212	1,231,816	163,960	21,515,678	-	23,858,666	2,229,932	
Total liabilities, equity and other credits	\$3,232,101	\$1,983,975	\$163,960	\$21,515,678	\$2,921,658	\$30,055,488	\$30,283,008	

The accompanying notes are an integral part of this statement.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1996

	Governmental Fund Types			Total (Memorandum Only)	
	General	Special Revenue	Debt Service	1996	1995
Revenues:					
Parish sources -					
Taxes:					
Ad valorem	\$ 1,185,581	\$1,126,383	\$230,453	\$ 2,542,417	\$ 2,407,433
Sales and use	1,935,444	-	-	1,935,444	1,810,534
Interest earnings	123,931	24,246	6,411	154,588	110,681
Other	65,412	251,740	-	317,152	993,204
State sources:					
Equalization	18,714,597	250,000	-	18,964,597	18,433,211
Other	688,941	180,296	-	869,237	1,570,530
Federal sources	67,763	5,019,203	-	5,086,966	5,416,830
Total revenues	<u>22,781,669</u>	<u>6,851,868</u>	<u>236,864</u>	<u>29,870,401</u>	<u>30,742,423</u>
Expenditures:					
Instruction -					
Regular programs	10,591,885	26,946	-	10,618,831	10,639,188
Special education programs	3,200,416	269,911	-	3,470,327	3,400,319
Special programs	202,191	1,193,041	-	1,395,232	1,406,102
Adult and continuing education programs	-	37,977	-	37,977	45,551
Vocational education programs	888,704	106,130	-	994,834	923,017
Other instructional programs	87	292,807	-	292,894	442,769
Support services -					
Pupil support services	834,981	146,875	-	981,856	1,009,950
Instructional staff support	672,052	943,226	-	1,615,278	1,513,558
General administration	629,601	40,162	8,159	677,922	667,473
School administration	1,531,324	62,858	-	1,594,182	1,559,141
Business services	479,112	23,361	-	502,473	387,477
Operation and maintenance of plant services	1,260,189	947,172	-	2,207,361	2,185,486
Student transportation	2,114,881	22,871	-	2,137,752	2,146,837
Central services	54,760	19,005	-	73,765	51,869
Non-instructional services:					
Food services	3,334	2,645,319	-	2,648,653	2,772,164
Community services	5,270	-	-	5,270	4,125
Facilities acquisition and construction	561,178	25,774	-	586,952	699,185
Debt service -					
Principal	85,000	-	185,000	270,000	180,000
Interest and fiscal charges	36,865	-	54,891	91,756	95,827
Total expenditures	<u>23,151,830</u>	<u>6,803,435</u>	<u>248,050</u>	<u>30,203,315</u>	<u>30,130,038</u>
Excess (deficiency) of revenues over expenditures	<u>(370,161)</u>	<u>48,433</u>	<u>(11,186)</u>	<u>(332,914)</u>	<u>612,385</u>
Other financing sources (uses):					
Proceeds from certificates of indebtedness	-	-	-	-	702,668
Operating transfers in	68,844	71,215	-	140,059	74,588
Operating transfers out	(71,215)	(68,844)	-	(140,059)	(74,588)
Total other financing sources (uses)	<u>(2,371)</u>	<u>2,371</u>	<u>-</u>	<u>-</u>	<u>702,668</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(372,532)</u>	<u>50,804</u>	<u>(11,186)</u>	<u>(332,914)</u>	<u>1,315,053</u>
Fund balances, beginning	<u>1,319,744</u>	<u>1,181,012</u>	<u>175,146</u>	<u>2,675,902</u>	<u>1,360,849</u>
Fund balances, ending	<u>\$ 947,212</u>	<u>\$1,231,816</u>	<u>\$163,960</u>	<u>\$ 2,342,988</u>	<u>\$ 2,675,902</u>

The accompanying notes are an integral part of this statement.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Governmental Fund Types - General and Special Revenue Funds
Year Ended June 30, 1996

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Parish sources -						
Taxes:						
Ad valorem	\$ 1,110,289	\$ 1,185,581	\$ 75,292	\$ 303,090	\$1,126,383	\$ 823,293
Sales and use	1,747,618	1,935,444	187,826	25,000	-	(25,000)
Other	-	-	-	21,000	24,246	3,246
Interest earnings	117,388	123,931	6,543	239,000	251,740	12,740
Other	50,424	65,412	14,988	-	-	-
State sources:						
Equalization	18,714,597	18,714,597	-	250,000	250,000	-
Other	656,152	688,941	(32,789)	257,472	180,296	(77,176)
Federal sources	67,763	67,763	-	5,180,172	5,019,203	(160,969)
Total revenues	<u>22,464,231</u>	<u>22,781,669</u>	<u>317,438</u>	<u>6,275,734</u>	<u>6,851,868</u>	<u>576,134</u>
Expenditures:						
Instruction -						
Regular programs	10,903,556	10,591,885	311,671	23,950	26,946	(2,996)
Special education programs	3,195,548	3,200,416	(4,868)	280,554	269,911	10,643
Special programs	200,877	202,191	(1,314)	1,349,958	1,193,041	156,917
Adult and continuing education programs	-	-	-	42,724	37,977	4,747
Vocational education programs	897,577	888,704	8,873	162,156	106,130	56,026
Other instructional programs	-	87	(87)	244,141	292,807	(48,666)
Support services -						
Pupil support services	837,297	834,981	2,316	146,756	146,875	(119)
Instructional staff support	658,364	672,052	(13,688)	936,272	943,226	(6,954)
General administration	555,344	629,601	(74,257)	4,200	40,162	(35,962)
School administration	1,482,109	1,531,324	(49,215)	38,544	62,858	(24,314)
Business services	193,458	479,112	(285,654)	31,288	23,361	7,927
Operation and maintenance of plant services	1,844,604	1,260,189	584,415	945,561	947,172	(1,611)
Student transportation	2,152,046	2,114,881	37,165	27,693	22,871	4,822
Central services	57,947	54,760	3,187	19,395	19,005	390
Non-instructional services:						
Food services	2,346	3,334	(988)	2,433,700	2,645,319	(211,619)
Community services	4,178	5,270	(1,092)	-	-	-
Facilities acquisition and construction	110,007	561,178	(451,171)	42,478	25,774	16,704
Debt service	121,865	121,865	-	-	-	-
Total expenditures	<u>23,217,123</u>	<u>23,151,830</u>	<u>65,293</u>	<u>6,729,370</u>	<u>6,803,435</u>	<u>(74,065)</u>
Excess (deficiency) of revenues over expenditures	<u>(752,892)</u>	<u>(370,161)</u>	<u>382,731</u>	<u>(453,636)</u>	<u>48,433</u>	<u>502,069</u>
Other financing sources (uses):						
Operating transfers in	69,172	68,844	(328)	3,103	71,215	68,112
Operating transfers out	(5,347)	(71,215)	(65,868)	(74,337)	(68,844)	5,493
Total other financing sources (uses)	<u>63,825</u>	<u>(2,371)</u>	<u>(66,196)</u>	<u>(71,234)</u>	<u>2,371</u>	<u>73,605</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(689,067)</u>	<u>(372,532)</u>	<u>316,535</u>	<u>(524,870)</u>	<u>50,804</u>	<u>754,400</u>
Fund balances, beginning	<u>1,319,744</u>	<u>1,319,744</u>	<u>-</u>	<u>1,181,012</u>	<u>1,181,012</u>	<u>-</u>
Fund balances, ending	<u>\$ 630,677</u>	<u>\$ 947,212</u>	<u>\$ 316,535</u>	<u>\$ 656,142</u>	<u>\$1,231,816</u>	<u>\$ 754,400</u>

The accompanying notes are an integral part of this statement.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements

INTRODUCTION

The Evangeline Parish School Board (School Board) was created by Louisiana Revised Statute (LRS) 17:51 to provide public education for the children within Evangeline 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 authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is comprised of 13 members who are elected from 13 districts for concurrent terms of four years.

