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**West Carroll Parish School Board
Oak Grove, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 1958**

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

Release Date 2007 Dec 11

**West Carroll Parish School Board
Deak Grove, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 1998**

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West Carroll Parish School Board
Oak Grove, Louisiana

Annual Financial Report
As of and for the Year Ended, June 30, 1998

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INDEPENDENT AUDITORS' REPORT

Board Members

West Carroll Parish School Board
Oak Grove, Louisiana

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

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

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosure about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant, a general description of the year 2000 issue, including a description of the stages of work in progress or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant, and the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

The School Board has omitted such disclosures. We do not provide assurance that the School Board is or will be year-2000 ready, that the School Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the School Board does business will be year 2000 ready.

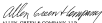
In our opinion, except for the omission of the information discussed in the preceding paragraph, the general-purpose financial statements referred to above present fairly in all material respects the financial position of the School Board as of June 30, 1998, and the results of its operations for the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

In accordance with **Government Auditing Standards**, we have also issued our report dated December 9, 1998, on our consideration of the West Carroll Parish School Board's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Board Members
West Carroll Parish School Board
Oak Grove, Louisiana

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the School Board, taken as a whole. The accompanying SUPPLEMENTAL INFORMATION, including the schedule of expenditures of federal awards which is required by U. S. Office of Management and Budget Circular No. A-133, Rules of State, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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


ALLEN GREEN & COMPANY, LLP

Monroe, Louisiana
December 9, 1998

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1998

	GOVERNMENTAL FUNDS		FIDUCIARY
	GENERAL FUND	SPECIAL REVENUE FUNDS	FUNDS - AGENCY FUNDS
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 2,061,208	\$ 810,762	\$ 218,462
Receivables	208,091	267,266	0
Interfund receivable	188,858	80,880	0
Inventory	0	2,977	0
Deposits	2,800	0	0
Fixed assets	0	0	0
Other debits:			
Amount to be provided for payment of long-term debt	0	0	0
TOTAL ASSETS AND OTHER DEBITS	\$ 2,660,957	\$ 871,885	\$ 218,462
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts, salaries and other payables	\$ 708,648	\$ 100,532	\$ 0
Interfund payable	50,000	188,880	0
Deferred revenues	0	2,178	0
Deposits due others	0	0	218,462
Market's compensation payable	0	0	0
Compensated absences payable	0	0	0
Total Liabilities	\$ 758,648	\$ 291,590	\$ 218,462
Equity and Other Credits:			
Investment in general fixed assets	\$ 0	\$ 0	\$ 0
Fund Balances:			
Reserved for line and liability	500,112	0	0
Reserved for unemployment	81,808	14,773	0
Reserved for inventory	0	2,977	0
Reserved for deposits	2,800	0	0
Unreserved:			
Undesignated	1,076,235	563,635	0
Total Equity and Other Credits	\$ 1,179,955	\$ 578,635	\$ 0
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$ 1,899,603	\$ 870,225	\$ 218,462

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

Statement A

*****ACCOUNT GROUPS*****			
GENERAL FUNDED ASSETS	GENERAL LONG-TERM DEBT	TOTAL MEMORANDUM OFFIC	
\$	\$	\$	3,280,000
			443,047
			278,558
			3,977
			2,800
8,340,707	0	8,340,707	
0	808,300	808,300	
\$ 8,340,707	\$ 808,300	\$ 9,149,008	
\$	\$	\$	876,181
			234,888
			2,178
			245,483
	8,874		8,874
0	499,328	499,328	
\$ 0	\$ 698,300	\$ 1,801,878	
\$ 8,340,707	\$ 0	\$ 8,340,707	
			309,733
			60,880
			7,877
			2,800
0	0	2,430,358	
\$ 8,340,707	\$ 0	\$ 9,084,358	
\$ 8,340,707	\$ 808,300	\$ 9,149,008	

WEST CARROLL PARISH SCHOOL BOARD
Cahoon, Louisiana

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

Statement 9

	GENERAL FUND	SPECIAL SERVICES FUNDS	TOTAL (MEMORANDUM ONLY)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 358,792	\$ 300,800	\$ 748,592
Sales and use	677,374	0	677,374
Interest earnings	100,899	7,892	108,791
Food service	0	192,445	192,445
Other	88,234	7,800	96,034
State sources:			
Equalization	5,987,288	398,000	6,385,288
Other	812,385	48,158	860,543
Federal sources	0	1,009,377	1,009,377
Total revenues	\$ 12,212,678	\$ 2,004,320	\$ 14,216,998
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 4,810,860	\$ 182,288	\$ 4,993,148
Special programs	1,821,434	588,653	2,410,087
Other instructional programs	655,350	62,360	717,710
Support services:			
Student services	270,838	48,117	318,955
Instructional staff support	488,819	148,454	637,273
General administration	205,854	20,487	226,341
Student administration	328,257	73,247	401,504
Business services	91,288	0	91,288
Plant services	288,308	288,087	576,395
Student transportation services	818,881	0	818,881
Central services	5,875	0	5,875
Food services	79,474	1,241,888	1,321,362
Community service program	1,800	0	1,800
Facilities acquisition and construction	122,820	23,287	146,107
Total expenditures	\$ 9,748,182	\$ 2,927,963	\$ 12,676,145
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 2,464,496	\$ (923,643)	\$ 1,540,853

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WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

**Combined Statement of Revenues, Expenditures,
 and Changes in Fund Balances - All Governmental Funds
 For the Year Ended June 30, 2008**

Statement 8

	GENERAL FUNDS	SPECIAL REVENUE FUNDS	TOTAL MEMORANDUM ONLY
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 78,000	\$ 80,800	\$ 158,800
Operating transfers out	(30,000)	(20,800)	(50,800)
Sale of assets	0	240	240
TOTAL OTHER FINANCING SOURCES (USES)	\$ (28,000)	\$ 60,240	\$ 32,240
EXCESS (deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 473,804	\$ 27,830	\$ 501,634
FUND BALANCES AT BEGINNING OF YEAR	1,781,658	543,794	2,325,452
FUND BALANCES AT END OF YEAR	\$ 2,255,462	\$ 571,624	\$ 2,827,086

(CONTINUED)

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

WEST CARROLL PARISH SCHOOL BOARD
Oak Grove, Louisiana

Consolidated Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual - Governmental Funds - General Fund
For the Year Ended June 30, 1999

