

**LIVINGSTON PARISH SCHOOL BOARD**

**REPORT ON AUDIT OF BASIC  
FINANCIAL STATEMENTS**

**JUNE 30, 2003**

**LIVINGSTON, LOUISIANA**

**LIVINGSTON PARISH SCHOOL BOARD**

**TABLE OF CONTENTS**

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
<b>Independent Auditor's Report</b>	-	-	1 - 2
<b>Required Supplemental Information</b>			
Management's Discussion and Analysis	-	-	3 -11
<b>Basic Financial Statements</b>			
<b>Government-Wide Financial Statements:</b>			
Statement of Net Assets	-	A	12
Statement of Activities	-	B	13
<b>Fund Financial Statements:</b>			
Balance Sheet - Governmental Funds	-	C	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	-	D	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	-	E	16 - 17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	-	F	18
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	-	G	19 - 20
Statement of Fiduciary Net Assets	-	H	21
Notes to Basic Financial Statements	-	-	22 - 51

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
<b>Schedules Required by State Law (R.S. 24:514 Performance and Statistical Data):</b>			
Agreed-Upon Procedures Report	-	-	52 - 54
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	-	55 - 56
Education Levels of Public School Staff	2	-	57
Number and Type of Public Schools	3	-	58
Experience of Public Principals and Full-time Classroom Teachers	4	-	59
Public School Staff Data	5	-	60
Class Size Characteristics	6	-	61
Louisiana Educational Assessment Program (LEAP)	7	-	62
The Graduation Exit Exam	8	-	63
The IOWA Tests	9	-	64
<b>Other Supplementary Information:</b>			
Major Capital Projects Fund - By District:			
Combining Balance Sheet - By District	10	-	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	11	-	66

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Nonmajor Governmental Funds:			
Combining Balance Sheet	12	-	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	13	-	68 - 69
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Nonmajor Special Revenue Funds			
Elementary and Secondary Education Act Title I - Chapter 1	14-1	-	70
Elementary and Secondary Education Act Title I - Chapter 2	14-2	-	71
Public Law 94-142 - Special Education	14-3	-	72
Maintenance of Schools	14-4	-	73
School Lunch	14-5	-	74
Special Federal Fund	14-6	-	75
Other Federal ESEA Fund	14-7	-	76
Debt Service Fund:			
Combining Balance Sheet - By District	15	-	77

(CONTINUED)

# LIVINGSTON PARISH SCHOOL BOARD

## TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	16	-	78
Fiduciary Funds:			
Combining Statement of Fiduciary Net Assets	17	-	79
Schedules of Changes in Deposits Due Others:			
School Activity Fund	18-1	-	80
Sales Tax Fund	18-2	-	81
General:			
Schedule of Compensation Paid Board Members	19	-	82
Schedule of Expenditures of Federal Awards	20	-	83 - 85
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the Basic Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	-	-	86 - 87
Independent Auditor's Report on Com- pliance with Requirements Applicable to each of its Major Programs and Internal Control over Compliance in Accordance with OMB Circular A-133	-	-	88 - 89
Schedule of Findings and Questioned Costs	-	-	90 - 91
Summary Schedule of Prior Audit Findings	-	-	92 - 94



**Hannis T. Bourgeois, LLP**

**Certified Public Accountants**

Randy J. Bonneau, CPA\*  
Joseph D. Richard, Jr., CPA\*  
Ronnie E. Stamper, CPA\*  
Fernand P. Genre, CPA\*  
Stephen M. Huggins, CPA\*  
Monica L. Zumo, CPA\*  
Ronald L. Gagnet, CPA\*  
Douglas J. Nelson, CPA\*  
Celeste D. Vintor, CPA\*  
Russell J. Resweber, CPA\*  
Laura E. Monroe, CPA\*  
\*A Professional Accounting Corporation

1175 Del Este Avenue, Suite B  
Denham Springs, LA 70726  
Phone: (225) 665-8297  
Fax: (225) 667-3813

*Members American Institute of  
Certified Public Accountants*

2322 Tremont Drive, Suite 200  
Baton Rouge, LA 70809

January 6, 2004

INDEPENDENT AUDITOR'S REPORT

Livingston Parish School Board  
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish School Board as of and for the year ended June 30, 2003, which collectively comprise the Livingston Parish School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the Livingston Parish School Board. Our responsibility is to express an opinion on these 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, and the provisions of Office of Management and Budget 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish School Board as of June 30, 2003, and the respective changes in financial position for the year ended June 30, 2003, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 18, the Livingston Parish School Board changed its fixed asset capitalization policy as of June 30, 2002.

In accordance with Government Auditing Standards, we have also issued our report dated January 6, 2004, on our consideration of the Livingston Parish School Board's internal control over financial reporting and 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 Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Livingston Parish School Board. In addition, the accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

*Hannu J. Bourgeois, CPA*

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# LIVINGSTON PARISH SCHOOL BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2003

The Management's Discussion and Analysis (MD&A) of the Livingston Parish School Board provides an overview and overall review of the School Board's financial activities for the fiscal year ended June 30, 2003. The intent of the MD&A is to look in layman's terms at the School Board's financial performance as a whole. It should, therefore, be read in conjunction with the School Board's Annual Financial Statements and the notes thereto.

The MD&A is a new element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2002-2003 fiscal year include the following:

- ❖ Net assets increased by \$4,330,403 for the year ended June 30, 2003. The effect of a restatement of net assets due to a change in capitalization policy on fixed assets decreased capital assets by a net of \$7,561,379 at June 30, 2002. As discussed below, the increase in net assets was the result of an increase in total assets of \$11,465,306 coupled with an increase in total liabilities of \$7,134,903.
- ❖ Total assets increased by \$11,465,306 attributed to the following elements:

	<u>June 30, 2003</u>	<u>June 30, 2002</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Cash and Cash Equivalents	\$ 43,808,129	\$ 37,851,788	\$ 5,956,341	15.74%
Receivables	5,490,824	4,643,186	847,638	18.26%
Inventory	938,222	829,300	108,922	13.13%
Deferred Bond Issuance Costs	693,138	688,743	4,395	.64%
Capital Assets, Net of Accumulated Depreciation	<u>90,809,089</u>	<u>86,261,079</u>	<u>4,548,010</u>	5.27%
Total Assets	<u>\$141,739,402</u>	<u>\$130,274,096</u>	<u>\$11,465,306</u>	8.80%

**LIVINGSTON PARISH SCHOOL BOARD**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2003

Cash increased due to increased sales tax revenues of \$0.5 million, increase in MFP Revenues of \$5.9 million (due to increased enrollment) and the issuance of a Bond Issue of \$9.0 million. There was an increase in Receivables due to the slower reimbursement by the State Department of Education due to late filing of state reimbursement reports. The inventory increase reflects normal fluctuation of commodity items used by the School Food Service Program, School Supply, Textbooks/Workbooks, Computer Repair Parts and Maintenance Materials. Capital assets increased mainly because of the completion of the new Walker Elementary School, Frost School additions, and a new French Settlement High School Sport's Facility begun in the prior year and the incomplete construction of six ongoing projects in District #22, the purchase of two parcels of land, one in District #1 for \$250,000 to be used for the Gray's Creek Elementary School and one parcel in District #22 for \$348,200 to be used for a new elementary school in District #22. In addition, the School Board purchased 18 buses and four other maintenance vehicles in the current fiscal year for \$828,052.

❖ Total Liabilities increased \$7,134,903 due to the following items:

	<u>June 30, 2003</u>	<u>June 30, 2002</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Accounts, Salaries, and Other Payables	\$ 16,190,493	\$ 17,041,578	\$ (851,085)	(4.99)%
Interest Payable	353,370	219,146	134,224	61.25%
Long-Term Liabilities	<u>39,219,215</u>	<u>31,367,451</u>	<u>7,851,764</u>	25.03%
Total Liabilities	<u>\$ 55,763,078</u>	<u>\$ 48,628,175</u>	<u>\$7,134,903</u>	14.67%

General payables decreased primarily due to large decrease in construction "Work-In-Process" bills at June 30, 2003. While the increase in Interest Payable and Long-Term Liabilities is directly related to the issuance of the one (1) new bond issue.

❖ General revenues increased by \$6,867,492 from fiscal year 2002 to fiscal year 2003. Primary increases and decreases are discussed below.

- Property tax revenue levied increased by \$230,851 (3.82%) due to increased property value assessment and growth within the parish.
- Sales and use tax revenue increased \$561,959 (2.96%) due to growth of major retail businesses in the Parish.
- Earnings on Investments decreased (\$369,602) ((35.15)%) due to major reduction in the Federal Interest Discount rate.
- Other Local Revenue increased only \$94,243 (8.95%) due to reduction in other local programs: Royalties, rentals, E-Rate Revenues and miscellaneous revenues.

## LIVINGSTON PARISH SCHOOL BOARD

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2003

- The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$81,906,248. This is an increase of \$5,874,184 (7.73%) from the prior year, caused by an increase in enrollment of approximately 500 students. The School Board is one of several in Louisiana considered to be "POOR" in terms of its ability to generate revenues on its own. Therefore, since 1992-93, when a new MFP formula was implemented, Livingston Parish has seen its MFP funding increasing; (70% of the increase must be spent for classroom cost), and (50% of all new money must go to increase teacher salaries).
- Other state revenue and grants increased \$475,857 (44.09%) from the prior year caused primarily from a one-time state supplement of \$448,240.
- ❖ Expenditures continue to increase due to the huge influx of students into the parish. The largest expenditure of the School Board continues to be payroll. The next largest expenditure was construction cost; completed one new school, started two new schools and the School Board made major additions to several other facilities. Other large increases were in the bus fleet, equipping new facilities, adding staff and increased benefit cost, primarily health insurance.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The School Board's Report on the Audit of Basic Financial Statements consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a whole, i.e., an entire operating entity. The "Basic Financial Statements" Section, consisting of the Statement of Net Assets, and the Statement of Activities begin on page 12, provide consolidated financial information, and render a government-wide perspective of the School Board's financial condition. They present an aggregate view of the School Board's finances. These statements seek to answer the question, "How did the School Board do financially during the 2002/2003 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private - sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

By showing the change in net assets for the year, the reader may ascertain whether the School Board's financial condition has improved or deteriorated. The changes, which are discussed in this MD&A, may be financial or non-financial in nature. Non-financial factors which may have an impact on the School Board's financial condition include increases in or erosion of the property or sales tax base within the Parish, student enrollment, facilities maintenance and condition, mandated educational programs for which little or no funding is provided, or other external factors.

## LIVINGSTON PARISH SCHOOL BOARD

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2003

To provide more in-depth reporting of the School Board's financial position and the results of operations, fund basis financial information is presented in the "Fund Financial Statements" section beginning on page 14. The Fund Financial Statements, which should be familiar to those who have read previous governmental financial statements, report governmental activities on more of a current rather than long-term basis, indicating sources and uses of funding, as well as resources available for spending in future periods.

Fund Financial Statements also provide more in-depth data on the School Board's most significant fund, its General Fund. This fund is considered a "major fund" under GASB Statement No. 34. The relationship between governmental *activities* reported in the Basic Financial Statements and the governmental *funds* reported in the Fund Financial Statements are reconciled in the financial statements (See Statements D and F).

The Statement of Fiduciary Net Assets - presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust, and accounted for in the School Activity Fund and Sales Tax Collection Fund. See Schedule 18-1 for school-by-school information on the School Activity Fund and Schedule 18-2 for the receipts and disbursements of sales tax collections for the year ended June 30, 2003.

#### GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 13, the cost of the School Board's *governmental* activities for the year ended June 30, 2003 was \$121,621,234. However, not all of this cost was borne by the taxpayers of Livingston Parish. Of this amount, \$2,818,224 was paid by those who used or benefited from the services rendered (e.g., charges for school lunches and summer school tuition) and \$12,012,211 was paid through various federal and state grants. Consequently, the net cost of \$106,790,799, after taking into consideration these fees and subsidies, was paid by the taxpayers of the Parish through Ad Valorem taxes, sales and use taxes, the Minimum Foundation Program (MFP) from the State of Louisiana, and other general revenues.

Table I below shows the total cost of services and the net cost of these services (after charges for services and grants received) for the largest categories of expenses of the School Board for the year ended June 30, 2003. The "net cost" presentation allows Parish taxpayers to determine the remaining cost of the various categories which were borne by them, and allows them the opportunity to assess the cost of each of these function in comparison to the perceived benefits received.

**LIVINGSTON PARISH SCHOOL BOARD**

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2003

TABLE I

Total and Net Cost of Governmental Activities  
Year Ended June 30, 2003 and 2002

	2003		2002	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<b>Instruction:</b>				
Regular Education Programs	\$ 53,998,380	\$ 52,714,371	\$ 51,695,172	\$ 50,358,096
Special Education Programs	14,420,229	8,614,112	13,058,811	7,798,402
Other Instructional Programs	5,597,563	5,036,103	4,939,465	4,206,922
<b>Support Services:</b>				
Student Services	3,848,286	3,623,368	3,570,849	3,342,356
Instructional Staff Support	3,531,770	3,531,770	3,351,994	3,351,994
General and School Administration	10,169,983	9,993,267	9,994,628	9,815,817
Business and Central Services	2,504,297	2,325,204	1,968,005	1,805,387
Plant Services	9,549,031	9,549,031	8,813,921	8,813,921
Student Transportation	6,027,008	5,870,166	5,543,197	5,209,803
School Food Services	8,618,978	2,177,698	8,460,976	2,073,594
Community Service Programs	45,445	45,445	54,472	54,472
Small Equipment	1,508,052	1,508,052	-	-
Interest on Long-Term Debt	<u>1,802,212</u>	<u>1,802,212</u>	<u>1,493,851</u>	<u>1,493,851</u>
Totals	<u>\$121,621,234</u>	<u>\$106,790,799</u>	<u>\$112,945,341</u>	<u>\$ 98,324,615</u>

**THE SCHOOL BOARD'S FUNDS**

The School Board uses funds to control and manage money for particular purposes, some Parish -Wide, some by Districts and by site, (e.g., dedicated taxes and grant programs). The Fund basis financial statements allows the School Board to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial workings of the School Board, and assess further the School Board's overall financial health.

As the School Board completed the fiscal year ended June 30, 2003, its combined fund balance was \$34,046,682, as compared to its combined fund balance of \$26,282,696 as of June 30, 2002, a difference of \$7,763,986. The General Fund, the main operational arm of the School Board, saw its total fund balance (designated as well as undesignated) rise by \$1,343,839. While General Fund Revenues increased by \$6,498,928, General Fund Expenditures increased by \$7,182,514 and Other Financing Uses (Transfers to Other Funds) decreased by \$1,845,793, thereby increasing current year Excess of Revenues and Other Sources over Expenditures and Other Uses from \$181,632 to \$1,343,839.

# LIVINGSTON PARISH SCHOOL BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2003

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less than, and/or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The Original Budget for the School Board was adopted on September 5, 2002, a Revised Budget adopted on April 17, 2003, and the Final Budget was adopted June 19, 2003. The budget amendments decreased total anticipated revenues by 0.09% and increased projected expenditures by 0.179%.

A schedule showing the School Board's General Fund's Original and Final Budget compared with Actual operating results is provided in this report, Statement G. The School Board generally did better than had been budgeted in its major fund since it practices conservative budgeting in which revenues are forecasted very conservatively and expenditures are budgeted with worst case scenarios in mind. The General Fund finished the fiscal year about \$1,646,700 better than had been budgeted.

This excess will be rolled into the beginning fund balance for the 2003-2004 fiscal year. The fiscal year 2004 General Fund budget, adopted on September 4, 2003, showed anticipated revenues of \$110,276,577, projected expenditures of \$104,045,246, and net transfers out \$8,451,122, resulting in a projected deficit of (\$2,219,791) for the year. This deficit will be caused by the transfer of approximately \$6,000,000 to the Capital Projects Fund.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### ***CAPITAL ASSETS***

At June 30, 2003, the School Board had \$90,809,089 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year, and depreciation of depreciable assets for the year. Table II below shows the net book value of capital assets at June 30, 2003 and 2002.

**LIVINGSTON PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

JUNE 30, 2003

TABLE II

NET CAPITAL ASSETS  
 AT JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
Land	\$ 5,269,855	\$ 4,671,575
Construction in Progress	2,877,260	7,596,682
Buildings and Improvements	76,130,413	68,173,589
Furniture and Equipment	1,235,696	1,449,323
Library Books and Textbooks	3,780,009	3,459,850
Vehicles	<u>1,515,856</u>	<u>910,060</u>
Total	<u>\$ 90,809,089</u>	<u>\$ 86,261,079</u>

During the current fiscal year, \$9,254,729 of assets were capitalized as additions while \$4,210,174 were deleted, consisting of obsolete items. Depreciation for the year ended June 30, 2003 amounted to a net of \$2,886,112 on buildings and improvements and \$1,817,478 on movables such as furniture, vehicles, and equipment.