The School Board operates 15 schools within the parish. In conjunction with the regular education programs, some of these 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. Reporting Entity

For financial reporting purposes, the School Board includes all funds, account groups, and activities for which the School Board exercises financial accountability. The School Board members are elected by the public, have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. Certain units of local government, over which the School Board exercises no financial accountability, such as the parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity and does not have any component units which require inclusion in the general purpose financial statements.

B. Basis of Presentation-Fund Accounting

The accounts of the School Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

expenses, as appropriate. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Fund Types -

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon the income determination. The following are the School Board's governmental fund types:

General Fund

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

Special Revenue Funds

Special Revenues Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs and special district funds established for various objectives.

Debt Service Funds

Debt Service Funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Fiduciary Fund Type -

Fiduciary funds are used to account for assets held by the School Board in a trustee or agency capacity. The School Board maintains one fiduciary fund type, agency funds. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

Agency Funds

The School Board maintains three agency funds. The Clearing and Payroll Funds, accounts for amounts deposited and subsequently expended for payroll and related benefits. The School Activity Fund accounts for assets held by the School Board in a custodial capacity.

Account Groups -

Account groups are used to establish accounting control and accountability for the School Board's general fixed assets and general long-term debt. The account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in the governmental funds.

General Long-term Debt Account Group

Long-term debt expected to be financed from governmental funds is accounted for in the general long-term debt account group, not in the governmental funds.

C. Basis of Accounting

Basis of accounting refers to when the revenues and expenditures are recognized and reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The governmental and fiduciary fund types (agency funds) are reported in the financial statements on the modified accrual basis of accounting. Under the modified accrual basis, revenues are

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

recorded when they become both measurable and available. Available means expected to be collected within two months for property taxes and generally within the next twelve months for other revenues. The following practices in recording revenues and expenditures have been used for the governmental funds:

Revenues

Federal and state entitlements, which include state equalization and state revenue sharing, are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants which are restricted as to the purpose of the expenditures are recorded when the reimbursable expenditures have been made.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November by the Parish Assessor based on the assessed value, become due on December 31 of each year, and become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected and are unremitted by the Evangeline Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Sales and use tax revenues are recorded in the month collected by the Evangeline Parish Sales and Use Tax Commission.

Crop rentals and royalties are recognized when received because they are not objectively measurable.

Interest income on time deposits are recorded when received.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine month period but paid over a twelve month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recorded in the general long-term debt account group.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term obligations are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if it is expected to be paid within the next twelve months. Liabilities which will not be liquidated with expendable available financial resources are recorded in the general long-term debt account group.

Deferred Revenues

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 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 balance sheet and the revenue is recognized.

D. Budget Practices

The proposed budgets for fiscal year 1996 were completed and made available for public inspection at the School Board office on October 4, 1995. A public hearing was held on October 4, 1995 for suggestions and comments from taxpayers, at which time the 1996 budgets were formally adopted by the School Board. The budget for the General Fund was published in the official journal 14 days prior to the public hearing.

The budgets for the General and Special Revenue Funds were prepared on a modified accrual basis, consistent with generally accepted accounting principles (GAAP).

Formal budgetary accounts are integrated into the accounting system during the year as a management control device. Appropriations are valid only for the year in which made, and any part of such appropriation which is not expended lapses at the end of each fiscal year.

The level of control over the budget is exercised at the function or program level for the General and Special Revenue Funds. The Superintendent is authorized to transfer budget amounts

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

within each function; however, any supplemental appropriations that amend the total expenditures of any fund requires School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five per cent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five per cent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget were not material.

E. Encumbrances

Encumbrance accounting under which purchase orders for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the School Board as an extension of formal budgetary integration in the funds.

F. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits includes amounts in demand deposits, money market accounts and time deposits which are stated at cost. Cash balances of all funds are combined to the extent possible. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Short-term Interfund Receivables/Payables

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

H. Inventory

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

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

I. General Fixed Assets

Land, buildings, and furniture and equipment are recorded as expenditures in the governmental funds and are capitalized in the general fixed assets account group at historical cost or estimated historical cost, if actual cost is not available. Donated fixed assets are valued at their estimated market value on the date of donation. Approximately 56 per cent of general fixed assets are valued at historical cost, while the remaining 44 per cent are valued at estimated cost. Estimated cost was computed by multiplying the assessed valuation of each building, for which historical cost was not available, times the Consumer Price Index (CPI) relative to the estimated date of acquisition and/or construction of each building.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

J. Compensated Absences

Twelve-month employees earn from 5 to 10 days of vacation leave each year, depending on length of service with the School Board. Vacation leave cannot be accumulated. All School Board employees earn from 10 to 12 days of sick leave each year, depending upon the number of months employed. Sick leave can be accumulated without limitation. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee or his heirs at the employee's current rate of pay, and all unused sick leave is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave benefits are recorded as an expenditure in the period paid.

The cost of leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

K. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term debt account group.

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

L. Fund Balances

Reserves

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

Designated

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

M. Sales Tax

On May 22, 1967, the voters of Evangeline Parish approved a one percent sales tax which, after payment of necessary costs and expenses of collecting the tax, is dedicated for payments of salaries of teachers employed by the public elementary and secondary schools and for the operation of the public elementary and secondary schools of Evangeline Parish. The sales tax is collected by the Evangeline Parish Sales and Use Tax Commission for a fee of 3 percent of the monthly collections.

