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VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Financial Report

Year Ended June 30, 2004

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Release Date 12-15-04

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

Mr. Joseph Hebert, Superintendent,
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Vermilion Parish School Board (the School Board), as of and for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 2004 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions with 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 and the other required supplementary information on pages 4 through 15 and page 57, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other supplementary information on pages 59 through 84 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (pages 90-91) 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 also not a required part of the basic financial statements of the School Board. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 7, 2004

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

VERMILION PARISH SCHOOL BOARD
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2004

Management's Discussion and Analysis (MD&A) of the Vermilion Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the financial statements and the notes to the basic financial statements, which are all included in this report, to enhance their understanding of the Vermilion Parish School Board's financial performance.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 (Statement). Certain comparative information between the current year (2003-04) and the prior year (2002-03) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Vermilion Parish School Board's financial position continues to improve as the result of a combination of factors. The staff is continually monitoring expenditures and restructuring departments and positions whenever possible to maximize our potential to deliver the optimum educational opportunities to our students. The Board has also received oil & gas revenues in excess of budgeted revenues and additional funding from the State through the Minimum Foundation Program (MFP).

The School Board's net assets decreased by \$1.6 million from July 1, 2003 to June 30, 2004 as reported in the Statement of Activities on page 19. An analysis of the major revenues components is as follows:

Minimum Foundation Program (MFP) – MFP is the funding formula from the state for school systems in Louisiana. The funding is based on a formula with many variables and two (2) levels of funding. Level one (1) funding is based on the number of students enrolled in the school system. Level two (2) funding is based on the dollar amount of local funding. The more local tax support received by a District, the more state support (MFP) we receive through level two funding. The School Board receives a 40 percent match in level two funding from the state for local funding exceeding an established minimum amount. The School Board receives approximately \$3,521 for each student. The unrestricted portion of the MFP funding was \$29.7 million during 2003-04.

Operating Grants – Operating grants and contributions for the Vermilion Parish School Board were \$10.9 million for 2003-04.

Ad Valorem Taxes – Ad valorem taxes collected for general and specific purposes, and for debt services was \$8.0 million for 2003-04.

Sales Taxes – Sales tax collections was \$5.7 million during the 2003-04 fiscal year.

Rentals, Leases and Royalties – 16th section revenues, which include oil and gas leases and royalties, as well as surface rentals, totaled \$4.3 million for the 2003-04 fiscal year.

General – The other revenues of the School Board remained relatively stable when compared to prior years.

The expenses of the School Board, as reported in the Statement of Activities, were \$63.3 million in 2003-04. The major expense components are as follows:

Salaries and related benefits - Salaries and related benefits are the School Board's largest expense items. Salaries and related benefits account for \$47.0 million or 74.2% of total expenses.

Recent State Legislation provided that "in fiscal years 2002-03, 2003-04 and 2004-05, not less than 50% of each school district's increased State funding from the implementation of the MFP formula is to be used to supplement and enhance full-time certificated staff salaries and retirement benefits". The cost to implement this increase during the 2003-04 fiscal year was \$249,000.

As of April 25, 2002, the Board established a partially self-funded health insurance program which is being administered by United HealthCare, a third party administrator. On May 1, 2003, the beginning of the 2003-04 policy year and just before the beginning of the 2003-04 fiscal year, the premiums were increased for both employees and the Board. As a result of the premium increase, the School Board's contribution to the health insurance program increased from \$4.0 million in 2002-03 to \$4.6 million in 2003-04.

Debt Service Payments – The debt service activity remained relatively consistent with the previous year.

Capital Projects – No construction projects were accounted for in the Capital Projects Fund during the 2003-04 fiscal year.

On October 3, 2002, Hurricane Lili moved through Vermilion Parish causing damage to every facility in the Parish. The Board spent in excess of \$5 million on restoration, renovation, repairs and temporary expenses throughout the parish. The majority of the expenditures were reimbursed by a combination of the Board's general liability insurance program and the Federal Emergency Management Agency (FEMA). Almost all of this activity was accounted for in the 2002-03 fiscal year.

USING THIS FINANCIAL REPORT

This financial report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Vermilion Parish School Board as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the School Board. These statements provide more detail than the government-wide financial statements about the services that were financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other nonmajor funds. The General Fund is Vermilion Parish School Board's most significant fund.

REPORTING THE SCHOOL BOARD AS A WHOLE

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the School Board as a whole and its activities in a way to try to inform the reader as to how the School Board did financially during the 2003-04 fiscal year. In short, is the School Board better off financially or is it worse off financially than it was this time last year? These statements report all assets and liabilities of the School Board on the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net assets and the change in those assets. This change in net assets is important because it tells the reader that, for the School Board as a whole, the financial position of the School Board improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the School Board include the state of the oil and gas industry, the parish's sales and property tax bases and the state and federal government's continued funding.

The Statement of Net Assets and the Statement of Activities report the governmental activities of the School Board. Most of the School Board's programs and services are reported here including instruction, support services, operating and maintenance of plant, student transportation, and child nutrition programs.

REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School Board's major funds begins on page 22. Fund Financial Statements provide detailed information about the School Board's major fund. The School Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School Board's most significant funds. The School Board's only major governmental fund for the 2003-04 fiscal year is the General Fund.

The Vermilion Parish School Board's non-major governmental funds for the 2004 fiscal year are the 1996 and 1998 Ad Valorem Tax Funds, the Titles I, II, III, IV, V AND VI Funds, the Education Excellence Fund, the IDEA Fund, the Special Federal Revenue Fund, the Pre-School Flow-Through Fund, the Federal and State Adult Education Funds, the School Lunch/Breakfast Fund, the Region IV Education Service Center fund, the TASC Fund, the TANF Fund, the Debt Service Fund, and the Trust Fund.

Governmental Funds

Most of the School Board's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds' statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

On April 25, 2002, the School Board established a partially self-insured group health insurance program. A separate internal service fund was created to accumulate funds designated for the payment of health care claims, insurance and associated costs of school system employees, retirees and their covered dependants. The School Board has procured insurance with both a specific and aggregate stop loss. Transactions related to meeting the claims incurred in these areas are accounted for in the Internal Service Proprietary Fund. Expenses in the Group Insurance Fund are recognized as claims are incurred. Liabilities are recognized for incurred but unpaid claims. The Internal Service Proprietary Fund transactions are reported on pages 26 through 29 in a separate section consisting of a Comparative Statement of Net Assets; a Comparative Statement of Revenues, Expenses, and Changes in Net Assets; and a Comparative Statement of Cash Flows.

THE SCHOOL BOARD AS TRUSTEE

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its School Activity Fund and the Sales Tax Fund. All of the School Board's fiduciary activities are reported in a separate Comparative Statement of Assets and Liabilities, accompanied by supporting schedules on pages 82 through 84. These activities have been excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Non-Expendable Trust Fund

As explained in note 16 on page 54, the Vermilion Parish School Board established the Daniel R. Dartez Education Public Trust on June 11, 1996. The Trust was established from excess oil and gas revenues and was set-up to help meet the capital outlay needs of the School System. The Trust is administered by a board of trustees which consists of individuals charged with the responsibility of maintaining a high quality investment portfolio which maximizes income within acceptable levels of risk. The trustees operate independent of the School Board, but the trust earnings are dedicated to the School Board. The activities of the Trust Fund are reported in a separate Comparative Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance on pages 79 and 80.

The School Board as a Whole

\$9.4 million of the \$45.0 million of net assets at June 30, 2004 were restricted. Restricted net assets are reported separately to show legal constraints from trust and debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. The following analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the School Board's governmental activities.

**Table 1
Governmental Activities
Net Assets
June 30, 2004
(In Millions)**

(With Comparative Totals for June 30, 2003)

	Year Ended June 30	
	2004	2003
Assets		
Current and other assets	\$ 29.8	\$ 28.0
Capital assets	30.9	34.7
Total assets	<u>\$ 60.7</u>	<u>\$ 62.7</u>
Liabilities		
Current and other liabilities	\$ 10.0	\$ 9.8
Long-term liabilities	5.7	6.4
Total liabilities	<u>\$ 15.7</u>	<u>\$ 16.2</u>
Net assets		
Invested in capital assets, net of debt	\$ 28.6	\$ 31.8
Restricted	9.4	9.4
Unrestricted	7.0	5.3
Total net assets	<u>\$ 45.0</u>	<u>\$ 46.5</u>

The balance of \$7.0 million in unrestricted-undesignated assets represents the accumulated results of all past years' operations.

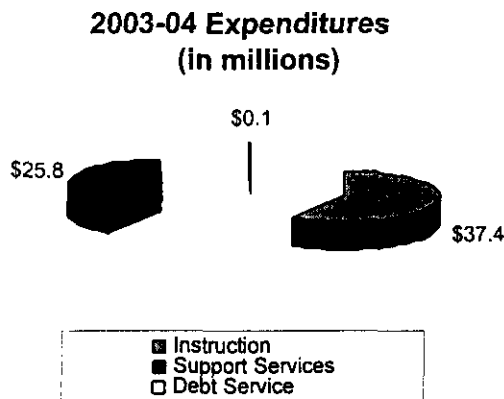
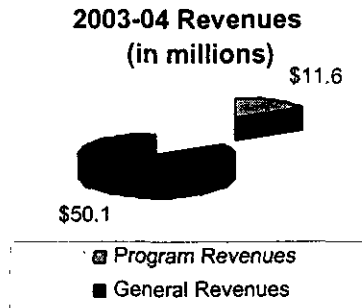
The results of this year's operations for the School Board as a whole are reported in the Statement of Activities on page 19. Table 2 reports the information from the Statement of Activities in a different format so that total revenue for the year can be more easily identifiable.

