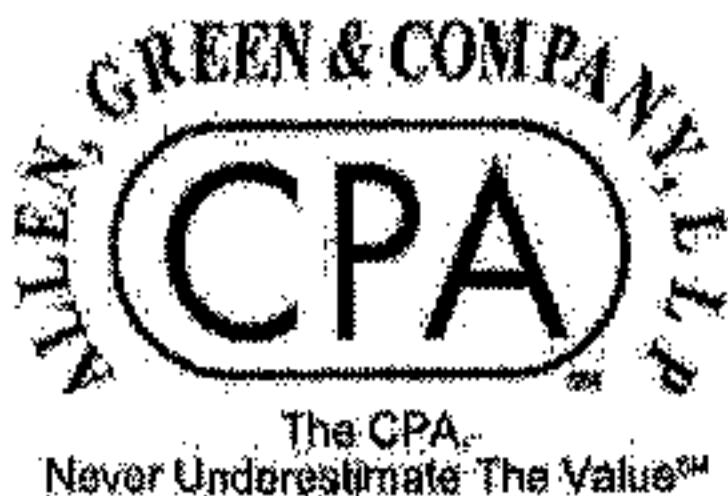


**Jackson Parish School Board  
Jonesboro, Louisiana**

**Annual Financial Report  
As of and for the Year Ended June 30, 2001**

**Jackson Parish School Board  
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## INDEPENDENT AUDITORS' REPORT

Board Members  
Jackson Parish School Board  
Jonesboro, Louisiana

We have audited the accompanying general-purpose financial statements of Jackson Parish School Board as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the School Board as of June 30, 2001, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 17, 2001 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying supplemental information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by OMB Circular No. A-133, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
October 17, 2001

**JACKSON PARISH SCHOOL BOARD**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
**Combined Balance Sheet**  
**June 30, 2001**

\*\*\*\*\*GOVERNMENTAL FUND TYPES\*\*\*\*\*

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 2,666,945	\$ 399,291	\$ 1,322,207	\$ 28,869
Receivables	2,536,336	544,786	0	0
Interfund receivables	803,322	0	494,407	731,467
Deposits	50	0	0	0
Inventory	0	35,117	0	0
Land, buildings and equipment	0	0	0	0
<b>Other debits</b>				
Amount available in debt service fund	0	0	0	0
Amount to be provided for payment of debt	0	0	0	0
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>6,006,653</u>	<u>979,194</u>	<u>1,816,614</u>	<u>760,336</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	2,219,093	299,462	0	0
Interfund payables	313,600	500,340	1,215,256	0
Deposits due others	0	0	0	0
Deferred revenues	0	8,880	0	0
Bonds payable	0	0	0	0
Certificate of indebtedness	0	0	0	0
Compensated absences payable	0	0	0	0
<b>Total Liabilities</b>	<u>2,532,693</u>	<u>808,682</u>	<u>1,215,256</u>	<u>0</u>
<b>Equity and other credits</b>				
Investments in general fixed assets	0	0	0	0
<b>Fund Balances:</b>				
Reserved for inventory	0	28,499	0	0
Reserved for scholarships	0	0	0	0
Reserved for debt service	0	0	601,358	0
<b>Unreserved</b>				
Designated for building repairs	1,171,111	0	0	0
Undesignated	2,302,849	142,013	0	760,336
<b>Total equity and other credits</b>	<u>3,473,960</u>	<u>170,512</u>	<u>601,358</u>	<u>760,336</u>
<b>TOTAL LIABILITIES, EQUITY AND OTHER CREDITS</b>	<u>\$ 6,006,653</u>	<u>\$ 979,194</u>	<u>\$ 1,816,614</u>	<u>\$ 760,336</u>

**Statement A**

FIDUCIARY FUND TYPES- TRUST AND AGENCY	*****ACCOUNT GROUPS*****			TOTAL (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
\$ 468,035	\$ 0	\$ 0	\$ 0	4,885,347
0	0	0	0	3,081,122
0	0	0	0	2,029,196
0	0	0	0	50
0	0	0	0	35,117
0	34,902,456	0	0	34,902,456
0	0	601,358	0	601,358
0	0	5,090,568	0	5,090,568
<u>468,035</u>	<u>34,902,456</u>	<u>5,691,926</u>	<u>0</u>	<u>50,625,214</u>
0	0	0	0	2,518,555
0	0	0	0	2,029,196
284,579	0	0	0	284,579
0	0	0	0	8,880
0	0	4,870,000	0	4,870,000
0	0	687,000	0	687,000
0	0	134,926	0	134,926
<u>284,579</u>	<u>0</u>	<u>5,691,926</u>	<u>0</u>	<u>10,533,136</u>
0	34,902,456	0	0	34,902,456
0	0	0	0	28,499
183,456	0	0	0	183,456
0	0	0	0	601,358
0	0	0	0	1,171,111
0	0	0	0	3,205,198
<u>183,456</u>	<u>34,902,456</u>	<u>0</u>	<u>0</u>	<u>40,092,078</u>
<u>\$ 468,035</u>	<u>\$ 34,902,456</u>	<u>\$ 5,691,926</u>	<u>\$ 0</u>	<u>\$ 50,625,214</u>



# JACKSON PARISH SCHOOL BOARD

## ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS Combined Statement of Revenues, Expenditures, and Changes in Fund Balances For the Year Ended June 30, 2001

	GENERAL	SPECIAL REVENUE	DEBT SERVICE
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 1,480,300	\$ 0	\$ 324,562
Sales and use	4,005,618	0	0
Interest earnings	160,982	5,907	74,255
Food service	0	194,225	0
Other	1,678,495	92	0
State sources:			
Equalization	9,668,070	203,600	0
Other	650,421	73,099	0
Federal sources	11,305	1,974,095	0
<b>Total Revenues</b>	<b>17,655,191</b>	<b>2,451,018</b>	<b>398,817</b>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	6,641,669	0	0
Special programs	1,273,895	300,392	0
Other instructional programs	859,896	849,378	0
Support services:			
Student services	654,534	25,780	0
Instructional staff support	845,861	203,039	0
General administration	1,467,448	17,747	0
School administration	154,011	0	0
Business services	217,728	0	0
Plant services	1,675,446	0	0
Student transportation services	1,070,352	0	0
Food services	270,053	964,003	0
Facilities acquisition and construction	565,519	0	0
Debt service:			
Principal retirement	118,000	0	350,000
Interest and bank charges	42,182	0	388,693
<b>Total Expenditures</b>	<b>15,856,594</b>	<b>2,360,339</b>	<b>738,693</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,798,597</b>	<b>\$ 90,679</b>	<b>\$ (339,876)</b>

Statement B

<u>CAPITAL PROJECT</u>	<u>FIDUCIARY FUND TYPE EXPENDABLE TRUST</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
\$ 0	\$ 0	\$ 1,804,862
0	0	4,005,618
2,305	0	243,449
0	0	194,225
0	13,201	1,691,788
0	0	9,871,670
0	0	723,520
0	0	1,985,400
<u>2,305</u>	<u>13,201</u>	<u>20,520,532</u>
0	0	6,641,669
0	0	1,574,287
0	0	1,709,274
0	0	680,314
0	0	1,048,900
0	0	1,485,195
0	0	154,011
0	0	217,728
0	0	1,675,446
0	0	1,070,352
0	0	1,234,056
1,805,337	0	2,370,856
0	0	468,000
0	0	430,875
<u>1,805,337</u>	<u>0</u>	<u>20,760,963</u>
\$ (1,803,032)	\$ 13,201	\$ (240,431)

(CONTINUED)