N. Comparative Data and Total Columns on Combined Statements

Comparative total data for the prior year has been presented in the financial statements in order to provide an understanding of changes in the School Board's financial position and operations. However, comparative data (i.e., presentation of prior year total

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on the combined statements - overview 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 is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Interest-Bearing Deposits

At June 30, 1996, the School Board has interest-bearing deposits (book balances) totaling \$4,809,579, as follows:

Money market accounts	\$4,479,579
Time deposits	<u>330,000</u>
 Total	 \$4,809,579 <u>=====</u>

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 bank. These securities are held by a mutually acceptable third party financial institution in the School Board's name, however, the securities may be released only upon the written authorization of the School Board, which is the lowest credit risk as defined by the Governmental Accounting Standards Board. Deposit balances (bank balances) at June 30, 1996, are secured as follows:

Bank balances	<u>\$7,431,612</u>
 Federal deposit insurance	 \$ 457,257
Pledged securities	<u>6,901,949</u>
 Total	 <u>\$7,359,206</u>
 Unsecured bank balances	 \$ 72,406 <u>=====</u>

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the School Board in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

The Parish Tax Collector bills and collects the property taxes for the School Board. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 1996 ad valorem taxes totaling 56.07 mills were levied on assessed property (parish wide-general corporate purpose only) and were dedicated as follows:

General corporate purposes	4.22 mills
Special tax for salaries and benefits of teachers and other employees in the school system	9.39 mills
Special School District No. 7 tax for debt retirement	10.00 mills
Special School District No. 1 tax for debt retirement	7.50 mills
Special School District No. 2 school improvement tax (maintenance and operation)	11.28 mills
Special School District No. 7 school improvement tax (maintenance and operation)	11.68 mills
Special Basile High School improvement tax (for athletic department)	2.00 mills

The taxes remitted were \$2,542,417 for the year ended June 30, 1996.

(4) Receivables

A summary of receivables at June 30, 1996 follows:

Department of Education - Grants	\$434,628
U. S. Department of Treasury - Grants	66,559
St. Landry Parish Police Jury - (JTPA) - Grants	3,101
Other	<u>2,650</u>
Total	<u>\$506,938</u>

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(7) Changes in General Long-Term Debt

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

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations payable at July 1, 1995	\$1,740,000	\$1,448,021	\$3,188,021
Additions	-	3,637	3,637
Deductions	<u>270,000</u>	<u>-</u>	<u>270,000</u>
Long-term obligations payable at June 30, 1996	<u>\$1,470,000</u>	<u>\$1,451,658</u>	<u>\$2,921,658</u>

Bonds payable at June 30, 1996 is comprised of the following individual issues:

\$1,900,000 1978 School Bonds of School District No. 7 due in annual installments of \$155,000 to \$160,000 through April 1, 1998; interest at 4-3/4 percent; payable by levy of ad valorem tax	\$ 315,000
\$600,000 General Obligation Bonds, Series 1995 School District No. 1 due in annual installments of \$45,000 to \$75,000 through March 1, 2005; interest at 5.00 percent to 6 percent; payable by levy of ad valorem tax	540,000
\$700,000 1994 Certificates of Indebtedness, due in annual installments of \$90,000 to \$115,000 through March 1, 2001; interest at 5.05 percent to 6.05 percent; payable by General Fund revenues	<u>615,000</u>
Total bonded debt	<u>\$1,470,000</u>

Compensated absences

Compensated absences reported at June 30, 1996, reflect only amounts due to employees for all unused sick leave, up to a maximum of 25 days, that have 10 or more years of service. The leave records were maintained in such a manner that the additions and deductions could not readily be identified separately; therefore, the additions and deductions are included in the previous schedule as a net addition.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

The annual requirements to amortize all bonds outstanding at June 30, 1996, including interest payments of \$300,610, follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>
1997	\$ 367,242
1998	367,840
1999	202,372
2000	198,688
2001	199,483
2002 - 2005	<u>434,985</u>
	<u>\$1,770,610</u>

(8) Pension Plan

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 Employee's Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information, as required by the Governmental Accounting Standards Board Statement No. 27, relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description -

The School Board participates in two membership plans of the TRS, the Regular Plan and Plan A. 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 financial information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

Funding Policy -

Plan members are required to contribute 8.0 percent and 9.1 percent of their annual covered salary for the Regular Plan and Plan A, 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 both 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 to the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the years ending June 30, 1996, 1995, and 1994 were \$3,754,871, \$3,614,165, and \$3,677,647, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LASERS)

Plan Description -

The LASERS 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 LASERS issues a publicly available financial report that includes financial statements and required supplementary financial information for the LASERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, P.O. Box 44516, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484.

Funding 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 6.0 percent of annual covered payroll. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LASERS is funded by the State of Louisiana through annual appropriations and by remittances from the School Board.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

The School Board's contributions to the LASERS for the years ending June 30, 1996, 1995, and 1994 were \$243,599, \$338,636 and \$246,597, respectively, equal to the required contributions for each year.

(9) Postemployment Health Care Benefits

In accordance with State statutes, the School Board provides certain continuing health care 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. Currently, 294 retirees are receiving benefits. These benefits for retirees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the retirees and by the School Board. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due. The School Board's total cost of providing these benefits was \$324,909 for the year ended June 30, 1996.

(10) Leases

Obligations under capital leases, which are considered immaterial to the financial statements are not recorded in the general long-term debt account group at June 30, 1996.

(11) Pending Litigation

A. Contingencies

At June 30, 1996, the School Board is involved in several lawsuits. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

B. Grant Audit

The School Board receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursements by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the School Board, such disallowances, if any, will not be significant.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(12) Expenditures - Actual and Budget

The following individual funds had excesses of expenditures over budgeted appropriations for the year ended June 30, 1996 which are not apparent from the general purpose financial statements.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Special revenue funds:			
District 2 Maintenance	\$679,061	\$757,417	\$78,356
District 7B Maintenance	103,331	154,271	50,940
Basile High School Athletic	27,950	30,539	2,589
Writing to Read	53,353	98,366	45,013
Early Childhood Education	48,200	48,648	448
Title 2	35,141	40,487	5,346
Drug Free School	42,867	49,650	6,783
Welfare Project	71,762	72,506	744
Special Education Summer Program	29,813	29,896	83
Lunch Fund	2,435,200	2,655,414	220,214
Federal Dropout	173,468	177,583	4,115
Special Ed. Infants/Toddlers	5,694	6,446	752

(13) Risk Management - Worker's Compensation

The School Board has established a limited risk management program for worker's compensation effective April 1, 1994. The School Board contracted with Littleton Risk Service, Inc. as claims administrator for this program. The School Board purchased commercial insurance for individual claims in excess of \$175,000. Changes in the claims liability amount in previous fiscal years were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
1994-1995	\$ -	\$154,873	\$121,075	\$ 33,168
1995-1996	\$33,168	\$160,922	\$ 76,317	\$117,773

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(14) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ending June 30, 1996 follows:

<u>Board Member</u>	<u>Amount</u>
James Berthelot	\$ 6,250
Wayne Dardeau	7,300
Dr. Bobby Deshotel	7,200
Bobby Dupre	7,600
Buford Fontenot	6,000
Verbis Fontenot	3,550
Daniel Hoffpauir	7,800
Clement Lafleur	1,300
Clyde Lafleur	3,300
Gervis Lafleur	1,300
John David Landreneau	7,200
Stanley Leger	1,200
Danny Lemoine	2,700
David Manuel	3,000
Cecil Monier	4,000
David Ortego	3,900
Jeremy Ortego	2,400
Arthur Savoy	1,200
Leon Skinner	1,200
Earl John Soileau	1,200
James Vidrine	1,200
June Vidrine	<u>330</u>
Total	<u>\$81,130</u> =====

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS AND ACCOUNT GROUP

SPECIAL REVENUE FUNDS

District 2 Maintenance and District 7B Maintenance Funds - To account for receipt and use of the proceeds of ad valorem taxes levied for the purpose of maintaining and improving the schools within each district and the proceeds of state revenue received.