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE</u> <u>(UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 368,887	\$ 368,710	\$ 177
Sales and use	740,800	871,574	130,774
Interest earnings	102,740	128,595	24,260
Other	87,400	88,254	28,54
State sources:			
Equalization	8,187,200	8,187,200	0
Other	653,800	653,585	(215)
Total revenues	<u>\$ 10,100,704</u>	<u>\$ 10,293,208</u>	<u>\$ 192,504</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	\$ 4,975,365	\$ 4,851,280	\$ 124,085
Special programs	1,083,304	1,231,424	248,120
Other instructional programs	688,700	695,203	21,503
Support services:			
Student services	388,000	370,818	14,180
Instructional staff support	478,438	490,818	27,617
General administration	501,504	268,884	232,620
School administration	182,730	220,287	37,557
Business services	113,451	81,250	32,201
Plant services	828,000	888,288	26,288
Student transportation services	275,101	890,551	615,450
Career services	7,000	8,878	1,878
Fiscal services	73,897	33,424	40,473
Community service program	1,000	1,880	880
Facilities acquisition and construction	124,000	123,800	200
Total expenditures	<u>\$ 78,337,008</u>	<u>\$ 9,745,392</u>	<u>\$ 585,488</u>
EXCESS (deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ 2,163,700</u>	<u>\$ 3,547,816</u>	<u>\$ 1,384,116</u>

(CONTINUED)

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

**Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget (BAP Basis) and Actual - Governmental Funds - General Fund
 For the Year Ended June 30, 1999**

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>UNFAVORABLE</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 20,000	\$ 20,000	\$ 0
Operating transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	\$ <u>(20,000)</u>	\$ <u>(20,000)</u>	\$ <u>0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (276,289)	\$ 473,824	\$ 850,113
FUND BALANCES AT BEGINNING OF YEAR	<u>1,471,841</u>	<u>1,500,850</u>	<u>289,009</u>
FUND BALANCES AT END OF YEAR	\$ <u>1,231,791</u>	\$ <u>2,179,790</u>	\$ <u>943,991</u>

(CONTINUED)

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

**Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual - Governmental Funds - Special Revenue Funds
 For the Year Ended June 30, 1999**

Statement 0

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
All voters	\$ 381,000	\$ 389,808	\$ 8,808
Interest earnings	7,350	7,582	232
Food service	200,000	182,668	(17,332)
Other	7,000	7,000	0
State sources:			
Equalization	250,000	250,000	0
Other	89,800	89,788	(12)
Federal sources:			
	<u>1,000,000</u>	<u>1,081,321</u>	<u>(181,000)</u>
Total revenues	<u>\$ 2,002,450</u>	<u>\$ 2,308,326</u>	<u>\$ (305,876)</u>
EXPENDITURES			
Current			
Instruction:			
Regular programs	\$ 187,300	\$ 183,280	\$ 4,020
Special programs	657,101	660,810	76,001
Other instructional programs	71,172	82,283	8,378
Support services:			
Student services	48,759	48,717	422
Instructional staff support	148,907	149,484	(577)
General administration	24,971	20,887	4,084
School administration	28,598	12,247	8,152
Plant services	428,158	389,287	138,871
Food services	1,133,428	1,141,800	(8,372)
Facilities acquisition and construction	<u>122,000</u>	<u>82,887</u>	<u>89,113</u>
Total expenditures	<u>\$ 3,876,758</u>	<u>\$ 2,607,863</u>	<u>\$ 383,183</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (288,308)</u>	<u>\$ (321,537)</u>	<u>\$ 285,584</u>

(CONTINUED)

WEST CARROLL PARISH SCHOOL BOARD
 634 Grove, Louisiana

**Consolidated Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual - Governmental Funds - Special Revenue Funds
 For the Year Ended June 30, 1999**

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 50,000	\$ 30,000	\$ 0
Operating transfers out	(20,000)	(20,000)	0
Sale of assets	75	245	170
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 30,075</u>	<u>\$ 30,245</u>	<u>\$ 170</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>\$ (20,000)</u>	<u>\$ 17,800</u>	<u>\$ 37,800</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>520,000</u>	<u>542,700</u>	<u>22,700</u>
FUND BALANCES AT END OF YEAR	<u>\$ 499,900</u>	<u>\$ 560,500</u>	<u>\$ 60,600</u>

(CONCLUDED)

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

**West Carroll Parish School Board
Orls. Grove, Louisiana**

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

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**West Carroll Parish School Board
Orls Grove, Louisiana**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

The School Board operates eight schools within the parish with a total enrollment of approximately 2,676 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

B. FUNDS AND ACCOUNT GROUPS

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

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

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. FUNDS AND ACCOUNT GROUPS (Continued)

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

Governmental Funds

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

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

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

Fiduciary Funds

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

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

School Activity Fund — accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Sales Tax Collection Fund — accounts for monies collected on behalf of other taxing authorities within the parish.

Account Groups

The **general fixed assets account group** is used to account for all fixed assets of the School Board.

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

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government recognizes all revenues available if they are collected within 60-days after year-end. Expenditures are recorded when the related fund liability is incurred, except for contracted interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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

Revenues

All ad valorem taxes and sales taxes are susceptible to accrual.

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

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

Expenditures

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

Other Financing Sources (Uses)

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

**West Carroll Parish School Board
Oak Grove, Louisiana**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Fiduciary Funds

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

D. BUDGETS

General Budget Policies

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

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

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

Appropriations (unexpended budget balances) lapse at year end.

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

Encumbrances

Outstanding encumbrances lapse at year end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is not employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is not recognized within the accounting records for budgetary control purposes.

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. BUDGETS (Continued)

Budget Basis of Accounting

All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget, that is, total budgeted revenues and other financing sources including fund balances must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

E. CASH AND CASH EQUIVALENTS

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

F. INVESTMENTS

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. INVENTORY AND PREPAID ITEMS

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

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are stated at average cost and commodities are assigned values provided by the United States Department of Agriculture.

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

I. FIXED ASSETS

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

Public domain (infrastructure) general fixed assets (i.e. roads, bridges, sidewalks and other assets that are inseparable and of value only to the government) are capitalized.

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

J. DEFERRED REVENUES

The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when monies 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 revenues, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

K. COMPENSATED ABSENCES

All 12-month employees earn 12 to 18 days of vacation leave each year depending on the number of years employed. Employees can accumulate up to 30 days of vacation leave.