**JACKSON PARISH SCHOOL BOARD**

**ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS  
Combined Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2001**

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 43,407	\$ 485	\$ 14,814
Operating transfers out	<u>0</u>	<u>(43,892)</u>	<u>(91,133)</u>
Total Other Financing Sources (Uses)	<u>43,407</u>	<u>(43,407)</u>	<u>(76,319)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1,842,004	47,272	(416,195)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,631,956</u>	<u>123,240</u>	<u>1,017,553</u>
FUND BALANCES AT END OF YEAR	<u>\$ 3,473,960</u>	<u>\$ 170,512</u>	<u>\$ 601,358</u>

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



**Statement B**

<b>CAPITAL PROJECT</b>	<b>FIDUCIARY FUND TYPE EXPENDABLE TRUST</b>	<b>TOTAL (MEMORANDUM ONLY)</b>
\$ 91,133	\$ 0	\$ 149,839
(14,814)	0	(149,839)
76,319	0	0
(1,726,713)	13,201	(240,431)
2,487,049	170,255	5,430,053
\$ 760,336	\$ 183,456	\$ 5,189,622

(CONCLUDED)

**JACKSON PARISH SCHOOL BOARD**

**GOVERNMENTAL FUND TYPES - GENERAL FUND**  
**Combined Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances- Budget (GAAP Basis) and Actual**  
**For the Year Ended June 30, 2001**

**Statement C**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 1,480,300	\$ 1,480,300	\$ 0
Sales and use	4,006,722	4,005,618	(1,104)
Interest earnings	68,349	160,982	92,633
Other	50,377	1,678,495	1,628,118
State sources:			
Equalization	10,150,924	9,668,070	(482,854)
Other	0	650,421	650,421
Federal sources	54,500	11,305	(43,195)
 Total Revenues	 <u>15,811,172</u>	 <u>17,655,191</u>	 <u>1,844,019</u>
 <b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	9,186,690	6,641,669	2,545,021
Special programs	1,028,550	1,273,895	(245,345)
Other instructional programs	863,631	859,896	3,735
Support services:			
Student services	486,606	654,534	(167,928)
Instructional staff support	551,960	845,861	(293,901)
General administration	1,140,115	1,467,448	(327,333)
School administration	0	154,011	(154,011)
Business services	126,517	217,728	(91,211)
Plant services	1,409,075	1,675,446	(266,371)
Student transportation services	826,439	1,070,352	(243,913)
Food services	71,465	270,053	(198,588)
Facilities acquisition and construction	0	565,519	(565,519)
Debt service:			
Principal retirement	0	118,000	(118,000)
Interest and bank charges	0	42,182	(42,182)
 Total Expenditures	 <u>15,691,048</u>	 <u>15,856,594</u>	 <u>(165,546)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ 120,124</u>	 <u>\$ 1,798,597</u>	 <u>\$ 1,678,473</u>

(CONTINUED)

**JACKSON PARISH SCHOOL BOARD**

**GOVERNMENTAL FUND TYPES - GENERAL FUND**  
**Combined Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances- Budget (GAAP Basis) and Actual**  
**For the Year Ended June 30, 2001**

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 635,701	\$ 43,407	\$ (592,294)
Operating transfers out	<u>(532,392)</u>	<u>0</u>	<u>532,392</u>
Total Other Financing Sources (Uses)	<u>103,309</u>	<u>43,407</u>	<u>(59,902)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	223,433	1,842,004	1,618,571
FUND BALANCE AT BEGINNING OF YEAR	<u>603,263</u>	<u>1,631,956</u>	<u>1,028,693</u>
FUND BALANCE AT END OF YEAR	<u>\$ 826,696</u>	<u>\$ 3,473,960</u>	<u>\$ 2,647,264</u>

(CONTINUED)

**JACKSON PARISH SCHOOL BOARD**

**GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS**  
**Combined Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances- Budget (GAAP Basis) and Actual**  
**For the Year Ended June 30, 2001**

Statement C

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 5,597	\$ 5,907	\$ 310
Food service	212,783	194,225	(18,558)
Other	0	92	92
State sources:			
Equalization	203,600	203,600	0
Other	61,383	73,099	11,716
Federal sources	<u>1,642,666</u>	<u>1,974,095</u>	<u>331,429</u>
 Total Revenues	 <u>2,126,029</u>	 <u>2,451,018</u>	 <u>324,989</u>
 <b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	40	0	40
Special programs	320,885	300,392	20,493
Other instructional programs	861,300	849,378	11,922
Support services:			
Student services	13,572	25,780	(12,208)
Instructional staff support	136,685	203,039	(66,354)
General administration	26,723	17,747	8,976
Food services	1,186,500	964,003	222,497
Community service program	<u>587</u>	<u>0</u>	<u>587</u>
 Total Expenditures	 <u>2,546,292</u>	 <u>2,360,339</u>	 <u>185,953</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ (420,263)</u>	 <u>\$ 90,679</u>	 <u>\$ 510,942</u>

(CONTINUED)

**JACKSON PARISH SCHOOL BOARD**

**GOVERNMENTAL FUND TYPES - SPECIAL REVENUE FUNDS**  
**Combined Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances- Budget (GAAP Basis) and Actual**  
**For the Year Ended June 30, 2001**

**Statement C**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	\$ 0	\$ 485	\$ 485
Operating transfers out	<u>(147)</u>	<u>(43,892)</u>	<u>(43,745)</u>
Total Other Financing Sources (Uses)	<u>(147)</u>	<u>(43,407)</u>	<u>(43,260)</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(420,410)	47,272	467,682
FUND BALANCES AT BEGINNING OF YEAR	<u>126,125</u>	<u>123,240</u>	<u>(2,885)</u>
FUND BALANCES AT END OF YEAR	<u>\$ (294,285)</u>	<u>\$ 170,512</u>	<u>\$ 464,797</u>

(CONCLUDED)

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

**Jackson Parish School Board**  
**Notes to the General-Purpose Financial Statements**

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**Jackson Parish School Board**  
**Notes to the General-Purpose Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Jackson Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (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 Jackson Parish School Board was created by Louisiana Revised Statute (LSA-R.S. 17:51) to provide public education for the children within Jackson 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 ten members who are elected from ten districts for terms of four years.

The School Board operates seven schools within the parish with a total enrollment of approximately 2,552 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 No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. The School Board includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the School Board.

Certain units of local government over which the School Board exercises no oversight responsibility, such as the parish police jury and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the School Board.

**B. FUNDS AND ACCOUNT GROUPS** The School Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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.

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

**General fund** – the general operating fund of the School Board accounts for all financial resources, except those required to be accounted for in other funds.

**Special revenue funds** – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Debt service funds** – accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

**Capital projects funds** – accounts for transactions relating to the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

**Jackson Parish School Board**  
**Notes to the General-Purpose Financial Statements**

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

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

**I. J. Allen Memorial Scholarship Expendable Trust Fund** – accounted for essentially in the same manner as governmental funds. The resources, including both principal and earnings, may be expended. This scholarship trust fund was created from contributions and memorials from the family and friends of the late I. J. Allen.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

**Federal and state entitlements** which include state equalization and state revenue sharing are recorded as unrestricted grants-in-aid when available and measurable. Federal and state restricted grants are recorded when the reimbursable expenditures have been incurred.

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

**Sales taxes** are recorded in the year they are measurable and available.

**Interest income** on time deposits and investments is recorded when the interest becomes measurable and available to finance expenditures of the fiscal period.

**Expenditures** Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Salaries** are recorded as paid. Salaries for nine-month employees are paid over twelve months and accrued at June 30.

