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**ST. HELENA PARISH SCHOOL BOARD
GREENSBURG, LOUISIANA**

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

Release Date FEB 4 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 1998

**Bruno
& Tervalon**

CERTIFIED PUBLIC ACCOUNTANTS

**ST. HELENA PARISH SCHOOL BOARD
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1998**

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INDEPENDENT AUDITORS' REPORT

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana

We have audited the general purpose financial statements of the **St. Helena Parish School Board (the School Board)**, as of and for the year ended June 30, 1998, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the management of the **School Board**. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana
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Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosures of certain matters regarding the year 2000 issue. **The School Board** has included such disclosures in Note 16. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support **the School Board's** disclosures with respect to the year 2000 issue made in Note 16. Further, we do not provide assurance that **the School Board** is or will be year 2000 ready, that **the School Board's** year 2000 remediation efforts will be successful in whole or in part, or that parties with which **the School Board** does business will be year 2000 ready.

As discussed in Note 1, we have been unable to satisfy ourselves concerning a portion of the cost or estimated cost of fixed assets because detailed records and documentation of historical and estimated costs are not available.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to verify the cost or estimated cost of fixed assets, and examine evidence regarding the year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the **St. Helena Parish School Board**, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana
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In accordance with Government Auditing Standards, we have also issued our report, dated December 4, 1998, on our consideration of **the School Board's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining financial statements listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the **St. Helena Parish School Board**. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Bruno & Tervalon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 4, 1998

ST. HELENA PARISH SCHOOL BOARD
COMBINED BALANCE SHEET--ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1998

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE			ACCOUNT GROUPS		
	General	Special Revenue	Capital Projects	Agency Fund	General Fixed Assets	General Long-term Debt	Total (Memorandum Only)		
Cash & cash equivalents (NOTES 1(E) & 3)	\$ 158,127	\$ 364,315	\$ 662,873	\$ 35,541	\$ -0-	\$ -0-	\$ 1,220,856		
Due from other governments (NOTE 4)	225,030	135,034	-0-	-0-	-0-	-0-	360,064		
Due from other funds (NOTE 9)	127,422	-0-	-0-	-0-	-0-	-0-	127,422		
Inventory (NOTE 1(G))	-0-	7,137	-0-	-0-	-0-	-0-	7,137		
Prepaid expenses	22,227	-0-	-0-	-0-	-0-	-0-	22,227		
Investments (NOTE 1(F))	-0-	-0-	1,525,000	-0-	-0-	-0-	1,525,000		
Property, plant and equipment (NOTE 5)	-0-	-0-	-0-	-0-	6,160,317	-0-	6,160,317		
Other Debits:									
Amount to be provided for retirement of general long-term debt	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,328,627	2,328,627
Total assets and other debits	\$ 532,806	\$ 506,486	\$ 2,187,873	\$ 35,541	\$ 6,160,317	\$ 2,328,627	\$11,751,650		
LIABILITIES, EQUITY AND OTHER CREDITS									
Liabilities:									
Accounts payable	\$ 24,029	\$ 16,986	\$ 21,116	\$ -0-	\$ -0-	\$ -0-	\$ 62,131		
Salaries, wages and payroll taxes liabilities	318,425	41,708	-0-	-0-	-0-	-0-	360,133		
Due to other funds (NOTE 9)	-0-	127,422	-0-	-0-	-0-	-0-	127,422		
Due to student groups	-0-	-0-	-0-	35,541	-0-	-0-	35,541		
Accrued compensation absences (NOTES 1(J) & 8)	-0-	-0-	-0-	-0-	-0-	-0-	317,975		
EPA note payable (NOTE 8)	-0-	-0-	-0-	-0-	-0-	-0-	40,070		
Estimated liabilities for claims and judgments (NOTES 1 & 8 (K))	-0-	-0-	-0-	-0-	-0-	-0-	45,968		
Capital lease (NOTE 8)	-0-	-0-	-0-	-0-	-0-	-0-	18,614		
Certificates of indebtedness (NOTES 8 & 15)	-0-	-0-	-0-	-0-	-0-	-0-	1,906,000		
Total liabilities	342,454	186,116	21,116	35,541	-0-	-0-	2,913,854		

(CONTINUED)

See Accompanying Notes to the General Purpose Financial Statements.

ST. HELENA PARISH SCHOOL BOARD
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS, CONTINUED
 JUNE 30, 1998

	GOVERNMENTAL			FIDUCIARY			Total (Memorandum Only)
	General	Special Revenue	Capital Projects	Agency Fund	General Fixed Assets	General Long-term Debt	
<u>EQUITY AND OTHER CREDITS</u>							
Equity and Other Credits:							
Investment in general fixed assets	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 6,160,317	\$ -0-	\$ 6,160,317
Fund Balance:							
Unreserved:							
Undesignated	190,352	320,370	-0-	-0-	-0-	-0-	510,722
Designated for subsequent years' expenditures	<u>-0-</u>	<u>-0-</u>	<u>2,166,757</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>2,166,757</u>
Total equity and other credits	<u>190,352</u>	<u>320,370</u>	<u>2,166,757</u>	<u>-0-</u>	<u>6,160,317</u>	<u>-0-</u>	<u>8,837,796</u>
Total liabilities, equity and other credits	\$ <u>532,806</u>	\$ <u>506,486</u>	\$ <u>2,187,873</u>	\$ <u>35,541</u>	\$ <u>6,160,317</u>	\$ <u>2,328,627</u>	\$ <u>11,751,650</u>

See Accompanying Notes to the General Purpose Financial Statements.

ST. HELENA PARISH SCHOOL BOARD
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1998

<u>REVENUES</u>	<u>GOVERNMENTAL FUND TYPES</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Local Sources:				
Ad valorem taxes (NOTE 2)	\$ 366,862	\$ -0-	\$ 131,873	\$ 498,735
Sales taxes (NOTE 2)	-0-	554,804	171,494	726,298
Tuition	3,750	-0-	-0-	3,750
Food services	-0-	31,201	-0-	31,201
Interest	15,316	7,197	3,024	25,537
Earnings on investments	2,942	-0-	-0-	2,942
Other	<u>59,733</u>	<u>2,583</u>	<u>-0-</u>	<u>62,316</u>
Total revenues from local sources	<u>448,603</u>	<u>595,785</u>	<u>306,391</u>	<u>1,350,779</u>
State Sources:				
Unrestricted grants-in-aid	5,561,292	-0-	-0-	5,561,292
Restricted grants-in-aid	446,372	36,279	-0-	482,651
Revenue sharing	<u>37,337</u>	<u>-0-</u>	<u>-0-</u>	<u>37,337</u>
Total revenues from state sources	<u>6,045,001</u>	<u>36,279</u>	<u>-0-</u>	<u>6,081,280</u>
Federal sources	<u>-0-</u>	<u>1,613,088</u>	<u>-0-</u>	<u>1,613,088</u>
Total revenues	<u>6,493,604</u>	<u>2,245,152</u>	<u>306,391</u>	<u>9,045,147</u>

(CONTINUED)

See Accompanying Notes to the General Purpose Financial Statements.