All School Board employees earn a minimum of 10 to 18 days of sick leave each year, depending upon the number of years employed. Sick leave can be accumulated without limitation. Upon termination, unused sick leave of up to 15 days is paid to employees as per Louisiana Revised Statute 17:429 at the employee's current rate of pay and all unused sick leave is used in the retirement computation as earned service.

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. COMPENSATED ABSENCES (Continued)

Sabbatical leave may be granted for cost and cooperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

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

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

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

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

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

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

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

West Carroll Parish School Board
Dahlgren, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. LONG-TERM OBLIGATIONS

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

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

M. FUND EQUITY

Reserves

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

N. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-internal transactions and reimbursements, are reported as transfers. Manufacturing or nonrecurring permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. SALES TAXES

The School Board has a one-cent parishwide sales and use tax as authorized in a special election held November 18, 1987. In accordance with the proposition approved by the voters of the parish, "the net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose of providing funds for the payment of salaries of school employees in the parish of West Carroll."

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. USE OF ESTIMATES

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

Q. MEMORANDUM ONLY - TOTAL COLUMNS

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations in Individual Funds

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

Fund	Budget	Actual	Unfavorable Variance
Special revenue funds			
School fund services	\$1,131,429	\$1,141,586	\$9,157

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

NOTE 3 - LEVIED TAXES

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

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

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 3 - PROPERTY TAXES (Continued)

Property Tax Calendar

Billage rates adopted	September 9, 1997
Levy date	September 29, 1997
Tax bills mailed	On or about October 15, 1997
Due date	December 31, 1997
Law date	January 1, 1998

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

10% land	10% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was 243,858,615 in calendar year 1997. Louisiana state law exempts the first \$2,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$13,600,000 of the assessed value in calendar year 1997.

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

All property taxes are recorded in the general fund and construction and maintenance funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments in the tax roll. Available means due, or paid due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 90 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the 1998 property taxes are collected in December, January and February of the next year. No receivable for 1998 taxes is included on the accompanying balance sheet because the taxes are not available within 90 days of the School Board's year-end.

Historically, virtually all ad valorem taxes are collected because they are secured by property. Therefore, there is no allowance for uncollectible taxes.

**West Carroll Parish School Board
Oak Grove, Louisiana**

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

NOTE 3 - LEVIED TAXES (Continued)

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

	Date of Year Approval	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:				
Constitutional	Statutory	5.94	5.94	Statutory
Maintenance and operation	November 16, 1991	5.65	5.65	2001
Maintenance and operation	January 20, 1990	11.21	11.21	1999
District taxes:				
Ward 1 Maintenance	November 8, 1994	5.00	5.00	1998

NOTE 4 - CASH AND CASH EQUIVALENTS

As June 30, 1998, the School Board had cash and cash equivalents (book balances) totaling \$3,390,620 as follows:

Demand deposit	\$ 814,410
Interest-bearing demand deposits	<u>2,576,210</u>
Total	<u>\$3,390,620</u>

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

At year-end, the School Board's carrying amount of deposits was \$3,390,620 and the bank balance was \$4,072,706. Of the bank balance, \$213,458 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name. Of the remaining balance, \$4,239,238 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 99:1729 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 90 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**West Carroll Parish School Board
Oak Grove, Louisiana**

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

NOTE 3 - RECEIVABLES

The receivables of \$443,847 at June 30, 1998, are as follows:

Class of Receivable	General Fund	Special Revenue Funds	Total
Taxes:			
Sales and use	\$ 99,186	\$ -	\$ 99,186
Inter-governmental - grants:			
Federal	-	207,036	207,036
State	158,145	-	158,145
Other	<u>2,516</u>	<u>-</u>	<u>2,516</u>
Total	<u>\$259,847</u>	<u>\$207,036</u>	<u>\$466,883</u>

NOTE 4 - FIXED ASSETS

The changes in general fixed assets are as follows:

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
Land	\$ 122,000	\$ -	\$ -	\$ 122,000
Buildings	4,992,135	146,800	(7,800)	5,114,235
Furniture and equipment	<u>3,848,082</u>	<u>248,643</u>	<u>387,452</u>	<u>4,011,073</u>
Total	<u>\$9,662,217</u>	<u>\$395,443</u>	<u>\$465,252</u>	<u>\$9,592,408</u>

NOTE 7 - RETIREMENT SYSTEMS

Plan description

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

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

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age sixty with ten years of service, or at any age with twenty years of service. The formula for annual maximum retirement benefits is generally ten percent (with less than twenty-five years of service) or 2.5 percent (with twenty-five or more years of service) times the years of creditable service times the average salary of the thirty-six highest successive months (plus \$380 applicable to persons becoming members prior to July 1, 1996).

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 7 - RETIREMENT SYSTEMS (Continued)

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age fifty-five with at least twenty-five years of creditable service and at age sixty with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the thirty-six highest successive months plus \$24 per year of service.

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

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

Teachers' Retirement System of Louisiana
Post Office Box 94213
Baton Rouge, Louisiana 70804-0123
(225) 922-0498

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804
(225) 922-0494

Funding Policy

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

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

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

	Employee	Employer
Louisiana Teachers' Retirement System:		
Regular	8.00%	15.40%
Plan A	9.00%	16.40%
Louisiana School Employees' Retirement System	6.25%	6.00%

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 1998, amounted to \$6,182,276, \$70,297, and \$588,297, respectively. Employer contributions for the year ended June 30, 1998, and each of the two preceding years are as follows:

**West Carroll Parish School Board
Oak Grove, Louisiana**

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

NOTE 7 - RETIREMENT SYSTEMS (Continued)

Fiscal Year Ending	TEES		USERS	
	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid
	June 30, 1996	\$1,316,744	90.82%	\$31,324
June 30, 1997	1,028,181	97.37%	38,777	180.36%
June 30, 1998	1,160,928	91.41%	35,171	180.37%

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

NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS

The West Carroll Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees are provided through the State Employees' Group Benefits Program, where monthly premiums are paid jointly by the employees and by the School Board. The cost of retiree benefits was \$312,683 for 134 retirees.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$876,181 at June 30, 1998, are as follows:

	General Fund	Special Revenues Funds	Total
Salaries and withholding Accounts	\$689,154 <u>30,498</u>	\$ - <u>136,532</u>	\$689,154 <u>187,032</u>
Total	\$729,652	\$136,532	\$876,184

NOTE 10 - COMPENSATED ABSENCES

At June 30, 1998, employees of the School Board had accumulated and vested \$495,318 of employee leave benefits, computed in accordance with GASB Codification Section CMO. This amount is recorded within the general long-term obligations account group.