During the fiscal year ended June 30, 2003, the following major construction projects were completed:

Southside Elementary School-Library	\$ 391,688
Freshwater Elementary School-Multi-Purpose Building	1,332,738
North Corbin Elementary School	3,983,553
Doyle High School-Gym Renovations	576,385
Frost Elementary School-Classroom and Gym Additions	700,731
French Settlement High School-Sports Facility	1,764,967
French Settlement Elementary-Classrooms Additions	<u>376,435</u>
	<u>\$ 9,126,497</u>

At June 30, 2003 the following major projects were included in incomplete construction:

<u>Project</u>	<u>Project Cost to June 30, 2003</u>	<u>Total Estimated Project Cost</u>
Live Oak High School-Additions	\$ 252,433	\$ 832,146
Live Oak Upper Elementary-Additions	459,709	557,460
Live Oak Lower Elementary-Additions	320,005	735,656
Live Oak Middle-Additions and Renovations	652,563	870,463
Holden School-Four Classrooms Additions	39,268	365,022
Springfield High Agriculture Bldg.	62,246	407,178

## LIVINGSTON PARISH SCHOOL BOARD

### MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2003

All funding is coming from the individual districts except for the Live Oak School District (District #22) which \$9,000,000 in bonds were sold to fund all projects.

The School Board has no significant infrastructure assets which would require capitalization and depreciation. All parking lots, sidewalks, etc. are considered to be part of the cost of buildings, and depreciated with the buildings.

All depreciation of capital assets is under the straight-line method. Useful lives for buildings are for 40 years, while those for furniture, fixtures, vehicles and equipment vary for 5 to 10 years.

#### **DEBT**

At June 30, 2003, the School Board had outstanding bonded indebtedness of \$32,287,671 as compared to \$24,921,254 at June 30, 2002.

The School Board's bonds were last rated February 1, 2003, at which time they were given a rating of BBB+ by Standard & Poors. The legal debt limit of the School Board fixed by Louisiana Revised Statute 39:562(L) at 35% of the total assessed valuation of property in the Parish, was approximately \$135,300,000 at June 30, 2003.

The School Board received voter approval October 5, 2002 to issue \$9,000,000 in new bonds, dedicated to building a new Elementary School and other improvements in the Live Oak School District (District #22), and a 25 year ½% sales and use tax in Live Oak School District to pay the cost of construction and improving public schools buildings and facilities, acquiring land, equipment and furnishings.

Other long-term obligations include compensated absences and claims and judgments. At June 30, 2003, these balances were \$7,158,566 and \$827,000, respectively.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Livingston Parish is located in the southeastern portion of Louisiana, approximately 30 miles East of the state capital of Baton Rouge. It is bordered by St. Helena Parish on the North, Tangipahoa Parish on the East, Lake Maurepas, St. John the Baptist Parish and Ascension Parish on the South, and East Baton Rouge Parish on the West. This area contains 655 square miles with a surface relief of fairly flat land that varies from sea level to nearly 50 feet at the northern boundaries. Livingston Parish School System is second in the State in student enrollment increase (approximately 500 students in each of the past two years); present enrollment is approximately 20,500; 37 schools (pre-K through high school); two new elementary schools to be completed next year; a third elementary and a junior high on the drawing board for the following year. The Livingston Parish School System District "Accountability Report Card" released by the State reflected a performance score of 103.5 and a District responsibility index of Excellent. This D.P.S. score shows Livingston Parish School System performing above the 10 year goal established by the State in compliance with the federal "No Child Left Behind" law.



## **LIVINGSTON PARISH SCHOOL BOARD**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

JUNE 30, 2003

Livingston Parish is primarily described as a rural parish with a population of 91,814 as of the 2000 census. The main population areas compromise the following: one city (western edge of parish - Denham Springs - pop. 8,977), three towns (Walker - pop. 4,801, Livingston - pop. 1,342 and Springfield - pop. 395), and four villages (Albany - pop. 865, Killian - pop. 1,053, French Settlement - pop. 945, and Port Vincent - pop. 463). Livingston Parish has been among the three fastest growing parishes in the state for the past decade - increasing its population from 70,526 in 1990 to today's population of 91,814 (an increase of approx. 31%). Our population continues to increase due to the influx of people from adjoining parishes due to good transportation infrastructure, land availability for residents, and a solid/stable school system.

Correspondingly, the school population to be served has increased from 16,145 students in 1990 to approximately 20,500 students currently - an increase of approximately 4,355 students over 13 years or 27%. The 2003-04 school year is expected to be another record year for student growth with an estimated increase of 500 students and approximately 1,500 student increase over the past 3 years. This highlights that not only is our school population increasing, but also that this increase is on an escalating basis. The number of schools serving these students has increased from 30 sites in 1990 to 37 sites currently - with two additional schools in the planning stages, two of which construction began subsequent to June 30, 2003.

The economic outlook for the recent past and the current term is bright. Due to the population increase over the past two years, two large retail outlets - Wal-Mart Super Store in the Walker School District and a Wal-Mart Super Store in the Denham Springs District has provided a platform for retail trade in our parish. Additionally in the Denham Springs School District, in April, 2003, a Home Depot opened and will boost the retail sales opportunities for our parish and in particular that area. These retail opportunities keep the domestic dollars from being spent in surrounding parishes as they have been for the past years. Livingston Parish has very little industry, but is poised to see growth due to the availability of reasonably - priced land and the I-12 interstate traversing the parish (east - west) with its many interchanges. Currently, the primary industry is forestry products. The major employer of Livingston Parish is the Livingston Parish School Board with approximately 2,500 employees and a budget in excess of \$120 million. Most of our population finds employment along the Mississippi River, which is laced with companies in the high-tech oil and chemical industries. A fledgling tourism industry is being developed with the addition of a State Park at Springfield, summer camps/homes on the various rivers, and the antique shopping village in Denham Springs. The Property tax base in Livingston Parish on the 2003 tax roll is approximately \$165,850,000 which is approximately a 7% increase over the prior year. Increased population and development of rural lands continues to elevate property values.

### **CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT**

While this report is designed to provide full and complete disclosure of the financial conditions and operations of the Livingston Parish School Board, citizens' groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Larry L. Parent, Business Manager, at the Livingston Parish School Board Office, 13909 Florida Blvd, P. O. Box 1130, Livingston, LA 70754-1130, or by calling (225) 686-4235, during regular business hours, Monday thru Friday, 8:00 a.m. to 4:00 p.m., central time. Mr. Parent's E-mail address is **L.PARENT@LPSB.ORG**.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

## LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS

JUNE 30, 2003

**ASSETS**

Cash and Cash Equivalents	\$	6,208,129
Investments		37,600,000
Receivables		5,490,824
Inventory		938,222
Deferred Bond Issuance Costs		693,138
Capital Assets (Net of Accumulated Depreciation)		<u>90,809,089</u>
Total Assets	\$	<u><u>141,739,402</u></u>

**LIABILITIES**

Accounts, Salaries, and Other Payables	\$	16,190,493
Interest Payable		353,370
Long-Term Liabilities:		
Due Within One Year		3,534,601
Due in More than One Year		<u>35,684,614</u>
Total Liabilities		55,763,078

**NET ASSETS**

Invested in Capital Assets, Net of Related Debt		65,365,018
Restricted for:		
Debt Service Fund		3,032,704
General Fund		11,383,369
Unrestricted		<u>6,195,233</u>
Total Net Assets		<u><u>85,976,324</u></u>
Total Liabilities and Net Assets	\$	<u><u>141,739,402</u></u>

The notes to the financial statements are an integral part of this statement.

## LIVINGSTON PARISH SCHOOL BOARD

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>FUNCTIONS/PROGRAMS</b>					
Governmental Activities:					
Instruction:					
Regular Programs	\$ 53,998,380	\$ -	\$ 1,284,009	\$ -	\$ (52,714,371)
Special Programs	14,420,229	-	5,806,117	-	(8,614,112)
Vocational Programs	2,453,390	-	-	-	(2,453,390)
Adult Continuing Education Programs	187,621	-	129,568	-	(58,053)
All Other Programs	2,956,552	116,190	315,702	-	(2,524,660)
Support Services:					
Student Services	3,848,286	132,219	92,699	-	(3,623,368)
Instructional Staff Support	3,531,770	-	-	-	(3,531,770)
General Administration	4,338,092	176,716	-	-	(4,161,376)
School Administration	5,831,891	-	-	-	(5,831,891)
Business Services	1,249,826	-	179,093	-	(1,070,733)
Plant Services	9,549,031	-	-	-	(9,549,031)
Student Transportation Services	6,027,008	5,119	151,723	-	(5,870,166)
Central Services	1,254,471	-	-	-	(1,254,471)
Food Services	8,618,978	2,387,980	4,053,300	-	(2,177,698)
Community Service Programs	45,445	-	-	-	(45,445)
Small Equipment Below Capitalization Policy - Not Reported By Function	1,508,052	-	-	-	(1,508,052)
Interest on Long-Term Debt	1,802,212	-	-	-	(1,802,212)
<b>Total Governmental Activities</b>	<b>\$ 121,621,234</b>	<b>\$ 2,818,224</b>	<b>\$ 12,012,211</b>	<b>\$ -</b>	<b>(106,790,799)</b>
Taxes:					
Property Taxes, Levied for General Purposes					3,325,621
Property Taxes, Levied for Debt Services					2,943,709
Sales and Use Taxes, Levied for General Purposes					19,472,332
Sales and Use Taxes, Levied for Debt Services					89,586
State Revenue Sharing					621,480
Grants and Contributions not Restricted to Specific Purposes:					
Minimum Foundation Program					81,906,248
Other					933,771
Interest and Investment Earnings					681,758
Loss On Retirement of Capital Asset					(3,129)
Miscellaneous					1,149,826
<b>Total General Revenues and Special Items</b>					<b>111,121,202</b>
Change in Net Assets					4,330,403
Net Assets - Beginning of Year, as Restated					81,645,921
Net Assets - End of Year					<b>\$ 85,976,324</b>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

## LIVINGSTON PARISH SCHOOL BOARD

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2003

<u>ASSETS</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 2,942,730	\$ 613,281	\$ 2,622,118	\$ 6,178,129
Cash with Fiscal Agent	30,000	-	-	30,000
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	27,750,000	7,850,000	2,000,000	37,600,000
Receivables	1,382,135	132,097	3,976,592	5,490,824
Due from Other Funds	3,390,925	99,319	48,951	3,539,195
Inventory	858,432	-	79,790	938,222
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 36,354,222	\$ 8,694,697	\$ 8,727,451	\$ 53,776,370
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts, Salaries and Other Payables	\$ 15,005,395	\$ 971,560	\$ 213,538	\$ 16,190,493
Due to Other Funds	-	116,216	3,422,979	3,539,195
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	15,005,395	1,087,776	3,636,517	19,729,688
<b>Fund Balances:</b>				
Reserved for:				
Incomplete Contracts	-	1,391,262	-	1,391,262
Debt Service	-	-	3,032,704	3,032,704
Inventory	858,432	-	79,790	938,222
Salaries	3,179,713	-	-	3,179,713
Construction, Utilities and Maintenance	8,060,257	-	-	8,060,257
Other	143,399	-	-	143,399
Unreserved:				
Designated for:				
Property Damage Insurance	890,105	-	-	890,105
General Liability Insurance	1,779,176	-	-	1,779,176
Worker's Compensation	46,971	-	-	46,971
Computer Equipment	265,584	-	-	265,584
Alternative School/Career Center	1,598,504	-	-	1,598,504
Undesignated	4,526,686	6,215,659	1,978,440	12,720,785
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	21,348,827	7,606,921	5,090,934	34,046,682
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 36,354,222	\$ 8,694,697	\$ 8,727,451	\$ 53,776,370
	<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes constitute an integral part of this statement.

## LIVINGSTON PARISH SCHOOL BOARD

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

JUNE 30, 2003

Total Fund Balances at June 30, 2003 - Governmental Funds		34,046,682
Cost of Capital Assets at June 30, 2003	154,744,343	
Less: Accumulated Depreciation as of June 30, 2003	<u>(63,935,254)</u>	
		90,809,089
Deferred Bond Issuance Costs		693,138
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	3,539,195	
Due to Other Funds	<u>(3,539,195)</u>	-
Long-Term Liabilities at June 30, 2003:		
Compensated Absences	(7,158,566)	
Claims and Judgements	(827,000)	
Bonds Payable	(32,151,404)	
Deferred Amount on Refunding	917,755	
Accrued Interest Payable	<u>(353,370)</u>	<u>(39,572,585)</u>
Net Assets at June 30, 2003.		<u>\$ 85,976,324</u>

The notes to the financial statements are an integral part of this statement.

## LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2003

	<u>General</u> <u>Fund</u>	<u>Capital</u> <u>Projects Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Total</u>
<b>Revenues:</b>				
Local Sources:				
Taxes:				
Ad Valorem	\$ 1,549,586	\$ 740,006	\$ 3,979,738	\$ 6,269,330
Sales and Use	19,472,332	-	89,586	19,561,918
Other	189,755	-	-	189,755
Rentals, Leases and Royalties	116,505	-	-	116,505
Tuition	116,190	-	-	116,190
Interest Earnings	547,490	66,748	67,520	681,758
Food Services	-	-	2,387,980	2,387,980
Other	1,153,568	-	4,052	1,157,620
State Sources:				
Unrestricted Grants-in-Aid	82,308,481	153,474	551,304	83,013,259
Restricted Grants-in-Aid	2,420,002	-	-	2,420,002
Federal Sources:				
Unrestricted - Indirect Cost Recoveries	-	-	179,093	179,093
Restricted Grants-in-Aid - Subgrants	-	-	9,394,121	9,394,121
Other - Commodities	-	-	467,235	467,235
<b>Total Revenues</b>	<b>107,873,909</b>	<b>960,228</b>	<b>17,120,629</b>	<b>125,954,766</b>
<b>Expenditures:</b>				
Instruction:				
Regular Programs	53,790,198	-	16,524	53,806,722
Special Programs	11,981,140	-	2,351,193	14,332,333
Vocational Programs	2,307,316	-	125,181	2,432,497
Adult and Continuing Education Program	69,074	-	117,603	186,677
Other Programs	1,494,601	-	1,440,032	2,934,633

(CONTINUED)



**LIVINGSTON PARISH SCHOOL BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2003**

	General Fund	Capital Projects Fund	Nonmajor Funds	Total
<b>Expenditures (Continued):</b>				
Support Services:				
Pupil Support	3,542,115	-	284,683	3,826,798
Instructional Staff Support	2,788,772	-	805,211	3,593,983
General Administration	1,402,173	31,273	169,607	1,603,053
School Administration	5,775,123	-	23,360	5,798,483
Business Services	1,222,623	-	21,702	1,244,325
Plant Services	7,064,944	-	2,408,233	9,473,177
Transportation Services	5,836,731	-	441	5,837,172
Central Services	1,251,233	-	-	1,251,233
Food Services	66,631	-	8,509,058	8,575,689
Community Service Programs	14,413	-	30,968	45,381
Capital Outlay	1,656,576	6,780,979	677,835	9,115,390
Debt Service:				
Principal Retirement	-	-	1,633,582	1,633,582
Interest and Bank Charges	-	-	1,452,297	1,452,297
Cost of Issuance	-	47,355	-	47,355
<b>Total Expenditures</b>	<b>100,263,663</b>	<b>6,859,607</b>	<b>20,067,510</b>	<b>127,190,780</b>
Excess (Deficiency) of Revenues Over Expenditures	7,610,246	(5,899,379)	(2,946,881)	(1,236,014)
<b>Other Financing Sources (Uses):</b>				
Bond Proceeds	-	9,000,000	-	9,000,000
Transfers In	368,384	2,920,000	3,525,500	6,813,884
Transfers Out	(6,634,791)	-	(179,093)	(6,813,884)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,266,407)</b>	<b>11,920,000</b>	<b>3,346,407</b>	<b>9,000,000</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,343,839	6,020,621	399,526	7,763,986
<b>Fund Balances at Beginning of Year</b>	<b>20,004,988</b>	<b>1,586,300</b>	<b>4,691,408</b>	<b>26,282,696</b>
<b>Fund Balances at End of Year</b>	<b>\$ 21,348,827</b>	<b>\$ 7,606,921</b>	<b>\$ 5,090,934</b>	<b>\$ 34,046,682</b>

The notes to the financial statements are an integral part of this statement.