ST. HELENA PARISH SCHOOL BOARD
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES--ALL GOVERNMENTAL FUND TYPES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 1998

<u>EXPENDITURES</u>	<u>GOVERNMENTAL FUND TYPES</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Current:				
Instructional:				
Regular	\$ 2,756,851	\$ 146,491	\$ -0-	\$ 2,903,342
Special	769,110	168,239	-0-	937,349
Vocational education	214,972	42,981	-0-	257,953
Other	<u>147,715</u>	<u>541,051</u>	<u>-0-</u>	<u>688,766</u>
Total instructional expenditures	<u>3,888,648</u>	<u>898,762</u>	<u>-0-</u>	<u>4,787,410</u>
Support services:				
Pupils	245,849	77,043	-0-	322,892
Instructional staff	232,102	214,162	-0-	446,264
General administration	214,425	21,767	9,551	245,743
School administration	393,338	17,110	172	410,620
Business services	151,309	13,440	-0-	164,749
Plant services	456,788	88,391	-0-	545,179
Student transportation services	736,396	67,089	-0-	803,485
Central services	<u>13,177</u>	<u>2,140</u>	<u>-0-</u>	<u>15,317</u>
Total support services expenditures	<u>2,443,384</u>	<u>501,142</u>	<u>9,723</u>	<u>2,954,249</u>
Food services	15,280	686,052	-0-	701,332
Community services	1,150	2,463	-0-	3,613
Facility acquisition and construction	139,469	88,096	14,795	242,360
Debt Service:				
Principal retirement	17,494	-0-	-0-	17,494
Interest	1,009	-0-	-0-	1,009
Bond issuance costs	<u>-0-</u>	<u>-0-</u>	<u>21,116</u>	<u>21,116</u>
Total expenditures	<u>6,506,434</u>	<u>2,176,515</u>	<u>45,634</u>	<u>8,728,583</u>
Excess (deficiency) of revenues over expenditures	<u>(12,830)</u>	<u>68,637</u>	<u>260,757</u>	<u>316,564</u>

(CONTINUED)

See Accompanying Notes to the General Purpose Financial Statements.

ST. HELENA PARISH SCHOOL BOARD
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES--ALL GOVERNMENTAL FUND TYPES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 1998

<u>OTHER FINANCING SOURCES (USES)</u>	<u>GOVERNMENTAL FUND TYPES</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Bond proceeds	\$ -0-	\$ -0-	\$ 1,906,000	\$ 1,906,000
Operating transfers in (NOTE 10)	21,349	52,927	-0-	74,276
Operating transfers out (NOTE 10)	<u>(52,927)</u>	<u>(21,349)</u>	<u>-0-</u>	<u>(74,276)</u>
Total other financing sources (uses)	<u>(31,578)</u>	<u>31,578</u>	<u>1,906,000</u>	<u>1,906,000</u>
Excess (deficiency) revenues and other financing sources over expenditures and other financing uses	(44,408)	100,215	2,166,757	2,222,564
Fund balances at beginning of year	<u>234,760</u>	<u>220,155</u>	<u>-0-</u>	<u>454,915</u>
Fund balances at end of year	\$ <u><u>190,352</u></u>	\$ <u><u>320,370</u></u>	\$ <u><u>2,166,757</u></u>	\$ <u><u>2,677,479</u></u>

See Accompanying Notes to the General Purpose Financial Statements.

ST. HELENA PARISH SCHOOL BOARD
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
(GAAP BASIS)—GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1998

	GENERAL FUND			SPECIAL REVENUE FUND			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
REVENUES:							
Local Sources:							
Ad valorem taxes	\$ 361,000	\$ 366,862	\$ 5,862	\$ -0-	\$ -0-	\$ -0-	
Sales taxes	-0-	-0-	-0-	467,100	554,804	87,704	
Tuition	3,750	3,750	-0-	-0-	-0-	-0-	
Food services	-0-	-0-	-0-	38,672	31,201	(7,471)	
Interest	15,000	15,316	316	-0-	7,197	7,197	
Earnings on investments	3,200	2,942	(258)	-0-	-0-	-0-	
Other	<u>55,968</u>	<u>59,733</u>	<u>3,765</u>	<u>-0-</u>	<u>2,583</u>	<u>2,583</u>	
Total revenues from local sources	<u>438,918</u>	<u>448,603</u>	<u>9,685</u>	<u>505,772</u>	<u>595,785</u>	<u>90,013</u>	
State Sources:							
Unrestricted grants-in-aid	5,561,292	5,561,292	-0-	-0-	-0-	-0-	
Restricted grants-in-aid	459,967	446,372	(13,595)	32,452	36,279	3,827	
Revenue sharing	<u>40,000</u>	<u>37,337</u>	<u>(2,663)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	
Total revenues from state sources	<u>6,061,259</u>	<u>6,045,001</u>	<u>(16,258)</u>	<u>32,452</u>	<u>36,279</u>	<u>3,827</u>	
Total revenues from federal sources	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,407,177</u>	<u>1,613,088</u>	<u>205,911</u>	
Total revenues	<u>6,500,177</u>	<u>6,493,604</u>	<u>(6,573)</u>	<u>1,945,401</u>	<u>2,245,152</u>	<u>299,751</u>	

(CONTINUED)

See Accompanying Notes to General Purpose Financial Statements.

ST. HELENA PARISH SCHOOL BOARD
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
(GAAP BASIS)—GENERAL AND SPECIAL REVENUE FUND TYPES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 1998

	GENERAL FUND		SPECIAL REVENUE FUND		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
EXPENDITURES:					
Current:					
Instructional:					
Regular	\$ 2,794,908	\$ 2,756,851	\$ 38,057	\$ 146,491	\$ (18,184)
Special	752,424	769,110	(16,686)	168,239	(9,039)
Vocational education	212,708	214,972	(2,264)	42,981	(1,216)
Other	<u>153,311</u>	<u>147,715</u>	<u>5,596</u>	<u>541,051</u>	<u>59,833</u>
Total instructional expenditures	<u>3,913,351</u>	<u>3,888,648</u>	<u>24,703</u>	<u>898,762</u>	<u>31,394</u>
Support services:					
Pupils	247,402	245,849	1,553	77,043	(14,918)
Instructional staff	233,198	232,102	1,096	214,162	43,487
General administration	219,827	214,425	5,402	21,767	(3,744)
School administration	391,378	393,338	(1,960)	17,110	(1,662)
Business services	152,759	151,309	1,450	13,440	(3,478)
Plant services	478,791	456,788	22,003	88,391	(42,176)
Student transportation services	735,370	736,396	(1,026)	67,089	(9,587)
Central services	<u>14,000</u>	<u>13,177</u>	<u>823</u>	<u>2,140</u>	<u>(2,140)</u>
Total support services expenditures	<u>2,472,725</u>	<u>2,443,384</u>	<u>29,341</u>	<u>466,924</u>	<u>(34,218)</u>

(CONTINUED)

See Accompanying Notes to the General Purpose Financial Statements.