Table 2
Governmental Activities
Changes in Net Assets
Fiscal Year Ended June 30, 2004
(In Millions)

(With Comparative Totals for June 30, 2003)

	Year Ended June 30	
	2004	2003
Revenues:		
Program revenues:		
Charges for services	\$ 0.7	\$ 0.6
Operating grants and contributions	10.9	9.8
Capital grants and contributions	0.0	0.7
General revenues:		
Ad valorem taxes	8.0	8.0
Sales taxes	5.7	5.6
State equalization	29.7	29.2
Rentals, leases and royalties	4.3	6.0
Other general revenues	<u>2.4</u>	<u>6.5</u>
Total revenues	<u>\$ 61.7</u>	<u>\$ 66.4</u>
Functions/Program Expenses:		
Instruction:		
Regular programs	\$ 24.3	\$ 23.0
Special education programs	7.8	7.3
Vocational programs	1.9	1.9
Other instructional programs	3.4	3.7
Support services:		
Pupil support services	2.7	2.8
Instructional staff support services	3.3	2.8
General administration	2.3	1.7
School administration	3.3	3.1
Business services	0.7	0.6
Plant services	5.9	6.5
Student transportation services	3.5	3.3
Central services	0.4	0.3
Food services	3.3	3.4
Facilities acquisition & construction	0.4	0.0
Community services programs	0.0	0.0
Debt service -		
Interest on long-term obligations	<u>0.1</u>	<u>0.2</u>
Total expenses	<u>\$ 63.3</u>	<u>\$ 60.6</u>
Increase (Decrease) in net assets	<u>\$ (1.6)</u>	<u>\$ 5.8</u>

A summary of Vermilion Parish School Board's 2003-04 revenues and expenditures is presented below:



Governmental Activities

As reported in the Statement of Activities on page 19, the net cost of governmental activities this year was \$51.7 million. The taxpayers in the parish provided \$13.7 million in ad valorem and sales tax revenues to help meet the total cost of governmental activities. The state contributed \$29.7 million through the Minimum Foundation Program (MFP), which is the main funding source for the School Board. The balance of the cost of governmental activities for the year was provided through state and Federal grants.

The cost of governmental activities exceeding restricted state and Federal grants and charges for services must be paid by the citizens of Vermilion Parish and unrestricted state grants. The following presentation shows the portion of governmental activities that must be paid by the citizens of Vermilion Parish and unrestricted state grants.

**Funding of Governmental Activities
2003-04
(in millions)**

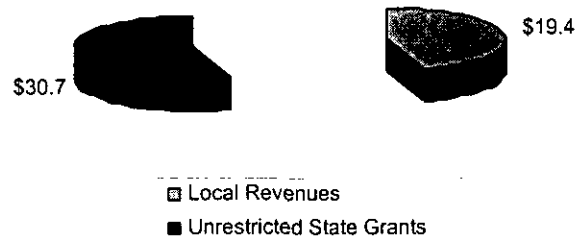


Table 3 presents the total cost of each of the School Board's five largest functions – regular programs, special education programs, school administration, plant services, and food services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Table 3
Governmental Activities
Fiscal Year Ended June 30, 2004
(In Millions)**

(With Comparative Totals for June 30, 2003)

	Total Cost of Services		Net Cost of Services	
	2004	2003	2004	2003
Regular programs	\$24.3	\$23.0	\$23.7	\$22.6
Special education programs	7.8	7.3	6.3	6.1
Instructional staff support	3.3	2.8	2.2	2.1
Plant services	5.9	6.5	5.7	5.6
Student transportation services	3.5	3.3	3.5	3.3
Subtotal	<u>\$44.8</u>	<u>\$42.9</u>	<u>\$41.4</u>	<u>\$39.7</u>
All others	18.5	17.7	10.3	9.7
Total	<u>\$63.3</u>	<u>\$60.6</u>	<u>\$51.7</u>	<u>\$49.4</u>

The School Board Funds

The School Board uses funds to help it control and manage money for particular purposes. Accounting for money for particular purposes in different funds helps the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it and it may also give the reader more insight into the School Board's overall financial health.

General Fund - The General Fund is the School Board's only major fund. The General Fund increased its fund balance by \$0.6 million, from \$6.5 million at June 30, 2003 to \$7.1 million at June 30, 2004. This represents an 9.2 percent increase in fund balance. In the previous year, the fund balance increased by \$1.7 million or 36.8 percent. The increase in fund balance over the last 2 years is largely due to oil & gas revenues that exceed budgeted amounts. As discussed in the financial highlights, the MFP funding increased by around \$0.5 million in 2003-04. Ad valorem tax revenue remained relatively consistent with the previous fiscal year. Even though we incurred additional costs for salaries, retirement and health care, the Board was able to increase the General Fund reserves.

The general recommendation is usually to have at least 10% of the General Fund's budgeted expenditures in unrestricted fund balance. However, because of the Board's reliance on oil and gas, a contingent source of revenue, the goal of Vermilion Parish School Board's management is 15%.

Non-major Governmental Funds – The non-major funds' fund balances were generally stable with small increases in their fund balances.