## LIVINGSTON PARISH SCHOOL BOARD

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003

Total Net Change in Fund Balances - Governmental Funds	\$ 7,763,986
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:	
Capital Outlays	7,607,338
Library Books and Textbooks Purchased	1,647,391
Depreciation Expense	(4,703,590)
Add accumulated depreciation on capital assets retired during the year	4,247,654
Less cost basis of capital assets retired during the year	(4,250,783)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Issuance of General Obligation Bonds	(9,000,000)
General Obligation Bond Principal Repayments	1,633,582
Cost of Issuance of General Obligation Bonds	47,355
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Increase in Compensated Absences Payable	(548,615)
Decrease in Claims and Judgements Payable	236,000
Amortization of Bond Discounts	(89,365)
Amortization of Cost of Issuance	(42,960)
Amortization of Deferred Amounts on Refunding	(83,366)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	<u>(134,224)</u>
Change in Net Assets of Governmental Activities	<u>\$ 4,330,403</u>

The notes to the financial statements are an integral part of this statement.

## LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -  
GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Local Sources:				
Taxes:				
Ad Valorem	\$ 1,445,000	\$ 1,449,000	\$ 1,549,586	\$ 100,586
Sales and Use	19,773,700	19,280,000	19,472,332	192,332
Other	185,000	185,000	189,755	4,755
Rentals, Leases and Royalties	80,000	104,500	116,505	12,005
Tuition	165,000	120,000	116,190	(3,810)
Interest Earnings	752,100	770,100	547,490	(222,610)
Other	1,060,200	986,325	1,153,568	167,243
State Sources:				
Unrestricted Grants-in-Aid	82,550,476	82,452,122	82,308,481	(143,641)
Restricted Grants-in-Aid	2,532,123	2,209,473	2,420,002	210,529
Total Revenues	108,543,599	107,556,520	107,873,909	317,389
<b>Expenditures:</b>				
Instruction:				
Regular Programs	54,197,578	54,318,849	53,790,198	528,651
Special Programs	10,861,800	11,887,200	11,981,140	(93,940)
Vocational Programs	2,416,230	2,424,430	2,307,316	117,114
Other Programs	888,800	1,383,454	1,494,601	(111,147)
Adult and Continuing Education Programs	70,101	134,630	69,074	65,556
Support Services:				
Pupil Support	3,542,950	3,591,500	3,542,115	49,385
Instructional Staff Support	2,638,600	3,014,650	2,788,772	225,878
General Administration	1,496,991	1,394,456	1,402,173	(7,717)
School Administration	5,866,700	5,797,000	5,775,123	21,877
Business Services	1,246,513	1,241,066	1,222,623	18,443

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -  
GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2003

	Original Budget	Final Budget	Actual	Variance Final Budget to Actual Favorable (Unfavorable)
<b>Expenditures (Continued):</b>				
Support Services (Continued):				
Plant Services	6,755,016	7,302,293	7,064,944	237,349
Transportation Services	5,857,900	5,657,100	5,836,731	(179,631)
Central Services	1,549,000	1,335,905	1,251,233	84,672
Food Services	85,000	70,000	66,631	3,369
Community Service Programs	9,000	9,000	14,413	(5,413)
Capital Outlay	2,293,623	2,006,423	1,656,576	349,847
Total Expenditures	<u>99,775,802</u>	<u>101,567,956</u>	<u>100,263,663</u>	<u>1,304,293</u>
Excess (Deficiency) of Revenues Over Expenditures	8,767,797	5,988,564	7,610,246	1,621,682
<b>Other Financing Sources (Uses):</b>				
Transfers In	250,000	315,000	368,384	53,384
Transfers Out	<u>(5,682,306)</u>	<u>(6,606,425)</u>	<u>(6,634,791)</u>	<u>(28,366)</u>
Total Other Financing Sources (Uses)	<u>(5,432,306)</u>	<u>(6,291,425)</u>	<u>(6,266,407)</u>	<u>25,018</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	3,335,491	(302,861)	1,343,839	1,646,700
Fund Balance at Beginning of Year	<u>20,004,988</u>	<u>20,004,988</u>	<u>20,004,988</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 23,340,479</u>	<u>\$ 19,702,127</u>	<u>\$ 21,348,827</u>	<u>\$ 1,646,700</u>

The notes to the financial statements are an integral part of this statement.

**LIVINGSTON PARISH SCHOOL BOARD**

**FIDUCIARY FUNDS**

**STATEMENT OF FIDUCIARY NET ASSETS**

JUNE 30, 2003

**ASSETS**

Cash and Cash Equivalents	\$	<u>4,185,556</u>
Total Assets	\$	<u><u>4,185,556</u></u>

**LIABILITIES**

Amounts Held for School Activities	\$	2,550,771
Deposits Due to Others		<u>1,634,785</u>
Total Liabilities	\$	<u><u>4,185,556</u></u>

The notes to the financial statements are an integral part of this statement.

# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

### INTRODUCTION

The Livingston Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Livingston 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 nine members who are elected from nine districts for terms of four years.

The School Board operates thirty-six schools and a special education center within the parish with a total enrollment of approximately 20,500 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.

#### (1) Summary of Significant Accounting Policies -

##### A. Basis of Presentation

The accompanying financial statements of the Livingston 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.

This financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

##### B. Reporting Entity

For financial reporting purposes, the School Board includes all funds, schools, and agencies that are within the oversight responsibility of the School Board. The oversight responsibility derived by the School Board is related to its scope of public service and gives it the authority to establish public schools as it deems necessary. This oversight responsibility also allows

# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

the School Board to determine the number of teachers and employees to be employed, to establish the financial interdependency of the funds, to appoint management, and to significantly influence operations and accountability for fiscal matters.

Certain units of local government over which the School Board exercises no oversight responsibility, such as the Parish Council, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Livingston Parish School Board.

### C. Funds

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School Board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the School Board are classified into two categories: Governmental and Fiduciary, as discussed below.

#### **Governmental Funds**

Governmental funds are used to account for all or most of the School Board's general activities. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board. The following are the School Board's primary governmental funds:

#### **Governmental Fund Types:**

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

**LIVINGSTON PARISH SCHOOL BOARD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2003

*Special Revenue Funds* - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*Debt Service Fund* - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for each district.

*Capital Projects Fund* - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and for the major repairs thereto.

**Fiduciary Fund Type:**

*Agency Funds* - Agency funds account for assets held by the School Board as an agent for schools and school organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

D. Measurement Focus/Basis of Accounting

**Government-Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the school board, except for the fiduciary fund. The Fiduciary Fund is only reported in the Statement of Net Fiduciary Assets at the Fund Financial Statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.



# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

### **Program Revenues**

Program revenues included in the Statement of Activities derive directly from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

### **Allocation of Indirect Expenses**

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve many purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### **Fund Financial Statements (FFS)**

#### **Governmental Funds**

The accounting and financial reporting treatment applied to a fund are determined by its measurement focus. Governmental Funds 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 Governmental Funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The only major fund of the School Board is the General Fund.

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

### **Revenues**

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.

Federal and State entitlements (which include state equalization and state revenue sharing) are recorded when available and measurable. Federal and State grants are recorded when the reimbursable expenditures have been incurred.

Sales and use tax revenues are recorded in the month collected by the School Board.

Substantially all other revenues are recorded when received.

### **Expenditures**

Salaries are recorded as expenditures when earned. Nine-month employee salaries are earned over a 9-month period, but are paid over a 12-month period. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. Principal and interest on general long-term obligations are recognized when due. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

### **Other Financing Sources (Uses)**

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

# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

### E. Budget Practices

The School Board adopts budgets for the General Fund, each Special Revenue Fund, the Debt Service Fund and the Capital Projects Fund.

The proposed budgets for the fiscal year ended June 30, 2003, were made available for public inspection and comments from taxpayers. The budgets, which included proposed expenditures and the means of financing them, were published in the official journal fifteen days prior to the public hearing on the budgets for the year ended June 30, 2003. At this meeting, the proposed budgets were legally adopted by the School Board.

The budgets are prepared on a modified accrual basis of accounting. All appropriations lapse at year end. Encumbrances are not recognized within the accounting records for budgetary control purposes. Formal budget integration (within the accounting records) is employed as a management control device. The superintendent of parish schools is authorized to transfer between line items within any fund. However, when actual revenues within a fund fail to meet budgeted revenues by five percent or more, a budget amendment is adopted by the School Board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

### F. Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

### G. Cash and Cash Equivalents

Cash and cash equivalents include interest bearing demand deposits and amounts in time deposits with maturities less than 90 days. 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. Cash and cash equivalents are stated at cost, which approximates market value.

# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

Certificates of deposit with maturities greater than 90 days are classified as investments and are stated at cost, which also approximates market value.

### H. Inventory

Inventory of the General Fund is valued at cost and consists of expendable materials and supplies, which are recorded as an expenditure when consumed, using the first-in, first-out method.

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

### I. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 40 to 50 years for buildings, and 6 to 20 years for equipment.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2003 were considered to be part of the cost of buildings or other immovable property such as stadiums. In the future, if such items are built or constructed, they will be capitalized and depreciated over their estimated useful lives.

# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

### J. Compensated Absences

All 12-month employees earn from 5 to 20 days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated without limitation, but must be used prior to retirement or termination.

All school board employees earn from 10 to 18 days of sick leave each year, depending upon the number of months employed. Sick leave may 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, the total unused accumulated sick leave, including the twenty-five 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 twenty-five days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may only be granted for medical leave 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.

### K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**LIVINGSTON PARISH SCHOOL BOARD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2003

L. Fund Balance Reserves

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. Net Assets

Net assets represent the difference between assets and liabilities in the GWFS. "Net assets invested in capital assets, net of related debt" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted in the GWFS when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

N. Sales and Use Taxes

The School Board receives a two and one-half percent sales and use tax. The sales and use tax is collected by the sales tax department of the School Board and is included in the revenues of the General Fund. The proceeds of the tax are dedicated to the payment of salaries of school teachers and other school employees; the payment of utilities; and constructing, maintaining or operating school buildings and other school related facilities, including the acquisition of sites.

The School Board is also authorized to collect sales and use taxes levied by the following governmental entities:

Livingston Parish Council  
Law Enforcement Subdistrict A  
Gravity Drainage District No. 1  
Gravity Drainage District No. 2  
Gravity Drainage District No. 5  
City of Denham Springs  
City of Walker  
Town of Livingston  
Village of Albany  
Town of Springfield  
Livingston Parish Tourist Commission

# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

The School Board receives a collection fee from each of these entities at a rate of 2% on the first \$1,000,000 collected and then 1.5% on the amounts collected in excess of \$1,000,000. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

(2) Cash and Cash Equivalents -

The School Board maintains various deposit accounts for the current operations of certain individual funds of the School Board. In addition, it maintains a cash investment pool with the Board's paying agent for all remaining funds. Each fund's portion of the cash and investment pool is included in that fund's Cash and Cash Equivalent account.

The School Board also maintains certificates of deposits with maturities greater than 90 days. These certificates are classified as Investments.

Interest earned on pooled cash and investments is allocated to the participating funds based upon their combined participating balances.

There are three categories of credit risk that apply to the School Board's cash and investments.

1. Insured or registered or for which the securities are held by the School Board or the Board's agent in the Board's name.
2. Uninsured and unregistered for which the securities are held by the bank's trust department or the School Board's agent in the Board's name.

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

3. Uninsured and unregistered for which the securities are held by the broker or by the bank.

At June 30, 2003, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$47,993,685 and the confirmed bank balances were \$48,531,025. Cash and Cash Equivalents and Investments are stated at cost, which approximates market.

The following is a summary of Cash and Cash Equivalents and Investments at June 30, 2003, classified by credit risk:

	Carrying Amount			Confirmed Balance
	Governmental Funds	Fiduciary Funds	Total	
Category 1	\$ 43,808,129	\$ 4,185,556	\$ 47,993,685	\$ 48,531,025
Category 2	-	-	-	-
Category 3	-	-	-	-
Total	\$ 43,808,129	\$ 4,185,556	\$ 47,993,685	\$ 48,531,025

Recap by Financial Statement Caption:

Cash and Cash Equivalents	\$ 6,208,129
Investments	<u>37,600,000</u>
Total Reported in Statement of Net Assets (Statement A)	43,808,129
Fiduciary Funds Cash and Cash Equivalents (Statement H)	<u>4,185,556</u>
Total	<u>\$ 47,993,685</u>

- (3) Ad Valorem Taxes -

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.



**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land are to be assessed at 15% and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which is valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Assessor during the year and are billed to taxpayers in November. Billed taxes become delinquent on December 31. Revenues from Ad Valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Parish Assessor bills and collects the property taxes using the assessed value determined by his office.

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

	<u>Authorized</u>	<u>Levied</u>		
	<u>Millage</u>	<u>Millage</u>		
Parishwide Taxes:				
Constitutional	3.29	3.29		
Additional Support	7.18	7.18		
Maintenance	5.00	5.00		
Construction	7.00	7.00		
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
District Taxes -				
Bond and Interest	-	58.25	-	58.25

Any differences between authorized and levied millages are the result of reassessment of the tax rolls required by Article 7, Section 23 of the Louisiana Constitution of 1974.

Total Ad Valorem Taxes Levied	\$ 6,553,554
Less: Amounts Deemed Uncollectible	<u>(350,117)</u>
	6,203,437
Add: Prior Year Taxes Collected in Current Year	<u>65,893</u>
Net Ad Valorem Taxes Collectible	<u><u>\$ 6,269,330</u></u>

Ad Valorem taxes receivable at June 30, 2003, totaled \$97,449 and is included under the caption "Receivables" in these financial statements.

**LIVINGSTON PARISH SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2003

(4) Receivables -

The receivables at June 30, 2003, are as follows:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Ad Valorem Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ -	\$ 1,144,191	\$ 22,807	\$ 4,134	\$ 211,003	\$ 1,382,135
Capital Projects Fund	-	-	10,891	25,473	95,733	132,097
Nonmajor Funds	<u>3,809,216</u>	<u>-</u>	<u>63,751</u>	<u>10,649</u>	<u>92,976</u>	<u>3,976,592</u>
Totals	<u>\$ 3,809,216</u>	<u>\$ 1,144,191</u>	<u>\$ 97,449</u>	<u>\$ 40,256</u>	<u>\$ 399,712</u>	<u>\$ 5,490,824</u>

(5) Interfund Receivables, Payables - Transfers In, Transfers Out -

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 3,390,925	\$ -
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Chapter 1	-	1,383,906
Chapter 2	-	113,156
Special Education Fund	-	689,528
Special Federal Fund	-	473,957
Other Federal ESEA Fund	<u>-</u>	<u>730,378</u>
Total Special Revenue Funds	-	3,390,925
Debt Service Funds:		
District No. 1	32,054	-
District No. 22	16,897	-
District No. 31	<u>-</u>	<u>32,054</u>
Total Debt Service Funds	48,951	32,054
Capital Projects Funds:		
District No. 1	28,656	-
District No. 4	70,663	-
District No. 22	-	16,897
District No. 33	<u>-</u>	<u>99,319</u>
Total Capital Projects Fund	<u>99,319</u>	<u>116,216</u>
Total	<u>\$ 3,539,195</u>	<u>\$ 3,539,195</u>

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 368,384	\$ 6,634,791
Special Revenue Funds:		
Elementary and		
Secondary Education Act:		
Chapter 1	-	76,983
Special Education	-	56,942
Maintenance of Schools	1,380,000	-
School Lunch	2,145,500	-
Special Federal	-	9,296
Other Federal ESEA	-	<u>35,872</u>
Total Special Revenue Funds	3,525,500	179,093
Capital Projects Fund:		
District No. 1	1,000,000	-
District No. 4	1,000,000	-
District No. 24	250,000	-
District No. 27	120,000	-
District No. 31	100,000	-
District No. 32	<u>450,000</u>	<u>-</u>
Total Capital Projects Fund	2,920,000	-
 Total	 <u>\$ 6,813,884</u>	 <u>\$ 6,813,884</u>

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2003 is as follows:

	<u>Balance</u> <u>July 1, 2002</u>	<u>Adjustments*</u>	<u>Balance</u> <u>July 1, 2002</u> <u>(As Restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2003</u>
<u>Governmental Activities:</u>						
Capital Assets not being Depreciated:						
Land	\$ 4,671,575	\$ -	\$ 4,671,575	\$ 598,280	\$ -	\$ 5,269,855
Construction in Progress	<u>7,596,682</u>	<u>-</u>	<u>7,596,682</u>	<u>2,854,668</u>	<u>(7,574,090)</u>	<u>2,877,260</u>
Total Capital Assets not being Depreciated	12,268,257	-	12,268,257	3,452,948	(7,574,090)	8,147,115
Capital Assets being Depreciated:						
Buildings and Improvements	118,265,387	-	118,265,387	10,842,936	-	129,108,323
Furniture and Equipment	22,463,070	(19,133,704)	3,329,366	57,492	-	3,386,858
Library Books and Textbooks	14,403,071	-	14,403,071	1,647,391	(4,210,174)	11,840,288
Vehicles	<u>1,474,316</u>	<u>-</u>	<u>1,474,316</u>	<u>828,052</u>	<u>(40,609)</u>	<u>2,261,759</u>
Total Capital Assets being Depreciated	156,605,844	(19,133,704)	137,472,140	13,375,871	(4,250,783)	146,597,228
Less: Accumulated Depreciation for:						
Buildings and Improvements	50,091,798	-	50,091,798	2,886,112	-	52,977,910
Furniture and Equipment	13,452,368	(11,572,325)	1,880,043	271,119	-	2,151,162
Library Books and Textbooks	10,943,221	-	10,943,221	1,327,232	(4,210,174)	8,060,279
Vehicles	<u>564,256</u>	<u>-</u>	<u>564,256</u>	<u>219,127</u>	<u>(37,480)</u>	<u>745,903</u>
Total Accumulated Depreciation	<u>75,051,643</u>	<u>(11,572,325)</u>	<u>63,479,318</u>	<u>4,703,590</u>	<u>(4,247,654)</u>	<u>63,935,254</u>
Total Capital Assets being Depreciated, Net	<u>81,554,201</u>	<u>(7,561,379)</u>	<u>73,992,822</u>	<u>8,672,281</u>	<u>(3,129)</u>	<u>82,661,974</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 93,822,458</u>	<u>\$ (7,561,379)</u>	<u>\$ 86,261,079</u>	<u>\$12,125,229</u>	<u>\$(7,577,219)</u>	<u>\$ 90,809,089</u>

\*As more fully discussed in Note 18, the School Board increased its capitalization policy effective July 1, 2002 retroactive to prior years. Amounts included in the adjustments column are due to this change in policy.