ST. HELENA PARISH SCHOOL BOARD
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES--BUDGET AND ACTUAL
 (GAAP BASIS)--GENERAL AND SPECIAL REVENUE FUND TYPES, CONTINUED
 FOR THE YEAR ENDED JUNE 30, 1998

	GENERAL FUND		SPECIAL REVENUE FUND (NOTE 1(D))		Variance
	Budget	Actual	Budget	Actual	Favorable (Unfavorable)
EXPENDITURES, CONTINUED:					
Current, Continued:					
Food services	\$ 14,385	\$ 15,280	\$ (895)	\$ 687,014	\$ 962
Community services	1,150	1,150	-0-	2,463	(2,463)
Facility acquisition and construction	138,970	139,469	(499)	88,096	(88,096)
Debt Service:					
Principal retirement	8,157	17,494	(9,337)	-0-	-0-
Interest	-0-	1,009	(1,009)	-0-	-0-
Total expenditures	<u>6,548,738</u>	<u>6,506,434</u>	<u>42,304</u>	<u>2,084,094</u>	<u>(92,421)</u>
Excess (deficiency) of revenues over expenditures	<u>(48,561)</u>	<u>(12,830)</u>	<u>35,731</u>	<u>(138,693)</u>	<u>207,330</u>

(CONTINUED)

See Accompanying Notes to the General Purpose Financial Statements.

ST. HELENA PARISH SCHOOL BOARD
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES—BUDGET AND ACTUAL
 (GAAP BASIS)—GENERAL AND SPECIAL REVENUE FUND TYPES, CONTINUED
 FOR THE YEAR ENDED JUNE 30, 1998

	GENERAL FUND		SPECIAL REVENUE FUND (NOTE 1(D))		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
OTHER FINANCING SOURCES (USES)					
Operating transfers in	\$ -0-	\$ 21,349	\$ -0-	\$ 52,927	\$ 52,927
Operating transfers out	<u>(47,120)</u>	<u>(52,927)</u>	<u>(23,258)</u>	<u>(21,349)</u>	<u>1,909</u>
Total other financing sources (uses)	<u>(47,120)</u>	<u>(31,578)</u>	<u>(23,258)</u>	<u>31,578</u>	<u>54,836</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(95,681)	(44,408)	(161,951)	100,215	262,166
Fund balances at beginning of year	<u>234,760</u>	<u>234,760</u>	<u>220,155</u>	<u>220,155</u>	<u>-0-</u>
Fund balances at end of year	<u>\$ 139,079</u>	<u>\$ 190,352</u>	<u>\$ 58,204</u>	<u>\$ 320,370</u>	<u>\$ 262,166</u>

See Accompanying Notes to the General Purpose Financial Statements.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - Summary of Significant Accounting Policies:

The accounting policies of **St. Helena Parish School Board (the School Board)** conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

(A) Basis of Presentation - Fund Accounting

The accounts of **the School Board** are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures, as appropriate. Resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by **the School Board**:

Governmental Fund Types

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

- General Fund - The General Fund is the general operating fund of **the School Board** and accounts for all revenues and expenditures of **the School Board** not encompassed within other funds.

General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - Summary of Significant Accounting Policies, Continued:

(A) Basis of Presentation - Fund Accounting, Continued

- Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital Projects Fund - The Capital Projects Fund is used to account for the receipt and disbursement of the proceeds of bond issues and other special or designated revenues used for the acquisition or construction of major capital facilities, renovations and major repairs.

Fiduciary Fund Type

The Student Activity Fund, an agency fund, accounts for the receipts and disbursement of monies from student activity organizations. **The School Board's** responsibilities for this fund are to safeguard the fund's assets and provide guidelines for revenues, expenses and financial accountability.

Account Groups

General Fixed Assets Account Group - This account group is established to account for all fixed assets of **the School Board**.

General Long-term Debt Account Group - This account group is established to account for all long-term debt of **the School Board** and for those long-term liabilities to be liquidated with resources to be provided in future periods.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - Summary of Significant Accounting Policies, Continued:

(B) Basis Accounting

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

The modified accrual basis of accounting is followed by the governmental fund types and the agency fund. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable.

Revenues from local sources consist primarily of property and sales taxes. Property taxes are recorded in the year the taxes are due and payable. Sales and use tax revenues are recorded in the month collected by the **School Board**.

Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant; and, accordingly, when such funds are received, they are recorded as deferred revenues until earned.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - Summary of Significant Accounting Policies, Continued:

(C) Reporting Entity

The School Board is a political subdivision created for providing public education to the citizens of St. Helena Parish under Louisiana Revised Statutes 17:51 and 17:121, as amended. **The School Board** has the power to sue and be sued, and to make rules and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the State Board of Elementary and Secondary Education. **The School Board** is presently composed of six (6) members elected by districts serving four (4) year terms.

The School Board is authorized to establish public schools as it deems necessary to provide adequate facilities for the citizens of the parish, to determine the number of teachers to be employed and to determine local supplements to their salaries. Accordingly, under GASB No. 14, **the School Board** is considered a primary government and does not include any component units. **The School Board** members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. These financial statements include all of the funds and account groups and all activities considered to be part of or controlled by **the School Board**.

The School Board is composed of a central office and three (3) schools. Student enrollment for the 1997-98 year was 1,548 regular and special education students. **The School Board** employs approximately 240 persons (full time) of which approximately 91% are directly employed at school sites; and the other 9% provide ancillary support such as general administration, repair and maintenance, bus transportation and financial services. The regular school term begins in early August and runs through late May.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - Summary of Significant Accounting Policies, Continued:

(D) Budgetary Data

The School Board employs the following procedures in establishing the budgetary data recorded in the general purpose financial statements:

1. Annually, the Superintendent of Schools submits to **the School Board** a proposed annual budget of expected revenues and expenditures for the General Fund and Special Revenue Funds. Legally adopted budgets are only required for the General Fund and the Special Revenue Funds. The budgets are prepared under the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP").
2. A public hearing is advertised and conducted to obtain public input and the proposed budgets are published.
3. The budget is adopted by **the School Board** and, as required, is submitted no later than September 30th to the State Department of Education for approval.
4. The Superintendent is authorized to move budgeted items within line items in the District's approved General Fund Budget but he (she) may not increase the total amount authorized. If during the course of the fiscal year, it becomes evident that estimated revenues, expenditures or beginning fund balance may vary substantially (5%) from the amounts budgeted, then the Superintendent shall inform the Board of the shortfall. Based on the information submitted, **the School Board** will adopt an amended budget according to the procedures set forth by the State Legislature R.S. 39:1309 and 1310, and send a copy of the revision to the Louisiana Superintendent of Education. Other budget revisions are submitted to **the School Board** for approval.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - Summary of Significant Accounting Policies, Continued:

(D) Budgetary Data, Continued

5. Special Revenue Fund budgets may not exceed budgeted amounts by more than 5% unless a budget revision is approved by the State Department of Education.
6. Projects of the Capital Projects Fund remain programmed and funded until completed or until **the School Board** decides to eliminate the project. Accordingly, budget and actual comparisons are not reported in the general purpose financial statements for this fund.
7. Appropriations are valid only for the year in which made, and any part of such appropriation which is not expensed lapses at the end of the year. Encumbrances are not recognized within the accounting records for budgetary control purposes. The level of control over the budget is exercised at the department or program for the General Fund and Special Revenue Funds.
8. All budgeted amounts presented in the general purpose financial statements include the original adopted budget and all subsequent amendments, except certain Special Revenue Fund budgets that were not adopted.

(E) CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. 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, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - Summary of Significant Accounting Policies, Continued:

(F) INVESTMENTS

Investments include a certificate of deposit with an original maturity over ninety (90) days. The **School Board's** certificate of deposit is a Category 3 investment according to the provisions of GASB Statement 3. **The School Board** considers the carrying amount of the certificate of deposit to approximate fair value.