**Principal and interest** on general long-term debt is recognized when due.

**Inventory** items are expensed as purchased except for inventory of the school lunch fund which is expensed as consumed.



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**Compensated absences** are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death. The cost of compensated absences not requiring current resources is recorded in the general long-term obligations account group.

**Other Financing Sources (Uses)** Transfers between funds that are not expected to be repaid (or other types, such as 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.

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

*Trust Funds* account for assets held by the government under the terms of a normal trust agreement.

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

#### **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 each special revenue fund.

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.

Formal budget integration (within the accounting records) is not 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** Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed for other commitments of the School Board. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

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

**E. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits,

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money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the 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 and are stated at cost.

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

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

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

**Definitions:**

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

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

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

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

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

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

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

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. The LAMP's portfolio securities are valued at fair value. The LAMP operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, as amended, which governs money market funds (although the LAMP is not a money market fund and has no obligation to conform to this rule.) In addition, the LAMP will generally comply with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP



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must have, at the time of purchase, a maximum remaining maturity of 397 days and meet certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

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

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

**H. INVENTORY AND PREPAID ITEMS** Inventory items are expensed 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 valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

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

**I. FIXED ASSETS** Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost. Fixed assets valued at estimated historical cost where no historical cost records exist was \$33,097,119 at year-end.

**J. COMPENSATED ABSENCES** All 12-month employees earn ten days of vacation leave each year. Vacation leave cannot be accumulated. Upon separation of employment, all unused vacation leave is forfeited.

All School Board employees earn from ten to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' 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.

GASB Statement 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

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employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave.

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.

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

**L. FUND EQUITY**

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

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

**M. INTERFUND TRANSACTIONS** Quasi-external 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 reductions of expenditures in the fund that is reimbursed.

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

**N. SALES TAX** On April 22, 1969, the voters of Jackson Parish approved a one percent sales and use tax within the parish. The proceeds from the tax are to be used for the payment of salaries and for expenses of operating schools.

On April 3, 1982, the voters of Jackson Parish approved an additional one percent sales and use tax within the parish (outside the corporate limits of the town of Jonesboro). The proceeds from the tax are to be used fifty percent for constructing or improving schools and the remaining for any lawful purposes of the Board.

On March 20, 2000, a six-tenth of one percent sales and use tax was approved within the parish. The proceeds from the tax are to be used for salaries and benefits for teachers and other employees.

These taxes are collected by the Jackson Parish Sales tax Collection Agency.

**O. MEMORANDUM ONLY - TOTAL COLUMNS** Total columns on the general-purpose financial statements are captioned as "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

**P. USE OF ESTIMATES** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.



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**Notes to the General-Purpose Financial Statements**

**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, 2001:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General fund	\$15,691,048	\$15,856,594	\$165,546
Special revenue			
Title VI	81,764	92,097	10,333
Drug Free School	13,787	25,780	11,993
Title II	19,118	19,812	694
Vocational and Adult Ed	54,879	103,743	48,864

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 Jackson Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Jackson Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

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

Property Tax Calendar

Millage rates adopted	September 18, 2000
Levy date	September 18, 2000
Tax bills mailed	On or about October 15, 2000
Due date	December 31, 2000
Lien date	January 1, 2001

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2000. Total assessed value was \$64,585,430 in calendar year 2000. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$14,869,590 of the assessed value in calendar year 2000.

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.

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

The tax roll is prepared by the parish tax assessor in October of each year. The collection of the 2000 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 2000 taxes is included on the accompanying balance sheet because none is available within 60 days of the School Board's year-end.

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

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	4.90	4.85	Statutory
Parish-wide additional support	7.93	7.70	N/A
Parish-wide maintenance and operation	7.17	7.10	2003
Parish-wide additional maintenance and operation	5.70	5.65	2006
District taxes:			
Quitman School District	19.25	19.25	2009
Weston School District	20.25	20.25	2009
Chatham School District Bonds	21.00	21.00	2009
Jonesboro Hodge District	5.25	5.25	2009

**NOTE 4 - DEPOSITS** At June 30, 2001, the School Board has cash and cash equivalents (book balances) totaling \$4,885,347 as follows:

Deposits are stated at cost, which approximates fair value. 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 fair 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 \$4,885,347 and the bank balance was \$5,811,067. Of the bank balance, \$200,000 is covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). \$5,611,067 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3).

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

**NOTE 5 - RECEIVABLES** The balance of receivables at June 30, 2001, is as follows. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

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**Notes to the General-Purpose Financial Statements**

<u>Class of Receivable</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Intergovernmental - grants:			
Federal	\$ -	\$544,786	\$ 544,786
State	244,534	-	244,534
Local sources:			
Sales tax	446,826	-	446,826
Ad valorem tax	52,234	-	52,234
Proceeds from loss	1,171,111	-	1,171,111
Other	621,631	-	621,631
Total	<u>\$2,536,336</u>	<u>\$544,786</u>	<u>\$3,081,122</u>

**NOTE 6 - FIXED ASSETS** The changes in general fixed assets for the year ended June 30, 2001, follows:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, Ending</u>
Land	\$ 83,300	\$ -	\$ -	\$ 83,300
Buildings	29,035,700	-	-	29,035,700
Furniture and equipment	2,778,462	556,905	-	3,335,367
Construction in progress	642,752	1,805,337	-	2,448,089
Total	<u>\$32,540,214</u>	<u>\$2,362,242</u>	<u>\$ -</u>	<u>\$34,902,456</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 (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

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

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally two percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 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 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after ten years of service at age 60. The maximum retirement allowance is computed at 2.5 percent times the highest 36 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:



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Teachers' Retirement System of Louisiana  
Post Office Box 94123  
Baton Rouge, Louisiana 70804-9123  
(225) 925-6446

Louisiana School Employees' Retirement System  
Post Office Box 44516  
Baton Rouge, Louisiana 70804  
(225) 925-6484

**Funding Policy** Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded by 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 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, 2001 are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.00%	14.20%
Plan A	9.10%	14.20%
Louisiana School Employees' Retirement System	6.35%	0.00%

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2001, amounted to \$8,625,335, \$99,491, and \$1,036,374, respectively. Employer contributions for the year ended June 30, 2001, and June 30, 2000, are as follows:

	.....TRS.....		.....LSERS.....	
	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid	Annual Actuarially Required Contribution	Percentage of Annual Required Contribution Paid
<u>Fiscal Year Ended</u>				
June 30, 2000	\$1,373,847	74.91	-	-
June 30, 2001	1,537,631	77.20	-	-

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, 2001. Each annual actuarially required contribution for the year ended June 30, 2001, is based upon each plan's annual financial report for the year ended June 30, 2001, which is the latest information available.

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS** The School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Insurance Program. The cost of retiree benefits for 2001 totaled \$545,989 or 191 retirees.

The cost of benefits for current employees are paid jointly by the employee and the School Board. The School Board's portion of the cost is recognized as an expenditure when the monthly premiums are due.

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**NOTE 9 - ACCOUNTS, SALARIES, AND OTHER PAYABLES** The payables at June 30, 2001, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Salaries	\$2,031,224	\$278,364	\$2,309,588
Accounts	<u>187,869</u>	<u>21,098</u>	<u>208,967</u>
Total	<u>\$2,219,093</u>	<u>\$299,462</u>	<u>\$2,518,555</u>

**NOTE 10 - COMPENSATED ABSENCES** At June 30, 2001, employees of the School Board have accumulated and vested \$134,926 of employee leave benefits, including \$3,803 in fringe benefits, which were computed in accordance with GASB Codification Section C60. This amount is recorded within the general long-term debt account group. The accumulated and vested leave benefits are based on the employees' current rates of pay and includes the accumulated sick leave of all employees having 20 years or more of service, up to a maximum of 25 days.

**NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS** A summary of changes in agency fund deposits due others for the year ended June 30, 2001, follows:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, Ending</u>
School activities fund	<u>\$271,841</u>	<u>\$729,732</u>	<u>\$716,994</u>	<u>\$284,579</u>

**NOTE 12 - GENERAL LONG-TERM OBLIGATIONS** The following is a summary of the long-term obligation transactions for the year ended June 30, 2001:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Certificates of Indebtedness</u>	<u>Total</u>
Balance, beginning	\$5,220,000	\$221,953	\$805,000	\$6,246,953
Additions	-	112,819	-	112,819
Deductions	<u>350,000</u>	<u>199,846</u>	<u>118,000</u>	<u>667,846</u>
Balance, ending	<u>\$4,870,000</u>	<u>\$134,926</u>	<u>\$687,000</u>	<u>\$5,691,926</u>

The individual issues are as follows:

<u>Bond Issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General Obligation:						
Jonesboro-Hodge School District	Mar. 1, 2000	\$3,060,000	0.10% - 5.50%	Mar. 1, 2014	\$1,120,918	\$2,875,000
Chatham School District	Sept. 1, 1992	950,000	5.50% - 10.00%	Apr. 1, 2004	39,495	350,000
Weston School District No. 25	Feb. 1, 1992	1,000,000	6.20% - 12.00%	Feb. 1, 2012	298,615	720,000
Quitman School District						
Series 1997A	Aug. 1, 1997	535,000	4.60% - 7.50%	Mar. 1, 2010	128,559	485,000
Series 1997B	Aug. 1, 1997	500,000	4.60% - 5.35%	Mar. 1, 2017	225,400	440,000
Total					<u>1,812,987</u>	<u>4,870,000</u>
Certificate of Indebtedness						
Series 1996	Jan. 1, 1997	1,220,000	5.24%	Jan. 1, 2006	111,664	687,000
Total					<u>111,664</u>	<u>687,000</u>
Grand Total					<u>\$1,924,651</u>	<u>\$5,557,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 2001, the School Board has accumulated \$601,358 in the debt service funds for future debt requirements. The certificate of indebtedness and bonds are due as follows:

**Jackson Parish School Board**  
**Notes to the General-Purpose Financial Statements**

<u>Year Ending June 30,</u>	<u>Certificate of Indebtedness</u>		<u>Bonds</u>		<u>Total</u>
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	
2002	\$124,000	\$ 35,999	\$ 365,000	\$ 249,468	\$ 774,467
2003	130,000	29,501	400,000	232,290	791,791
2004	137,000	22,689	425,000	213,430	798,119
2005	144,000	15,510	310,000	193,105	662,615
2006	152,000	7,965	330,000	177,589	667,554
Thereafter	-	-	3,040,000	747,105	3,787,105
Total	<u>\$687,000</u>	<u>\$111,664</u>	<u>\$4,870,000</u>	<u>\$1,812,987</u>	<u>\$7,481,651</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50 percent of the assessed value of taxable property. At June 30, 2001, the statutory limit was \$32,292,715 and outstanding bonded debt totaled \$4,870,000.

**NOTE 13 - INTERFUND ASSETS/LIABILITIES**

**Interfund Receivable/Payable:**

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 803,322	\$ 313,600
Special Revenue Funds		
Title I		332,411
Title VI		40,000
Drug Free School		6,068
Title II		6,277
Special Education		67,089
Vocational and Adult Ed		48,495
Debt Service Funds		
Chatham Bond		76,363
Jonesboro-Hodge Bond	494,407	379,683
Jonesboro-Hodge G/O Bond		759,210
Capital Projects		
Jonesboro-Hodge Construction	731,467	
Total	<u>\$2,029,196</u>	<u>\$2,029,196</u>

**NOTE 14 - LITIGATION AND CONTINGENCIES**

**Litigation** At June 30, 2001, the School Board was involved in various litigations. It is the opinion of the legal advisor for the School Board that the ultimate result would not materially affect the financial statements.

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

**Construction Projects** There is a major construction project in progress at June 30, 2001. This project is being funded mostly by insurance proceeds received.



**Jackson Parish School Board**  
**Notes to the General-Purpose Financial Statements**

**NOTE 15 - RISK MANAGEMENT** The School Board initiated a risk management program for workers' compensation in 1998. The amount of policy coverage is \$1,000,000. The deductible is \$200,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information. The liability for claims and judgements is reported in the general fund because it is expected to be liquidated with expendable available financial resources. The liability at June 30, 2001, was \$37,967.

Changes in the claims amount for the year ended June 30, 2001, is as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Ending of Fiscal Year Liability</u>
2000 - 2001	\$ -	\$48,152	\$10,185	\$37,967

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past year.

**NOTE 16 - INTERFUND TRANSFERS** Operating transfers for the year ended June 30, 2001, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 43,407	
Special revenue:		
Child nutrition	285	\$ 43,692
Title I	200	
Title VI		200
Debt Service:		
Jonesboro-Hodge Bond		91,133
Jonesboro-Hodge G/O Bond	14,814	
Capital Projects:		
Jonesboro-Hodge Construction	91,133	14,814
Total	<u>\$149,839</u>	<u>\$149,839</u>

**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 employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$12,140. This amount was recognized as state revenue with a corresponding expenditure in the applicable fund from which the salary was paid.

**NOTE 18 - SUBSEQUENT EVENTS** The School Board purchased three new school buses on October 1, 2001 for \$151,281.

**Jackson Parish School Board  
Special Revenue Funds**

**CHILD NUTRITION** Through cash grants and food donations, the school food service fund assists in providing a nutritious breakfast and lunch service for school students and encourages the domestic consumption of nutritious agricultural commodities.

**TITLE I** Title I improves 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. It is designed primarily to provide instructional activities to educationally deprived children that reside in low-income areas who have been selected on the basis of a needs assessment. These services supplement, not supplant, those normally provided by state and local educational agencies.

**TITLE VI** Title VI - Innovative Education assists state and local educational agencies in improving elementary and secondary education.

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

**CLASS SIZE REDUCTION (CSR)** This program is designed to improve the learning of students by hiring additional, highly-qualified teachers, to reduce class sizes especially in the early grades, to enable children to attend smaller classes.

**DRUG FREE SCHOOL** This program was designed to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

**TITLE II** This program is designed to improve the skills of teachers and the quality of instruction in mathematics and science, and, to increase the accessibility of such instruction to all students.

**SPECIAL EDUCATION**

**SPECIAL EDUCATION - PRESCHOOL GRANTS** These grants to states assist them in providing a free, appropriate public education to preschool disabled children aged three through five years.

**SPECIAL EDUCATION - STATE GRANTS** These grants to states assist them in providing a free appropriate public education to all children with disabilities.

**AWARD OF STATE FUNDS FOR CONTRACT SERVICES** These funds provide financial assistance for contract services for speech, physical and occupational therapy.

**Jackson Parish School Board  
Special Revenue Funds**

**VOCATIONAL AND ADULT ED**

**VOCATIONAL EDUCATION**

**BASIC GRANTS TO STATES** This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

**CONSUMER AND HOMEMAKING EDUCATION** This program was designed to assist states in conducting consumer and homemaking education instructional programs, services and activities that prepare youth and adults for the occupation of homemaking through instructional programs which includes the areas of food and nutrition, individual and family health, consumer education, family living and parenthood education, child development, housing, home management (including resource management); clothing, and textiles. Emphasis is placed on programs located in areas for residents of economically depressed areas and/or areas with high rates of unemployment.