General Fund Budgetary Highlights

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds prior to September 15 of each year. In accordance with state law the School Board may have variances of 5 percent of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2003-04 budget on August 25, 2003, and revised the budget on June 17, 2004. The original budgeted revenues increased by 4.6% or \$2.6 million from \$56.7 million to \$59.3 million. The major change in budgeted revenue was an increase in federal revenues projected as the result of exacting program budgets after final approval by the Department of Education or other granting agencies. In accordance with State Law, 50% of the growth in MFP revenues was used to fund raise for certificated staff. The budgeted expenditures increased from the original budget to the final budget by \$3.2 million or 5.5%. This increase was primarily generated by the raises granted as a result of the increase in MFP funding, and the increase in federal program grant budgets.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital Assets of the School Board used in performance of general School Board functions are recorded in the Fund Financial Statements as expenditures when purchased. The amount represents the original cost of the assets. Depreciation of capital assets is not recognized in the Fund Financial Statements as explained in the notes to the basic financial statements. In the Government-wide Financial Statements the capital assets are recorded as assets at their original cost at the time of purchase or fair market value, if donated. Depreciation of capital assets has been recognized in the Government-wide Financial Statements.

At June 30, 2003 the School Board had \$34.7 million invested in land, buildings and improvements and furniture and equipment, net of depreciation. Net capital assets decreased by \$3.8 million or 11.1 percent during the current fiscal year. In accordance with State guidelines, effective with the 2002-03 fiscal year, items costing less than \$1,000 are considered supplies and are not capitalized. Table 4 presents capital assets net of depreciation at June 30, 2004.

Table 4
Governmental Activities
Capital Assets at Year-end
Net of Depreciation
June 30, 2004

(With Comparative Totals for June 30, 2003)

	2004	2003
Land	\$ 1,545,787	\$ 1,545,787
Buildings and improvements	25,388,976	28,681,685
Furniture and equipment	3,698,812	3,612,096
Construction in progress	224,049	854,711
Total	\$30,857,624	\$34,694,279

Debt

At June 30, 2004, the school board had \$2,300,000 in bonds and certificates of indebtedness outstanding. Of this amount outstanding, \$620,000 is due within one year. Table 5 summarizes bonds and limited tax certificates of indebtedness outstanding at June 30, 2004.

Table 5
Governmental Activities
Outstanding Debt
June 30, 2004

(With Comparative Totals for June 30, 2003)

	2004	2003
General obligation bonds:		
1993 Parishwide School District – School improvements	\$ 565,000	\$ 820,000
Certificates of Indebtedness:		
Series 2002 – Central Facility Construction	540,000	595,000
Series 2003 – Refinanced Existing Certificates (Series 1997/1998/1999)	1,195,000	1,475,000
Total	\$2,300,000	\$2,890,000

The proceeds of the 1993 Parishwide School District general obligation bonds were used to refinance a 1986 bond issuance used for the construction of Maurice Elementary School. The bonds will be paid out in 2006.

The proceeds of the Series 2002 certificates of indebtedness were used to construct a print shop/technology center at the central office. The certificates will be paid out in 2012.

The proceeds of the Series 2003 certificates of indebtedness were used to refinance the Series 1997, Series 1998 and Series 1999 certificates of indebtedness which were used to construct a cafeteria/kitchen renovation and expansion at Dozier Elementary School and multi-purpose buildings at Eaton Park Elementary School, Herod Elementary School, Kaplan Elementary School and Jesse Owens Elementary School. The certificates will be paid out in 2009.

The state limits the amount of general obligation debt that school boards can issue to 35 percent of the assessed value of all taxable property within the School Board's corporate limits. At June 30, 2004, Vermilion Parish School Board's maximum legal debt limit was \$91,635,877. The District's outstanding general obligation bonded debt of \$2,300,000 is well below the maximum debt limit. The School Board does not presently anticipate issuing any general obligation bonds in the near future.

Other long-term obligations of the School Board include accrued vacation pay and sick leave. We present more detailed information about our long-term obligations in notes 7 to the basic financial statements.

FOR THE FUTURE

The Vermilion Parish School Board is continuing to make financial progress. The fund balance of the General Fund has grown over the last few years. At the end of the 2003-04 fiscal year, the fund balance is almost 15% of the 2004-05 budgeted expenditures. The Trust Fund has an accumulated value in excess of \$8.7 million. The Board is continuing its' long-term practice of reducing the reliance on oil and gas revenues. In 1990, oil and gas revenues represented 22% of the General Fund budgeted revenues. In the 2004-05 budget, only 2% of the General Fund budgeted revenues are from this volatile source.

Even though the Board is experiencing an improved financial picture, there are some concerns for the near future. One of the goals laid out by the Board, is to avoid spending non-recurring revenues on recurring expenditures. Toward that end, we are continuing to reduce the oil and gas revenues budgeted in the general fund. While reducing budgeted revenues, over the last 2 years, the Board has experienced an extraordinary increase in the cost of employee benefits. The annual cost to the General Fund of the increase in both retirement systems over this two year period is over \$1,200,000 and is expected to increase in subsequent years. The annual cost of the increase in group health insurance premiums over this period is \$475,000. The increase in the Board's share of insurance premiums, coupled with increases in mandated Board contributions to the retirement systems has contributed to a General Fund budget for 2004-05 with budgeted expenditures in excess of revenues of \$2.4 million. The administration is continually monitoring all expenditures and whenever possible, is proposing departmental restructuring, reconsidering the necessity of vacant positions and is monitoring individual budget line items searching for possible additional adjustments.