(G) INVENTORY

Inventory of the Child Nutrition 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 expenses when consumed. All purchased inventory items are valued at cost, and commodities are assigned values based on information provided by the United States Department of Agriculture.

(H) FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. Detailed property records are maintained except for certain prior year records and supporting data that are not available to determine historical costs. Fixed assets are reported at historical cost or, if the cost is not practicably determinable, at estimated historical cost. In accordance with generally accepted accounting principles, no provision is made for depreciation of such assets in the General Fixed Assets Account Group.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - Summary of Significant Accounting Policies, Continued:

(I) TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS

The total columns presented in the combined financial statements are captioned Memorandum Only to indicate that they are presented only to facilitate analysis. No consolidating entries or other eliminations were made in the aggregation of the totals; thus, they do not present consolidated information and do not purport to present financial position and results of operations in conformity with generally accepted accounting principles.

(J) COMPENSATED ABSENCES

All 12-month employees earn from 10 to 20 days of vacation (annual) leave each year, depending on length of service with the **School Board**. Only 10 days may be carried over at the end of the fiscal year. Unlimited vacation leave can be accumulated and used at the time of retirement.

All school board employees earn from 10 to 18 days of sick leave each year, depending upon the number of months employed. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers Retirement System and for sick leave earned under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1 - Summary of Significant Accounting Policies, Continued:

(J) COMPENSATED ABSENCES, CONTINUE

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

The cost of leave privileges, computed in accordance with the Governmental Accounting Standards Board's (GASB's) Codification, Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when employees or their heirs are paid for accrued leave upon retirement or death. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

At June 30, 1998, employees of **the School Board** have accumulated and vested \$317,975 of employees' leave benefits, computed in accordance with the GASB's Codification, Section C60, and recorded as compensated absences payable within the general long-term debt account group.

(K) CLAIMS AND JUDGMENTS

The School Board provides for losses resulting from claims and judgments. The criteria established in the GASB's Codification, Section C50 were followed in determining the accrued liability.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 2 - Property and Sales Taxes:

Ad Valorem taxes 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.

The School Board is authorized to collect, within St. Helena Parish, one and one-half percent sales and use taxes that are dedicated to the payment of salaries and related benefits of all school employees. Also, **the School Board** is authorized to collect, within St. Helena parish, one-half percent sales and use taxes that are dedicated to pay for capital improvements of public schools in St. Helena Parish.

On February 11, 1992, **the School Board** approved St. Helena Parish Sheriff as sales tax collector, for a fee of 3% of the tax collections, beginning April 1, 1992. The Sheriff collects the sales tax for all of St. Helena Parish and remits to **the School Board** its two percent.

NOTE 3 - Cash and Cash Equivalents:

At June 30, 1998, **the School Board** has cash (book balances) totaling \$1,220,856.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1998, **the School Board** has \$3,466,294 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$3,428,503 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 3 - Cash, Continued:

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the **School Board** that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - Due From Other Governments:

Amounts due from other governments consist of receivables for reimbursement of expenditures under various Federal and State programs and grants. All amounts are expected to be collected within the next twelve months.

NOTE 5 - Property, Plant and Equipment:

A summary of changes in general fixed assets for fiscal 1998 is as follows:

	<u>Balance</u> <u>July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1998</u>
Land	\$ 125,000	\$ -0-	\$ -0-	\$ 125,000
Buildings and improvements	2,869,796	234,110	-0-	3,103,906
Furniture and equipment	2,675,653	240,963	-0-	2,916,616
Construction in progress	<u>32,054</u>	<u>14,795</u>	<u>(32,054)</u>	<u>14,795</u>
Total	<u>\$5,702,503</u>	<u>\$489,868</u>	<u>\$ (32,054)</u>	<u>\$ 6,160,317</u>

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 6 - Pension Plan:

At June 30, 1998, **the School Board's** employees participate in three separate defined benefit pension plans, the Teachers' Retirement System of Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS) and the Parochial Employees' Retirement System of Louisiana (Parochial Plan). The three plans are cost sharing multiple-employer retirement plans. Each system is administered and controlled by a separate Board of Trustees.

All full-time maintenance and custodial personnel are covered under the LSERS Plan. All food service employees are covered under the TRSL Plan B and all teachers are covered under the TRSL's Regular Plan. As of March, 1992, the Board members of **the School Board** elected to join the Parochial Plan.

The systems are primarily funded by employee and employer contributions. With the exception of the Parochial Plan, contribution rates (as a percent of covered salaries) are established by state law. The contribution rates for **the School Board** and employees as required by the Parochial Plan were adopted by the Board of Directors.

Pertinent information, as required by the Governmental Accounting Standards Board Statement No. 27, relative to each plan follows:

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 6 - Pension Plan, Continued:

A. Teachers' Retirement System of Louisiana (TRSL)

Plan Description

The School Board participates in two membership plans of TRSL, the Regular Plan and Plan A. TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by the state statute. TRSL issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446.

Funding Policy

Plan members are required to contribute 8.0 percent and 5.0 percent of their annual covered salary for the Regular Plan and Plan B, respectively. **The School Board** is required to contribute at an actuarially determined rate. The current rate is 16.4 percent of annual covered payroll for both membership plans. Member contributions and employer contributions for TRSL are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. **The School Board's** employer contribution to TRSL, as provided by the state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from **the School Board**.

The School Board's contributions to TRSL for the years ended June 30, 1998, 1997 and 1996, were \$637,089, \$549,866, and \$585,244, respectively, equal to the required contributions for each year.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 6 - Pension Plan, Continued:

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description

LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. LSERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484.

Funding Policy

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

The School Board's contributions to LSERS for the years ended June 30, 1998, 1997 and 1996 were \$29,505, \$29,085 and \$28,687, respectively, equal to the required contributions for each year.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 6 - Pension Plan, Continued:

C. Parochial Plan

Plan Description

Under the Parochial Plan, employees with ten years of creditable service may retire at age sixty; members with twenty-five years of service may retire at age fifty-five; members with thirty years of service may retire regardless of age. Five years of service credit is required to become vested for disability and survivor benefits. The Parochial Plan issues a publicly available financial report that includes financial statements and required supplementary information which may be obtained by writing the Parochial Employees' Retirement System of Louisiana.

Funding Policy

Plan members are required to contribute 9.5 percent of their annual covered salary and the **School Board** is required to contribute at an *actuarially determined* rate. The employer's rate was 6.20 percent for 1998 fiscal year.

The **School Board's** contributions to the Parochial Plan for the years ended June 30, 1998, 1997 and 1996, were \$3,503, \$3,646 and \$3,646, respectively, equal to the required contributions for each year.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 7 - Postretirement Health Care and Life
Insurance Benefits _____:

The **St. Helena Parish School Board** provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the **School Board's** employees become eligible for these benefits if they reach normal retirement age while working for the **School Board**. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and by the **School Board**. The **School Board** recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due. Total expenditures were \$248,003 for the year ended June 30, 1998.