**West Carroll Parish School Board
Cade Grove, Louisiana**

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

NOTE 11 - CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

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

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
Agency funds:				
School activity fund	\$101,719	\$ 795,625	\$ 791,893	\$105,451
Sales tax fund	-	3,848,561	3,848,561	-
	<u>\$101,719</u>	<u>\$4,644,186</u>	<u>\$4,640,454</u>	<u>\$105,451</u>

NOTE 12 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

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

	Workout Composition Payable	Capital Leases	Component Accounts	Total
Balance at beginning of year	\$14,608	\$ 3,314	\$465,098	\$483,020
Additions	-	-	36,409	36,409
Deductions	5,626	3,314	33,121	42,061
Balance at end of year	<u>\$ 8,982</u>	<u>\$ -</u>	<u>\$468,386</u>	<u>\$477,368</u>

NOTE 13 - INTERFUND TRANSACTIONS

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General fund	Title I	\$ 91,359
	Title VI	6,353
	Special Interest	61,908
	Migrant	4,328
	Adult education	297
Consolidated School District #1 construction and maintenance	General fund	38,030
Total		<u>\$212,375</u>

**West Carroll Parish School Board
Oak Grove, Louisiana**

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

NOTE 13 - INTERFUND TRANSACTIONS (Continued)

Interfund operating transfers:

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

Fund	In	Out
General fund	\$20,800	\$50,800
Special revenue funds:		
Forest School District #3	-	20,800
Consolidated School District #1	50,800	-
Total	\$70,800	\$70,800

NOTE 14 - RESERVED AND DESIGNATED FUND BALANCES

The School Board has established a risk retention fund for fire and extended coverage and unemployment. There is \$200,582 available for this purpose. This amount is included in the assets of the general fund and special revenue funds with a corresponding reservation of the fund balances. The following is an analysis of the changes in designated fund balances for the year ended June 30, 1998:

	Reserved for Fire and Liability	Reserved for Unemployment
Balance at beginning of year	\$199,858	\$84,412
Additions	10,777	2,338
Debitures	_____	_____
Balance at end of year	\$210,635	\$86,750

NOTE 15 - RISK MANAGEMENT

The School Board initiated a self-insured program for workers' compensation in 1991. Premiums are paid from the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

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

	Beginning of Fiscal Year Liability	Claims and Changes in Reserves	Benefit Payments and Claims	Ending of Fiscal Year Liability
1996 - 1997	\$ 3,499	\$54,218	\$47,208	\$14,609
1997 - 1998	14,609	36,266	41,892	8,974

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

**West Carroll Parish School Board
Oak Grove, Louisiana**

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

NOTE 15 - RISK MANAGEMENT (Continued)

The School Board initiated a risk management program for workers' compensation in 1991. During fiscal year 1998, a total of \$41,882 was paid in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$175,000. The School Board has pledged a \$100,000 letter of credit with the Office of Employment Security. Maximum retention exposure for aggregate claims amounts to \$1,000,000. An amount for self-insurance losses of \$86,500 was accrued at June 30, 1998. Incurred, but not paid claims of \$8,914 as of June 30, 1998, have been accrued as a liability in the general long-term obligations account group.

NOTE 16 - LITIGATION AND CLAIMS

Litigation

As June 30, 1998, the School Board was involved in various litigations. It is the opinion of the legal adviser for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

Grant Defaulters

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

Tax Arbitrage Refunds

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

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employee entity). GASB Statement No. 34 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$18,247. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

**West Carroll Parish School Board
Bak Comm, Louisiana**

SUPPLEMENTAL INFORMATION

West Carroll Parish School Board
Oak Grove, Louisiana

SPECIAL REVENUE FUNDS

TITLE I

To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

TITLE III

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

Funds may be used for: innovative activities in the acquisition and use of instructional materials; technology-related to the implementation of school bus tolerance; parental consultation reform projects; promoting higher order thinking skills of disadvantaged students; and, reform activities associated with Goals 2000.

SPECIAL FEDERAL

This fund is used to account for all Federal revenue that is not accounted for in other funds.

MIGRANT EDUCATION

To ensure that migratory children have the opportunity to meet the same challenging state content and performance standards that all children are expected to meet.

ADULT EDUCATION

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

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

(Continued)

**West Carroll Parish School Board
Bak, Geine, Louisiana**

SPECIAL REVENUE FUNDS

RAE FUND

This fund accounts for Louisiana Department of Education funds for vocational, agricultural, home economics, and food preservation training and miscellaneous revenue.

SCHOOL LUNCH

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

CONSTRUCTION AND MAINTENANCE FUNDS

Expend S. D. #1 Construction and Maintenance

Expend S. D. #2 Construction and Maintenance

Expend S. D. #3 Construction and Maintenance

Expend S. D. #4 Construction and Maintenance

Consolidated S. D. #1 Construction and Maintenance

The construction and maintenance funds account for all uniform taxes levied for constructing, improving, and repairing facilities and maintaining schools within each district.

(Continued)

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 1998

	TITLE I	TITLE II	SPECIAL FEDERAL	MIGRANT REDUCTION
ASSETS				
Cash and cash equivalents	\$ 71,200	\$ 0	\$ 22,021	\$ 0
Receivables	149,134	8,718	41,711	4,767
Interfund receivable	0	0	0	0
Inventory	0	0	0	0
TOTAL ASSETS	\$ 220,334	\$ 8,718	\$ 64,732	\$ 4,767
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, salaries and other payables	\$ 129,175	\$ 2,105	\$ 404	\$ 200
Interfund payable	87,289	8,553	60,888	4,539
Deferred revenues	0	0	0	0
Total Liabilities	\$ 216,464	\$ 10,658	\$ 61,292	\$ 4,739
Fund Equity:				
Fund Balances:				
Reserved for unemployment	\$ 0	\$ 0	\$ 0	\$ 0
Reserved for inventory	0	0	0	0
Unreserved and undesignated	0	0	0	0
Total Equity	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL LIABILITIES AND FUND EQUITY	\$ 216,464	\$ 10,658	\$ 61,292	\$ 4,739

Exhibit 1

	ADULT EDUCATION	ART FUND	SEWAGE LUNGE
\$	8,822 \$	8,819 \$	41,067
	2,868	0	0
	0	0	0
	0	0	7,997
\$	<u>10,690 \$</u>	<u>8,819 \$</u>	<u>49,064</u>