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

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

**LOW RENT HOUSING** This fund accounts for Impact AID which is not received anymore.

**JACKSON PARISH SCHOOL BOARD**

**SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2001**

	<u>CHILD NUTRITION</u>	<u>TITLE I</u>	<u>TITLE VI</u>	<u>DRUG FREE SCHOOL</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 164,663	\$ 113,752	\$ 17,522	\$ 15,068
Receivables	38,418	341,836	49,872	11,575
Inventory	<u>35,117</u>	<u>0</u>	<u>0</u>	<u>0</u>
 <b>TOTAL ASSETS</b>	 <u>238,198</u>	 <u>455,588</u>	 <u>67,394</u>	 <u>26,643</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries & other payables	61,068	122,983	27,394	20,575
Interfund payables	0	332,411	40,000	6,068
Deferred revenues	<u>6,618</u>	<u>194</u>	<u>0</u>	<u>0</u>
 <b>Total Liabilities</b>	 <u>67,686</u>	 <u>455,588</u>	 <u>67,394</u>	 <u>26,643</u>
 <b>Fund Balances:</b>				
Reserved for inventory	28,499	0	0	0
Unreserved and undesignated	<u>142,013</u>	<u>0</u>	<u>0</u>	<u>0</u>
 <b>Total Fund Balances</b>	 <u>170,512</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <u>\$ 238,198</u>	 <u>\$ 455,588</u>	 <u>\$ 67,394</u>	 <u>\$ 26,643</u>

Exhibit 1

TITLE II	SPECIAL ED	VOCATIONAL AND ADULT ED	LOW RENT HOUSING	TOTAL
\$ 5,031	\$ 70,915	\$ 10,272	\$ 2,068	\$ 399,291
1,862	48,947	52,276	0	544,786
0	0	0	0	35,117
6,893	119,862	62,548	2,068	979,194
616	52,773	14,053	0	299,462
6,277	67,089	48,495	0	500,340
0	0	0	2,068	8,880
6,893	119,862	62,548	2,068	808,682
0	0	0	0	28,499
0	0	0	0	142,013
0	0	0	0	170,512
\$ 6,893	\$ 119,862	\$ 62,548	\$ 2,068	\$ 979,194



**JACKSON PARISH SCHOOL BOARD**

**SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2001**

	<u>CHILD NUTRITION</u>	<u>TITLE I</u>	<u>TITLE VI</u>	<u>DRUG FREE SCHOOL</u>
<b>REVENUES</b>				
Local sources:				
Interest earnings	\$ 5,597	\$ 0	\$ 310	\$ 0
Food service	194,225	0	0	0
Other	92	0	0	0
State sources:				
Equalization	203,600	0	0	0
Other	0	0	0	0
Federal sources	651,168	845,570	91,987	25,780
<b>Total Revenues</b>	<u>1,054,682</u>	<u>845,570</u>	<u>92,297</u>	<u>25,780</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Special programs	0	0	0	0
Other instructional programs	0	696,080	91,566	0
Support services:				
Student services	0	0	0	25,780
Instructional staff support	0	142,030	0	0
General administration	0	7,660	531	0
Food services	964,003	0	0	0
<b>Total Expenditures</b>	<u>964,003</u>	<u>845,770</u>	<u>92,097</u>	<u>25,780</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 90,679</u>	<u>\$ (200)</u>	<u>\$ 200</u>	<u>\$ 0</u>



Exhibit 2

TITLE II	SPECIAL ED	VOCATIONAL AND ADULT ED	LOW RENT HOUSING	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	5,907
0	0	0	0	194,225
0	0	0	0	92
0	0	0	0	203,600
0	5,306	67,793	0	73,099
19,812	303,828	35,950	0	1,974,095
19,812	309,134	103,743	0	2,451,018
0	300,392	0	0	300,392
3,624	0	58,108	0	849,378
0	0	0	0	25,780
15,940	0	45,069	0	203,039
248	8,742	566	0	17,747
0	0	0	0	964,003
19,812	309,134	103,743	0	2,360,339
\$ 0	\$ 0	\$ 0	\$ 0	90,679

**JACKSON PARISH SCHOOL BOARD**

**SPECIAL REVENUE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2001**

	<u>CHILD NUTRITION</u>	<u>TITLE I</u>	<u>TITLE VI</u>	<u>DRUG FREE SCHOOL</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	\$ 285	\$ 200	\$ 0	\$ 0
Operating transfers out	<u>(43,692)</u>	<u>0</u>	<u>(200)</u>	<u>0</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(43,407)</u>	<u>200</u>	<u>(200)</u>	<u>0</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	47,272	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	<u>123,240</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 170,512</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Exhibit 2

TITLE II	SPECIAL ED	VOCATIONAL AND ADULT ED	LOW RENT HOUSING	TOTAL
\$ 0	\$ 0	\$ 0	\$ 0	485
0	0	0	0	(43,892)
0	0	0	0	(43,407)
0	0	0	0	47,272
0	0	0	0	123,240
\$ 0	\$ 0	\$ 0	\$ 0	170,512

**Jackson Parish School Board**



**Jackson Parish School Board  
Debt Service Funds**

**CHATHAM BOND**

**QUITMAN BOND**

**WESTON BOND**

**JONESBORO-HODGE BOND**

**JONESBORO-HODGE G/O BOND**

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire land for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the legal boundaries of the respective school districts.

**JACKSON PARISH SCHOOL BOARD**

**DEBT SERVICE FUNDS  
Combining Balance Sheet  
June 30, 2001**

	<u>CHATHAM BOND</u>	<u>QUITMAN BOND</u>	<u>WESTON BOND</u>	<u>JONESBORO - HODGE BOND</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 193,788	\$ 73,597	\$ 251,439	\$ 0
Interfund receivables	<u>0</u>	<u>0</u>	<u>0</u>	<u>494,407</u>
<b>TOTAL ASSETS</b>	<u>193,788</u>	<u>73,597</u>	<u>251,439</u>	<u>494,407</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Interfund payables	<u>76,363</u>	<u>0</u>	<u>0</u>	<u>379,683</u>
<b>Total Liabilities</b>	<u>76,363</u>	<u>0</u>	<u>0</u>	<u>379,683</u>
<b>Fund Balances:</b>				
Reserved for debt service	<u>117,425</u>	<u>73,597</u>	<u>251,439</u>	<u>114,724</u>
<b>Total Fund Balances</b>	<u>117,425</u>	<u>73,597</u>	<u>251,439</u>	<u>114,724</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 193,788</u>	<u>\$ 73,597</u>	<u>\$ 251,439</u>	<u>\$ 494,407</u>



Exhibit 3

JONESBORO - HODGE G/O			
BOND		TOTAL	
\$	803,383	\$	1,322,207
	0		494,407
<u>803,383</u>		<u>1,816,614</u>	
<u>759,210</u>		<u>1,215,256</u>	
<u>759,210</u>		<u>1,215,256</u>	
<u>44,173</u>		<u>601,358</u>	
<u>44,173</u>		<u>601,358</u>	
<u>\$</u>	<u>803,383</u>	<u>\$</u>	<u>1,816,614</u>