Depreciation expense of \$4,703,590 for the year ended June 30, 2003 was charged to the following governmental functions:

**Instruction:**

Regular Education	\$1,136,000
Special Education	9,482
Vocational Education	7,927
Other Education Programs	12,433

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

**Depreciation Expense (Continued):**

**Support Services:**

Instructional Staff Support	\$ 331,808
General Administration (Including all Buildings)	2,966,807
School Administration	607
Plant Services	50,560
Student Transportation Services	169,067
School Food Services	<u>18,899</u>
Total	<u>\$4,703,590</u>

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2003, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Withholdings</u>	<u>Retirement</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 1,355,943	\$ 7,714,671	\$ 4,153,418	\$ 1,781,363	\$ -	\$ 15,005,395
Capital Projects Fund	971,560	-	-	-	-	971,560
Nonmajor Funds	<u>195,746</u>	<u>895</u>	<u>-</u>	<u>-</u>	<u>16,897</u>	<u>213,538</u>
Total	<u>\$ 2,523,249</u>	<u>\$ 7,715,566</u>	<u>\$ 4,153,418</u>	<u>\$ 1,781,363</u>	<u>\$ 16,897</u>	<u>\$ 16,190,493</u>

(8) Defined Benefit Pension Plans -

A. Plan Descriptions, Contribution Information and Funding Policies -

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement Systems (LSERS).

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

The following is a summary of eligibility factors, contribution methods, and benefit provisions.

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
Eligibility to Participate	Employees that meet the legal definition of a "teacher" in accordance with Louisiana Revised Statutes 11:701(23)(a).	Employees paid with school food service funds in which the parish has withdrawn from Social Security coverage.	Membership is mandatory for all employees under age 60 employed by a Louisiana Parish or City School Board who work more than 20 hours as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide.
Authority Establishing Contribution Obligations and Benefits	State Statute	State Statute	State Statute
Plan Members' Contribution Rate (Percent of Covered Payroll)	8.00%	9.10%	7.50%
School Board's Contribution Rate (Percent of Covered Payroll)	13.10%	13.10%	0.00%
Period Required to Vest	10 years	10 years	10 years

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

Benefits and  
Eligibility for  
Distribution  
(Full-time)

Teachers' Retirement  
System of Louisiana -  
Regular Plan

Teachers' Retirement  
System of Louisiana -  
Plan A

State of Louisiana  
School Employees'  
Retirement System

Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following requirements:

<u>Years Service</u>	<u>Min. Age</u>	<u>Formula Percentage</u>
10	60	2.0%
	Any	
20	Age	2.0%
25	55	2.5%
	Any	
30	Age	2.5%
20	65	2.5%

Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following requirements:

<u>Years Service</u>	<u>Min. Age</u>	<u>Formula Percentage</u>
10*	60	3.0%
25	55	3.0%
	Any	
30	Age	3.0%

\*Less than 10 years at age 70 if member entered School Lunch Employees' Retirement System when Parish withdrew from Social Security.

At least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60, 2 1/2% of average compensation for the three highest consecutive years of service times the number of years of service, plus an additional 1/2% of average final compensation times the years of creditable service in excess of 20 years, plus a supplementary allowance of \$24 per annum or \$2 per month for each year of service, not to exceed average final compensation.

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
Deferred Retirement Option	Yes, same eligibility requirements as above regular retirement.	Yes, same eligibility requirements as above regular retirement.	Yes, 10 years at age 60, 25 years at 55, or any age with 30 years of creditable service.
Provisions for: Cost of Living Adjustments (Normal Retirement)	Yes	Yes	Yes
Death (Duty, Non-Duty, Post Retirement)	Yes	Yes	Yes
Disability (Duty, Non-Duty)	Yes	Yes	Yes
Cost of Living Allowances	Yes	Yes	Yes

B. Trend Information -

Contributions required by State statute:

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
1995	\$5,524,209	100%	\$116,721	100%	\$233,479	100%
1996	\$6,285,982	100%	\$107,718	100%	\$252,034	100%
1997	\$6,859,610	100%	\$ 86,835	100%	\$258,771	100%
1998	\$7,816,519	100%	\$ 92,247	100%	\$276,111	100%
1999	\$8,718,960	100%	\$ 88,797	100%	\$298,691	100%
2000	\$8,349,114	100%	\$ 77,961	100%	\$ -	N/A
2001	\$8,067,534	100%	\$ 62,298	100%	\$ -	N/A
2002	\$8,032,885	100%	\$ 45,635	100%	\$ -	N/A
2003	\$8,580,196	100%	\$ 41,839	100%	\$ -	N/A

(CONTINUED)



## LIVINGSTON PARISH SCHOOL BOARD

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

Trend information showing the progress of the Systems in accumulating sufficient assets to pay benefits when due is presented in their annual financial reports. Copies of these reports may be obtained from the respective State retirement systems.

#### C. Deferred Compensation Plan -

In addition to the above mentioned retirement plans, on May 5, 1994, the School Board adopted a resolution establishing a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All part-time, seasonal and temporary employees of the School Board are eligible to participate in this plan. Participation in this plan is at a rate of 7.5% of compensation with contributions to the plan funded 1.3% by the employer and 6.2% by the employee. This plan became effective for fiscal years ending after June 30, 1994. During the current fiscal year, total contributions to the plan amounted to \$169,535 which consisted of \$29,386 from the School Board and \$140,149 from the employees.

The School Board has implemented GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the School Board's plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the School Board's financial statements as of June 30, 2003.

#### (9) Post-Retirement Health Care and Life Insurance Benefits -

In addition to the pension benefits described in Note (8), the Livingston 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, the State Employees Group Benefits Program (the state), and the School Board (the parish). The School Board recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the fiscal year ended June 30, 2003, the cost of providing these benefits for 1,567 active employees is \$5,762,356 and for 475 retirees is \$2,271,131.

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

(10) Changes in Agency Fund Deposits Due Others -

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

	<u>School Activity Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Balance - June 30, 2002	\$ 2,631,754	\$ 1,500,244	\$ 4,131,998
Additions	8,454,753	39,740,335	48,195,088
Deductions	<u>(8,535,736)</u>	<u>(39,605,794)</u>	<u>(48,141,530)</u>
Balance - June 30, 2003	<u>\$ 2,550,771</u>	<u>\$ 1,634,785</u>	<u>\$ 4,185,556</u>

(11) Long-Term Debt -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2003:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Total</u>
Long-Term Obligations - July 1, 2002	\$ 23,694,500	\$ 6,609,951	\$ 1,063,000	\$ 31,367,451
Additions	9,000,000	2,324,931	298,785	11,623,716
Accretions of Deep Discount	89,365	-	-	89,365
Amortization of Deferred Amounts on Refunding	83,366	-	-	83,366
Deductions	<u>(1,633,582)</u>	<u>(1,776,316)</u>	<u>(534,785)</u>	<u>(3,944,683)</u>
Long-Term Obligations - June 30, 2003	<u>\$ 31,233,649</u>	<u>\$ 7,158,566</u>	<u>\$ 827,000</u>	<u>\$ 39,219,215</u>

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2003:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Total</u>
Current Portion	\$ 1,744,959	\$ 1,789,642	\$ -	\$ 3,534,601
Long-Term Portion	<u>29,488,690</u>	<u>5,368,924</u>	<u>827,000</u>	<u>35,684,614</u>
Total	<u>\$ 31,233,649</u>	<u>\$ 7,158,566</u>	<u>\$ 827,000</u>	<u>\$39,219,215</u>

Bonded Debt

All school board bonds outstanding at June 30, 2003 in the amount of \$32,151,404 consist of general obligation bonds with final maturities from 2004 to 2022 and interest rates from 4.00 percent to 12.00 percent. Bond principal and interest payable in the next fiscal year is \$1,744,959 and \$1,771,193, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
<b>General Obligation Bonds - Secured by Ad Valorem Taxes:</b>					
School District No. 1:					
03/01/89	\$2,631,608	6.50-7.55%	2005	\$ 470,532	\$ 234,468
11/01/94	\$9,600,000	6.10-8.00%	2014	86,010	930,000
03/01/02	\$6,455,000	4.00%	2014	1,878,143	6,370,000
School District No. 4:					
11/01/94	\$4,200,000	6.10-8.00%	2014	37,820	410,000
03/01/02	\$2,840,000	4.00%	2014	826,467	2,800,000

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
School District No. 22:					
12/01/96	\$1,500,000	5.00-10.00%	2016	469,980	1,195,000
01/01/02	\$2,515,000	4.50%	2017	881,163	2,355,000
02/01/03	\$9,000,000	4.00-4.55%	2022	4,428,635	9,000,000
School District No. 24:					
11/01/93	\$2,035,000	6.40-6.60%	2013	768,724	1,825,000
School District No. 25:					
02/27/02	\$ 340,000	4.50%	2008	22,207	275,000
School District No. 26:					
02/27/02	\$ 411,000	3.90%	2007	24,164	337,000
School District No. 27-A:					
04/01/89	\$1,308,369	6.50-7.55%	2005	250,314	124,686
11/01/93	\$1,000,000	5.80-6.00%	2013	382,717	955,000
11/01/93	\$1,140,000	6.70%	2013	329,640	895,000
Less:					
Capital Appreciation					
Bond Deep-Discount				-	(74,558)
School District No. 31:					
04/01/96	\$ 725,000	5.30-12.00%	2016	229,528	580,000
08/01/01	\$ 450,000	.1%-6.50%	2016	163,360	430,000
School District No. 32-A:					
04/01/96	\$1,790,000	5.25-12.00%	2016	574,400	1,440,000
08/01/01	\$1,400,000	.1%-6.5%	2016	509,088	1,330,000
School District No. 33:					
03/01/89	\$ 444,464	6.80-7.55%	2004	83,483	41,517
11/01/93	\$1,045,000	6.70-6.80%	2013	253,315	760,000
Less:					
Capital Appreciation					
Bond Deep Discount				-	(61,709)
Total General Obligation Bonds				<u>12,669,690</u>	<u>32,151,404</u>
Total Bonded Debt				<u>\$ 12,669,690</u>	<u>\$ 32,151,404</u>

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

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, 2003 the School Board has accumulated \$3,032,704 in the Debt Service Funds for future debt requirements. The bonds are due, by years, as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2004	\$ 1,744,959	\$ 1,771,193	\$ 3,516,152
2005	2,066,712	1,745,419	3,812,131
2006	2,080,000	1,286,233	3,366,233
2007	2,167,000	1,202,170	3,369,170
2008	2,804,000	1,109,115	3,913,115
2009-2013	11,995,000	3,953,356	15,948,356
2014-2018	6,695,000	1,287,125	7,982,125
2019-2022	<u>2,735,000</u>	<u>315,079</u>	<u>3,050,079</u>
	32,287,671	12,669,690	44,957,361
Less: Capital Appreciation Bond Deep Discount	<u>(136,267)</u>	<u>-</u>	<u>(136,267)</u>
	<u>\$ 32,151,404</u>	<u>\$ 12,669,690</u>	<u>\$ 44,821,094</u>

During the fiscal year ended June 30, 1994, voters of Livingston Parish approved the issuance of \$5,220,000 (par value) of 1993 A, B, C and D General Obligation School Improvement Bonds dated November 1, 1993. Each series of Bonds constitute general obligations of the respective School District for which the full faith and credit of the issuing District's are pledged. Each series of Bonds is payable from unlimited ad valorem taxation on all taxable property in the respective issuing District. The Series A, B and C Bonds were issued at a deep discount totaling \$1,618,011. Accretion of this deep discount for the fiscal year ended June 30, 2003 amounted to \$89,365 leaving an amortized deep discount of \$136,267 at June 30, 2003.

# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

### Prior Years Advance Refundings

On April 1, 1996, the School Board issued \$2,515,000 in General Obligation Bonds with an average interest rate of 5.3% to advance refund \$1,180,000 of outstanding General Obligation Bonds with an average interest rate of 8.0%. The net proceeds of \$1,430,562 (after payment of \$16,595 in underwriting fees, insurance and other issuance costs) plus an additional \$184,748 of the advance refunded bonds sinking fund monies were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on these bonds. As a result, these bonds are considered to be defeased and the liability for these bonds has been removed from these financial statements. The School Board advance refunded these bonds which increased its total debt service payments over the next 20 years by approximately \$2,700,000. The School Board experienced an economic loss (difference between the present values of the debt service payments on the old and new debt) of approximately \$1,300,000. This loss was caused by the additional debt issued for the construction of new facilities in Districts #31 and #32.

During the 2002 fiscal year, the School Board issued \$11,810,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$10,810,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from these financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,029,722. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$957,672 and resulted in an economic gain of \$714,266.

In addition during 2002, the School Board issued \$751,000 of general obligation bonds for a current refunding of \$730,000 of general obligation bonds. The refunding was undertaken to reduce total future debt service payments. The reacquisition price was approximately equal to the net carrying amount of the old debt. The transaction also resulted in an economic gain of \$41,649 and a reduction of \$51,401 in future debt service payments.

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded by ad valorem taxes, in excess of thirty-five percent of the assessed value of taxable property. At June 30, 2003, the statutory limit is approximately \$106,280,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$32,151,404.

**LIVINGSTON PARISH SCHOOL BOARD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2003

Compensated Absences

At June 30, 2003, employees of the School Board have accumulated and vested \$7,158,566 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

(12) Risk Management/Fund Balances Designated for Insurance -

Property Damage Insurance

The School Board continues to carry an excess coverage insurance policy to cover annual losses in excess of \$50,000 and has designated \$890,105 of fund balance of the General Fund at June 30, 2003, to cover the cost of future property damage not covered by insurance.

General Liability Insurance

The School Board is exposed to losses relating to any potential general liability claim it may face. Because of the prohibitive cost of carrying commercial insurance, the School Board established a limited risk management program for liability claims. The School Board has an excess coverage insurance policy to cover annual losses in excess of \$400,000.

The School Board made disbursements for liability claims of \$42,960 in the fiscal year ended June 30, 2003. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2003, amounted to \$546,563.

Each year the School Board compares the claims paid and the designated fund balance for general liability insurance to determine the amount of funds to be set aside that year. The School Board has designated \$1,779,176 of the fund balance of the General Fund to cover future general liability damage claims.

Worker's Compensation Insurance

The School Board is exposed to losses relating to any potential worker's compensation claims it may face. Because of the prohibitive cost of carrying commercial insurance, the School Board established a limited risk management program for worker's compensation claims. The School Board has purchased an excess coverage insurance policy to cover worker's compensation claims in excess of \$300,000.

# LIVINGSTON PARISH SCHOOL BOARD

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

All worker's compensation claims are paid out of the General Fund resources. The School Board made disbursements for worker's compensation claims of \$314,198 in the fiscal year ended June 30, 2003. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2003, amounted to \$280,437.

Each year the School Board compares the claims paid and the designated fund balance for worker's compensation insurance to determine the amount of funds to be set aside that year. The School Board has designated \$46,971 of the fund balance of the General Fund to cover future worker's compensation damage claims.

Included in this amount is a certificate of deposit in the amount of \$150,000 purchased by the School Board in the name of the Office of Workers' Compensation through the Department of Employment and Training and held in trust for the School Board.

### (13) Fund Balance - Other Designations - General Fund -

#### Computer Equipment

The School Board established a designation of fund balance in the General Fund to accumulate the projected costs of buying new computer equipment. The amount of this designation is \$265,584 at June 30, 2003.