The Legislature has mandated, starting in the 2002-03 fiscal year, that 50 percent of "new growth" money in the Minimum Foundation Program funding formula shall be used for certificated staff pay raises. The certificated staff will receive a small increase in pay during the 2004-05 fiscal year from the "new growth" money.

Although we have some concerns about increasing expenditures in certain areas, overall, we feel that the future of the Vermilion Parish School Board is good, both financially and educationally.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Phillip Sellers, Chief Financial Officer, Vermilion Parish School Board, P.O. Drawer 520, Abbeville, LA 70511-0520 or call at (337) 898-5705 or e-mail to psellers@vrml.k12.la.us.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Statement of Net Assets
June 30, 2004 and 2003

	Governmental Activities	
	2004	2003
ASSETS		
Cash and interest-bearing deposits	\$ 16,638,131	\$ 16,641,242
Investments	8,327,484	7,244,853
Receivables	4,624,951	3,917,205
Inventories	244,371	247,946
Prepaid expenses	1,246	-
Capital assets, net	30,857,624	34,694,279
Total assets	60,693,807	62,745,525
LIABILITIES		
Accounts, salaries and other payables	9,593,370	9,486,053
Deferred revenue	334,376	297,222
Interest payable	35,208	44,177
Long-term liabilities		
Due within one year	620,000	590,000
Due in more than one year	5,125,097	5,782,414
Total liabilities	15,708,051	16,199,866
NET ASSETS		
Invested in capital assets, net of related debt	28,557,624	31,804,279
Restricted for:		
Trust principal	8,791,658	8,766,257
Debt service	583,863	661,244
Unrestricted	7,052,611	5,313,879
Total net assets	\$ 44,985,756	\$ 46,545,659

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Statement of Activities
For the Year Ended June 30, 2004

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets Governmental Activities
Governmental activities:				
Instruction:				
Regular programs	\$ 24,260,528	\$ -	\$ 591,490	\$ (23,669,038)
Special education programs	7,848,202	43,156	1,521,431	(6,283,615)
Vocational education programs	1,873,138	-	151,926	(1,721,212)
Other programs	3,371,734	-	3,363,058	(8,676)
Support services:				
Student services	2,677,113	47,328	724,358	(1,905,427)
Instructional staff support	3,334,482	-	1,154,961	(2,179,521)
General administration	2,257,281	-	79,008	(2,178,273)
School administration	3,296,700	-	-	(3,296,700)
Business services	734,014	-	-	(734,014)
Plant services	5,905,412	-	202,124	(5,703,288)
Student transportation services	3,496,596	-	18,023	(3,478,573)
Central services	391,389	-	22,187	(369,202)
Food services	3,301,814	594,792	3,083,422	376,400
Facilities acquisition and construction	439,163	-	-	(439,163)
Community service programs	11,232	-	-	(11,232)
Interest on long-term debt	108,130	-	-	(108,130)
Total governmental activities	\$ 63,306,928	\$ 685,276	\$ 10,911,988	\$ (51,709,664)
Taxes:				
				1,047,334
Ad valorem taxes, levied for general purposes				6,712,269
Ad valorem taxes, levied for special purposes				273,751
Ad valorem taxes, levied for debt service				5,663,853
Sales and use taxes, levied for general purposes				138,823
State revenue sharing				
Grants and contributions not restricted to specific programs:				
State source - Minimum Foundation Program				29,675,544
State source - other				780,531
State source - PIPS				233,760
Interest and investment earnings				559,026
Rentals, leases and royalties				4,275,906
Miscellaneous				801,711
Loss on disposal of capital assets				(12,747)
Total general revenues				50,149,761
Change in net assets				(1,559,903)
Net assets - July 1, 2003				46,545,659
Net assets - June 30, 2004				\$ 44,985,756

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

FUND DESCRIPTIONS

General Fund

The General fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Balance Sheet
Governmental Funds
June 30, 2004
With Comparative Totals for June 30, 2003