**JACKSON PARISH SCHOOL BOARD**

**DEBT SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2001**

	<u>CHATHAM</u> <u>BOND</u>	<u>QUITMAN</u> <u>BOND</u>	<u>WESTON</u> <u>BOND</u>	<u>JONESBORO -</u> <u>HODGE</u> <u>BOND</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 115,697	\$ 102,987	\$ 105,878	\$ 0
Interest earnings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>115,697</u>	<u>102,987</u>	<u>105,878</u>	<u>0</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	100,000	55,000	40,000	0
Interest and bank charges	<u>101,546</u>	<u>52,255</u>	<u>46,943</u>	<u>0</u>
Total Expenditures	<u>201,546</u>	<u>107,255</u>	<u>86,943</u>	<u>0</u>
<b>EXCESS (Deficiency) OF REVENUES</b> <b>OVER EXPENDITURES</b>	<u>(85,849)</u>	<u>(4,268)</u>	<u>18,935</u>	<u>0</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	0	0	0	0
Operating transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(91,133)</u>
<b>Total Other Financing</b> <b>Sources (Uses)</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(91,133)</u>
<b>EXCESS (Deficiency) OF REVENUES</b> <b>AND OTHER SOURCES OVER</b> <b>EXPENDITURES AND OTHER USES</b>	<u>(85,849)</u>	<u>(4,268)</u>	<u>18,935</u>	<u>(91,133)</u>
<b>FUND BALANCES,</b> <b>AT BEGINNING OF YEAR</b>	<u>203,274</u>	<u>77,865</u>	<u>232,504</u>	<u>205,857</u>
<b>FUND BALANCES,</b> <b>AT END OF YEAR</b>	<u>\$ 117,425</u>	<u>\$ 73,597</u>	<u>\$ 251,439</u>	<u>\$ 114,724</u>

Exhibit 4

JONESBORO -  
HODGE G/O

<u>BOND</u>	<u>TOTAL</u>
\$ 0	\$ 324,562
<u>74,255</u>	<u>74,255</u>
<u>74,255</u>	<u>398,817</u>
155,000	350,000
<u>187,949</u>	<u>388,693</u>
<u>342,949</u>	<u>738,693</u>
<u>(268,694)</u>	<u>(339,876)</u>
14,814	14,814
<u>0</u>	<u>(91,133)</u>
<u>14,814</u>	<u>(76,319)</u>
(253,880)	(416,195)
<u>298,053</u>	<u>1,017,553</u>
<u>\$ 44,173</u>	<u>\$ 601,358</u>

**Jackson Parish School Board  
Capital Project Funds**

**QUITMAN CONSTRUCTION**

**JONESBORO-HODGE CONSTRUCTION**

The capital project funds are used to account for the acquisition and/or construction of major capital facilities by the School Board. Proceeds from general obligation bond sales are accounted for in these funds until the capital projects are completed.



JACKSON PARISH SCHOOL BOARD

CAPITAL PROJECTS FUNDS  
Combining Balance Sheet  
June 30, 2001

Exhibit 5

	JONESBORO -		
	QUITMAN	HODGE	
	CONSTRUCTION	CONSTRUCTION	TOTAL
ASSETS			
Cash and cash equivalents	\$ 28,809	\$ 60	\$ 28,869
Interfund receivables	0	731,467	731,467
TOTAL ASSETS	28,809	731,527	760,336
Fund Balances:			
Unreserved - undesignated	28,809	731,527	760,336
Total Fund Balances	\$ 28,809	\$ 731,527	\$ 760,336

**JACKSON PARISH SCHOOL BOARD**

**CAPITAL PROJECTS FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes In Fund Balances  
For the Year Ended June 30, 2001**

**Exhibit 6**

	<b>QUITMAN</b>	<b>JONESBORO -</b>	
	<b>CONSTRUCTION</b>	<b>HODGE</b>	
	<b>CONSTRUCTION</b>	<b>CONSTRUCTION</b>	<b>TOTAL</b>
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 1,592	\$ 713	\$ 2,305
<b>Total Revenues</b>	<u>1,592</u>	<u>713</u>	<u>2,305</u>
<b>EXPENDITURES</b>			
Facilities acquisition and construction	<u>0</u>	<u>1,805,337</u>	<u>1,805,337</u>
<b>Total Expenditures</b>	<u>0</u>	<u>1,805,337</u>	<u>1,805,337</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>1,592</u>	<u>(1,804,624)</u>	<u>(1,803,032)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	0	91,133	91,133
Operating transfers out	<u>0</u>	<u>(14,814)</u>	<u>(14,814)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>76,319</u>	<u>76,319</u>
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	1,592	(1,728,305)	(1,726,713)
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>27,217</u>	<u>2,459,832</u>	<u>2,487,049</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 28,809</u>	<u>\$ 731,527</u>	<u>\$ 760,336</u>

**Jackson Parish School Board  
Agency and Trust Funds**

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

**I. J. ALLEN MEMORIAL SCHOLARSHIP EXPENDABLE TRUST FUND** The trust fund was created on October 1, 1980, by contributions and memorials from the family and friends of the late I. J. Allen. The resources of this fund are used to award a scholarship annually to worthy and needy parish students. The fund is administered by the School Board, but it has no financial interest in the fund.

**JACKSON PARISH SCHOOL BOARD**

**AGENCY AND TRUST FUNDS  
Combining Balance Sheet  
June 30, 2001**

**Exhibit 7**

	<b>SCHOOL ACTIVITIES AGENCY FUND</b>	<b>I. J. ALLEN MEMORIAL SCHOLARSHIP EXPENDABLE TRUST FUND</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 284,579	\$ 183,456	\$ 468,035
<b>Total assets</b>	<u>284,579</u>	<u>183,456</u>	<u>468,035</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Deposits due others	<u>284,579</u>	<u>0</u>	<u>284,579</u>
<b>Total liabilities</b>	<u>284,579</u>	<u>0</u>	<u>284,579</u>
<b>Fund Balance</b>			
Reserved for scholarships	<u>0</u>	<u>183,456</u>	<u>183,456</u>
<b>Total Fund Balance</b>	<u>0</u>	<u>183,456</u>	<u>183,456</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 284,579</u>	<u>\$ 183,456</u>	<u>\$ 468,035</u>



JACKSON PARISH SCHOOL BOARD

Exhibit 8

SCHOOL ACTIVITIES AGENCY FUND  
Schedule of Changes in Deposits Due Others  
For the Year Ended June 30, 2001

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Chatham High	\$ 15,731	\$ 0	\$ 15,731	\$ 0
Chatham-Jasper	0	84,618	68,879	15,739
Hawk Elementary	2,399	19,293	19,438	2,254
Hodge Elementary	5,723	0	5,723	0
Jasper Henderson Elementary	1,783	0	1,783	0
Jonesboro-Hodge Jr. High	19,976	55,438	53,410	22,004
Jonesboro-Hodge Sr. High	39,669	193,875	183,688	49,856
Quitman High	57,473	145,280	141,953	60,800
Southside Elementary	9,372	37,778	42,193	4,957
Weston High	<u>119,715</u>	<u>193,450</u>	<u>184,196</u>	<u>128,969</u>
Total	<u>\$ 271,841</u>	<u>\$ 729,732</u>	<u>\$ 716,994</u>	<u>\$ 284,579</u>

**Jackson Parish School Board  
General**

**Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2001**

**Exhibit 9**

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$400 per month and the President receives \$500 per month.

<u>Board Member</u>	<u>Amount</u>
Rudolph Tarver, President	\$ 6,000
Robert Schmidt	4,800
Charles Cage	4,800
Randall Dark	4,800
Jimmy Golden	4,800
Franklin Kelley	4,800
Doug Latimer	4,800
Gerry Mims	4,800
Calvin Waggoner	4,800
Paul Walsworth	<u>4,800</u>
TOTAL	<u>\$49,200</u>



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1963 - 2000

## **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  
Jackson Parish School Board  
Jonesboro, Louisiana

We have audited the financial statements of Jackson Parish School Board as of and for the year ended June 30, 2001, and have issued our report thereon dated October 17, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

### Compliance

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as items 01-F1, 01-F3, and 01-F5.