#### Alternative School/Career Center

During a prior fiscal year, the School Board passed a motion to set aside funds in the amount of \$1,000,000 in the General Fund to be used for a proposed alternative school/career center. In the current year and prior years, the board designated annual interest earnings and timber sale revenues for this purpose. At June 30, 2003, the \$1,598,504 remains designated to be used for the proposed alternative school/career center.



**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

(14) Fund Equity - Capital Projects Fund -

The Capital Projects Fund shows a total fund equity of \$7,606,921. A summary of commitments under construction contracts for each individual school district at June 30, 2003, follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2003</u>	<u>Unexpended Commitment</u>
District #1	\$ 311,947	\$ 126,016	\$ 185,931
District #22	3,749,138	2,596,908	1,152,230
District #25	364,928	64,311	300,617
District #27	<u>409,049</u>	<u>90,025</u>	<u>319,024</u>
Total	<u>\$ 4,835,062</u>	<u>\$ 2,877,260</u>	<u>\$ 1,957,802</u>
	<u>Actual District Fund Balance at June 30, 2003</u>	<u>Unexpended Commitment June 30, 2003</u>	<u>Fund Balances Less Commitments June 30, 2003</u>
District #1	\$ 704,413	\$ 185,931	\$ 518,482
District #4	(86,654)	-	(86,654)
District #22	6,707,333	1,152,230	5,555,103
District #24	114,022	-	114,022
District #25	42,463	300,617	(258,154)
District #26	44,128	-	44,128
District #27	10,638	319,024	(308,386)
District #31	43,861	-	43,861
District #32	44,165	-	44,165
District #33	(97,839)	-	(97,839)
District #90	<u>80,391</u>	<u>-</u>	<u>80,391</u>
	<u>\$ 7,606,921</u>	<u>\$ 1,957,802</u>	<u>\$ 5,649,119</u>

At June 30, 2003 the unexpended commitments are recorded in the Capital Projects Fund as fund balance reserved for incomplete contracts to the extent of available fund balances of \$1,391,262. The unavailable amount of \$566,540 as well as the deficits in Districts # 4 and #33, will have to be resolved in future years by anticipated Sales Tax revenues and General Fund Transfers.

**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2003

(15) Reservation of Fund Balance - General Fund -

Reservation for Salaries - In May 1967, the voters of Livingston Parish approved the levy of a 1% sales tax for the purpose of paying salaries of the employees of the School Board. In addition, in October 1987 the voters of Livingston Parish approved the levy of an additional 1/2 of 1% sales tax, 80% of which is dedicated for the purpose of paying salaries of the employees of the School Board. At June 30, 2003, a balance of \$3,179,713 is reserved for salaries as a result of these sales tax levies.

Reservation for Construction, Utilities, and Maintenance - In May 1978, the voters of Livingston Parish approved the levy of a 1% sales tax for the purpose of construction, renovation, operation and maintenance of the public schools of Livingston Parish. Also, the remaining 20% of the 1/2 of 1% sales tax approved in 1987, is dedicated to pay the cost of utility services of the public schools of Livingston Parish. At June 30, 2003, a balance of \$8,060,257 is reserved for utilities and maintenance as a result of these sales tax levies.

(16) Revenues and Expenditures - Actual and Budget -

The following fund had actual expenditures and/or other uses over budgeted expenditures and/or other uses by 5% or more for the year ended June 30, 2003:

Fund	Final Budget	Actual	Unfavorable Variance
Expenditures:			
Maintenance of Schools	\$ 2,126,582	\$ 2,460,272	\$ (333,690)

State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures by 5% or more.

(17) Litigation and Claims -

At June 30, 2003, the School Board is involved in several lawsuits. It is the opinion of the legal adviser for the School Board that the ultimate resolution of these lawsuits will not involve any material liability to the School Board in excess of insurance coverage.

(18) Change in Accounting Principle and Restatement of Prior Year Net Assets -

On August 21, 2002, the School Board changed its capitalization policy of fixed assets by increasing the capitalization threshold to \$5,000. This change in capitalization policy was effective July 1, 2002 and was applied retroactively to prior years. The restatement of net assets at the beginning of the year due to this revised capitalization policy is as follows:

**LIVINGSTON PARISH SCHOOL BOARD**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2003

Net Assets at June 30, 2002, as Previously Reported	\$ 89,207,300
Less: Net Book Value of Fixed Assets Below the Revised Capitalization Threshold	<u>(7,561,379)</u>
Restated Net Assets at June 30, 2002	<u>\$81,645,921</u>

(19) Subsequent Events -

On July 10, 2003, the School Board awarded the contract for the construction of the new Grays Creek Elementary School in District #1 in the amount of \$4,958,000. This contract is expected to be paid from funds to be transferred from the General Fund reserved for construction, utilities, and maintenance.

On July 24, 2003, the School Board awarded the contract for the construction of a new K-5 elementary school in District #22 in the amount of \$5,745,000. This contract is expected to be paid out of the remaining proceeds of the bond issue of February 1, 2003, issued for District #22.

SCHEDULES REQUIRED BY STATE LAW

(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)



# Hannis T. Bourgeois, LLP

**Certified Public Accountants**

Randy J. Bonnecaze, CPA\*  
Joseph D. Richard, Jr., CPA\*  
Ronnie E. Stamper, CPA\*  
Fernand P. Genre, CPA\*  
Stephen M. Huggins, CPA\*  
Monica L. Zumo, CPA\*  
Ronald L. Gagnet, CPA\*  
Douglas J. Nelson, CPA\*  
Celeste D. Viator, CPA\*  
Russell J. Resweber, CPA\*  
Laura E. Monroe, CPA\*

1175 Del Este Avenue, Suite B  
Denham Springs, LA 70726  
Phone: (225) 665-8297  
Fax: (225) 667-3813

*Members American Institute of  
Certified Public Accountants*  
2322 Tremont Drive, Suite 200  
Baton Rouge, LA 70809

R. David Wascom, CPA  
\* A Professional Accounting Corporation

January 6, 2004

Independent Accountant's Report  
on Applying Agreed-Upon Procedures  
to the Livingston Parish School Board

Livingston Parish School Board  
Livingston, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Livingston Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Livingston Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and  
Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported at the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

(No Differences Noted)

#### Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

(No Differences Noted)

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

(No Differences Noted)

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and to determine if the individual's education level was properly classified on the schedule.

(No Differences Noted)

#### Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the National School Lunch Program (CFDA 10.555) application.

(No Differences Noted)

#### Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

(No Differences Noted)

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

(No Differences Noted)

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

(No Differences Noted)

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

(No Differences Noted)

Louisiana Educational Assessment Program (LEAP)  
for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Livingston Parish School Board.

(No Differences Noted)

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Livingston Parish School Board.

(No Differences Noted)

The IOWA Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Livingston Parish School Board.

(No Differences Noted)

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Livingston Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

*Annus J. Bougeois, CPA*

**LIVINGSTON PARISH SCHOOL BOARD**  
**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES**  
**AND CERTAIN LOCAL REVENUE SOURCES**  
**FOR THE YEAR ENDED JUNE 30, 2003**

**General Fund Instructional and Equipment Expenditures**

## General Fund Instructional Expenditures:

## Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 48,149,515
Other Instructional Staff Activities	4,912,090
Employee Benefits	12,964,319
Purchased Professional and Technical Services	49,257
Instructional Materials and Supplies	3,301,649
Instructional Equipment	<u>538,513</u>

Total Teacher and Student Interaction Activities 69,915,343

Other Instructional Activities 265,501

Pupil Support Activities 3,542,115

Less: Equipment for Pupil Support Activities -

Net Pupil Support Activities 3,542,115

Instructional Staff Services 2,788,772

Less: Equipment for Instructional Staff Services -

Net Instructional Staff Services 2,788,772

Total General Fund Instructional Expenditures \$ 76,511,731

Total General Fund Equipment Expenditures \$ 1,629,257

**Certain Local Revenue Sources**

## Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 486,926
Renewable Ad Valorem Tax	2,838,695
Debt Service Ad Valorem Tax	2,943,709
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	189,755
Sales and Use Taxes	<u>19,561,918</u>

Total Local Taxation Revenue \$ 26,021,003

(CONTINUED)



**LIVINGSTON PARISH SCHOOL BOARD**

**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES  
AND CERTAIN LOCAL REVENUE SOURCES (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2003

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 3,749
Earnings from Other Real Property	<u>70,061</u>
Total Local Earnings on Investment in Real Property	<u>\$ 73,810</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 103,896
Revenue Sharing - Other Taxes	<u>517,584</u>
Total State Revenue in Lieu of Taxes	<u>\$ 621,480</u>

Nonpublic Textbook Revenue

\$ 2,689

Nonpublic Transportation Revenue

\$ 33,517

## LIVINGSTON PARISH SCHOOL BOARD

EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

AS OF OCTOBER 1, 2002

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	949	71%	3	60%	0	0%	0	0%
Master's Degree	264	20%	1	20%	33	49%	0	0%
Master's Degree + 30	105	8%	1	20%	28	42%	0	0%
Specialist in Education	10	1%	0	0%	6	9%	0	0%
Ph. D. or Ed. D.	5	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>1,333</b>	<b>100%</b>	<b>5</b>	<b>100%</b>	<b>67</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**LIVINGSTON PARISH SCHOOL BOARD**

**NUMBER AND TYPE OF PUBLIC SCHOOLS**

**FOR THE YEAR ENDED JUNE 30, 2003**

<u>Type</u>	
Elementary	19
Middle/Jr. High	8
Secondary	7
Combination	<u>3</u>
Total	<u><u>37</u></u>

Note: Schools opened or closed during the fiscal year are included in this schedule.

## LIVINGSTON PARISH SCHOOL BOARD

EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2002

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	1	4	3	2	13	23
Principals	-	-	2	4	5	8	25	44
Classroom Teachers	102	132	381	178	184	158	203	1,338
<b>Total</b>	102	132	384	186	192	168	241	1,405

## LIVINGSTON PARISH SCHOOL BOARD

PUBLIC SCHOOL STAFF DATA

FOR THE YEAR ENDED JUNE 30, 2003

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	37,444	37,444
Average Classroom Teachers' Salary Excluding Extra Compensation	36,984	36,984
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,324	1,324

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

## LIVINGSTON PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2002

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	52.3%	712	42.6%	580	5.1%	70	0.0%	-
Elementary Activity Classes	23.4%	48	44.4%	91	21.0%	43	11.2%	23
Middle/Jr. High	20.7%	238	44.5%	511	34.8%	399	0.0%	-
Middle/Jr. High Activity Classes	31.2%	59	23.3%	44	21.7%	41	23.8%	45
High	41.0%	432	41.6%	439	17.4%	184	0.0%	-
High Activity Classes	51.8%	72	25.9%	36	13.7%	19	8.6%	12
Combination	68.9%	146	25.9%	55	5.2%	11	0.0%	-
Combination Activity Classes	69.2%	18	23.1%	6	3.8%	1	3.9%	1

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

## LIVINGSTON PARISH SCHOOL BOARD

## LOUISIANA EDUCATIONAL ASSESSMENT PROGRAM (LEAP) FOR THE 21ST CENTURY

FOR THE YEAR ENDED JUNE 30, 2003

District Achievement Level Results	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	33	2%	93	5%	19	1%	68	4%	51	3%	41	3%
Proficient	349	21%	391	23%	337	21%	388	23%	273	16%	251	16%
Basic	894	53%	793	46%	862	54%	837	49%	866	51%	835	52%
Approaching Basic	319	19%	321	19%	247	15%	292	17%	345	20%	311	19%
Unsatisfactory	100	5%	114	7%	140	9%	110	7%	177	10%	167	10%
<b>Total</b>	<b>1,695</b>	<b>100%</b>	<b>1,712</b>	<b>100%</b>	<b>1,605</b>	<b>100%</b>	<b>1,695</b>	<b>100%</b>	<b>1,712</b>	<b>100%</b>	<b>1,605</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	9	1%	26	2%	29	2%	-	0%	16	1%	30	2%
Proficient	385	25%	415	29%	386	25%	191	13%	214	15%	292	19%
Basic	716	47%	647	44%	715	47%	866	57%	849	59%	792	52%
Approaching Basic	329	22%	273	19%	289	19%	340	22%	252	17%	270	18%
Unsatisfactory	74	5%	89	6%	101	7%	116	8%	110	8%	136	9%
<b>Total</b>	<b>1,513</b>	<b>100%</b>	<b>1,450</b>	<b>100%</b>	<b>1,520</b>	<b>100%</b>	<b>1,513</b>	<b>100%</b>	<b>1,441</b>	<b>100%</b>	<b>1,520</b>	<b>100%</b>

## LIVINGSTON PARISH SCHOOL BOARD

## THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

FOR THE YEAR ENDED JUNE 30, 2003

District Achievement Level Results	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advanced	4	0%	5	0%	4	0%	83	6%	101	8%	62	5%
Mastery	149	11%	195	15%	180	14%	305	23%	244	19%	270	21%
Basic	672	51%	672	53%	701	56%	570	42%	518	39%	536	42%
Approaching Basic	318	24%	285	22%	255	20%	188	14%	202	15%	195	16%
Unsatisfactory	184	14%	132	10%	121	10%	204	15%	254	19%	195	16%
Total	1,327	100%	1,289	100%	1,261	100%	1,350	100%	1,319	100%	1,258	100%

District Achievement Level Results	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>					*						*	
Advanced	16	1%	20	2%	-	0%	12	1%	8	1%	-	0%
Mastery	172	15%	225	19%	-	0%	154	14%	120	10%	-	0%
Basic	593	52%	510	43%	-	0%	630	54%	611	52%	-	0%
Approaching Basic	242	22%	263	22%	-	0%	234	21%	270	23%	-	0%
Unsatisfactory	117	10%	165	14%	-	0%	110	10%	171	14%	-	0%
Total	1,140	100%	1,183	100%	-	-	1,140	100%	1,180	100%	-	-

\*Note: The Graduation Exit Exam for the 21st Century was first administered in 2001 to the 10th graders for English Language Arts and Mathematics, and in 2002 to 11th graders for Science and Social Studies. Prior to 2001, the Graduation Exit Exam only reported results as attained or not attained and therefore, the information is not available for this schedule.



## LIVINGSTON PARISH SCHOOL BOARD

THE IOWA TESTS

FOR THE YEAR ENDED JUNE 30, 2003

	Composite		
	2003	2002	2001
<b>Test of Basic Skills (ITBS)</b>			
Grade 3	67	65	64
Grade 5	67	61	61
Grade 6	55	63	61
Grade 7	60	63	62
<b>Tests of Educational Development (ITED)</b>			
Grade 9	56	55	61

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.

SUPPLEMENTARY INFORMATION

## MAJOR CAPITAL PROJECTS FUND - BY DISTRICT

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and for the major repairs thereto.

**LIVINGSTON PARISH SCHOOL BOARD**

**CAPITAL PROJECTS FUND**

**COMBINING BALANCE SHEET - BY DISTRICT**

JUNE 30, 2003

<b>ASSETS</b>	<b>SCHOOL DISTRICTS</b>				
	<u>NO. 1</u>	<u>NO. 4</u>	<u>NO. 22</u>	<u>NO. 24</u>	<u>NO. 25</u>
Cash and Cash Equivalents	\$ -	\$ -	\$ 505,656	\$ -	\$ 41,356
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	656,032	-	6,834,040	106,590	40,820
Due From Other Funds	28,656	70,663	-	-	-
Receivables	36,639	23,347	39,762	9,437	3,323
Total Assets	<u>721,327</u>	<u>94,010</u>	<u>7,379,458</u>	<u>116,027</u>	<u>85,499</u>
 <b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts and Other Payables	16,914	180,664	655,228	2,005	43,036
Due to Other Funds	-	-	16,897	-	-
Total Liabilities	16,914	180,664	672,125	2,005	43,036
 <b>Fund Equity:</b>					
Fund Balances:					
Reserved for Incomplete Contracts	185,931	-	1,152,230	-	42,463
Unreserved - Undesignated (Deficit)	518,482	(86,654)	5,555,103	114,022	-
Total Fund Equity (Deficit)	<u>704,413</u>	<u>(86,654)</u>	<u>6,707,333</u>	<u>114,022</u>	<u>42,463</u>
Total Liabilities and Fund Equity	<u>\$ 721,327</u>	<u>\$ 94,010</u>	<u>\$ 7,379,458</u>	<u>\$ 116,027</u>	<u>\$ 85,499</u>

See auditor's report.