Basile High School Athletic Fund - To account for the receipt and use of proceeds of ad valorem taxes levied for the operation and maintenance of the Basile High School athletic department.

Writing to Read - To account for funds from state sources to provide a computer based introduction to writing and reading for grades K and 1 in all elementary schools in the parish.

Early Childhood Education - To account for funds from state sources to provide assistance in developing high-risk four-year old children.

Starting Point - To account for a federally financed program directed toward developing at-risk four year old children.

Adult Education - To account for funds from federal and state sources utilized to provide instruction to adults working toward a high school diploma and to provide continuing education courses.

Job Training Partnership Act Programs - To account for funds from the Job Training Partnership Act Program of the St. Landry Parish Police Jury. The programs are designed to prepare economically disadvantaged individuals and other individuals facing serious barriers to employment and who are in special need of such training to obtain productive employment.

Education for Economic Security Act - Title II Fund - Title II of the Education for Economic Security Act (EESA) is a program by which the federal government provides funds to the school board for projects which are designed to improve the skills of teachers and instruction in the areas of mathematics, science, computer learning, and foreign languages and increase the accessibility of such instruction to all students.

Even Start - To account for federal funds that focuses on parent literacy, adult literacy and parent/child home connection.

(continued)

SPECIAL REVENUE FUNDS (CONTINUED)

Education of the Handicapped Act Funds - (IDEA-B) - IDEA-B Funds are federally financed programs of free education in the least restricted environment in children with exceptionalities.

Chapter 1 - Title I of the Improving America's Schools Act (IASA) replaces Elementary and Secondary Education Act funding. The federal funds are allocated and administered by the state for programs designed for educationally deprived children. Funds are utilized to provide supplementary instruction in both reading and mathematics.

Vocational Education - To account for state allocated federal funds to assist and conduct vocational education programs for persons who desire and need education and training for employment.

Drug Free School - To account for state allocated federal funds to be used in educational programs which provide guidance and counseling on drugs.

Welfare Project - To account for state allocated federal funds to provide transportation and educational and computer instruction toward attainment of a GED diploma for welfare mothers.

Special Education Medicaid - To account for federal funds to provide medical assistance for students.

Special Education Summer Program - To account for state funds provided by the Louisiana State Legislative under Act 18 of 1992 to provide extended school year programs.

Special Education Pre-School Flow Through - To account for state allocated federal funds to be used in developmental programs for pre-school children to ensure growth in the areas of cognitive, motor, social, self help and language.

Lunch Fund - The Lunch Fund is a program that provides nourishing morning and noon meals for students in all grades. This fund is supplemented by both federal and state funds that are based on reimbursement and participation.

(continued)

SPECIAL REVENUE FUNDS (CONTINUED)

8G Textbooks - To account for state funds for the purchase of textbooks, library books and/or reference materials.

Federal Dropout - To account for federal funds to establish and demonstrate an effective dropout prevention program.

Special Education Infants/Toddlers - To account for federal funds to be used for family service coordination and other early intervention services for eligible children who are not on Medicaid or for services not reimbursable by Medicaid.

Title VI - Title VI of the Improving America's Schools Act (IASA) is a program by which the federal government provides the teaching force with access to programs for the continued improvement of their professional skills and the opportunity to acquire the knowledge and skills needed to instruct and prepare all American students for the next century.

Charter Schools - To account for federal funds to be used for planning and early implementation of an approved pilot/demonstration site for charter schools.

Foreign Language Incentive - To account for federal funds awarded to eligible public elementary schools that have met the requirements in Section 7205 of the Elementary and Secondary Education Act of 1965, as amended by the Improving America's Schools Act of 1994 (Pub. L. 103-382). These funds must be used to enhance foreign language instruction at the public elementary schools in the district.

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Special Revenue Funds

Combining Balance Sheet
 June 30, 1996

	District 2 Maintenance	District 78 Maintenance	Basile High School Athletic	Writing to Read	Early Childhood Education	Starting Point	Adult Education	JTPA
ASSETS								
Cash and interest-bearing deposits	\$614,555	\$70,950	\$4,701	\$11,196	\$ -	\$ -	\$ -	\$1,106
Receivables	1,028	100	-	-	14,889	23,498	2,671	3,101
Inventory	-	-	-	-	-	-	-	-
Total assets	\$615,583	\$71,050	\$4,701	\$11,196	\$14,889	\$23,498	\$2,671	\$4,207
	=====	=====	=====	=====	=====	=====	=====	=====
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 44,975	\$18,093	\$ -	\$ -	\$ -	\$ 1,804	\$2,033	\$ -
Salaries payable	-	-	1,557	11,196	5,926	4,614	-	-
Due to other funds	4,274	7,418	-	-	8,963	17,080	638	4,207
Total liabilities	49,249	25,511	1,557	11,196	14,889	23,498	2,671	4,207
	=====	=====	=====	=====	=====	=====	=====	=====
Fund balances:								
Reserved for inventory	-	-	-	-	-	-	-	-
Unreserved, undesignated	566,334	45,539	3,144	-	-	-	-	-
Total fund balances	566,334	45,539	3,144	-	-	-	-	-
	=====	=====	=====	=====	=====	=====	=====	=====
Total liabilities and fund balances	\$615,583	\$71,050	\$4,701	\$11,196	\$14,889	\$23,498	\$2,671	\$4,207
	=====	=====	=====	=====	=====	=====	=====	=====

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Special Revenue Funds

Combining Balance Sheet (Continued)
 June 30, 1996

	<u>Title II</u>	<u>Even Start</u>	<u>IDEA-B</u>	<u>IASA Chapter 1</u>	<u>Vocational Education</u>	<u>Drug Free School</u>	<u>Welfare Project</u>	<u>Medicaid</u>	<u>Special Education Summer Program</u>
ASSETS									
Cash and interest-bearing deposits	\$ -	\$ -	\$ -	\$ 6,640	\$ -	\$ -	\$ -	\$ 11,627	\$ -
Receivables	7,065	-	32,636	260,114	10,521	7,907	12,060	-	13,923
Inventory	-	-	-	-	-	-	-	-	-
Total assets	<u>\$7,065</u>	<u>\$ -</u>	<u>\$32,636</u>	<u>\$266,754</u>	<u>\$10,521</u>	<u>\$7,907</u>	<u>\$12,060</u>	<u>\$11,627</u>	<u>\$13,923</u>
LIABILITIES AND FUND BALANCES									
Liabilities:	\$ 545	\$ -	\$ 3,449	\$ 99,706	\$ 4,717	\$ 142	\$ 2,772	\$ -	\$ 787
Accounts payable	-	-	-	134,699	-	-	-	11,627	-
Salaries payable	6,520	-	29,187	32,349	5,804	7,765	9,288	-	13,136
Due to other funds	7,065	-	32,636	266,754	10,521	7,907	12,060	-	13,923
Total liabilities	<u>\$7,065</u>	<u>\$ -</u>	<u>\$32,636</u>	<u>\$266,754</u>	<u>\$10,521</u>	<u>\$7,907</u>	<u>\$12,060</u>	<u>\$11,627</u>	<u>\$13,923</u>
Fund balances:	-	-	-	-	-	-	-	-	-
Reserved for inventory	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	-	-	-	-	-	-	-	-	-
Total fund balances	<u>\$7,065</u>	<u>\$ -</u>	<u>\$32,636</u>	<u>\$266,754</u>	<u>\$10,521</u>	<u>\$7,907</u>	<u>\$12,060</u>	<u>\$11,627</u>	<u>\$13,923</u>
Total liabilities and fund balances	<u>\$7,065</u>	<u>\$ -</u>	<u>\$32,636</u>	<u>\$266,754</u>	<u>\$10,521</u>	<u>\$7,907</u>	<u>\$12,060</u>	<u>\$11,627</u>	<u>\$13,923</u>