### Management Letter Items

We noted certain immaterial instances of noncompliance which we have reported to management of the School Board in a separate letter dated October 17, 2001, included later in this report.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 01-F2, 01-F3, and 01-F4.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

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

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana

October 17, 2001





# ALLEN, GREEN & COMPANY, LLP

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1963 - 2000

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

### **Board Members**

Jackson Parish School Board  
Jonesboro, Louisiana

### **Compliance**

We have audited the compliance of Jackson Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2001. 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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular No. A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2001.

### **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.

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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

*allen, Green + Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana

October 17, 2001

**Jackson Parish School Board  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2001**

<b>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</b>	<b><u>CFDA Number</u></b>	<b><u>Pass-Through Grantor No.</u></b>	<b><u>Expenditures</u></b>
<b>CASH FEDERAL AWARDS</b>			
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
School Breakfast Program	10.553	N/A	\$ 137,720
National School Lunch Program	10.555	N/A	413,043
Summer Food Program for Children	10.559	N/A	47,099
United States Department of Education			
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002	N/A	35,950
Title I Grants to Local Educational Agencies	84.010	01-IASA-25-I	845,570
Special Education:			
Grants to States (Part B)	84.027	01-IB-25	291,812
Preschool Grants	84.173	01-IP-25	12,016
Title VI	84.298	01-IASA-25-VI	10,585
Title II (Eisenhower Professional Development - State Grants)	84.281	01-IASA-25-II	19,812
Safe and Drug Free	84.186	01-IASA-25-IV	25,780
Class Size Reduction	84.340	N/A	81,402
United States Department of Housing and Urban Development			
Passed Through Public Housing Authority:			
Payment in Lieu of Taxes	14.UKN	N/A	<u>11,305</u>
TOTAL CASH FEDERAL AWARDS			<u>1,932,094</u>
<b>NONCASH FEDERAL AWARDS</b>			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution (Commodities)	10.550	N/A	<u>53,306</u>
TOTAL FEDERAL AWARDS			<u><u>\$1,985,400</u></u>

**Jackson Parish School Board**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2001**

**NOTE 1 - GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Jackson 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, are included in the schedule.

**NOTE 2 - BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's general-purpose financial statements.

**NOTE 3 - RELATIONSHIP TO GENERAL-PURPOSE FINANCIAL STATEMENTS** Federal awards revenues are reported in the School Board's general-purpose financial statements as follows:

General fund	\$ 11,305
Special revenue funds:	
Child Nutrition	651,168
Title I	845,570
Title VI	91,987
Drug Free School	25,780
Title II	19,812
Special Ed	303,828
Vocational and Adult Ed	35,950
Total	<u>\$1,985,400</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**NOTE 5 - MATCHING REVENUES** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**NOTE 6 - NONCASH PROGRAMS** The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.



**Jackson Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2001**

**PART I - Summary of the Auditors' Results**

**Financial Statement Audit**

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

The reportable condition disclosed was not considered a material weakness as defined by the Government Auditing Standards.

- iii. There was an instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

**Audit of Federal Awards**

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).

- vii. The major federal programs are:

CFDA #84.010 Title I Grants to Local Educational Agencies

Nutrition Cluster

CFDA #10.553 School Breakfast Program

CFDA #10.555 National School Lunch Program

- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

**Jackson Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2001**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Reference # and title:**    **01-F1**            **Seventy Percent General Fund Instruction Requirement**

**Entity-wide or program /department-specific:** This finding is entity-wide.

**Criteria or specific requirement:** Louisiana Senate Concurrent Resolution #142 of the 1993 Regular Session mandates that at least 70% of General Fund expenditures must be spent for instructional purposes.

**Condition:** Expenditures for instructional purposes totaled 66% of the total General Fund dollars spent. This does not meet the 70% requirement.

**Possible asserted effect (cause and effect):**

**Cause:**    The reason for the non-compliance is unknown.

**Effect:**    The school board is in violation of the state requirement.

**Recommendation to prevent future occurrences:** The School Board should review expenditures on a quarterly or as-needed basis in order to ensure instructional expenses meet the 70% threshold.

**Reference # and title:**    **01-F2**            **Lack of Separation of Duties**

**Entity-wide or program/department specific:** This finding is entity-wide.

**Criteria or specific requirement:** Good internal controls dictate that job responsibilities should be structured in such a way that if errors and/or irregularities occurred, they could be detected in a timely manner.

**Condition found:** The accountant is performing incompatible duties. He presently issues all checks (with the exception of payroll), posts items to the general ledger, reconciles all the bank statements, receives all revenues and takes the deposits to the bank.

**Possible asserted effect (cause and effect):**

**Cause:**    Unknown.

**Effect:**    The job duties of the accountant are currently incompatible and compromise the internal controls for revenue and expenses.

**Recommendations to prevent future occurrences:** The School Board should review the current duties of its business department and attempt to separate duties of the accounting cycles.

**Jackson Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2001**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Reference # and title:**    **01-F3**            **Fixed Assets**

**Entity-wide or program/department specific:** This finding is entity-wide.

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

Internal control requires a complete and accurate listing.

**Condition found:** The School Board does maintain an asset listing; however, updates to the listing are not being made on a regular basis. Four schools were selected for testing (10 items per school per test) and the following were noted:

**A.     Trace from Asset Listing to Item**

1. Quitman - two computers could not be located.
2. Jonesboro Jr. High - two of the items had been discarded. One computer could not be located.
3. Southside - one item was located but had the wrong tag number.
4. Hawk - one item had been transferred to another school. Another item had been discarded or transferred.

**B. Trace from Item to Asset Listing**

1. Quitman - four items could not be found on the asset listing.
2. Jonesboro Jr. High - four items could not be found on the asset listing.
3. Southside - four items could not be found on the asset listing.
4. Hawk - four items could not be found on the asset listing.

**Proper perspective for judging the prevalence and consequences:** At June 30, 2001, the School Board's fixed assets book value was \$33,097,119.

**Possible asserted effect (cause and effect):**

**Cause:** There is no centralized tracking system for assets. Each school is responsible for submitting documentation for additions and deletions as well as tagging the equipment.

**Effect:** The School Board is not in compliance with LSA-R.S. 24:515(B)(1) which requires the School Board to maintain records of all land buildings, improvements other than buildings, equipment, and other general fixed assets. Current fixed asset listings are inaccurate and incomplete.

**Recommendations to prevent future occurrences:** The School Board should update their comprehensive fixed asset listing by location and continue to update it for additions and deletions in a timely manner.

**Reference # and title:**    **01-F4**            **Rubber Stamp**

**Entity-wide or program/department-specific:** This finding is entity-wide.

**Jackson Parish School Board  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2001**

**PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Criteria or specific requirement:** Good internal control discourages the use of rubber stamp for purposes of signing government documents.

**Condition:** Rubber stamps are being used for the School Board president's signature on vendor checks and superintendent's signature on payroll checks. This practice is less desirable than using the check signing machine that the School Board owns.

**Possible asserted effect (cause and effect):**

**Cause:** The rubber stamp is being used to expedite the issuance of checks.

**Effect:** The use of a rubber stamp for signature purposes provides a weak internal control system.

**Recommendations to prevent future occurrences:** The School Board should use the check signing machine for purpose of signing checks.