\$	0 \$	128 \$	0
	207	0	0
	0	0	2,178
\$	<u>207 \$</u>	<u>128 \$</u>	<u>2,178</u>

\$	0 \$	0 \$	14,773
	0	0	7,871
	18,787	8,288	24,547
\$	<u>18,787 \$</u>	<u>8,288 \$</u>	<u>40,691</u>
\$	<u>18,788 \$</u>	<u>8,288 \$</u>	<u>49,874</u>

(CONTINUED)

WEST CARROLL PARISH SCHOOL BOARD
Oak Grove, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1988

	EPPE S.D. #1	EPPE S.D. #2	FOREST S.D. #3	FOREST S.D. #4
	CONSTRUCTION AND MAINTENANCE	CONSTRUCTION AND MAINTENANCE	CONSTRUCTION AND MAINTENANCE	CONSTRUCTION AND MAINTENANCE
ASSETS				
Cash and cash equivalents	\$ 106,015	\$ 114,741	\$ 86,012	\$ 31,688
Receivables	0	0	0	0
Interfund receivable	0	0	0	0
Inventory	0	0	0	0
TOTAL ASSETS	\$ 106,015	\$ 114,741	\$ 86,012	\$ 31,688
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts, salaries and other payable	\$ 1,073	\$ 0	\$ 1,073	\$ 100
Interfund payable	0	0	0	0
Deferred revenues	0	0	0	0
Total Liabilities	\$ 1,073	\$ 0	\$ 1,073	\$ 100
Fund Equity				
Fund Reserves				
Reserve for unemployment	\$ 0	\$ 0	\$ 0	\$ 0
Reserve for inventory	0	0	0	0
Unreserved and undesignated	106,015	114,741	87,008	31,688
Total Equity	\$ 106,015	\$ 114,741	\$ 87,008	\$ 31,688
TOTAL LIABILITIES AND FUND EQUITY	\$ 107,088	\$ 114,741	\$ 88,081	\$ 31,788

Exhibit 1

CONSOLIDATED		
S.E. #1		
CONSTRUCTION		
AND		
MAINTENANCE		TOTAL
\$ 155,874	\$	813,702
	\$	307,268
59,000		59,000
	\$	7,877
<u>\$ 155,874</u>	<u>\$</u>	<u>879,836</u>

\$ 1,577	\$	190,532
	\$	190,530
	\$	2,759
<u>\$ 1,577</u>	<u>\$</u>	<u>383,821</u>

\$	\$	14,773
	\$	7,877
<u>164,400</u>		<u>249,581</u>
<u>\$ 164,400</u>	<u>\$</u>	<u>370,830</u>

<u>\$ 165,974</u>	<u>\$</u>	<u>379,660</u>
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(CONCLUDED)

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

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

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>SPECIAL FEDERAL</u>	<u>HOUSING EDUCATION</u>
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 0 \$	0 \$	0 \$	0
Interest earnings	0	0	0	0
Fund service	0	0	0	0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	0	0	0
Federal sources	<u>\$21,681</u>	<u>14,080</u>	<u>207,100</u>	<u>15,431</u>
Total revenues	\$ 21,681	\$ 14,080	\$ 207,100	15,431
EXPENDITURES				
Current:				
Instruction:				
Regular programs	\$ 0 \$	0 \$	8,200 \$	0
Special programs	410,190	10,000	190,488	14,429
Other instructional programs	0	0	23,676	0
Support services:				
Student services	40,117	0	0	0
Instructional staff support	122,838	0	24,178	0
General administration	12,190	642	3,584	267
School administration	0	0	0	0
Plant services	35,000	0	0	338
Food services	0	0	0	0
Facilities acquisition and construction	0	0	0	0
Total expenditures	\$ 620,455	\$ 14,080	\$ 217,368	15,427
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Page 8

	ADULT EDUCATION	ART FUND	SCHOOL LUNCH
\$	\$ 0	\$ 0	\$ 0
	0	0	1,000
	0	0	983,648
	0	0	0
	0	0	290,000
	14,917	0	0
	<u>11,902</u>	<u>0</u>	<u>771,288</u>
\$	<u>26,219</u>	<u>0</u>	<u>1,042,791</u>

\$	\$ 0	\$ 0	\$ 0
	0	0	0
	29,900	6,400	0
	0	0	0
	2,810	0	0
	307	0	0
	0	0	0
	0	0	0
	0	0	1,141,800
	<u>0</u>	<u>0</u>	<u>0</u>
\$	<u>29,210</u>	<u>6,400</u>	<u>1,141,800</u>
	<u>0</u>	<u>(5,400)</u>	<u>(1,000)</u>

(CONTINUED)

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 1988

	TITLE I	TITLE VI	SPECIAL FEDERAL	INDEPENDENT EDUCATION
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Operating transfers out	0	0	0	0
Sale of assets	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	\$ 0	\$ 0	\$ 0	\$ 0
EXCESS (DEFICIT) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 0	\$ 0	\$ 0	\$ 0
FUND BALANCES AT BEGINNING OF YEAR	0	0	0	0
FUND BALANCES AT END OF YEAR	0	0	0	0

Exhibit 2

	ADULT EDUCATION	KAY FUND	SCHOOL LUNCH
\$	\$ 0	\$ 0	\$ 0
	0	0	0
	0	280	0
\$	\$ 0	\$ 280	\$ 0
\$	\$ 0	\$ 10,000	\$ 10,000
	10,000	10,000	10,000
\$	\$ 10,000	\$ 10,280	\$ 10,000

(CONTINUED)