			Totals (Memorandum Only)	
	General	Other Governmental	2004	2003
ASSETS				
Cash and interest-bearing deposits	\$10,693,851	\$ 3,845,827	\$14,539,678	\$ 14,693,831
Investments	-	8,327,484	8,327,484	7,244,853
Accounts receivable	659,607	3,965,344	4,624,951	3,917,205
Due from other funds	4,083,597	-	4,083,597	3,209,331
Inventories	127,398	116,973	244,371	247,946
Prepaid expenses	1,246	-	1,246	-
Total assets	<u>\$15,565,699</u>	<u>\$16,255,628</u>	<u>\$31,821,327</u>	<u>\$ 29,313,166</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 314,741	\$ 356,518	\$ 671,259	\$ 872,962
Accrued salaries payable	8,122,199	-	8,122,199	7,828,431
Due to other funds	-	4,083,597	4,083,597	2,741,825
Deferred revenue	36,122	298,254	334,376	297,222
Other liabilities	22,990	-	22,990	185,050
Total liabilities	<u>8,496,052</u>	<u>4,738,369</u>	<u>13,234,421</u>	<u>\$ 11,925,490</u>
Fund balances-				
Reserved for -				
Other purposes	-	116,973	116,973	102,403
Debt service	-	619,071	619,071	705,421
Held in trust for capital improvements	-	8,791,658	8,791,658	8,766,257
Total fund balances reserved	<u>-</u>	<u>9,527,702</u>	<u>9,527,702</u>	<u>9,574,081</u>
Unreserved -				
Undesignated, reported in major funds	7,069,647	-	7,069,647	6,441,808
Undesignated, reported in nonmajor funds:				
Special Revenue	-	1,989,557	1,989,557	1,371,787
Total fund balances unreserved	<u>7,069,647</u>	<u>1,989,557</u>	<u>9,059,204</u>	<u>7,813,595</u>
Total fund balances	<u>7,069,647</u>	<u>11,517,259</u>	<u>18,586,906</u>	<u>17,387,676</u>
Total liabilities and fund balances	<u>\$15,565,699</u>	<u>\$16,255,628</u>	<u>\$31,821,327</u>	<u>\$ 29,313,166</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total fund balances for governmental funds at June 30, 2004		\$ 18,586,906
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:</p>		
Land	1,545,787	
Construction in progress	224,049	
Building, net of \$36,488,822 accumulated depreciation	18,687,553	
Improvement, net of \$14,619,043 accumulated depreciation	6,701,423	
Vehicles, net of \$2,012,356 accumulated depreciation	1,668,102	
Equipment, net of \$8,696,383 accumulated depreciation	<u>2,030,710</u>	30,857,624
<p>Elimination of interfund assets and liabilities:</p>		
Due from other funds	\$ 4,083,597	
Due to other funds	<u>(4,083,597)</u>	-
<p>Long-term liabilities at June 30, 2004:</p>		
Bonds payable	\$ (2,300,000)	
Compensated absences payable	(3,445,097)	
Accrued interest payable	<u>(35,208)</u>	(5,780,305)
Assets and liabilities of Self - Insurance Internal Service		<u>1,321,531</u>
Net assets at June 30, 2004		<u>\$ 44,985,756</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For The Year Ended June 30, 2004
 With Comparative Totals for the Year Ended June 30, 2003

	General	Other Governmental	Totals (Memorandum Only)	
			2004	2003
Revenues				
Local sources:				
Ad valorem taxes	\$ 1,047,334	\$ 6,986,020	\$ 8,033,354	\$ 7,965,752
Sales taxes	5,663,853	-	5,663,853	5,482,301
Food services	-	594,792	594,792	545,666
Other	5,124,289	529,520	5,653,809	11,209,729
Total local sources	11,835,476	8,110,332	19,945,808	25,203,448
State sources	30,906,681	1,202,668	32,109,349	31,512,227
Federal sources	-	9,491,278	9,491,278	9,431,939
Other commodities	-	213,337	213,337	223,843
Total revenues	42,742,157	19,017,615	61,759,772	66,371,457
Expenditures				
Current:				
Instruction -				
Regular programs	21,456,460	1,153,504	22,609,964	21,623,708
Special education programs	5,716,761	1,521,431	7,238,192	6,906,430
Vocational education programs	1,670,773	151,926	1,822,699	1,745,108
Other instructional programs	163,802	28,561	192,363	205,564
Special programs	209,878	2,893,450	3,103,328	3,162,056
Adult and continuing education programs	3,109	119,354	122,463	140,576
Support services -				
Pupil support services	1,631,031	811,123	2,442,154	2,652,755
Instructional staff support services	2,036,525	1,154,961	3,191,486	2,651,990
General administration	1,776,518	335,783	2,112,301	1,616,259
School administration	2,998,805	-	2,998,805	2,918,772
Business services	526,654	-	526,654	504,131
Operation and maintenance of plant services	5,207,993	205,310	5,413,303	6,172,126
Student transportation services	2,849,278	363,164	3,212,442	3,138,394
Central services	342,614	22,187	364,801	338,511
Food services	1,678	3,404,897	3,406,575	3,361,799
Facilities acquisition and construction	312,001	772,680	1,084,681	5,347,257
Non-instructional services -				
Community service programs	11,232	-	11,232	18,740
Debt service:				
Principal retirement	-	590,000	590,000	540,000
Interest and fiscal charges	-	115,994	115,994	171,284
Legal and technical fees	-	1,105	1,105	18,161
Total expenditures	46,915,112	13,645,430	60,560,542	63,233,621
(Deficiency) excess of revenues over expenditures	(4,172,955)	5,372,185	1,199,230	3,137,836
Other financing sources (uses):				
Proceeds from refunding certificates	-	-	-	1,475,000
Payments of refunded certificates	-	-	-	(1,455,000)
Transfers in	4,800,794	346,745	5,147,539	6,605,026
Transfers out	-	(5,147,539)	(5,147,539)	(7,355,026)
Total other financing sources (uses)	4,800,794	(4,800,794)	-	(730,000)
Net change in fund balances	627,839	571,391	1,199,230	2,407,836
Fund balances, beginning	6,441,808	10,945,868	17,387,676	14,979,840
Fund balances, ending	\$ 7,069,647	\$11,517,259	\$ 18,586,906	\$ 17,387,676