NOTE 8 - Changes in General Long-term
Obligations _____:

<u>Long-term obligations</u>	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1998</u>
Capital lease (Note 14)	\$ 23,969	\$ -0-	\$ (5,355)	\$ 18,614
Compensated absences (Note 1(J))	322,097	-0-	(4,122)	317,975
EPA loans	52,210	-0-	(12,140)	40,070
Liability for claims and judgments	-0-	45,968	-0-	45,968
Certificates of indebtedness (Note 15)	<u>-0-</u>	<u>1,906,000</u>	<u>-0-</u>	<u>1,906,000</u>
Total	<u>\$398,276</u>	<u>\$1,951,968</u>	<u>\$ (21,617)</u>	<u>\$2,328,627</u>

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 8 - Changes in General Long-term
Obligations _____:
 Continued

The School Board has entered into a loan agreement with the United States Environmental Protection Agency (EPA) for funds not to exceed \$145,676 at zero interest rate. Loan principal payments are to be repaid semi-annually for a period of twenty (20) years. The loan proceeds finance the removal of asbestos from certain school buildings. The EPA advanced the School Board \$68,410 during the 1995 fiscal year. Principal payments on the EPA loan totaled \$12,140 for the year ended June 30, 1998.

NOTE 9 - Interfund Receivables and Payables
(Due from/to Other Funds) _____:

Individual fund interfund receivables and payables as of June 30, 1998, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General	\$ <u>127,422</u>	\$ <u>-0-</u>
Special Revenue:		
IASA Funds	-0-	46,183
Other Federal/State Funds	-0-	72,015
Special Education	-0-	8,031
Child Nutrition	<u>-0-</u>	<u>1,193</u>
Total Special Revenue	<u>-0-</u>	<u>127,422</u>
Total - All Funds	<u>\$127,422</u>	<u>\$127,422</u>

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 10 - Operating Transfers:

A summary of the operating transfers by fund for the year ended June 30, 1998, were as follows:

<u>Fund</u>	<u>Operating Transfer In</u>	<u>Operating Transfer Out</u>
General	\$ <u>21,349</u>	\$ <u>52,927</u>
Special Revenue:		
IASA Funds	16,351	17,404
Special Education	-0-	3,356
Other Federal/State		
Funds	-0-	589
Child Nutrition	<u>36,576</u>	<u>-0-</u>
Total Special		
Revenue	<u>52,927</u>	<u>21,349</u>
Total - All		
Funds	\$ <u>74,276</u>	\$ <u>74,276</u>

NOTE 11 - Commitments and Contingencies:

(A) LITIGATION

The School Board is a defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of **the School Board**, the outcome of these lawsuits will not have a material adverse effect on the financial statements.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 11 - Commitments and Contingencies, Continued:

(B) FEDERAL AWARD PROGRAMS

The School Board participates in a number of federal award programs. Although the grant programs have been audited through June 30, 1998, *in accordance with the Single Audit Act of 1996*, these programs are still subject to financial and compliance audits and resolution of identified questioned costs. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although **the School Board** expects such amounts, if any, to be immaterial.

NOTE 12 - Risk Management:

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters.

The School Board has acquired workers compensation and student liability insurance; however, it has not acquired any commercial property or other liability insurance or used any other method to finance its uninsured risks of loss. Excessive premiums in prior years caused **the School Board** not to purchase any commercial property and liability insurance.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 13 - Changes in Agency Deposits Due to Student Groups:

A summary of changes in the School Activity Agency Fund deposits due to student groups is as follows:

<u>Balance</u> <u>July 1, 1997</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 1998</u>
<u>\$29,552</u>	<u>\$196,175</u>	<u>\$(190,186)</u>	<u>\$35,541</u>

The St. Helena Parish School Board has three schools located in Greensburg, Louisiana. The three schools presently operated by the **School Board** system are as follows:

- | | |
|-------------------------------|-----------------------|
| St. Helena Central High | - Grades 9 through 12 |
| St. Helena Central Elementary | - Grades 5 through 8 |
| St. Helena Central Elementary | - Grades K through 4 |

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 14 - Capital Lease Obligation

The School Board has entered into a lease agreement for financing the acquisition of computer equipment. This lease qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the date of inception in the General Long-Term Debt Account Group.

Future minimum payments under the capitalized lease consist of the following at June 30, 1998:

<u>June 30,</u>	<u>Amount</u>
1999	\$ 6,300
2000	6,300
2001	6,300
2002	<u>3,036</u>
 Total minimum payments	 21,936
 Less amounts representing interest	 <u>(3,322)</u>
 Long-term lease obligation	 <u>\$ 18,614</u>

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 15 - Certificates of Indebtness

On June 25, 1998, **the School Board** issued a \$381,000 Certificate of Indebtness, Series 1998 and \$1,525,000 Certificates of Indebtness, Series 1998. Recorded in the Capital Projects Fund, these funds are to be used to acquire, construct and improve **the School Board's** buildings and facilities.

The \$381,000 Certificate is secured by and payable from an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a special tax of five (5) mills authorized to be levied in each of the years 1997 through 2001. The indebtedness is for a period of four (4) years at a fixed interest rate of 4.73%.

The \$1,525,000 Certificates are secured by and payable solely from an irrevocable pledge and dedication of the excess of annual revenues of **the School Board** above statutory, necessary and usual charges in each of the fiscal years during which the Certificates are outstanding. The indebtedness is for a period of ten (10) years with interest rates varying between 5.20% to 5.75%.

Debt service requirements to maturity are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1998	\$ 215,000	\$ 39,851	\$ 254,851
1999	215,000	96,990	311,990
2000	227,000	86,180	313,180
2001	239,000	74,967	313,967
2002	146,000	63,044	209,044
Thereafter	<u>864,000</u>	<u>181,388</u>	<u>1,045,388</u>
Total	<u>\$1,906,000</u>	<u>\$ 542,420</u>	<u>\$ 2,448,420</u>

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 16 - Year 2000 (Y2K) Issue

The School Board recognizes the potential implications of the Y2K issue on systems that may contain date-related transactions, data, embedded chips, etc. **The School Board** has assessed the impact of the Y2K issue on its operations and is now in the process of renovating or replacing, as necessary, the computer applications and business processes to provide for continued services in the new millennium. An assessment of the preparedness of external entities that interface with **the School Board** is also ongoing.

The costs of **the School Board's** Y2K compliance efforts are expensed as incurred and are being funded with cash flows from operations. At this time, the costs of these efforts are not expected to be material to **the School Board's** financial position or the results of its operations in any given period.

Time and cost estimates are based on currently available information. Actual results could differ from those estimated.

ST. HELENA PARISH SCHOOL BOARD
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 1998

	<u>IASA FUNDS</u>	<u>Child Nutrition</u>	<u>Special Education</u>	<u>Sales Tax Funds</u>	<u>Other Federal/ State Funds</u>	<u>Total</u>
<u>ASSETS</u>						
Cash	\$ 39,766	\$ 239,269	\$ 109	\$ 78,802	\$ 6,369	\$ 364,315
Due from other governments	38,810	-0-	14,436	7,949	73,839	135,034
Inventory	-0-	<u>7,137</u>	-0-	-0-	-0-	<u>7,137</u>
Total assets	\$ <u>78,576</u>	\$ <u>246,406</u>	\$ <u>14,545</u>	\$ <u>86,751</u>	\$ <u>80,208</u>	\$ <u>506,486</u>

<u>LIABILITIES AND FUND BALANCES</u>						
<u>Liabilities</u>						
Accounts payable	\$ 6,277	\$ -0-	\$ 6,412	\$ -0-	\$ 4,297	\$ 16,986
Salaries, wages and payroll taxes						
liabilities	26,116	15,592	-0-	-0-	-0-	41,708
Due to other funds	46,183	1,193	8,031	-0-	72,015	127,422
Deferred revenue	-0-	-0-	-0-	-0-	-0-	-0-
Total liabilities	<u>78,576</u>	<u>16,785</u>	<u>14,443</u>	<u>-0-</u>	<u>76,312</u>	<u>186,116</u>

See Accompanying Independent Auditors' Report.