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2008

	EPF# S.D.#1		EPF# S.D.#2		FOREST S.D.#3		FOREST S.D.#4	
	CONSTRUCTION	CONSTRUCTION	CONSTRUCTION	CONSTRUCTION	CONSTRUCTION	CONSTRUCTION	CONSTRUCTION	
	AND	AND	AND	AND	AND	AND	AND	
	MAINTENANCE	MAINTENANCE	MAINTENANCE	MAINTENANCE	MAINTENANCE	MAINTENANCE	MAINTENANCE	
REVENUES								
Local sources:								
Taxes:								
Ad valorem	\$	112,182	\$	88,878	\$	74,270	\$	78,730
Interest earnings		1,548		1,024		608		600
Fees and fines		0		0		0		0
Other		0		0		0		0
State sources:								
Equalization		0		0		0		0
Other		8,073		8,418		11,883		3,218
Federal sources								
		0		0		0		0
Total revenues	\$	121,522	\$	98,308	\$	86,054	\$	82,548
EXPENDITURES								
Current:								
Instruction:								
Regular programs	\$	80,048	\$	74,048	\$	71,170	\$	8,432
Special programs		0		0		0		0
Other instructional programs		0		0		0		0
Support services:								
Student services		0		0		0		0
Instructional staff support		0		0		0		0
General administration		4,284		3,171		3,758		620
School administration		4,883		0		328		1,091
Plant services		85,576		73,421		42,316		18,548
Food services		0		0		0		0
Facilities acquisition and construction		0		0		0		0
Total expenditures	\$	170,877	\$	151,641	\$	121,962	\$	29,091
EXCESS (DEFICIENCY) OF REVENUES								
OVER CAPACITY FUNDS		28,645		26,289		20,284		3,000

Table 3

CONSOLIDATED
S.O. #1
CONSTRUCTION
AND

MAINTENANCE TOTAL

\$	123,892	\$	388,808
	1,829		7,952
	0		182,448
	7,800		7,800
	0		250,000
	19,150		68,150
	0		<u>1,885,377</u>
\$	<u>151,671</u>	\$	<u>2,004,355</u>

\$	47,240	\$	160,200
	0		292,810
	0		82,280
	0		48,717
	0		749,464
	4,885		32,687
	5,885		12,247
	114,244		289,287
	0		1,241,800
	<u>23,287</u>		<u>23,287</u>
\$	<u>184,280</u>	\$	<u>2,827,853</u>

	<u>40,440</u>		<u>13,219</u>
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CONTINUED

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2008

	EPPE S.D. #1 CONSTRUCTION AND MAINTENANCE	EPPE S.D. #2 CONSTRUCTION AND MAINTENANCE	FOREST S.D. #3 CONSTRUCTION AND MAINTENANCE	FOREST S.D. #4 CONSTRUCTION AND MAINTENANCE
OTHER FINANCING SOURCES (USES)				
Coating transfer in	\$ 0	\$ 0	\$ 0	\$ 0
Coating transfer out	0	0	(20,000)	0
Sale of assets	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (20,000)</u>	<u>\$ 0</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ (28,048)	\$ 25,000	\$ 0	\$ 3,500
FUND BALANCES AT BEGINNING OF YEAR	<u>132,492</u>	<u>79,500</u>	<u>65,876</u>	<u>28,174</u>
FUND BALANCES AT END OF YEAR	<u>\$ 104,444</u>	<u>\$ 104,500</u>	<u>\$ 65,876</u>	<u>\$ 31,674</u>

Balance

CONSOLIDATED

STATE

CONSTRUCTION

AND

MAINTENANCE TOTAL

\$	50,000	\$	50,000
	0		25,000
	<u>0</u>		<u>25</u>

\$	50,000	\$	25,250
----	--------	----	--------

\$	7,000	\$	27,000
	<u>170,840</u>		<u>343,750</u>

\$	104,400	\$	170,800
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NOVEMBER 2000

**West Carroll Parish School Board
Oak Grove, Louisiana**

AGENCY FUNDS

SCHOOL ACTIVITY FUND

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

SALES TAX COLLECTION FUND

This sales tax agency fund is used to account for collections and disbursement of sales tax receipts to the West Carroll School Board, West Carroll Police Jury and the Town of Oak Grove.

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

AGENCY FUNDS
 Combining Statement of Assets and Liabilities
 June 30, 1988

Exhibit 3

	<u>SCHOOL ACTIVITY FUND</u>	<u>SALES TAX COLLECTION FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 218,400	\$ 0	\$ 218,400
TOTAL ASSETS	\$ 218,400	\$ 0	\$ 218,400
 LIABILITIES			
Deposits due others	\$ 218,400	\$ 0	\$ 218,400
TOTAL LIABILITIES	\$ 218,400	\$ 0	\$ 218,400

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

AGENCY FUNDS
 Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 1999

Exhibit A

	Balance July 1, 1997	Additions	Deductions	Balance June 30, 1998
	<u>1997</u>			<u>1998</u>
*****SCHOOL ACTIVITY FUND*****				
ASSETS				
Cash and cash equivalents	\$ 205,720	780,570	751,882	\$ 218,408
LIABILITIES				
Deposits due others	\$ 205,720	780,570	751,882	\$ 218,408
SALES TAX COLLECTION FUND				
ASSETS				
Cash and cash equivalents	\$ 0	3,848,281	3,848,281	\$ 0
LIABILITIES				
Deposits due others	\$ 0	3,848,281	3,848,281	\$ 0
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	\$ 205,720	4,628,850	4,601,163	\$ 218,408
LIABILITIES				
Deposits due others	\$ 205,720	4,628,850	4,601,163	\$ 218,408

**WEST CARROLL PARISH SCHOOL BOARD
Oak Grove, Louisiana**

**AGENCY FUND -
SCHOOL ACTIVITY FUND
Schedule of Changes in Deposits Due Officers
For The Year Ended June 30, 1988**

Exhibit 5

<u>SCHOOL</u>	<u>Balance, July 1, 1987</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, June 30, 1988</u>
Epps High School	\$ 8,800	\$ 119,500	\$ 118,470	\$ 10,830
Fiske Union Elementary School	17,800	33,700	37,580	13,920
Forest High School	27,847	108,574	110,808	25,613
Goodwill Elementary School	17,134	80,800	27,206	70,728
Hibourea High School	45,800	190,883	148,082	88,601
Oak Grove High School	58,100	251,717	244,882	64,935
Oak Grove Elementary School	18,800	30,240	24,305	24,735
Pioneer High School	13,400	44,000	43,200	14,200
Totals	\$ 209,731	\$ 790,024	\$ 753,882	\$ 245,873

WEST CARROLL PARISH SCHOOL BOARD
 Oak Grove, Louisiana

**AGENCY FUNDS -
 SALES TAX COLLECTION FUND**
 Schedule of Changes in Deposits Due Officers
 For the Year Ended June 30, 1998

Exhibit E

	<u>Balance,</u> <u>July 1, 1997</u>	<u>Additions</u>	<u>Debit Items</u>	<u>Balance,</u> <u>June 30, 1998</u>
West Carroll Parish Police Jury	\$ 0	\$ 1,459,308	\$ 1,459,308	\$ 0
West Carroll Parish School Board	0	948,408	948,408	0
Town of Oak Grove	<u>0</u>	<u>447,188</u>	<u>447,188</u>	<u>0</u>
Totals	\$ <u>0</u>	\$ <u>2,854,904</u>	\$ <u>2,854,904</u>	\$ <u>0</u>

West Carroll Parish School Board
Oak Grove, Louisiana

Exhibit 7

GENERAL

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 1998**

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 34 of the 1997 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:54, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$480 per month.