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

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, 2004

Total net change in fund balances for the year ended June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 1,199,230
Add: Facilities acquisition and construction costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 1,490,124	
Less: Depreciation expense for year ended June 30, 2004	<u>(5,314,032)</u>	(3,823,908)
Add: Bond principal retirement considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance		590,000
Less: Compensated absences used for year ended June 30, 2004		37,317
Less: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		8,969
Less: Net income of the Self - Insurance Internal Service Fund		441,236
Less: Gains or losses are not presented in this financial statement because they do not provide or use current financial resources, but they are presented in the statement of activities		<u>(12,747)</u>
Total change in net assets for the year ended June 30, 2004 per Statement of Activities		<u>\$(1,559,903)</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Group Insurance Fund
Statement of Net Assets
June 30, 2004 and 2003

	<u>Governmental Activities - Group Insurance Fund</u>	
	<u>2004</u>	<u>2003</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 2,098,453	\$ 1,479,905
LIABILITIES		
Current liabilities:		
Claims payable	<u>\$ 776,922</u>	<u>\$ 599,610</u>
NET ASSETS		
Net assets:		
Unreserved	<u>\$ 1,321,531</u>	<u>\$ 880,295</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Group Insurance Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Assets
Years Ended June 30, 2004 and 2003

	Governmental Activities - Group Insurance Fund	
	2004	2003
Operating revenue:		
Premiums	\$7,727,765	\$6,581,921
Operating expenses:		
Administration	715,579	651,747
Insurance	635,005	406,666
Claims	5,960,014	5,544,144
Total operating expenses	7,310,598	6,602,557
Operating income (loss)	417,167	(20,636)
Nonoperating revenue:		
Interest earned on interest-bearing deposits	24,069	14,861
Income (loss) before operating transfer	441,236	(5,775)
Transfer in:		
Transfer in from General Fund	-	750,000
Net income	441,236	744,225
Net assets, beginning	880,295	136,070
Net assets, ending	\$1,321,531	\$ 880,295

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Group Self Insurance
Comparative Statement of Cash Flows
Years ended June 30, 2004 and 2003

	Governmental Activities - Group Insurance Fund	
	2004	2003
Cash flows from operating activities:		
Receipts from customers	\$ 7,727,766	\$ 6,226,226
Payments to suppliers	<u>(7,133,287)</u>	<u>(6,795,013)</u>
Net cash provided (used) by operating activities	<u>594,479</u>	<u>(568,787)</u>
Cash flows from noncapital financing activities:		
Transfer from other funds	<u>-</u>	<u>750,000</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>750,000</u>
Cash flows from investing activities:		
Interest on investments	<u>24,069</u>	<u>14,861</u>
Net increase in cash and cash equivalents	618,548	196,074
Cash and cash equivalents, beginning of period	<u>1,479,905</u>	<u>1,283,831</u>
Cash and cash equivalents, end of period	<u>\$ 2,098,453</u>	<u>\$ 1,479,905</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 417,167	\$ (20,636)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in current assets and liabilities:		
(Decrease) in accounts payable	-	(78,660)
Increase (Decrease) in claims payable	177,312	(113,796)
(Decrease) in deferred revenue	<u>-</u>	<u>(355,695)</u>
Net cash provided (used) by operating activities	<u>\$ 594,479</u>	<u>\$ (568,787)</u>

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Group Insurance Fund
Comparative Statement of Cash Flows (continued)
Years ended June 30, 2004 and 2003

	Governmental Activities - Group Insurance Fund	
	2004	2003
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period - Cash and interest-bearing deposits	\$ 1,479,905	\$ 1,283,831
Cash and cash equivalents, end of period - Cash and interest-bearing deposits	<u>2,098,453</u>	<u>1,479,905</u>
Net increase	<u>\$ 618,548</u>	<u>\$ 196,074</u>

The accompanying notes are an integral part of the basic financial statements.

Vermilion Parish School Board
Abbeville, Louisiana

Statement of Fiduciary Net Assets
June 30, 2004
With Comparative Totals for June 30, 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash and cash equivalents	<u>\$2,093,352</u>	<u>\$ 2,131,002</u>
Total assets	<u>\$2,093,352</u>	<u>\$ 2,131,002</u>
LIABILITIES		
Accounts payable	\$ 9,550	\$ 12,050
Due to other governmental units	1,104,961	1,152,076
Deposits due others	<u>978,841</u>	<u>966,876</u>
Total liabilities	<u>\$2,093,352</u>	<u>\$ 2,131,002</u>

The accompanying notes are an integral part of the basic financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Vermilion Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

The School Board operates 20 schools within the parish with a total enrollment of 8,633 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.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, the School Board is a separate governmental reporting entity, primary government.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the School Board, the primary government, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. The School Board's internal service fund is a governmental activity. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the School Board.