ST. HELENA PARISH SCHOOL BOARD
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE FUNDS
 JUNE 30, 1998

	<u>IASA</u> <u>Funds</u>	<u>Child</u> <u>Nutrition</u>	<u>Special</u> <u>Education</u>	<u>Sales</u> <u>Tax</u> <u>Funds</u>	<u>Other</u> <u>Federal/</u> <u>State</u> <u>Funds</u>	<u>Total</u>
<u>FUND BALANCES</u>						
Unreserved:						
Undesignated	\$ <u>-0-</u>	\$ <u>229,621</u>	\$ <u>102</u>	\$ <u>86,751</u>	\$ <u>3,896</u>	\$ <u>320,370</u>
Total fund balances	<u>-0-</u>	<u>229,621</u>	<u>102</u>	<u>86,751</u>	<u>3,896</u>	<u>320,370</u>
Total liabilities and fund balances	\$ <u>78,576</u>	\$ <u>246,406</u>	\$ <u>14,545</u>	\$ <u>86,751</u>	\$ <u>80,208</u>	\$ <u>506,486</u>

See Accompanying Independent Auditors' Report.

ST. HELENA PARISH SCHOOL BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 1998

	IASA Funds	Child Nutrition	Special Education	Sales Tax Funds	Other Federal/ State Funds	Total
<u>REVENUES</u>						
Local Sources:						
Sales	\$ -0-	\$ -0-	\$ -0-	\$ 554,804	\$ -0-	\$ 554,804
Food services	-0-	31,201	-0-	-0-	-0-	31,201
Interest	-0-	4,810	-0-	2,387	-0-	7,197
Other	-0-	2,583	-0-	-0-	-0-	2,583
Total revenues from local sources	<u>-0-</u>	<u>38,594</u>	<u>-0-</u>	<u>557,191</u>	<u>-0-</u>	<u>595,785</u>
State sources	-0-	-0-	-0-	-0-	36,279	36,279
Federal sources	<u>740,107</u>	<u>578,442</u>	<u>178,717</u>	<u>-0-</u>	<u>115,822</u>	<u>1,613,088</u>
Total revenues	<u>740,107</u>	<u>617,036</u>	<u>178,717</u>	<u>557,191</u>	<u>152,101</u>	<u>2,245,152</u>

See Accompanying Independent Auditors' Report.

ST. HELENA PARISH SCHOOL BOARD

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (CONTINUED)

SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 1998

	IASA Funds	Child Nutrition	Special Education	Sales Tax Funds	Other Federal/ State Funds	Total
<u>EXPENDITURES</u>						
Current:						
Instructional:						
Regular	\$ -0-	\$ -0-	\$ -0-	\$146,491	\$ -0-	\$ 146,491
Special	-0-	-0-	98,126	66,354	3,759	168,239
Vocational Education	-0-	-0-	-0-	9,799	33,182	42,981
Other	<u>423,833</u>	<u>-0-</u>	<u>-0-</u>	<u>50,045</u>	<u>67,173</u>	<u>541,051</u>
Total instructional expenditures	<u>423,833</u>	<u>-0-</u>	<u>98,126</u>	<u>272,689</u>	<u>104,114</u>	<u>898,762</u>
Support Services:						
Pupils	-0-	-0-	55,031	11,457	10,555	77,043
Instructional staff	176,403	-0-	-0-	18,914	18,845	214,162
General admin- istration	1,287	-0-	-0-	20,480	-0-	21,767
School admin- istration	-0-	-0-	-0-	17,110	-0-	17,110
Business services	<u>-0-</u>	<u>-0-</u>	<u>2,003</u>	<u>11,437</u>	<u>-0-</u>	<u>13,440</u>
Sub-total	<u>177,690</u>	<u>-0-</u>	<u>57,034</u>	<u>79,398</u>	<u>29,400</u>	<u>343,522</u>

ST. HELENA PARISH SCHOOL BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (CONTINUED)
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 1998

	<u>IASA</u>	<u>Child</u>	<u>Special</u>	<u>Sales</u>	<u>Other</u>
	<u>Funds</u>	<u>Nutrition</u>	<u>Education</u>	<u>Tax</u>	<u>Federal/ State Funds</u>
				\$	\$
<u>EXPENDITURES, Continued</u>					
Support Services, Continued					
Plant services	\$ 43,626	\$ -0-	\$ 19,883	\$ 24,589	\$ 293
Student transportation services	1,422	-0-	-0-	65,667	-0-
Central services	<u>1,924</u>	<u>-0-</u>	<u>216</u>	<u>-0-</u>	<u>-0-</u>
Total support services expenditures	<u>224,662</u>	<u>-0-</u>	<u>77,133</u>	<u>169,654</u>	<u>29,693</u>
Food services	-0-	625,151	-0-	47,092	13,809
Community services	2,463	-0-	-0-	-0-	-0-
Facility acquisition and construction	<u>88,096</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total expenditures	<u>739,054</u>	<u>625,151</u>	<u>175,259</u>	<u>489,435</u>	<u>147,616</u>
Excess (deficiency) of revenues over expenditures	<u>1,053</u>	<u>(8,115)</u>	<u>3,458</u>	<u>67,756</u>	<u>4,485</u>
					<u>68,637</u>

See Accompanying Independent Auditors' Report.

ST. HELENA PARISH SCHOOL BOARD
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (CONTINUED)
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 1998

	<u>IASA</u>	<u>Child</u>	<u>Special</u>	<u>Sales</u>	<u>Other</u>	<u>Total</u>
	<u>Funds</u>	<u>Nutrition</u>	<u>Education</u>	<u>Tax</u>	<u>Federal/ State Funds</u>	<u>Funds</u>
Operating Financing Sources (Uses):						
Operating transfer-in	\$ 16,351	\$ 36,576	\$ -0-	\$ -0-	\$ -0-	\$ 52,927
Operating transfer-out	<u>(17,404)</u>	<u>-0-</u>	<u>(3,356)</u>	<u>-0-</u>	<u>(589)</u>	<u>(21,349)</u>
Total other financing sources (uses)	<u>(1,053)</u>	<u>36,576</u>	<u>(3,356)</u>	<u>-0-</u>	<u>(589)</u>	<u>31,578</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-0-	28,461	102	67,756	3,896	100,215
Fund balances at beginning of year	<u>-0-</u>	<u>201,160</u>	<u>-0-</u>	<u>18,995</u>	<u>-0-</u>	<u>220,155</u>
Fund balances at end of year	<u>\$ -0-</u>	<u>\$ 229,621</u>	<u>\$ 102</u>	<u>\$ 86,751</u>	<u>\$ 3,896</u>	<u>\$ 320,370</u>

See Accompanying Independent Auditors' Report.