Board Member	Actual Salary
Eugene Crosby, President	\$ 3,840
Michael Gammill	2,700
A. L. Bawls	3,600
C. T. Bawls	3,600
Kathy McArthur	3,600
Mike Habelis	3,600
J. T. Martin	3,600
Total	\$24,000

**West Carroll Parish School Board
Oak Grove, Louisiana**

**Other Report Required by
Government Auditing Standards**

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

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

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



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Tim Green, CPA

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

Board Members

West Carroll Parish School Board
Oak Grove, Louisiana

We have audited the financial statements of West Carroll Parish School Board, Oak Grove, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated December 9, 1998, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Management Letter Items

However, we noted other matters involving the internal control over financial reporting which we have reported to management of the School Board in a separate letter dated December 9, 1998, included later in this report.

Board Members
West Carroll Parish School Board
Oak Grove, Louisiana

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

Allen Green & Company

ALLEN, GREEN & COMPANY, LLP

Mosses, Louisiana
December 5, 1998

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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A. Green, CPA
Accounting 1001

The Green, CPA

Maury Wilkerson, CPA



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

Board Member

West Carroll Parish School Board

Oak Grove, Louisiana

Compliance

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

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

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

Board Members
West Carroll Parish School Board
Oak Grove, Louisiana

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

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the West Carroll Parish School Board, Oak Grove, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated December 9, 1998. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

Allen Green & Company
ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana
December 9, 1998

**West Carroll Parish School Board
Oak Grove, Louisiana**

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

EXHIBIT B

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
National School Lunch Program	10.559	NA	\$ 472,009
School Breakfast Program	10.559	NA	____88,880
Total United States Department of Agriculture			____560,889
United States Department of Education			
Passed Through Louisiana Department of Education:			
Adult Education - State-Administered Basic Grant Program			
Title I Grants to Local Educational Agencies	84.003	NA	11,962
Basic Grant Program	84.010	98-1A5A-62	588,429
State School Improvement Grants	84.218	98-1A5A-61	____30
Migrant Education - Basic State Grant Program	84.013	NA	15,871
Special Education			
State Grants - Part B	84.027	98-PT-62	138,696
Perkins Grants	84.173	98-PF-62	____34,335
Grants for Infants and Families with Disabilities - Part E	84.181	97-CIT3-62	____3,847
		98-CIT3-62	
Transitional Education Basic Grants to States	84.048	NA	____32,365
Title VI - Innovative Education Program Strategies	84.208	98-1A5A-62-17	____14,880
Title II - Educator Professional Development State Grants	84.281	98-1A5A-62-8	____12,629
Title IV (Safe and Drug-Free Schools)	84.186	98-1A5A-62-19	____17,373
Total United States Department of Education			____871,882
United States Department of Labor			
Passed Through Union Community Action Association:			
Job Training Partnership Act (JTPA)	17.250	97-980-C-6104	____1,540
NONCASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution Program (Commodities)	18.550	NA	____38,540
TOTAL NONCASH FEDERAL AWARDS			____38,540
TOTAL FEDERAL AWARDS			\$1,501,323

**West Carroll Parish School Board
Oak Grove, Louisiana**

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

NOTE 1 - GENERAL

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

NOTE 2 - BASIS OF ACCOUNTING

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

NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS

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

Special Revenue Funds:	<u>Federal Sources</u>	
Title I		
Title I Basic Grant	\$588,429	
Title II	15,629	
Title IV	17,173	
State-School Improvement Grants	20	
		\$ 631,451
Title VI		14,080
Special Federal		
Special Education State Grants	539,416	
Preschool Grants	34,333	
Grants for Infants and Families with Disabilities	3,447	
Vocational Education Basic Grants	12,365	
ITPA	7,540	
		117,181
Migrant Education		15,431
Adult Education		11,592
School Lunch		711,150
Total		<u>\$1,900,127</u>

West Carroll Parish School Board
Oak Grove, Louisiana

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

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 5 - MATCHING REVENUES

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

NOTE 6 - NONCASH PEGS/GRANTS

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

**West Carroll Parish School Board
Oak Grove, Louisiana**

**Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 1998**

PART I - Summary of the Auditors' Results

Financial Statement Audit

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

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance of major federal awards was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section 3.100(a).
- vii. The major federal awards are:

CFDA #94.010	CFDA Title	Title I Grants to Local Education Agencies
Cluster (as defined by OMB Circular No. A-133 Compliance Supplement)		
CFDA #94.017	CFDA Title	Special Education - State Grants, Part B
#94.070		Special Education - Preschool Grants
- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular No. A-133, Section 3.200(d) was \$100,000.
- ix. The auditors does qualify as a low-risk auditor under OMB Circular No. A-133, Section 3.50.

Other Information

The information in the following section concerns management's actions or intentions concerning prior- and current-year audit findings and is required by U. S. Office of Management and Budget (OMB) Circular No. A-123. This information has been prepared by the management of the West Carroll Parish School Board. Management accepts full responsibility, as required by OMB Circular No. A-123, for the accuracy of the information. This information has not been audited by the auditors except as required by OMB Circular No. A-133 Section 506(c), and accordingly, no opinion is expressed. Section 506(c) requires the auditor to follow-up on prior audit findings, perform procedures to assess the reasonableness of the summary schedule of prior audit findings prepared by the auditee, and report, as a current-year audit finding when the auditor concludes that the summary schedule of prior audit findings materially misrepresents the status of any prior audit finding.

West Carroll Parish School Board
Oak Grove, Louisiana

Summary Schedule of Prior Audit Findings
June 30, 1998

Finding reference # and title: 97-1 **Bid Law Failure in Advertising**

Initially occurred: Fiscal Year Ended June 30, 1997.

Condition: The Board voted to advertise for bids for installation of a new gym floor at one of the schools. Due to an oversight, the advertisement was not made in the local newspaper, but the Board did receive three out-of-town bids and accepted the lowest bid.