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Special Revenue Funds

Combining Balance Sheet (Continued)
 June 30, 1996

	Pre-School Flow Through	Lunch Fund	8G Textbooks	Federal Dropout	Special Education Infants/ Toddlers	Title VI	Charter Schools	Foreign Language Incentive	Totals
ASSETS									
Cash and interest-bearing deposits	\$ -	\$693,018	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,413,793
Receivables	3,620	70	-	32,871	3,434	9,165	19,599	33,687	491,959
Inventory	-	78,223	-	-	-	-	-	-	78,223
Total assets	\$3,620	\$771,311	\$ -	\$32,871	\$3,434	\$9,165	\$19,599	\$33,687	\$1,983,975
	=====	=====	=====	=====	=====	=====	=====	=====	=====
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ 269	\$ 16,784	\$ -	\$ 155	\$ 361	\$ 3,701	\$ -	\$24,322	\$ 224,615
Salaries payable	-	137,728	-	16,785	-	-	-	-	324,132
Due to other funds	3,351	-	-	15,931	3,073	5,464	19,599	9,365	203,412
Total liabilities	3,620	154,512	-	32,871	3,434	9,165	19,599	33,687	752,159
	=====	=====	=====	=====	=====	=====	=====	=====	=====
Fund balances:									
Reserved for inventory	-	78,223	-	-	-	-	-	-	78,223
Unreserved, undesignated	-	538,576	-	-	-	-	-	-	1,153,593
Total fund balances	-	616,799	-	-	-	-	-	-	1,231,816
	=====	=====	=====	=====	=====	=====	=====	=====	=====
Total liabilities and fund balances	\$3,620	\$771,311	\$ -	\$32,871	\$3,434	\$9,165	\$19,599	\$33,687	\$1,983,975
	=====	=====	=====	=====	=====	=====	=====	=====	=====

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1996

	<u>District 2 Maintenance</u>	<u>District 7B Maintenance</u>	<u>Basile High School Athletic</u>	<u>Writing to Read</u>	<u>Early Childhood Education</u>	<u>Starting Point</u>
Revenues:						
Parish sources -						
Taxes:						
Ad valorem	\$923,321	\$173,390	\$29,672	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-	-	-
Other	-	-	-	-	-	-
State sources -						
Equalization	-	-	-	-	-	-
Other	-	-	-	53,353	48,200	-
Federal sources	-	-	-	-	-	53,920
Total revenues	<u>923,321</u>	<u>173,390</u>	<u>29,672</u>	<u>53,353</u>	<u>48,200</u>	<u>53,920</u>
Expenditures:						
Instruction -						
Regular programs	-	-	26,946	-	-	-
Special education programs	-	-	-	-	-	-
Special programs	-	-	-	-	48,648	53,920
Adult and continuing education programs	-	-	-	-	-	-
Vocational education programs	-	-	-	-	-	-
Other instructional programs	-	-	-	98,366	-	-
Support services -						
Pupil support services	-	-	-	-	-	-
Instructional staff services	-	-	-	-	-	-
General administration	29,990	6,382	3,593	-	-	-
School administration	55,880	6,978	-	-	-	-
Business services	-	-	-	-	-	-
Operation and maintenance of plant services	671,547	140,911	-	-	-	-
Student transportation	-	-	-	-	-	-
Central services	-	-	-	-	-	-
Non-instructional services -						
Food services	-	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-	-
Total expenditures	<u>757,417</u>	<u>154,271</u>	<u>30,539</u>	<u>98,366</u>	<u>48,648</u>	<u>53,920</u>
Excess (deficiency) of revenues over expenditures	<u>165,904</u>	<u>19,119</u>	<u>(867)</u>	<u>(45,013)</u>	<u>(448)</u>	<u>-</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	45,013	448	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,013</u>	<u>448</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	165,904	19,119	(867)	-	-	-
Fund balances, beginning	<u>400,430</u>	<u>26,420</u>	<u>4,011</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$566,334</u>	<u>\$ 45,539</u>	<u>\$ 3,144</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Year Ended June 30, 1996

	<u>Special Education Summer Program</u>	<u>Pre-school Flow Through</u>	<u>Lunch Fund</u>	<u>8G Textbooks</u>	<u>Federal Dropout</u>	<u>Special Education Infants/ Toddlers</u>
Revenues:						
Parish sources -						
Taxes:						
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	24,246	-	-	-
Other	-	-	251,740	-	-	-
State sources -						
Equalization	-	-	250,000	-	-	-
Other	29,813	-	-	25,993	-	3,957
Federal sources	-	<u>22,376</u>	<u>1,995,924</u>	-	<u>178,481</u>	<u>2,530</u>
Total revenues	<u>29,813</u>	<u>22,376</u>	<u>2,521,910</u>	<u>25,993</u>	<u>178,481</u>	<u>6,487</u>
Expenditures:						
Instruction -						
Regular programs	-	-	-	-	-	-
Special education programs	22,431	18,824	-	-	-	3,831
Special programs	-	3,106	-	-	-	-
Adult and continuing education programs	-	-	-	-	-	-
Vocational education programs	-	-	-	-	-	-
Other instructional programs	-	-	-	25,997	128,289	-
Support services -						
Pupil support services	-	-	-	-	31,790	-
Instructional staff services	-	-	-	-	15,916	2,615
General administration	-	-	-	-	-	-
School administration	-	-	-	-	-	-
Business services	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	1,132	-	1,588	-
Student transportation	7,465	-	-	-	-	-
Central services	-	-	-	-	-	-
Non-instructional services -						
Food services	-	-	2,645,319	-	-	-
Facility acquisition and construction	-	-	-	-	-	-
Total expenditures	<u>29,896</u>	<u>21,930</u>	<u>2,646,451</u>	<u>25,997</u>	<u>177,583</u>	<u>6,446</u>
Excess (deficiency) of revenues over expenditures	<u>(83)</u>	<u>446</u>	<u>(124,541)</u>	<u>(4)</u>	<u>898</u>	<u>41</u>
Other financing sources (uses):						
Operating transfers in	83	-	-	4	4,125	3
Operating transfers out	-	(446)	-	-	(5,023)	(44)
Total other financing sources (uses)	<u>83</u>	<u>(446)</u>	<u>-</u>	<u>4</u>	<u>(898)</u>	<u>(41)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	(124,541)	-	-	-
Fund balances, beginning	-	-	<u>741,340</u>	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616,799</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Title VI</u>	<u>Charter Schools</u>	<u>Foreign Language Incentive</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$1,126,383
-	-	-	24,246
-	-	-	251,740
-	-	-	250,000
-	-	-	180,296
<u>48,877</u>	<u>19,598</u>	<u>37,038</u>	<u>5,019,203</u>
<u>48,877</u>	<u>19,598</u>	<u>37,038</u>	<u>6,851,868</u>
-	-	-	26,946
-	-	-	269,911
19,665	-	37,038	1,193,041
-	-	-	37,977
-	-	-	106,130
-	-	-	292,807
-	-	-	146,875
27,875	-	-	943,226
-	-	-	40,162
-	-	-	62,858
-	-	-	23,361
-	-	-	947,172
-	-	-	22,871
-	19,005	-	19,005
-	-	-	2,645,319
<u>47,540</u>	<u>19,005</u>	<u>37,038</u>	<u>25,774</u>
<u>47,540</u>	<u>19,005</u>	<u>37,038</u>	<u>6,803,435</u>
<u>1,337</u>	<u>593</u>	<u>-</u>	<u>48,433</u>
-	-	-	71,215
<u>(1,337)</u>	<u>(593)</u>	<u>-</u>	<u>(68,844)</u>
<u>(1,337)</u>	<u>(593)</u>	<u>-</u>	<u>2,371</u>
-	-	-	50,804
-	-	-	<u>1,181,012</u>
\$ -	\$ -	\$ -	\$1,231,816
=====	=====	=====	=====