**Reference # and title:    01-F5            5% Budget Variances**

**Entity-wide or program/department specific:** This finding is specific to the special revenue funds - Title I, Title VI, Drug Free School, Title II, Special Ed, and Vocational and Adult Ed.

**Criteria or specific requirement:** LSA-R.S. 39:1310 requires the chief executive or administrative officer to advise the governing authority or independently elected official in writing when total expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more.

**Condition found:** The School Board had the following unfavorable budget variances for expenditures which exceeded 5%:

<u>Special Revenue Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Budget</u>
Title VI	\$81,764	\$ 92,097	\$10,333
Drug Free School	13,787	25,780	11,993
Vocational and Adult Ed	54,879	103,743	48,864

The School Board also budgeted deficit fund balances in their Special Ed, Title I, and School Lunch funds.

**Proper perspective for judging the prevalence and consequences:** The School Board is required by state statute to adopt budgets for the general fund and all special revenue funds.

**Possible asserted effect (cause and effect):**

**Cause:** Unknown.

**Effect:** The School Board is in violation of LSA-R.S. 39:1310.

**Recommendations to prevent future occurrences:** The School Board should monitor expenditures and amend budgets as needed.



**Jackson Parish School Board  
Corrective Action Plan For Current-Year Audit Findings  
For the Year Ended June 30, 2001**

**Reference # and title:    01-F1                    Seventy Percent General Fund Instruction Requirement**

**Condition:** Expenditures for instructional purposes totaled 66% of the total General Fund dollars spent. This does not meet the 70% requirement.

**Corrective action planned:** Recommend to the finance committee that instructional spending be monitored monthly. This will ensure that proper attention is given to this area.

**Contact person responsible for corrective action:**

Gloria Moore, Business Manager	Telephone: (318) 259-4456
Jackson Parish School Board	Fax: (318) 259-2527
P. O. Box 705	
Jonesboro, Louisiana 71251-0705	

**Anticipated completion date:** June 30, 2002.

**Reference # and title:    01-F2                    Lack of Separation of Duties**

**Condition:** The accountant is performing incompatible duties. He presently issues all checks (with the exception of payroll), posts items to the general ledger, reconciles all the bank statements, receives all revenues and takes the deposits to the bank.

**Corrective action planned:** The business manager and the superintendent will review the accountant duties and separate areas of responsibility according to the funds that are handled.

**Contact person responsible for corrective action:**

Gloria Moore, Business Manager	Telephone: (318) 259-4456
Jackson Parish School Board	Fax: (318) 259-2527
P. O. Box 705	
Jonesboro, Louisiana 71251-0705	

**Anticipated completion date:** June 30, 2002.

**Reference # and title:    01-F3                    Fixed Assets**

**Condition:** The School Board does maintain an asset listing; however, updates to the listing are not being made on a regular basis. Four schools were selected for testing (10 items per school per test) and the following were noted:

**A.    Trace from Asset Listing to Item**

1. Quitman - two computers could not be located.
2. Jonesboro Jr. High - two of the items had been discarded. One computer could not be located.
3. Southside - one item was located but had the wrong tag number.
4. Hawk - one item had been transferred to another school. Another item had been discarded or transferred.

**B. Trace from Item to Asset Listing**

1. Quitman - four items could not be found on the asset listing.
2. Jonesboro Jr. High - four items could not be found on the asset listing.
3. Southside - four items could not be found on the asset listing.



**Jackson Parish School Board  
Corrective Action Plan For Current-Year Audit Findings  
For the Year Ended June 30, 2001**

4. Hawk - four items could not be found on the asset listing.

**Corrective action planned:** The School Board is in the process of converting the fixed assets program to a version in line with new GASB 34. Further, the School Board has reconstructed personnel. A specific person has been assigned to handle this responsibility.

**Contact person responsible for corrective action:**

Gloria Moore, Business Manager	Telephone: (318) 259-4456
Jackson Parish School Board	Fax: (318) 259-2527
P. O. Box 705	
Jonesboro, Louisiana 71251-0705	

**Anticipated completion date:** June 30, 2002.

**Reference # and title:**    **01-F4**                      **Rubber Stamp**

**Condition:** Rubber stamps are being used for the School Board president's signature on checks. Two stamps are being used; one by the business manager and one by the Superintendent's secretary.

**Corrective action planned:** The School Board sought legal advice before utilizing the rubber stamp. However, in lieu of the internal control violation, the School Board will stop immediately the use of the rubber stamp for signing vendor checks.

**Contact person responsible for corrective action:**

Gloria Moore, Business Manager	Telephone: (318) 259-4456
Jackson Parish School Board	Fax: (318) 259-2527
P. O. Box 705	
Jonesboro, Louisiana 71251-0705	

**Anticipated completion date:** June 30, 2002.

**Reference # and title:**    **01-F5**                      **5% Budget Variances**

**Condition:** The School Board had the following unfavorable budget variances for expenditures which exceeded 5%:

<u>Special Revenue Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Budget</u>
Title VI	\$81,764	\$ 92,097	\$10,333
Drug Free School	13,787	25,780	11,993
Vocational and Adult Ed	54,879	103,743	48,864

The School Board also budgeted deficit fund balances in the Special Ed, Title I, and School Lunch funds.

**Corrective action planned:** We will monitor all budgets to prevent this from happening again.

**Contact person responsible for corrective action:**

Gloria Moore, Business Manager	Telephone: (318) 259-4456
Jackson Parish School Board	Fax: (318) 259-2527
P. O. Box 705	
Jonesboro, Louisiana 71251-0705	

**Anticipated completion date:** June 30, 2002.



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1963 - 2000

## Management Letter

Board Members  
Jackson Parish School Board  
Jonesboro, Louisiana

In planning and performing our audit of the general-purpose financial statements of the Jackson Parish School Board for the year ended June 30, 2001, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving the internal control that is presented for your consideration. This letter does not affect our report dated October 17, 2001, on the financial statements of the School Board. We will review the status of this comment 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 or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendations. Management's response has also been included. We have performed no audit work to verify the content of the response.

### 01-M1 Vocational Studies Allocation

**Comment:** There are four courses taught in agriscience in four separate schools. None of the four schools received the required \$50 per student. Each school received a total of \$45 per student.

**Recommendation:** The School Board should make certain that all agriculture-related vocational programs receive the required \$50 per student prior to allocating any remaining vocational funds.

**Management's Response:** The School Board will review its calculation of the \$50 per student allocation, and make the necessary correction to ensure each school receives its total share per student.

### 01-M2 No I-9s in Personnel Files

**Comment:** A total of thirty-one employee personnel files were reviewed for evidence of the I-9 form. Fifteen of the folders contained no I-9 forms nor other evidence to substantiate their employability.

**Recommendation:** The payroll/office staff should implement completion on I-9s for all current and future employees.

**Management's Response:** The payroll/office staff currently includes an I-9 as part of each new employee's package. Further, the School Board will go back and have each employee hired before 1986 complete an I-9 form.

### **01-M3 Cash Disbursements to Vendors**

**Comment:** Twenty-nine transactions were chosen for testing vendor disbursements. The following conditions were found:

1. Eleven invoices were not canceled to prevent duplicate payments.
2. One invoice amount differed from the amount of the check.
3. Three payments were made using either copies of invoices or statements.
4. One payment was made without evidence of receipt.

**Recommendation:** Management should review current policies regarding vendor disbursement and make any necessary changes in order to ensure proper documentation for payments.

**Management's Response:** Each invoice paid will be hand canceled. Further, since some invoices are paid from different funds, a copy of each check paid from different funds will be attached to the invoice.

\* \* \* \* \*

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

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

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Monroe, Louisiana  
October 17, 2001