Corrective action taken: School Board personnel have followed up with the newspaper to ensure all bids subsequent to be advertised were advertised.

Finding reference # and title: 97-2 **Incompatible Accounting Functions Performed by Accounting Personnel**

Initially occurred: Fiscal Year Ended June 30, 1997.

Condition: The accounting for several of the federal programs is decentralized and done by one bookkeeper. This bookkeeper prepares checks for payment of vendor invoices, posts the books and reconciles the bank statements. The books are a manual set of books. At the end of the year, the balances are entered on the system used by all other funds of the School Board.

Partial corrective action taken: Someone independent of the check preparation process prepares the bank reconciliations. See current-year management item 08-041.

**West Carroll Parish School Board
Oak Grove, Louisiana**

Management Letter Items

ALLEN, GREEN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Maiga Wilkerson, CPA



Management Letter

Board Members

West Carroll Parish School Board
Oak Grove, Louisiana

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

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated December 5, 1998, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized in the Schedule of Current-Year Management Letter Items presented later in this report.

Included later in this report is management's responses to our current-year management letter items. Management's responses can be found in the Corrective Action Plan for the Current-Year Management Letter Items. We have performed our audit work to verify the content of the responses.

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

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

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

ALLEN, GREEN & COMPANY, LLP

Metairie, Louisiana
December 5, 1998

West Carroll Parish School Board
Oak Grove, Louisiana

Status of Prior Management Letter Items
June 30, 1999

1. Fixed Assets

Condition: The School Board acquired new computer software to account for its fixed assets and converted from an older, inadequate system. Errors noted during the conversion were corrected including a change in the beginning balance of furniture and fixtures. In addition, we tested the accounts by tracing items from the fixed asset listing to the asset itself and from the asset to the fixed asset listing. Several inconsistencies were noted.

Management action taken: A physical inventory was conducted during the year and the computer listing was updated.

2. Voided Checks

Condition: Two voided checks were not defaced.

Management action taken: Care is taken to deface voided checks by cutting out the signature line.

3. Average Meal Costs

Condition: Average meal costs at Oak Grove High School exceed the average meal costs at the other schools.

Management action taken: Average meal costs at all schools are monitored on a periodic basis. Average meal cost at Oak Grove High School has decreased from the 1996-1997 average meal cost.

West Carroll Parish School Board
Oak Grove, Louisiana

Schedule of Current-Year Management Letter Items
June 30, 1998

Reference and title: 78.011 **Extrajournal Accounting Records**

Entity-wide or program/departmental specific: This concern applies to certain federal programs.

Criteria or specific requirement: One element of a good system of internal control is centralization of the accounting and records. Decentralization of the accounting record-keeping diminishes that control.

Condition found: The accounting records for certain federal programs are maintained in an office separate from the central office. The accounting software used by these certain federal programs is different from the accounting system used by all other funds of the School Board.

Possible material effect (losses and effects):

Cause: Prior to computerization, sets of books were maintained by the various departments, including the federal programs. All departments have converted to the one accounting system except for the department in question.

Effect: The use of this separate system means that periodically, or at least annually, the federal program information must be entered into the primary accounting system for purposes of auditing and submission of annual financial reporting to the Louisiana Department of Education. This is duplicate work. Further, internal financial reporting by the Central Office is incomplete since it does not include the activity of certain federal programs.

Recommendations to prevent future occurrences: For efficiency, consistency, cost savings, more complete and timely reporting, and better internal control, the auditors recommend the federal funds use the same accounting software used by all other funds of the School Board. This will provide one complete set of books that is posted timely for all funds of the School Board.

**West Carroll Parish School Board
Oak Grove, Louisiana**

**Schedule of Current-Year Management Letter Items
June 30, 1998**

Reference # and title: 88-02

Year 2000 Compliance

Condition: The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect operations in the year 1999 and beyond. For many years programmers eliminated the first two digits from a year when writing programs. When the internal clocks in computers and other equipment roll over from 12/31/99 to 01/01/00 many programs (if not corrected) will not be able to distinguish between the year 2000 and the year 1900. This may cause the programs to process data inaccurately or to stop processing data altogether.

The Governmental Accounting Standards Board has issued a Technical Bulletin which identifies four stages as necessary to implement a year 2000-compliant system. These four stages are described below:

Awareness Stage - Encompasses establishing a budget and project plan for dealing with the year 2000 issue.

Assessment Stage - The organization actually begins the process of identifying all of its systems and individual components of the systems.

Rationalization Stage - The organization actually makes changes to systems and equipment. Decisions are made on how to make the systems or processes year 2000 compliant and the required system changes are made.

Validation/Testing Stage - The organization validates and tests the changes made during the conversion process.

Recommendation: We suggest the school board evaluate their progress in making computer systems and processes year 2000-compliant.

West Carroll Parish School Board
Oak Grove, Louisiana

Corrective Action Plan for Current-Year Management Letter Items
June 28, 1998

Reference # and title: **30-01** **Decentralized Accounting Records**

Condition: The accounting records for certain federal programs are maintained in an office separate from the central office. The accounting software used by these certain federal programs is different from the accounting system used by all other funds of the School Board.

Management action planned: Measures will be taken to maintain the accounting records of the Media Center on the same computer software as the Central Office.

Reference # and title: **30-02** **Year 2000 Compliance**

Condition: The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect operations in the year 1999 and beyond. For many years programmers eliminated the last two digits from a year when writing programs. When the internal clocks in computers and other equipment roll over from 12/31/99 to 01/01/00 many programs (if not corrected) will not be able to distinguish between the year 2000 and the year 1900. This may cause the programs to process data incorrectly or to stop processing data altogether.

The Governmental Accounting Standards Board has issued a Technical Bulletin which identifies four steps necessary to implement a year 2000 compliant system. These four stages are described below:

Awareness Stage - Encompasses establishing a budget and project plan for dealing with the year 2000 issue.

Assessment Stage - The organization actually begins the process of identifying all of its systems and individual components of the systems.

Remediation Stage - The organization actually makes changes in systems and equipment. Decisions are made as to how to make the systems or processes year 2000-compliant and the required system changes are made.

Validation/Testing Stage - The organization validates and tests the changes made during the conversion process.

Management action planned: Work has begun on the year 2000 compliance in the following areas:

In October 1998, the payroll fund was converted to year 2000.

In March 1999, the fund accounting will be brought in compliance.

Then, we will work on sales tax and leave time, SLS and other programs in the near future.