SCHOOL DISTRICTS						TOTAL CAPITAL PROJECTS FUND
<u>NO. 26</u>	<u>NO. 27</u>	<u>NO. 31</u>	<u>NO. 32</u>	<u>NO. 33</u>	<u>NO. 90</u>	
\$ -	\$ 23,839	\$ 172	\$ 39,880	\$ -	\$ 2,378	\$ 613,281
39,818	10,205	42,390	42,390	-	77,715	7,850,000
-	-	-	-	-	-	99,319
<u>5,473</u>	<u>5,788</u>	<u>1,650</u>	<u>4,420</u>	<u>1,879</u>	<u>379</u>	<u>132,097</u>
<u>45,291</u>	<u>39,832</u>	<u>44,212</u>	<u>86,690</u>	<u>1,879</u>	<u>80,472</u>	<u>8,694,697</u>
1,163	29,194	351	42,525	399	81	971,560
-	-	-	-	99,319	-	116,216
1,163	29,194	351	42,525	99,718	81	1,087,776
-	10,638	-	-	-	-	1,391,262
<u>44,128</u>	<u>-</u>	<u>43,861</u>	<u>44,165</u>	<u>(97,839)</u>	<u>80,391</u>	<u>6,215,659</u>
<u>44,128</u>	<u>10,638</u>	<u>43,861</u>	<u>44,165</u>	<u>(97,839)</u>	<u>80,391</u>	<u>7,606,921</u>
\$ <u>45,291</u>	\$ <u>39,832</u>	\$ <u>44,212</u>	\$ <u>86,690</u>	\$ <u>1,879</u>	\$ <u>80,472</u>	\$ <u>8,694,697</u>

**LIVINGSTON PARISH SCHOOL BOARD**

**CAPITAL PROJECTS FUND**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - BY DISTRICT**

FOR THE YEAR ENDED JUNE 30, 2003

**SCHOOL DISTRICTS**

	<u>NO. 1</u>	<u>NO. 4</u>	<u>NO. 22</u>	<u>NO. 24</u>	<u>NO. 25</u>
<b>Revenues:</b>					
Local Sources:					
Ad Valorem Taxes	\$ 249,682	\$ 159,099	\$ 110,771	\$ 64,308	\$ 22,646
Interest Earnings	7,944	2,429	43,206	3,804	1,760
State Sources:					
Unrestricted					
Grants-in-Aid	51,783	32,997	22,975	13,337	4,696
<b>Total Revenues</b>	<b>309,409</b>	<b>194,525</b>	<b>176,952</b>	<b>81,449</b>	<b>29,102</b>
<b>Expenditures:</b>					
Support Services:					
General Administration	10,552	6,724	4,681	2,718	957
Capital Outlay	1,539,921	876,189	3,045,301	314,137	65,639
Cost of Issuance	-	-	47,355	-	-
<b>Total Expenditures</b>	<b>1,550,473</b>	<b>882,913</b>	<b>3,097,337</b>	<b>316,855</b>	<b>66,596</b>
Excess (Deficiency) of Revenues over Expenditures	(1,241,064)	(688,388)	(2,920,385)	(235,406)	(37,494)
<b>Other Financing Sources (Uses):</b>					
Bond Proceeds	-	-	9,000,000	-	-
Transfers In	1,000,000	1,000,000	-	250,000	-
Transfers Out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>9,000,000</b>	<b>250,000</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(241,064)	311,612	6,079,615	14,594	(37,494)
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>945,477</b>	<b>(398,266)</b>	<b>627,718</b>	<b>99,428</b>	<b>79,957</b>
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$ 704,413</b>	<b>\$ (86,654)</b>	<b>\$ 6,707,333</b>	<b>\$ 114,022</b>	<b>\$ 42,463</b>

See auditor's report.

SCHOOL DISTRICTS						TOTAL CAPITAL PROJECTS FUND
NO. 26	NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	
\$ 37,293	\$ 39,446	\$ 11,250	\$ 30,118	\$ 12,802	\$ 2,591	\$ 740,006
2,362	473	228	709	92	3,741	66,748
<u>7,735</u>	<u>8,180</u>	<u>2,333</u>	<u>6,246</u>	<u>2,655</u>	<u>537</u>	<u>153,474</u>
47,390	48,099	13,811	37,073	15,549	6,869	960,228
1,576	1,667	475	1,273	541	109	31,273
99,138	222,034	123,463	494,254	751	152	6,780,979
-	-	-	-	-	-	47,355
<u>100,714</u>	<u>223,701</u>	<u>123,938</u>	<u>495,527</u>	<u>1,292</u>	<u>261</u>	<u>6,859,607</u>
(53,324)	(175,602)	(110,127)	(458,454)	14,257	6,608	(5,899,379)
-	-	-	-	-	-	9,000,000
-	120,000	100,000	450,000	-	-	2,920,000
-	-	-	-	-	-	-
<u>-</u>	<u>120,000</u>	<u>100,000</u>	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>11,920,000</u>
(53,324)	(55,602)	(10,127)	(8,454)	14,257	6,608	6,020,621
<u>97,452</u>	<u>66,240</u>	<u>53,988</u>	<u>52,619</u>	<u>(112,096)</u>	<u>73,783</u>	<u>1,586,300</u>
<u>\$ 44,128</u>	<u>\$ 10,638</u>	<u>\$ 43,861</u>	<u>\$ 44,165</u>	<u>\$ (97,839)</u>	<u>\$ 80,391</u>	<u>\$ 7,606,921</u>

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

Elementary and Secondary Education Act (ESEA) Title I Funds - Chapter 1 of the ESEA Title I Program is a program for educationally deprived school children residing in areas having high concentrations of children from low-income families. The Chapter 1 services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and local mandated activities.

Chapter 2 of the ESEA Title VI Program is a program by which the federal government provides block grant funds to the school system based on a per pupil allocation for audio-visual material, equipment, and library resources.

Special Education Fund - The Special Education Fund accounts for a federally financed program of free education in the least restrictive environment for children with exceptionalities, as provided for under Public Law 94-142.

Maintenance of Schools Fund - The Maintenance of Schools Fund is funded by ad valorem taxes levied on all assessed property in the parish. The net proceeds of the taxes are dedicated to providing maintenance on all of the equipment and facilities owned by the School Board.

School Lunch Fund - The School Lunch Fund is a program that provides the students with balanced and nutritious meals. This program is federally financed, state-administered, and locally operated by the School Board.

Special Federal Fund - The Special Federal Fund is used to account for the Federal Funds and Grants previously reported in the General Fund. Some of the programs include vocational education, preschool program, job training partnership act, and the goals 2000 program.

Other Federal ESEA Fund - The Other Federal ESEA Fund is used to account for all other ESEA programs except for the Chapter I and Chapter II programs. Those programs include the Drug-Free Schools program, the Eisenhower Grant program and the Class-Size Reduction program as well as various other programs.

### DEBT SERVICE FUND

The debt service fund is used to accumulate monies for the payment of bond issues. The bonds were issued by the respective school districts to acquire and improve sites, erect and/or improve school buildings, and acquire the necessary equipment and furnishings. The bond issues are financed by a special property tax levy on property within the territorial limits of the respective school districts and by one percent of the two and one-half percent parish sales and use tax collected by the School Board.



**LIVINGSTON PARISH SCHOOL BOARD**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2003

ASSETS	Special Revenue Funds			
	Elementary and Secondary		Special	Maintenance of
	Education Act			
	Chapter 1	Chapter 2		
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 638,876
Receivables	1,385,376	113,156	691,694	110,976
Inventory	-	-	-	-
Due From Other Funds	-	-	-	-
Investments (Certificate of Deposit Maturities Greater Than 90 Days)	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,385,376</b>	<b>\$ 113,156</b>	<b>\$ 691,694</b>	<b>\$ 749,852</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts, Salaries and Other Payables	\$ 1,470	\$ -	\$ 2,166	\$ 85,879
Due to Other Funds	1,383,906	113,156	689,528	-
<b>Total Liabilities</b>	<b>1,385,376</b>	<b>113,156</b>	<b>691,694</b>	<b>85,879</b>
<b>Fund Equity:</b>				
Fund Balances -				
Reserved for Inventory	-	-	-	-
Reserved for Debt Service	-	-	-	-
Unreserved - Undesignated	-	-	-	663,973
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>663,973</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,385,376</b>	<b>\$ 113,156</b>	<b>\$ 691,694</b>	<b>\$ 749,852</b>

See auditor's report.

Schedule 12

<u>School Lunch</u>	<u>Special Federal Fund</u>	<u>Other Federal ESEA Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 1,001,364	\$ -	\$ -	\$ 981,878	\$ 2,622,118
337,107	551,505	730,378	56,400	3,976,592
79,790	-	-	-	79,790
-	-	-	48,951	48,951
-	-	-	2,000,000	2,000,000
\$ 1,418,261	\$ 551,505	\$ 730,378	\$ 3,087,229	\$ 8,727,451
\$ 24,004	\$ 77,548	\$ -	\$ 22,471	\$ 213,538
-	473,957	730,378	32,054	3,422,979
24,004	551,505	730,378	54,525	3,636,517
79,790	-	-	-	79,790
-	-	-	3,032,704	3,032,704
1,314,467	-	-	-	1,978,440
1,394,257	-	-	3,032,704	5,090,934
\$ 1,418,261	\$ 551,505	\$ 730,378	\$ 3,087,229	\$ 8,727,451

**LIVINGSTON PARISH SCHOOL BOARD**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2003

	Special Revenue Funds			
	Elementary and Secondary		Special Education	Maintenance of Schools
	Education Act			
	Chapter 1	Chapter 2		
<b>Revenues:</b>				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 1,036,029
Sales Taxes	-	-	-	-
Interest Earnings	-	-	-	6,826
Food Services	-	-	-	-
Miscellaneous	-	-	-	-
State Sources - Unrestricted:				
Grants-in-Aid	-	-	-	149,054
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	76,983	-	56,942	-
Restricted Grants-in-Aid - Subgrants	2,079,329	113,156	1,523,396	-
Other - Commodities	-	-	-	-
<b>Total Revenues</b>	<b>2,156,312</b>	<b>113,156</b>	<b>1,580,338</b>	<b>1,191,909</b>
<b>Expenditures:</b>				
Instruction:				
Regular Programs	-	-	-	11,404
Special Programs	1,533,138	-	808,303	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	-	-	-	-
Support Services:				
Pupil Support	-	-	152,010	-
Instructional Staff Support	264,052	113,156	368,805	-
General Administration	-	-	-	43,783
School Administration	-	-	-	-
Business Services	-	-	9,702	-
Plant Services	-	-	1,080	2,405,085
Transportation Services	-	-	441	-
Food Services	-	-	-	-

(CONTINUED)

Schedule 13

<u>School Lunch</u>	<u>Special Federal Fund</u>	<u>Other Federal ESEA Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 2,943,709	\$ 3,979,738
-	-	-	89,586	89,586
1,654	-	-	59,040	67,520
2,387,980	-	-	-	2,387,980
-	-	-	4,052	4,052
402,250	-	-	-	551,304
-	9,296	35,872	-	179,093
3,586,065	1,091,206	1,000,969	-	9,394,121
467,235	-	-	-	467,235
<u>6,845,184</u>	<u>1,100,502</u>	<u>1,036,841</u>	<u>3,096,387</u>	<u>17,120,629</u>
-	5,120	-	-	16,524
-	9,752	-	-	2,351,193
-	125,181	-	-	125,181
-	117,603	-	-	117,603
-	605,309	834,723	-	1,440,032
-	45,945	86,728	-	284,683
-	-	59,198	-	805,211
-	-	-	125,824	169,607
-	23,360	-	-	23,360
-	-	12,000	-	21,702
-	1,568	500	-	2,408,233
-	-	-	-	441
<u>8,509,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,509,058</u>

**LIVINGSTON PARISH SCHOOL BOARD**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2003

	Special Revenue Funds			
	<u>Elementary and Secondary</u>		Special Education	Maintenance of Schools
	<u>Education Act</u>			
	<u>Chapter 1</u>	<u>Chapter 2</u>		
<b>Expenditures (Continued):</b>				
Community Service Programs	30,968	-	-	-
Capital Outlay	251,171	-	183,055	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
<b>Total Expenditures</b>	<u>2,079,329</u>	<u>113,156</u>	<u>1,523,396</u>	<u>2,460,272</u>
 Excess (Deficiency) of Revenues Over Expenditures	 76,983	 -	 56,942	 (1,268,363)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	1,380,000
Transfers Out	<u>(76,983)</u>	<u>-</u>	<u>(56,942)</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(76,983)</u>	<u>-</u>	<u>(56,942)</u>	<u>1,380,000</u>
 Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	 -	 -	 -	 111,637
<b>Fund Balances at Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,336</u>
<b>Fund Balances at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 663,973</u>

See auditor's report.

Schedule 13  
(Continued)

School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds
-	-	-	-	30,968
78,421	157,368	7,820	-	677,835
-	-	-	1,633,582	1,633,582
-	-	-	1,452,297	1,452,297
<u>8,587,479</u>	<u>1,091,206</u>	<u>1,000,969</u>	<u>3,211,703</u>	<u>20,067,510</u>
(1,742,295)	9,296	35,872	(115,316)	(2,946,881)
2,145,500	-	-	-	3,525,500
-	(9,296)	(35,872)	-	(179,093)
<u>2,145,500</u>	<u>(9,296)</u>	<u>(35,872)</u>	<u>-</u>	<u>3,346,407</u>
403,205	-	-	(115,316)	399,526
<u>991,052</u>	<u>-</u>	<u>-</u>	<u>3,148,020</u>	<u>4,691,408</u>
<u>\$ 1,394,257</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,032,704</u>	<u>\$ 5,090,934</u>

## LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - ELEMENTARY AND SECONDARY  
EDUCATION ACT - CHAPTER 1STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 1,926,516	\$ 2,189,399	\$ 2,156,312	\$ (33,087)
Total Revenues	1,926,516	2,189,399	2,156,312	(33,087)
<b>Expenditures:</b>				
Instruction - Special Programs	1,506,205	1,585,514	1,533,138	52,376
Support Services:				
Instructional Staff Support	195,003	228,799	264,052	(35,253)
Community Services Programs	32,194	26,437	30,968	(4,531)
Capital Outlay	120,821	271,879	251,171	20,708
Total Expenditures	1,854,223	2,112,629	2,079,329	33,300
Excess of Revenues Over Expenditures	72,293	76,770	76,983	213
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(72,293)	(76,770)	(76,983)	(213)
Total Other Financing Sources (Uses)	(72,293)	(76,770)	(76,983)	(213)
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - ELEMENTARY AND SECONDARY  
EDUCATION ACT - CHAPTER 2STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 155,000	\$ 120,069	\$ 113,156	\$ (6,913)
Total Revenues	155,000	120,069	113,156	(6,913)
<b>Expenditures:</b>				
Instructional Staff Support	148,535	116,082	113,156	2,926
Total Expenditures	148,535	116,082	113,156	2,926
Excess of Revenues Over Expenditures	6,465	3,987	-	(3,987)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(6,465)	(3,987)	-	3,987
Total Other Financing Sources (Uses)	(6,465)	(3,987)	-	3,987
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-	-
<b>Fund Balance at End of Year</b>	\$ -	\$ -	\$ -	\$ -

See auditor's report.



## LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - PUBLIC LAW 94-142 -  
SPECIAL EDUCATIONSTATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 1,682,586	\$ 2,310,073	\$ 1,580,338	\$ (729,735)
Total Revenues	1,682,586	2,310,073	1,580,338	(729,735)
<b>Expenditures:</b>				
Instruction - Special Programs	931,076	1,397,857	808,303	589,554
Support Services:				
Pupil Support	111,547	166,800	152,010	14,790
Instructional Staff Support	379,837	411,426	368,805	42,621
Business Services	19,086	10,100	9,702	398
Plant Services	1,427	1,500	1,080	420
Transportation Services	1,156	500	441	59
Capital Outlay	176,151	238,971	183,055	55,916
Total Expenditures	1,620,280	2,227,154	1,523,396	703,758
Excess of Revenues Over Expenditures	62,306	82,919	56,942	(25,977)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(62,306)	(82,919)	(56,942)	25,977
Total Other Financing Sources (Uses)	(62,306)	(82,919)	(56,942)	25,977
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-	-
<b>Fund Balance at End of Year</b>	\$ -	\$ -	\$ -	\$ -

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

## SPECIAL REVENUE FUND - MAINTENANCE OF SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2003

	Original Budget	Final Budget	Actual	Variance - Final Budget to Actual Favorable (Unfavorable)
<b>Revenues:</b>				
Local Sources:				
Ad Valorem Taxes	\$ 951,000	\$ 951,000	\$ 1,036,029	\$ 85,029
Interest Earnings	12,200	11,400	6,826	(4,574)
State Sources:				
Unrestricted:				
Grants-in-Aid	<u>151,200</u>	<u>150,500</u>	<u>149,054</u>	<u>(1,446)</u>
Total Revenues	1,114,400	1,112,900	1,191,909	79,009
<b>Expenditures:</b>				
Instruction:				
Regular Programs	3,700	12,900	11,404	1,496
Support Services:				
General Administration	37,100	43,782	43,783	(1)
Plant Services	<u>1,864,070</u>	<u>2,069,900</u>	<u>2,405,085</u>	<u>(335,185)</u>
Total Expenditures	<u>1,904,870</u>	<u>2,126,582</u>	<u>2,460,272</u>	<u>(333,690)</u>
Excess (Deficiency) of Revenues Over Expenditures	(790,470)	(1,013,682)	(1,268,363)	(254,681)
<b>Other Financing Sources (Uses):</b>				
Transfers In	510,000	1,215,000	1,380,000	165,000
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>510,000</u>	<u>1,215,000</u>	<u>1,380,000</u>	<u>165,000</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(280,470)	201,318	111,637	(89,681)
<b>Fund Balance at Beginning of Year</b>	<u>552,336</u>	<u>552,336</u>	<u>552,336</u>	<u>-</u>
<b>Fund Balance at End of Year</b>	<u>\$ 271,866</u>	<u>\$ 753,654</u>	<u>\$ 663,973</u>	<u>\$ (89,681)</u>

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

## SPECIAL REVENUE FUND - SCHOOL LUNCH

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2003

	Original Budget	Final Budget	Actual	Variance - Final Budget to Actual Favorable (Unfavorable)
<b>Revenues:</b>				
Local Sources:				
Interest Earnings	\$ 3,500	\$ 1,800	\$ 1,654	\$ (146)
Food Services	2,934,300	3,122,500	2,387,980	(734,520)
State Sources -				
Unrestricted Grants-in-Aid	502,950	499,550	402,250	(97,300)
Federal Sources:				
Restricted Grants-in- Aid-Subgrants	3,592,000	3,585,000	3,586,065	1,065
Other - Commodities	500,000	500,000	467,235	(32,765)
<b>Total Revenues</b>	<b>7,532,750</b>	<b>7,708,850</b>	<b>6,845,184</b>	<b>(863,666)</b>
<b>Expenditures:</b>				
Support Services:				
Food Services	9,017,408	8,988,314	8,509,058	479,256
Capital Outlay	90,000	49,000	78,421	(29,421)
<b>Total Expenditures</b>	<b>9,107,408</b>	<b>9,037,314</b>	<b>8,587,479</b>	<b>449,835</b>
Deficiency of Revenues Over Expenditures	(1,574,658)	(1,328,464)	(1,742,295)	(413,831)
Other Financing Sources (Uses):				
Transfers In	1,717,306	1,400,000	2,145,500	745,500
Transfers Out	-	-	-	-
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	142,648	71,536	403,205	331,669
<b>Fund Balance at Beginning of Year</b>	<b>991,052</b>	<b>991,052</b>	<b>991,052</b>	<b>-</b>
<b>Fund Balance at End of Year</b>	<b>\$ 1,133,700</b>	<b>\$ 1,062,588</b>	<b>\$ 1,394,257</b>	<b>\$ 331,669</b>

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

## SPECIAL REVENUE FUND - SPECIAL FEDERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2003

	Original Budget	Final Budget	Actual	Variance - Final Budget to Actual Favorable (Unfavorable)
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 454,392	\$ 1,182,632	\$ 1,100,502	\$ (82,130)
Total Revenues	454,392	1,182,632	1,100,502	(82,130)
<b>Expenditures:</b>				
Instruction:				
Regular Programs	4,000	6,100	5,120	980
Special Programs	9,185	12,000	9,752	2,248
Vocational Programs	108,667	125,144	125,181	(37)
Other Programs	94,108	555,073	605,309	(50,236)
Adult and Continuing Education Program	98,860	117,946	117,603	343
Support Services:				
School Administration	-	24,000	23,360	640
Business Services	120	-	-	-
Pupil Support	49,516	56,413	45,945	10,468
Plant Services	1,852	-	1,568	(1,568)
Capital Outlay	83,660	278,244	157,368	120,876
Total Expenditures	449,968	1,174,920	1,091,206	83,714
Excess of Revenues Over Expenditures	4,424	7,712	9,296	1,584
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(4,424)	(7,712)	(9,296)	(1,584)
Total Other Financing Sources (Uses)	(4,424)	(7,712)	(9,296)	(1,584)
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-	-
<b>Fund Balance at End of Year</b>	\$ -	\$ -	\$ -	\$ -

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

## SPECIAL REVENUE FUND - OTHER FEDERAL ESEA FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2003

	Original Budget	Final Budget	Actual	Variance - Final Budget to Actual Favorable (Unfavorable)
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 1,478,854	\$ 1,198,436	\$ 1,036,841	\$ (161,595)
Total Revenues	1,478,854	1,198,436	1,036,841	(161,595)
<b>Expenditures:</b>				
Instruction:				
Other Programs	516,792	950,172	834,723	115,449
Support Services:				
Pupil Support	132,971	127,182	86,728	40,454
Instructional Staff Support	649,134	59,683	59,198	485
Business Services	5,400	12,000	12,000	-
Plant Services	1,000	500	500	-
Capital Outlay	126,028	7,820	7,820	-
Total Expenditures	1,431,325	1,157,357	1,000,969	156,388
Excess of Revenues Over Expenditures	47,529	41,079	35,872	(5,207)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(47,529)	(41,079)	(35,872)	5,207
Total Other Financing Sources (Uses)	(47,529)	(41,079)	(35,872)	5,207
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

**LIVINGSTON PARISH SCHOOL BOARD**

**DEBT SERVICE FUND**

**COMBINING BALANCE SHEET - BY DISTRICT**

JUNE 30, 2003

<b>ASSETS</b>	SCHOOL DISTRICTS				
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25
Cash and Cash Equivalents	\$ 252,615	\$ 170,543	\$ 153,902	\$ 130,148	\$ 26,653
Investments	572,200	342,600	306,200	254,400	53,800
Due from Other Government	19,054	11,735	8,440	4,851	1,695
Due from Other Funds	32,054	-	16,897	-	-
Total Assets	\$ 875,923	\$ 524,878	\$ 485,439	\$ 389,399	\$ 82,148
<b>LIABILITIES AND FUND EQUITY</b>					
Accounts, Salaries and Other Payables	\$ -	\$ 480	\$ 16,897	\$ -	\$ -
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	480	16,897	-	-
Fund Equity - Fund Balances: Reserved for Debt Service	875,923	524,398	468,542	389,399	82,148
Total Fund Equity	875,923	524,398	468,542	389,399	82,148
Total Liabilities and Fund Equity	\$ 875,923	\$ 524,878	\$ 485,439	\$ 389,399	\$ 82,148

See auditor's report.

Schedule 15

SCHOOL DISTRICTS					TOTAL DEBT SERVICE FUND
NO. 26	NO. 27A	NO. 31	NO. 32A	NO. 33	
\$ 46,953	\$ 111,196	\$ -	\$ 19,756	\$ 70,112	\$ 981,878
84,200	210,200	-	42,200	134,200	2,000,000
2,689	1,391	2,889	2,566	1,090	56,400
-	-	-	-	-	48,951
<u>\$ 133,842</u>	<u>\$ 322,787</u>	<u>\$ 2,889</u>	<u>\$ 64,522</u>	<u>\$ 205,402</u>	<u>\$ 3,087,229</u>
\$ 5,094	\$ -	\$ -	\$ -	\$ -	\$ 22,471
-	-	32,054	-	-	32,054
5,094	-	32,054	-	-	54,525
<u>128,748</u>	<u>322,787</u>	<u>(29,165)</u>	<u>64,522</u>	<u>205,402</u>	<u>3,032,704</u>
<u>128,748</u>	<u>322,787</u>	<u>(29,165)</u>	<u>64,522</u>	<u>205,402</u>	<u>3,032,704</u>
<u>\$ 133,842</u>	<u>\$ 322,787</u>	<u>\$ 2,889</u>	<u>\$ 64,522</u>	<u>\$ 205,402</u>	<u>\$ 3,087,229</u>

**LIVINGSTON PARISH SCHOOL BOARD**

**DEBT SERVICE FUND**

COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - DISTRICT

FOR THE YEAR ENDED JUNE 30, 2003

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
<b>Revenues:</b>						
Local Sources:						
Ad Valorem Taxes	\$ 991,805	\$ 411,246	\$ 419,366	\$ 219,378	\$ 70,199	\$ 63,902
Sales Taxes	-	-	89,586	-	-	-
Miscellaneous	629	277	2,217	-	202	244
Interest Earnings	22,174	9,985	7,517	6,077	1,184	2,293
<b>Total Revenues</b>	<b>1,014,608</b>	<b>421,508</b>	<b>518,686</b>	<b>225,455</b>	<b>71,585</b>	<b>66,439</b>
<b>Expenditures:</b>						
Support Service:						
General Administration	41,079	16,769	18,608	9,700	2,923	2,464
Debt Service:						
Principal Retirement	642,107	225,000	175,000	90,000	65,000	74,000
Interest and Bank Charges	565,707	153,854	176,606	122,471	13,187	15,294
<b>Total Expenditures</b>	<b>1,248,893</b>	<b>395,623</b>	<b>370,214</b>	<b>222,171</b>	<b>81,110</b>	<b>91,758</b>
Excess (Deficiency) of Revenues over Expenditures	(234,285)	25,885	148,472	3,284	(9,525)	(25,319)
<b>Fund Balances at Beginning of Year</b>	<b>1,110,208</b>	<b>498,513</b>	<b>320,070</b>	<b>386,115</b>	<b>91,673</b>	<b>154,067</b>
<b>Fund Balances at End of Year</b>	<b>\$ 875,923</b>	<b>\$ 524,398</b>	<b>\$ 468,542</b>	<b>\$ 389,399</b>	<b>\$ 82,148</b>	<b>\$ 128,748</b>

See auditor's report



Schedule 16

				TOTAL DEBT SERVICE FUND
<u>NO. 27A</u>	<u>NO. 31</u>	<u>NO. 32A</u>	<u>NO. 33</u>	
\$ 267,951	\$ 72,336	\$ 260,850	\$ 166,676	\$ 2,943,709
-	-	-	-	89,586
-	97	386	-	4,052
<u>4,852</u>	<u>578</u>	<u>2,151</u>	<u>2,229</u>	<u>59,040</u>
272,803	73,011	263,387	168,905	3,096,387
11,840	3,771	11,497	7,173	125,824
99,828	50,000	140,000	72,647	1,633,582
<u>174,422</u>	<u>51,663</u>	<u>140,252</u>	<u>38,841</u>	<u>1,452,297</u>
286,090	105,434	291,749	118,661	3,211,703
(13,287)	(32,423)	(28,362)	50,244	(115,316)
<u>336,074</u>	<u>3,258</u>	<u>92,884</u>	<u>155,158</u>	<u>3,148,020</u>
<u>\$ 322,787</u>	<u>\$ (29,165)</u>	<u>\$ 64,522</u>	<u>\$ 205,402</u>	<u>\$ 3,032,704</u>

## FIDICIARY FUNDS

**School Activity Fund** - The School Activity Fund accounts for monies generated by the individual schools and school organizations within the parish. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

**Sales Tax Fund** - The Sales Tax Fund accounts for the collection and distribution of a two and one-half percent sales and use tax levied by the School Board, a one and one-half percent sales and use tax levied by the *City of Denham Springs* and the *Village of Springfield*, a one percent sales and use tax levied by the *Village of Albany*, the *Town of Livingston*, the *Town of Walker*, and the *Livingston Parish Council*, and a one-half percent sales and use tax levied by Law Enforcement Sub district A, Gravity Drainage District No. 1, Gravity Drainage District No. 2 and Gravity Drainage District No. 5 and a hotel/motel tax levied by the *Livingston Parish Tourist Commission*.

## LIVINGSTON PARISH SCHOOL BOARD

## FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2003

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ <u>2,550,771</u>	\$ <u>1,634,785</u>	\$ <u>4,185,556</u>
Total Assets	\$ <u><u>2,550,771</u></u>	\$ <u><u>1,634,785</u></u>	\$ <u><u>4,185,556</u></u>
<b>LIABILITIES</b>			
Amounts Held for School Activities	\$ 2,550,771	\$ -	\$ 2,550,771
Deposits Due to Others	<u>-</u>	<u>1,634,785</u>	<u>1,634,785</u>
Total Liabilities	\$ <u><u>2,550,771</u></u>	\$ <u><u>1,634,785</u></u>	\$ <u><u>4,185,556</u></u>

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

## SCHOOL ACTIVITY FUND

SCHEDULE OF CHANGES IN AMOUNTS HELD FOR SCHOOL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2003

<u>School</u>	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
Albany High	\$ 65,861	\$ 358,619	\$ 349,973	\$ 74,507
Albany Middle School	64,913	200,228	188,902	76,239
Albany Upper Elementary	34,112	171,968	171,666	34,414
Albany Lower Elementary	50,937	143,103	157,753	36,287
Denham Springs High	76,761	678,023	699,258	55,526
Denham Springs Junior High	86,111	350,961	376,521	60,551
Denham Springs Freshman High	104,040	142,871	146,967	99,944
Denham Springs Elementary	44,154	127,358	130,929	40,583
Doyle High	73,024	233,329	224,900	81,453
Doyle Elementary	66,178	165,600	160,332	71,446
Eastside Elementary	87,185	130,916	125,823	92,278
French Settlement High	55,698	225,511	216,912	64,297
French Settlement Elementary	60,267	115,496	103,119	72,644
Freshwater Elementary	56,607	231,349	246,454	41,502
Frost Elementary	55,913	136,658	163,735	28,836
Holden High	88,094	251,539	257,369	82,264
Levi Milton Elementary	53,112	163,748	180,818	36,042
Lewis Vincent Elementary	18,162	200,482	191,744	26,900
Live Oak High	95,686	438,594	421,511	112,769
Live Oak Middle School	76,810	403,452	357,440	122,822
Live Oak Upper Elementary	134,505	479,764	430,262	184,007
Live Oak Lower Elementary	192,803	320,464	329,827	183,440
Maurepas High	60,984	219,690	235,523	45,151
North Corbin Elementary	-	111,183	92,879	18,304
Northside Elementary	83,538	130,966	134,875	79,629
Pine Ridge School	17,624	69,331	61,817	25,138
Seventh Ward Elementary	42,188	171,491	168,627	45,052
South Walker Elementary	112,990	212,629	205,563	120,056
Southside Junior High	149,412	310,865	319,991	140,286
Southside Elementary	49,767	118,950	115,095	53,622
Springfield High	39,769	186,503	199,143	27,129
Springfield Middle School	48,536	115,196	141,007	22,725
Springfield Elementary	34,183	140,363	149,520	25,026
Walker High	195,903	578,805	619,801	154,907
Walker Junior High	74,271	155,888	162,260	67,899
Walker Elementary School	44,693	113,887	129,665	28,915
Westside Junior High School	36,963	148,973	167,755	18,181
Total	<u>\$ 2,631,754</u>	<u>\$ 8,454,753</u>	<u>\$ 8,535,736</u>	<u>\$ 2,550,771</u>

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

## SALES TAX FUND

SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS

FOR THE YEAR ENDED JUNE 30, 2003

Deposits Due Others at Beginning of Year	\$ 1,500,244
<b>Additions:</b>	
Sales Tax Collections	39,740,335
<b>Deductions:</b>	
Transfers to:	
General Fund:	
Sales Tax	19,561,918
Sales Tax Collection Fee	330,659
Livingston Parish Sheriff	3,939,665
Livingston Parish Council	7,855,668
Livingston Parish Tourist Commission	59,300
Livingston Parish Drainage Districts:	
No. 1	422,229
No. 2	272,676
No. 5	709,167
City of Denham Springs	4,176,132
Town of Walker	1,737,931
Town of Livingston	195,311
Town of Springfield	218,452
Village of Albany	116,666
Refunds to Vendors	10,020
Total Reductions	<u>39,605,794</u>
Deposits Due Others at End of Year	<u>\$ 1,634,785</u>

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
Claire Corburn (Elected January 1, 2003)	\$ 4,800	\$ -
Louis Carlisle (Re-Elected January 1, 2003)	9,600	9,600
Earnest Carrier, Jr. (Term Ended December 31, 2002)	4,800	9,800
Jeffrey Cox (Elected January 1, 2003)	4,800	-
Milton Hughes (Re-Elected January 1, 2003)	9,600	9,600
Cheryl Lovett (Recalled July 2001)	-	800
Keith Martin (Re-Elected January 1, 2003)	9,600	9,600
Julius J. Prokop (Elected January 1, 2003)	4,800	-
David Tate (Elected January 1, 2003)	4,800	-
James V. Watson (Term Ended December 31, 2002)	4,800	9,600
Malcolm Sibley (Re-Elected January 1, 2003)	10,800	10,600
Ralph L. Willie (Term Ended December 31, 2002)	4,800	9,600
S. Gerald Stilley (Term Ended December 31, 2002)	4,800	9,600
Norman Alton Leggette (Re-Elected January 1, 2003)	<u>9,600</u>	<u>8,800</u>
 Total	 \$ 87,600	 \$ 87,600
	<u>          </u>	<u>          </u>

Term of Current Board Expires December 31, 2006.