**ST. HELENA PARISH SCHOOL BOARD
GREENSBURG, LOUISIANA**

**FEDERAL GRANTS
FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED JUNE 30, 1998**

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

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana

We have audited the general purpose financial statements of the **School Board**, as of and for the year ended June 30, 1998, and have issued our report thereon dated December 4, 1998. In our report, our opinion was qualified because we have been unable to satisfy ourselves concerning a portion of the cost or estimated cost of fixed assets because detailed records and documentation of historical and estimated costs are not available, and because insufficient audit evidence exists to support the **School Board's** disclosure with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the **School Boards'** 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 as objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana

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 judgement, 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 98-1 to 98-4.

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 considerations of the internal control over financial reporting would not necessarily disclosed 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 none of the reportable conditions described above is a material weakness.

**INDEPENDENT AUDITORS' REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
(CONTINUED)**

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana

This report is intended for the information of **the School Board**, its management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 4, 1998

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

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana

Compliance

We have audited the compliance of **St. Helena Parish School Board (the School Board)**, with the types of compliance requirements described in the *U. S. Office of Management and Budget* (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended June 30, 1998. **The School Board's** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of **the School Board's** management. Our responsibility is to express an opinion on **the School Board's** compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **the 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.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)**

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana

Compliance, Continued

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

Internal Control Over Compliance

The management of **the School Board** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **the School Board's** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)**

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of **the School Board** as of and for the year ended June 30, 1998, and have issued our report thereon dated December 4, 1998. In our report, our opinion was qualified because we have been unable to satisfy ourselves concerning a portion of the cost or estimated cost of fixed assets because detailed records and documentation of historical and estimated costs are not available, and because insufficient audit evidence exists to support **the School Board's** disclosure with respect to the year 2000 issue. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Except as noted in the first sentence of this paragraph, such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of **the School Board**, its management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

Bruno & Tervalon

BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 4, 1998

Bruno

CERTIFIED PUBLIC ACCOUNTANTS

6

& Tervalon

ST. HELENA PARISH SCHOOL BOARD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1998

FEDERAL GRANTOR/PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURES
U. S. DEPARTMENT OF AGRICULTURE:			
Child Nutrition Cluster:			
Passed Through State Department of Education:			
Summer Food Service Program	10.559	n/a	\$ 13,809
School Breakfast Program	10.553	n/a	157,256
School Lunch Program	10.555	n/a	<u>380,867</u>
Total Child Nutrition Cluster			551,932
Passed Through State Department of Education:			
Food Distribution	10.550	n/a	<u>40,319</u>
Total U. S. Department of Agriculture			<u>592,251</u>
U. S. DEPARTMENT OF EDUCATION:			
Passed Through State Department of Education:			
IASA Title I	84.010	98-IASA-46	729,915
IASA Title VI	84.151	98-IASA-46-6	10,192
Adult Basic Education	84.002	n/a	7,866
Idea P.L. 101-476	84.027	98-FT-46	161,229
Idea, Section 619 Preschool	84.173	98-PF-46	17,488
IASA Title II Math/Science	84.164	98-IASA-46-2	9,441
Drug-Free Schools	84.184	28-98-7046-D	10,846
Starting Points Pre-School Program	93.575	n/a	36,919
Vocational Education - Basic Grant	84.048	28-98-BY-2B	33,182
Infant/Toddler Child Search	84.181	98-S-46	<u>3,759</u>
Total U. S. Department of Education			<u>1,020,837</u>
U. S. Environmental Protection Agency-Asbestos Abatement Grant (NOTE 4)	66.702	n/a	<u>-</u>
Total			\$ <u>1,613,088</u>

n/a - Not Available

See the Independent Auditors' Report on Supplementary Information and the
Accompanying Notes to the Schedule of Expenditures of Federal Awards.

ST. HELENA PARISH SCHOOL BOARD
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 1998

NOTE 1 - General:

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the **St. Helena Parish School Board (the School Board)**. **The School Board** reporting entity is defined in NOTE 1 to the general purpose financial statements for the year ended June 30, 1998. All federal awards are passed through other government agencies included on the Schedule.

NOTE 2 - Basis of Accounting:

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in NOTE 1 to **the School Board's** general purpose financial statements for the year ended June 30, 1998.

The preparation of the Schedule of Expenditures of Federal Awards in conformity with generally accepted accounting principles requires the use of management's estimates.

NOTE 3 - Relationship to Federal Financial Reports:

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

NOTE 4 - EPA Loan:

The School Board has outstanding loans from the Environmental Protection Agency totaling \$40,070 as of June 30, 1998. These loans are to be repaid over the next 16 years.

**ST. HELENA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998**

1. Summary of Auditors' Results

- A. The type of report issued on the general purpose financial statements: qualified opinion.
- B. Reportable conditions in internal control were disclosed by the audit of the financial statements: yes Material weakness: no.
- C. Noncompliance which is material to the general purpose financial statements: no.
- D. Reportable conditions in internal control over major programs: no Material weaknesses: no.
- E. The type of report issued on compliance for major programs: unqualified opinion.
- F. Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: yes.
- G. Major programs:
 - United States Department of Education:
 - Improving America's School Act (IASA) - Title I (CFDA No. 84:010)
 - United States Department of Agriculture:
 - National School Breakfast Program (CFDA No. 10.553)
 - National School Lunch Program (CFDA No. 10.555)
 - Summer Food Service Program (CFDA No. 10.559)
- H. Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
- I. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: no.

ST. HELENA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
(CONTINUED)

2. Findings Relating to the Financial Statement Reported
in Accordance with *Government Auditing Standards*

Item 98-1 - Segregation of Duties

We noted during our 1998 audit that bookkeepers are assigned and perform incompatible functions which tend to weaken internal controls.

In order to maintain appropriate internal controls, we recommend that **the School Board** review current accounting responsibilities and established procedures to ensure that assigned accounting duties are adequately segregated.

Management's Response

Management is constantly reviewing and reassigning duties performed by the bookkeepers. However, with such a small staff this problem is virtually impossible to eliminate entirely.

Item 98-2 - Insurance Coverage

Although **the School Board** is covered by worker's compensation and student liability insurance, we noted during our 1998 audit that it was not covered by property and other liability insurance.

We recommend that **the School Board** purchase commercial insurance or consider the use of any other type of risk financing to reduce the risks of loss that may arise from torts; act of God; injuries to employees; theft of; damage to and destruction of assets, etc.

Management's Response

Due to limited revenues and endeavoring to meet the 70% of funds to be spent on instruction as mandated by the State Department of Education, **the School Board** is still unable to afford the cost of liability insurance. **The School Board** will continue to review and evaluate various insurance options that may be available to decrease the risk of loss.

ST. HELENA PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1998
(CONTINUED)

2. Findings Relating to the Financial Statement Reported
in Accordance with *Government Auditing Standards*, Continued:

Item 98-3 - Untimely Bank Reconciliation

We noted during our 1998 audit that monthly bank reconciliations were not timely performed for the payroll cash account since September 30, 1997.

We recommend that **the School Board** adhere to established procedures to ensure that cash bank accounts are being reconciled and approved on a monthly basis.

Management's Response

All bank accounts are currently reconciled. The Business Manager is now reviewing all bank accounts monthly to ensure timely reconciliation.