DEBT SERVICE FUNDS

District 1 Sinking Fund - To accumulate monies for the payment of the 1985 bonds of School District No. 1 of the fifth police jury ward, Evangeline Parish, Louisiana, which are serial bonds due in annual installments, plus interest, through maturity in 2005. Debt service is financed by the levy of an ad valorem tax.

District 7 Sinking Fund - To accumulate monies for the payment of the 1978 schools bonds of School District No. 7, which are serial bonds due in annual installments, plus interest, through maturity in 1998. Debt service is financed by the levy of an ad valorem tax.

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Debt Service Funds

Combining Balance Sheet
 June 30, 1996

	<u>School District No. 1</u>	<u>School District No. 7</u>	<u>Total</u>
ASSETS			
Interest-bearing deposits	\$79,403	\$77,138	\$156,541
Due from other funds	<u> -</u>	<u> 7,419</u>	<u> 7,419</u>
Total assets	<u>\$79,403</u>	<u>\$84,557</u>	<u>\$163,960</u>
LIABILITIES AND FUND BALANCE			
Liabilities	\$ -	\$ -	\$ -
Fund balance:			
Reserved for debt service	<u> 79,403</u>	<u> 84,557</u>	<u> 163,960</u>
Total liabilities and fund balance	<u>\$79,403</u>	<u>\$84,557</u>	<u>\$163,960</u>

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Year Ended June 30, 1996

	<u>School District No. 1</u>	<u>School District No. 7</u>	<u>Totals</u>
Revenues:			
Parish sources -			
Taxes:			
Ad valorem	\$82,088	\$148,365	\$230,453
Interest earnings	<u>2,444</u>	<u>3,967</u>	<u>6,411</u>
Total revenues	<u>84,532</u>	<u>152,332</u>	<u>236,864</u>
Expenditures:			
Support services -			
General administration:			
Pension fund	2,695	5,464	8,159
Debt service -			
Principal	40,000	145,000	185,000
Interest	31,943	21,850	53,793
Paying agent fees	<u>757</u>	<u>341</u>	<u>1,098</u>
Total expenditures	<u>75,395</u>	<u>172,655</u>	<u>248,050</u>
Excess (deficiency) of revenues over expenditures	9,137	(20,323)	(11,186)
Fund balances, beginning	<u>70,266</u>	<u>104,880</u>	<u>175,146</u>
Fund balances, ending	<u>\$79,403</u>	<u>\$ 84,557</u>	<u>\$163,960</u>

FIDUCIARY FUNDS

Agency Funds

Clearing Fund and Payroll Fund - To account for amounts deposited and subsequently expended for payroll and related expenditures.

School Activity Funds - To account for individual school monies on deposit in various bank accounts.

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Fiduciary Funds
 Agency Funds

Combining Balance Sheet
 June 30, 1996

	<u>Payroll</u>	<u>School Activity</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 976	\$237,140	\$238,116
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 976</u>	<u>\$237,140</u>	<u>\$238,116</u>
LIABILITIES			
School activity funds payable	\$ -	\$217,140	\$217,140
Due to other funds	-	20,000	20,000
Other liabilities	<u>976</u>	<u>-</u>	<u>976</u>
Total liabilities	<u>\$ 976</u>	<u>\$237,140</u>	<u>\$238,116</u>

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Fiduciary Funds
 Agency Funds

Combining Statement of Changes in Assets and Liabilities
 Year Ended June 30, 1996

	<u>Balances</u> <u>July 1, 1995</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 1996</u>
<u>CLEARING</u>				
ASSETS				
Cash	\$ -	\$ 21,669	\$ 21,669	\$ -
	=====	=====	=====	=====
LIABILITIES				
Accounts payable	\$ -	\$ 21,669	\$ 21,669	\$ -
	=====	=====	=====	=====
<u>PAYROLL</u>				
ASSETS				
Due from other funds	\$ 45,859	\$24,555,148	\$24,600,031	\$ 976
	=====	=====	=====	=====
LIABILITIES				
Cash overdraft	\$ 41,774	\$ -	\$ 41,774	\$ -
Payroll taxes payable	3,743	24,555,148	24,557,915	976
Due to other funds	342	-	342	-
	-----	-----	-----	-----
Total liabilities	\$ 45,859	\$24,555,148	\$24,600,031	\$ 976
	=====	=====	=====	=====
<u>SCHOOL ACTIVITY</u>				
ASSETS				
Cash	\$258,900	\$ 1,169,512	\$ 1,191,272	\$237,140
	=====	=====	=====	=====
LIABILITIES				
School activity funds payable	\$236,400	\$ 1,169,512	\$ 1,188,772	\$217,140
Due to other funds	22,500	-	2,500	20,000
	-----	-----	-----	-----
Total liabilities	\$258,900	\$ 1,169,512	\$ 1,191,272	\$237,140
	=====	=====	=====	=====
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash	\$258,900	\$ 1,191,181	\$ 1,212,941	\$237,140
Due from other funds	45,859	24,555,148	24,600,031	976
	-----	-----	-----	-----
Total assets	\$304,759	\$25,746,329	\$25,812,972	\$238,116
	=====	=====	=====	=====
LIABILITIES				
Cash overdraft	\$ 41,774	\$ -	\$ 41,774	\$ -
Accounts payable	-	21,669	21,669	-
Due to other funds	22,842	-	2,842	20,000
Payroll taxes payable	3,743	24,555,148	24,557,915	976
School activity funds payable	236,400	1,169,512	1,188,772	217,140
	-----	-----	-----	-----
Total liabilities	\$304,759	\$25,746,329	\$25,812,972	\$238,116
	=====	=====	=====	=====