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2003

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Agriculture</u>			
Passed Through Louisiana Department of Agriculture and Forestry - Food Distribution Program	10.550	N/A	\$ 467,235
Passed Through Louisiana Department of Education:			
National Breakfast Program	10.533	N/A	817,698
National School Lunch Program	10.555	N/A	<u>2,768,367</u>
Total United States Department of Agriculture			4,053,300
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	129,568
Educationally Deprived Children - Local Educational Agencies:			
IASA Title I	84.010	03-IASA-32-1	1,890,845
IASA Title I	84.010	02-IASA-32 C/O	<u>265,466</u>
			2,156,311
Handicapped State Grants:			
Special Education IDEA	84.027	03-FT-32	687,997
Special Education IDEA	84.027	02-FT-32	888,644
Special Education IDEA	84.027	N/A	<u>3,697</u>
			1,580,338

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**(CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2003

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Education (Continued)</u>			
Vocational Education - Basic Grants to States	84.048	N/A	194,673
Learn and Serve - Outdoor Odyssey	84.298	N/A	5,120
Children with Disabilities	84.323A	N/A	58,043
Handicapped - Preschool Grants:			
Preschool Flow-thru	84.173	03-PI-32-S	80,758
Innovative Education Program	84.298	N/A	113,156
Drug-Free Schools and Communities - State Grants	84.186	03-7032	90,054
Title II - Eishower Professional Development State Grants	84.281A	N/A	850,008
School Renovation - Technology Technology Improvement Grant	84.352A		329,220
Literacy Challenge	84.318X	N/A	9,390
Enhancing Education Through Technology	84.318X	N/A	<u>57,652</u>
			<u>67,042</u>
Chapter VI - Class Size Reduction	84.340A	N/A	<u>87,389</u>
Total Passed Through Louisiana Department of Education			5,741,680
Passed Through East Baton Rouge School Board:			
Tech - Prep Education	84.243	N/A	<u>13,400</u>
Total United States Department of Education			5,755,080
<u>United States Department of Health and Human Services</u>			
Passed Through Louisiana Department of Education:			
Starting Points	93.575	N/A	57,443
CDC - Youth Media Campaign	93.938	N/A	2,000
T.A.N.F.	93.558	N/A	<u>172,626</u>
Total United States Department of Health and Human Services			<u>232,069</u>
Total Expenditures of Federal Awards			<u>\$ 10,040,449</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.



**LIVINGSTON PARISH SCHOOL BOARD**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2003

Note A - Significant Accounting Policies -

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Livingston Parish School Board and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note B - Food Distribution Program -

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2003, the Livingston Parish School Board had food commodities totaling \$39,780 in inventory.

See auditor's report.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED  
ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS



**Hannis T. Bourgeois, LLP**

**Certified Public Accountants**

Randy J. Bonneau, CPA\*  
Joseph D. Richard, Jr., CPA\*  
Ronnie E. Stamper, CPA\*  
Fernand P. Genre, CPA\*  
Stephen M. Huggins, CPA\*  
Monica L. Zummo, CPA\*  
Ronald L. Gagnet, CPA\*  
Douglas J. Nelson, CPA\*  
Celeste D. Viator, CPA\*  
Russell J. Resweber, CPA\*  
Laura E. Monroe, CPA\*  
\*A Professional Accounting Corporation

1175 Del Este Avenue, Suite B  
Denham Springs, LA 70726  
Phone: (225) 665-8297  
Fax: (225) 667-3813

*Members American Institute of  
Certified Public Accountants*

2322 Tremont Drive, Suite 200  
Baton Rouge, LA 70809

January 6, 2004

Livingston Parish School Board  
Livingston, Louisiana

We have audited the financial statements of the Livingston Parish School Board, Livingston, Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated January 6, 2004. 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.

#### 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 2003-1 and 2003-2.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not

reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider being material weaknesses. However, we did note other matters involving the internal control over financial reporting that we have reported to the School Board in a separate letter dated January 6, 2004.

This report is intended for the information of management, the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Livingston Parish School Board, Livingston, Louisiana, is a matter of public record.

Respectfully submitted,

*Harris J. Bougeois, III*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
WITH REQUIREMENTS APPLICABLE TO EACH OF ITS MAJOR  
PROGRAMS AND INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133



**Hannis T. Bourgeois, LLP**

**Certified Public Accountants**

Randy J. Bonneau, CPA\*  
Joseph D. Richard, Jr., CPA\*  
Ronnie E. Stamper, CPA\*  
Fernand P. Genre, CPA\*  
Stephen M. Huggins, CPA\*  
Monica L. Zumo, CPA\*  
Ronald L. Gagnet, CPA\*  
Douglas J. Nelson, CPA\*  
Celeste D. Viator, CPA\*  
Russell J. Resweber, CPA\*  
Laura E. Monroe, CPA\*  
\*A Professional Accounting Corporation

1175 Del Este Avenue, Suite B  
Denham Springs, LA 70726  
Phone: (225) 665-8297  
Fax: (225) 667-3813

*Members American Institute of  
Certified Public Accountants*

2322 Tremont Drive, Suite 200  
Baton Rouge, LA 70809

January 6, 2004

Livingston Parish School Board  
Livingston, Louisiana

### Compliance

We have audited the compliance of the Livingston Parish School Board with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2003. The Livingston Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to 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; 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.

In our opinion, the Livingston Parish 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, 2003.

#### Internal Control Over Compliance

The management of the Livingston Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the 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 being material weaknesses.

This report is intended for the information of management, the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Livingston Parish School Board, Livingston, Louisiana, is a matter of public record.

Respectfully submitted,

*Hannus J. Bourgeois, CPA*

**LIVINGSTON PARISH SCHOOL BOARD**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

FOR THE YEAR ENDED JUNE 30, 2003

A. As required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the following is a summary of the results of our audit:

- Type of report issued on financial statements - unqualified.
- Type of report issued on compliance for major programs - unqualified.
- The results of audit procedures disclosed no material noncompliance in major programs.
- The results of audit procedures disclosed no questioned costs.
- Our audit disclosed no findings which are required to be reported under Section 510(a).
- The following programs were tested as Type "A" major programs:

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>CFDA Number</u>
<u>United States Department of Agriculture</u> Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution Program	10.550
Passed Through Louisiana Department of Education: National Breakfast Program	10.533
National School Lunch Program	10.555

- The threshold for distinguishing Types A and B programs was \$300,000.
- The School Board was determined to be a low-risk auditee.



**LIVINGSTON PARISH SCHOOL BOARD**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2003

**B. Findings - Financial Statements Audit**

2003-1 - Failure to Amend Budget (LSA - R.S. 39:1301):

Finding

During our current year audit, it was noted that actual expenditures exceeded the budgeted expenditures in the Maintenance of Schools Fund by \$333,690 which is greater than a 5% variance. State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more.

Recommendation

We recommend that management more closely monitor the expenditures and other financing uses and amend the budget as necessary to stay below the 5% variance as required by state law.

Management's Response

Management concurs with this finding and will implement the above recommendation.

2003-2 - Failure to Complete Audit Report Within Six Months of the Close of the Fiscal Year - (LSA - R.S.24:513):

Finding

During the prior year, the School Board failed to comply with the above revised statute regarding timely completion of their audit report. The reason for the delay was due to difficulty experienced by the School Board in providing capital asset and depreciation schedules (particularly the schedules pertaining to buildings and improvements) as required by GASB 34. The School Board should have begun the task of preparing the depreciation schedules sooner as they are fully aware of the time and effort necessary to accurately compile the information.

Recommendation

We recommended all future audit reports be filed timely. Now that all capital asset and depreciation schedules have been prepared through June 30, 2003, they should be updated at least quarterly so as to avoid future delays in reporting.

Management's Response

Management concurs with this finding and will begin to update schedules as recommended.

**LIVINGSTON PARISH SCHOOL BOARD**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

FOR THE YEAR ENDED JUNE 30, 2003

A. Findings - Financial Statements Audit

2001-2 - Nepotism (LSA - R.S. 42:1101, et seq):

Finding

During the 2001 audit, one instance of an employee relationship was brought to our attention that could possibly be a nepotism violation.

Recommendation

We recommended to the School Board that their attorney prepare an agency head report to the Board of Governmental Ethics with a full disclosure of all facts and circumstances that surrounded the above relationship.

Corrective Action

The Board's attorney prepared an agency head report which was forwarded to the Board of Governmental Ethics. Effective January 31, 2003, the employee in question resigned from the School Board.

2002-1 - Failure to Amend Budget (LSA - R.S. 39:1301):

Finding

During our prior year audit, it was noted that actual expenditures exceeded the budgeted expenditures in the Maintenance of Schools Fund by \$406,151 which is greater than a 5% variance. It was also noted in the prior year that actual other financing uses exceeded the budgeted other financing uses in the General Fund by \$1,238,384 which is greater than a 5% variance. In the current year, the School Board failed to amend the budget for the Maintenance of Schools Fund. This finding is reported in the current year's schedule of findings and questions cost as 2003-1. State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more.

**LIVINGSTON PARISH SCHOOL BOARD**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2003

**Recommendation**

We recommended that management more closely monitor the expenditures and other financing uses and amend the budget as necessary to stay below the 5% variance as required by state law.

2002-2 - Failure to Complete Audit Report Within Six Months of the Close of the Fiscal Year -  
(LSA - R.S.24:513):

**Finding**

During the prior year, the School Board failed to comply with the above revised statute regarding timely completion of their audit report. The reason for the delay was due to difficulty experienced by the School Board in providing capital asset and depreciation schedules as required by GASB 34. Although this was the first year the School Board was required to adopt the provisions of GASB 34 and we recognized the time and effort involved, the School Board still should have begun the task of preparing the depreciation schedules sooner as they have been aware of the implementation date of GASB 34 for at least two years. The same finding has been cited again in the current year schedule of findings and questioned costs as Finding 2003-2.

**Recommendation**

We recommended all future audit reports be filed timely. Now that all capital asset and depreciation schedules have been prepared through June 30, 2002, they should be updated at least quarterly so as to avoid future delays in reporting.

**B. Findings and Questioned Costs - Major Federal Award Program Audit**

2002-3 - Failure to Verify the Minimum Required Sample (3%) on School Lunch Program:

**Finding**

As required by Louisiana Administrative Code 28:XLIX, the School Board is required to select a random sample of 3% of applications for free and reduced meal to perform verification procedures. In the prior year 253 applications were randomly selected for verification when in fact 256 applications should have been selected to meet the 3% requirement. Based on discussion with your personnel, this shortage in the sampling size was simply due to a mathematical mistake.

**LIVINGSTON PARISH SCHOOL BOARD**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)**

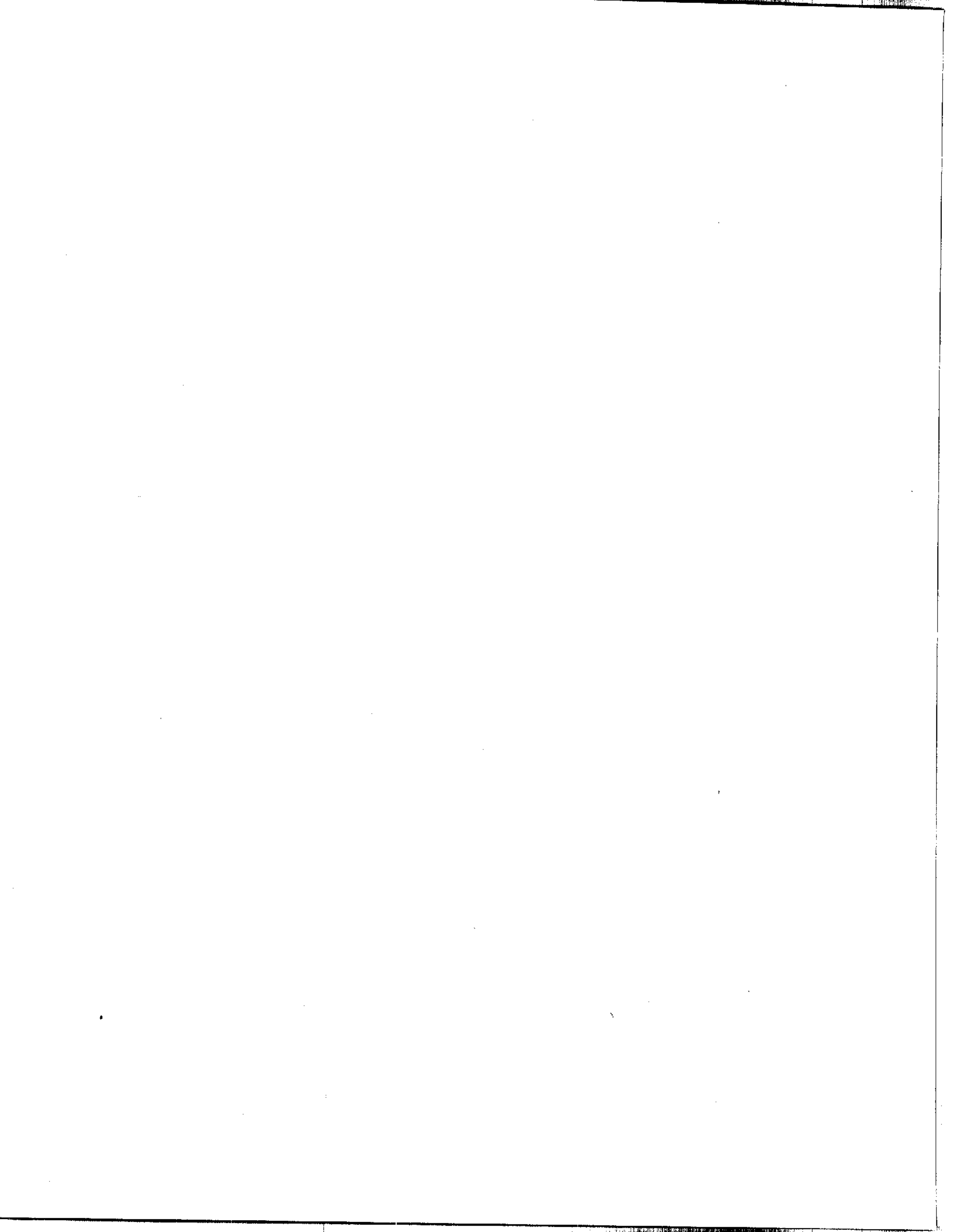
**FOR THE YEAR ENDED JUNE 30, 2003**

**Recommendation**

We recommended that in the future more care be exercised in calculating the 3% sample in order to ensure compliance with the above requirement.

**Corrective Action Taken**

During our current year test work on the School Lunch Program it was noted that the required random sample of 3% was met. Management is more closely monitoring compliance in this area.



**LIVINGSTON PARISH SCHOOL BOARD**  
**LIVINGSTON, LOUISIANA**

**MANAGEMENT LETTER**

**JUNE 30, 2003**

January 6, 2004

Livingston Parish School Board  
Livingston, Louisiana

In planning and performing our audit of the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana, for the year ended June 30, 2003, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on internal control. However, during our audit we became aware of a matter that is an opportunity for strengthening internal control and operating efficiency. The following summarizes our comment and suggestion regarding the matter. This letter does not affect our report dated January 6, 2004, on the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana.

**CURRENT YEAR FINDING:**

Athletic Event Tickets:

Finding:

During the current year audit, it was brought to our attention that tickets are generally not used for attendants at athletic events which are reconciled with gate collections. Upon further investigation, it was noted that the Livingston Parish School Board does not have standard procedures or require the use of tickets being issued to attendants at athletic events and the reconciliation of tickets issued to gate collections.

Recommendation:

We recommend for the School Board to adopt standard procedures that require the issuance of a ticket to attendants at athletic events, that the collections always be under the control of two individuals, and use the number of tickets issued to reconcile the cash collections and deposit of the funds collected at athletic events.

Management Response:

Management concurs with our recommendation and is currently in the process of developing a standard procedure for the schools to follow to issue tickets to attendants at athletic events and reconcile the collections to the number of tickets issued.

Grants Reimbursement Request:

Finding:

As of the middle of October 2003, the grant reimbursement requests for the fiscal year ended June 30, 2003 for the Chapter VI Class Size Reduction grant (\$87,389) and the Innovative Education Program grant (\$113,156) had yet to be completed and submitted to the respective grantors. These requests should be filed more timely.

Recommendation:

We recommend all grant reimbursement requests be filed on a timely basis. However, we noted all funds were requested and collected by mid-November 2003.

Management's Response:

Management concurs with our recommendation and will implement new procedures so all grant reimbursement request are done timely.

This report is intended for the use of management, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Livingston Parish School Board, Livingston, Louisiana, is a matter of public record.

Respectfully submitted,

*Harris J. Bourgeois, III*