Item 98 - 4 - Periodic Financial Reporting

We noted in the 1998 audit that internal financial statements were not prepared monthly.

We recommend that procedures be reviewed and updated as necessary to ensure that internal financial statements are prepared monthly and on a timely basis. Timely completed financial reports are necessary for management in analyzing the accuracy of financial information, comparing actual revenues and expenditures to budget, and submitting financial reports to outside users (i.e., grantors or financial assistance).

Management's Response

Financial statements are currently being prepared on a timely basis.

3. Findings and Questioned Costs Relating to Federal Awards

No matters reported.

SCHEDULE OF PRIOR AUDIT FINDINGS

**ST. HELENA PARISH SCHOOL BOARD
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1998**

Section I - Internal Control and Compliance Material to the Financial Statements

Insurance Coverage

Although **the School Board** is covered by workers' compensation and student liability insurance, it is not covered by property and other liability insurance.

Current Status

Unresolved. See Current Year Audit Finding 98-2.

Segregation of Duties

Bookkeepers are performing incompatible tasks and some controls are being omitted, such as approval and review functions.

Current Status

Unresolved. See Current Year Audit Finding 98-1.

**ST. HELENA PARISH SCHOOL BOARD
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1998
(CONTINUED)**

Section I - Internal Control and Compliance Material to the Financial Statements,
Continued

Periodic Financial Reporting

During our audit we noted that internal financial statements were not routinely prepared.

We recommend that procedures be reviewed and updated as necessary to ensure that internal financial statements are prepared monthly and on a timely basis. Timely completed financial reports are necessary for management in analyzing the accuracy of financial information, comparing actual revenues and expenditures to budget, and submitting financial reports to outside users (i.e., grantors or financial assistance).

Current Status

Unresolved. See Current Year Audit Finding 98- 4.

Item 97-1 - Budget Adoption

Condition

We noted during our 1997 audit that **the School Board** did not adopt the fiscal year 1996-97 budget for the Sales Tax Special Revenue Fund.

Current Status

Resolved.

**ST. HELENA PARISH SCHOOL BOARD
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 1998
(CONTINUED)**

Section II - Internal Control and Compliance Material to Federal Awards

Item 97-2 - A-87 Certifications

Condition

We noted during our 1997 audit that **the School Board** did not obtain semi-annual certifications as required by A-87.

Current Status

Unresolved. See Current Year Management Letter Comments dated December 4, 1998.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Members of the
St. Helena Parish School Board
Greensburg, Louisiana

We have audited the financial statements of **St. Helena Parish School Board (the School Board)** for the year ended June 30, 1998 and have issued our report thereon dated December 4, 1998.

As part of our audit, we made a study and evaluation of internal controls, including applicable internal administrative controls, to the extent we considered necessary to evaluate internal controls as required by generally accepted auditing standards.

During our audit we became aware of a matter that is opportunities for strengthening internal controls and operating efficiency. This comment and recommendation, all of which have been discussed with the appropriate members of management, is intended to improve internal controls or result in other operating efficiencies and is listed in Appendix A to this report.

Additionally, the status of the comments from our prior year letter to you dated December 19, 1997 is included in Appendix B. While we recognize that a number of our observations and comments, both from the current year and our prior year's letter, require additional financial resources which may not be currently available, we believe that they still warrant continued consideration by management.

This report is intended for the information of **the School Board**, its management, the Louisiana Legislative Auditor, and the Louisiana Department of Education. However, this report is a matter of public record and its distribution is not limited.

Bruno & Tervalon
BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

December 4, 1998

**ST. HELENA PARISH SCHOOL BOARD
CURRENT YEAR MANAGEMENT LETTER COMMENTS**

A-87 CERTIFICATIONS

We noted our 1998 audit that **the School Board** did not obtain certifications from employees of federal programs that they worked solely on that program. These certifications are required semi-annually by OMB Circular A-87.

We recommend that **the School Board** implement policies and procedures to ensure that it is in compliance with OMB Circular A-87 relating to obtaining required certifications.

MANAGEMENT'S RESPONSE

The School Board's management will prepare semiannual certifications of federal program employees, which will be signed by the employees or a supervisory official having first hand knowledge of the work performed by the employee. These certifications will be conducted at the beginning of school and in January. These certifications will be maintained at the Central office of **the School Board** for inspection.

**ST. HELENA PARISH SCHOOL BOARD
STATUS OF PRIOR YEAR'S MANAGEMENT LETTER COMMENTS**

FIXED ASSET INVENTORY

We noted during our audits that a complete fixed asset inventory was not taken for the 1996 and 1997 fiscal years.

We recommend that **the School Board** take a fixed asset inventory at year end or immediately thereafter to timely provide support for the amounts of general fixed assets reported in the financial statements.

Current Status

As in prior years, we noted during the 1998 audit that a complete fiscal year end fixed asset inventory was not taken.

MANAGEMENT'S RESPONSE

Prior to June 30, 1999, a fixed asset inventory will be taken as recommended by Auditors and presented to management for review. Inventory will be monitored by site-based personnel during the school year.

ACCOUNTING MANUAL

We noted that **the School Board** does not have an accounting procedures manual. There may be an assumption that because **the School Board's** accounting system is relatively simple and accounting personnel have direct and easy access to supervisory personnel when questions arise, there is no need for a manual. However, written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. A well-devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used

**ST. HELENA PARISH SCHOOL BOARD
STATUS OF PRIOR YEAR'S MANAGEMENT LETTER COMMENTS
(CONTINUED)**

ACCOUNTING MANUAL, Continued

are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees of some accounting functions management performs. It will take some time and effort for **the School Board** to develop a manual; however, we believe *this time will be more than offset by time saved later in training and supervising accounting personnel*. Also, in the process of the comprehensive review of existing accounting procedures for the purpose of developing the manual, management might discover procedures that can be eliminated or improved to make the system more efficient and effective.

Current Status

We noted no significant change in the status based on our 1998 audit. **The School Board** is still in the process of developing an accounting manual.

MANAGEMENT'S RESPONSE

School Board personnel are still in the process of preparing an accounting procedures manual. Once the computer-based accounting system is completed, **the School Board** personnel will be able to finalize the accounting manual. This should reach completion during the 2000 fiscal year.

**ST. HELENA PARISH SCHOOL BOARD
STATUS OF PRIOR YEAR'S MANAGEMENT LETTER COMMENTS
(CONTINUED)**

COMPUTER-BASED ACCOUNTING SYSTEM

Manual accounting systems are individually maintained to record and summarize transactions of most Special Revenue Funds.

We recommend that **the School Board** consider using a computer-based system to record and summarize all accounting transactions and to provide meaningful management reports for the review and analysis of accounting information. Implementing such a system will enhance the efficiency of the accounting staff and will provide faster and better information for management and the Board of Directors.

Current Status

We noted during our 1998 audit that **the School Board** still has not automated the financial records of Special Revenue Funds.

MANAGEMENT'S RESPONSE

The computer-based accounting system is in its final stages of completion. All funds should be on an automated system prior to June 30, 1999.

AUDITED FINANCIAL STATEMENTS

We noted during our 1997 audit that **the School Board** did not complete its financial statements within six (6) months of the close of the fiscal year.

Current Status

The School Board has completed its financial statements within the required timeframe for the 1998 fiscal year.