EVANGELINE PARISH SCHOOL BOARD
 Ville Platte, Louisiana
 Fiduciary Funds
 Agency Funds
 School Activity Funds

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

<u>School</u>	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1996</u>
Basile High	\$ 19,924	\$ 146,927	\$ 158,099	\$ 8,752
Bayou Chicot High	22,464	86,281	90,755	17,990
Chataignier High	22,986	42,718	46,287	19,417
Mamou High	25,338	94,973	97,103	23,208
Mamou Lower Elementary	14,319	55,869	53,386	16,802
Pine Prairie High	58,397	155,641	148,384	65,654
Vidrine High	32,062	118,523	120,182	30,403
Ville Platte High	28,192	173,396	170,735	30,853
Ville Platte Lower Elementary	8,817	45,888	46,015	8,690
James Stephens Elementary	11,813	107,964	114,503	5,274
Mamou Upper Elementary	3,195	58,944	59,015	3,124
W. W. Stewart Elementary	3,823	28,623	27,921	4,525
Carver Elementary	1,418	11,466	12,346	538
Hester Heath Elementary	2,575	25,950	26,612	1,913
Career School	<u>3,577</u>	<u>16,349</u>	<u>19,929</u>	<u>(3)</u>
 Total balances	 <u>\$258,900</u>	 <u>\$1,169,512</u>	 <u>\$1,191,272</u>	 <u>\$237,140</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, is accounted for in the debt service fund.

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Statement of General Long-Term Debt
June 30, 1996

	1994	School District No. 1	School District No. 7	Accrued Compensated Absences	Totals
AMOUNT AVAILABLE AND TO BE PROVIDED FOR PAYMENT OF LONG-TERM DEBT					
Amount available in debt service fund for debt retirement	\$ -	\$ 79,403	\$ 84,557	\$ -	\$ 163,960
Amount to be provided from -					
Ad valorem taxes	-	460,597	230,443	-	691,040
General fund revenues	<u>615,000</u>	<u>-</u>	<u>-</u>	<u>1,451,658</u>	<u>2,066,658</u>
Total available and to be provided	<u>\$615,000</u>	<u>\$540,000</u>	<u>\$315,000</u>	<u>\$1,451,658</u>	<u>\$2,921,658</u>
GENERAL LONG-TERM DEBT PAYABLE					
Bonds payable and certificates of indebtedness:					
Due within one year	\$ 90,000	\$ 45,000	\$155,000	\$ -	\$ 290,000
Due after one year	525,000	495,000	160,000	-	1,180,000
Compensated absences payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,451,658</u>	<u>1,451,658</u>
Total general long-term debt payable	<u>\$615,000</u>	<u>\$540,000</u>	<u>\$315,000</u>	<u>\$1,451,658</u>	<u>\$2,921,658</u>

INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

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Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

Dr. Albert Zackrie, Jr., Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Parish School Board, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 14, 1996. In our report, our opinion was qualified due to the inadequate internal accounting controls for the general fixed assets account group which made it impractical to extend our auditing procedures to enable us to express an opinion on the general fixed assets account group.

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

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

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

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

Fixed Asset Control and Accountability

Finding:

The Evangeline Parish School Board has not maintained adequate subsidiary records on its property and equipment. Physical inventories are not being taken at all facilities and internal controls are insufficient to accurately record additions and deletions timely.

Recommendation:

We recommend that the Evangeline Parish School Board update its subsidiary records by conducting a complete physical inventory of all assets belonging to the School Board. In addition, the School Board should establish control procedures to ensure that the subsidiary records are updated for additions and deletions of fixed assets in a timely manner and that periodic inventories are taken.

Management's Response:

A complete physical inventory of all facilities will be taken and reconciled to the subsidiary records. The School Board has instituted procedures to record additions and deletions timely and will conduct annual inventories to insure the accuracy of the asset listing.

Adopting and Amending Budgets

Finding:

The Evangeline Parish School Board's budgetary controls were not operating effectively and certain requirements of the Louisiana Local Government Budget Act were not met.

Recommendation:

Budgetary controls should be improved to ensure that the School Board complies with all the requirements of the Louisiana Local Government Budget Act.

Management's Response:

The Business Manager will revisit the Louisiana Local Government Budget Act and will inform the appropriate personnel of these requirements to make certain that the requirements of the Louisiana Local Government Budget Act are met.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. We believe the matters involving the internal control structure and its operation described above are considered to be material weaknesses as defined above.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Evangeline Parish School Board, in a separate letter dated November 14, 1996.

This report is intended for the information of management, the Evangeline Parish School Board and the State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
November 14, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

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Dr. Albert Zackrie, Jr., Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Parish School Board, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 14, 1996. In our report, our opinion was qualified due to the inadequate internal accounting controls for the general fixed assets account group which made it impractical to extend our auditing procedures to enable us to express an opinion on the general fixed assets account group.

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

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

The results of our tests disclosed the following instances of noncompliance that are required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no liability for any liability that may result has been recognized in Evangeline Parish School Board's general purpose financial statements as of June 30, 1996.

Noncompliance with Louisiana Asset Management Laws

Finding:

The Evangeline Parish School Board has not maintained adequate subsidiary records on its property and equipment, as required by Louisiana Revised Statute 24:514(B). This statute requires the School Board to maintain current records of all land, buildings, improvements other than buildings, equipment, and other general fixed assets purchased or for which the School Board is otherwise accountable.

Recommendation:

We recommend that the Evangeline Parish School Board update its subsidiary records by conducting a complete physical inventory of all assets belonging to the School Board. In addition, the School Board should establish control procedures to ensure that the subsidiary records are updated for additions and deletions of fixed assets in a timely manner and that periodic inventories are taken.

Management's Response:

A complete physical inventory of all facilities will be taken and reconciled to the subsidiary records. The School Board has instituted procedures to record additions and deletions timely and will conduct annual inventories to insure the accuracy of the asset listing.

Adopting and Amending Budgets

Finding:

The Evangeline Parish School Board's budgetary controls were not operating effectively and certain requirements of the Louisiana Local Government Budget Act were not adhered to as follows:

- A. The proposed budget document did not include a complete financial plan for the ensuing fiscal year for the general fund and each special revenue fund (LSA - R.S. 39:1304).
- B. All action necessary to adopt and otherwise finalize and implement the budget for fiscal year 1996 was not completed prior to the end of the fiscal year or September fifteenth (LSA - R.S. 39:1308(A) & R.S. 17:88(A)).
- C. Budgets were not amended when total revenue plus projected revenue for the remainder of the fiscal year, within a fund, failed to meet total budgeted revenues by five percent or more (LSA - R.S. 39:1310(A)(1)).
- D. Budgets were not amended when expenditures, plus projected expenditures for the remainder of the year, within a fund, exceeded budgeted expenditures by five percent or more (LSA - R.S. 39:1310(A)(2)).

Recommendation:

Budgetary controls should be improved to ensure that the School Board complies with all the requirements of the Louisiana Local Government Budget Act.

Management's Response:

The Business Manager will revisit the Louisiana Local Government Budget Act and will inform the appropriate personnel of these requirements to make certain that the requirements of the Louisiana Local Government Budget Act are met.

Bid Law - Public Work Projects

Finding:

The School Board did not comply with certain requirements of the Public Bid Law as it relates to public work projects such as plans and specifications were not available to bidders on the day of the first advertisement and bids received by the School Board which were hand delivered by the bidder or his agent were not issued written receipts, and bids were not required to be sent by registered or certified mail with a return receipt.

Recommendation:

The School Board should review the Public Bid Law to make certain that future public work projects are bid and processed in accordance LSA - R.S. 38:2212.

Management's Response:

Requirements of the Public Bid Law will be adhered to on future public work projects.

We considered these material instances of noncompliance in forming our opinion on whether the general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated November 14, 1996 on those general purpose financial statements.

This report is intended for the information of management, the Evangeline Parish School Board and the State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
November 14, 1996

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

Dr. Albert Zackrie, Jr., Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Parish School Board, for the year ended June 30, 1996, and have issued our report thereon dated November 14, 1996. We have also audited the Evangeline Parish School Board's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 14, 1996. In our report, our opinion was qualified due to the inadequate internal accounting controls for the general fixed assets account group which made it impractical to extend our auditing procedures to enable us to express an opinion on the general fixed assets account group.

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

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of Evangeline Parish School Board in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of Evangeline Parish School Board, and on the compliance of Evangeline Parish School Board with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 14, 1996.

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

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

Accounting Controls

Revenue/receipts
Purchases/disbursements
Payroll

Administrative Controls

<u>General Requirements</u>	<u>Specific Requirements</u>
Political activity Civil rights Cash management Drug-free Workplace Act Administrative requirements Allowable costs/cost principles Federal financial reports	Types of services Eligibility Reporting Cost allocation Claims for reimbursements Special requirements

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

During the year ended June 30, 1996, the Evangeline Parish School Board expended 80% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for reimbursements that are applicable to each of the School Board's major federal financial assistance programs, which are identified in the

accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the Evangeline Parish School Board, in a separate letter dated November 14, 1996.

This report is intended for the information of management, the Evangeline Parish School Board and the State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
November 14, 1996

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

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Dr. Albert Zackrie, Jr., Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Parish School Board, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 14, 1996. In our report, our opinion was qualified due to the inadequate internal accounting controls for the general fixed assets account group which made it impractical to extend our auditing procedures to enable us to express an opinion on the general fixed assets account group.

We have also audited the Evangeline Parish School Board's compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; cost allocation; claims for reimbursements and special requirements that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1996. The management of the Evangeline Parish School Board is responsible for the School Board's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

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

In our opinion, the Evangeline Parish School Board, complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; reporting; cost allocation; claims for reimbursements and special requirements that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

This report is intended for the information of management, the Evangeline Parish School Board and the State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Ville Platte, Louisiana
November 14, 1996

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Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs

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Dr. Albert Zackrie, Jr., Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Parish School Board, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 14, 1996. In our report, our opinion was qualified due to the inadequate internal accounting controls for the general fixed assets account group which made it impractical to extend our auditing procedures to enable us to express an opinion on the general fixed assets account group.

We have applied procedures to test the Evangeline Parish School Board's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the schedule of federal financial assistance, for the year ended June 30, 1996:

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

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

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

This report is intended for the information of management, the Evangeline Parish School Board and the State Department of Education. However, this report is a matter of public record and its distribution is not limited.

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

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Dr. Albert Zackrie, Jr., Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Parish School Board, as of and for the year ended June 30, 1996, and have issued our report thereon dated November 14, 1996. In our report, our opinion was qualified due to the inadequate internal accounting controls for the general fixed assets account group which made it impractical to extend our auditing procedures to enable us to express an opinion on the general fixed assets account group.

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

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

This report is intended for the information of management, the Evangeline Parish School Board and the State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
November 14, 1996

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Independent Auditor's Report on Schedule of Federal Financial Assistance

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Dr. Albert Zackrie, Jr., Superintendent,
and Members of the Evangeline Parish School Board
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated November 14, 1996. These general purpose financial statements are the responsibility of the Evangeline Parish School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Ville Platte, Louisiana
November 14, 1996

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EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedule of Federal Financial Assistance
Year Ended June 30, 1996

Federal Grantor/Pass-Through Grantor/ Program Title	CFDA Number	Revenue Recognized	Expenditures
<u>United States Department of Education</u>			
Direct Programs:			
Dropout Prevention Program	84.201	\$ 178,481	\$ 178,481
Even Start	84.213A	1,207	1,207
Passed-Through State Department of Education:			
Adult Basic Education	84.002	29,123	29,123
IASA Title 1*	84.010	1,853,939	1,853,939
Handicapped state grants - P.L. 94-142*	84.027	383,397	383,397
Vocational Education Basic Grants to States	84.048	106,130	106,130
Education for Economic Security Act - P.L. 98-377, Title II	84.281	41,750	41,750
Special Education Pre-school Flow Through	84.173	22,376	22,376
Drug-Free Schools and Communities Act - P.L. 99-570	84.186	44,247	44,247
Starting Point	93.037	53,920	53,920
Special Education Infants/Toddlers	84.181	2,530	2,530
Migrant Education- Based State Formula Grant Program	84.011	48,877	48,877
Foreign Language Incentive	84.294A	37,038	37,038
Charter Schools	84.282	<u>19,598</u>	<u>19,598</u>
Total Department of Education		<u>2,822,613</u>	<u>2,822,613</u>
<u>United States Department of Agriculture</u>			
Passed-Through Louisiana Department of Agriculture:			
Food Distribution Program	10.550	159,474	168,605
Passed-Through State Department of Education:			
School Breakfast Program*	10.553	471,268	471,268
National School Lunch*	10.555	<u>1,365,182</u>	<u>1,365,182</u>
Total Department of Agriculture		<u>1,995,924</u>	<u>2,005,055</u>

(continued)

EVANGELINE PARISH SCHOOL BOARD
Ville Platte, Louisiana

Schedule of Federal Financial Assistance (Continued)
Year Ended June 30, 1996

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>CFDA Number</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>United States Department of Labor</u>			
Passed-Through St. Landry Parish Police Jury: Job Training Partnership Act	17.250	<u>25,062</u>	<u>25,062</u>
<u>United States Department of Health and Human Services</u>			
Passed-Through State Department of Health and Hospitals: Medical Assistance Program (Medicaid, Title XIX)	13.714	101,004	101,004
Passed-Through State Department of Family Security Administration: Welfare Project	13.781	<u>74,600</u>	<u>74,600</u>
Total Department of Health and Human Services		<u>175,604</u>	<u>175,604</u>
<u>United States Department of Energy</u>			
Passed-Through State Department of Natural Resources: Energy Conservation Measures Project	81.052	<u>67,763</u>	<u>67,763</u>
Total federal financial assistance		<u>\$5,086,966</u>	<u>\$5,096,097</u>

* Indicates grants regarded as major federal financial assistance programs.