The various funds of the School Board are classified into three categories: governmental, and proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The School Board reports the following major governmental 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.

Additionally, the School Board reports the following fund types:

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

Capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following is the School Board's proprietary fund type:

Internal Service Fund

The Internal Service Fund is used to account for the accumulation of resources for and the payment of benefits by the School Board's group self-insurance program.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from contributions made from the employer and employees. These revenues are planned to match: (1) expenses of insurance premiums in excess of self-insurance amounts; (2) actual claims and estimated liabilities for claims incurred but not yet reported at year-end, and (3) operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The funds accounted for in this category by the School Board are the agency funds. The agency funds are as follows:

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

Permanent Funds -

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings and not principal, may be used for purposes that support the School Board's programs.

C. Measurement Focus/ Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, the governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary (internal service) fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or 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 is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means being collectible within the current period or within 60 days after year-end. Expenditures (including facilities acquisition and construction) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the Vermilion Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned.

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 incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

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

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

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Other Financing Sources (Uses)

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

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Deferred Revenues

Deferred revenues arise when resources are received before the School Board has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when tuition is received in advance of the commencement of classes.

In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized. Recognition of revenue from ad valorem tax collections has been deferred in instances where the School Board has been advised by the tax collecting authority that certain amounts have been paid in protest. Recognition of revenue from minor federal and state grant advances has been deferred to the next fiscal year to allow proper matching of revenues and expenditures.

D. Assets, Liabilities and Equity

Cash and cash equivalents

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Investments

Trust fund investments are stated at fair value in accordance with GASB 31. Fair value is defined as the amount at which a financial instrument could be exchanged in a current asset transaction between willing parties. Fair value was determined based on quoted market prices.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and federal and state grants.

Inventories

The cost of inventories is recorded as expenditures when consumed rather than when purchased. Reserves are established for an amount equal to the carrying value of inventories.

Inventory of the General Fund consists of instructional supplies maintained in the central warehouse for use of all schools and janitorial and electrical supplies maintained in the central warehouse for the use of all departments and schools. All inventory purchased are valued at cost (first-in, first-out).

Inventory of the School Lunch/Breakfast 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 and expenditures when consumed. Commodities inventory at year-end is recorded as deferred revenue. All inventory items purchased are valued at cost (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10 - 40 years
Furniture and equipment	5 - 15 years

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as facilities acquisition and construction expenditures of the governmental fund upon acquisition.

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 and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

Compensated Absences

All 12-month employees earn from 12 to 18 days vacation leave each year, depending on their length of service with the School Board. Annual leave earned after June 30, 2002, will be accrued to a maximum of forty (40) days. Annual leave earned prior to June 30, 2002 is not subject to this limitation and will be available in full for use by employees. Leave accrued prior to June 30, 2002, may not be used until leave accrued subsequent to that date has been fully exhausted. Employees may only use 18 consecutive days if approved by the superintendent. Upon retirement or termination of employment, the employee may choose to be paid for any unused accumulated annual leave at the employee's daily rate of pay or may convert such unused accumulated annual leave to service credit for retirement purposes if allowed by the retirement system.

All employees earn from 10 to 13 days of sick leave each year, depending on the number of months of the school year they are employed by the School Board. Sick leave may be accumulated. Upon death or retirement, unused accumulated sick leave of up to 25 days is paid to employees (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement system and for sick leave earned under the Louisiana School Employees Retirement System all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service. Employees are not compensated for unused sick leave upon resignation. However, employees who resign from Vermilion Parish School Board and begin employment in another district may transfer unused sick leave to the new district. In cases of layoffs and callbacks, employees are credited with unused sick leave balances at the time they are reinstated to service.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Act 1341 of 1999 changed the extended sick leave (gayle pay) regulations for public school employees. The Act provides that if teachers and school bus operators have no remaining sick leave, they are allowed up to 90 days extended sick leave in a six year period. During these 90 days, the employee is paid 65% of their pay at the time that the leave begins.

Act 1342 of 1999 changed the sabbatical leave regulation. The Act allows both sabbatical medical leave and professional and cultural development sabbatical for teachers. It provides for two sabbatical semesters immediately following twelve or more consecutive semesters of consecutive service or one semester immediately following six semesters of consecutive service. Sabbatical medical leave may be granted if the teacher's regular sick leave balance is twenty-five days or less at the beginning of the sabbatical. No more than 5% of the work force can be on sabbatical at the same time. During sabbatical, the employee is paid 65% of their pay at the time the leave begins.

The cost of current leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded the general fund.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the School Board's only Proprietary Fund is the Self-Insurance Internal Service Fund, which has no long-term debt, all School Board long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds and certificates of indebtedness. For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

E. Budget Practices

The proposed budget for 2004 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2004 budget on August 25, 2003. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds' was published in the official journal ten days prior to the public hearing.

The budgets for the General and Special Revenue Funds for the fiscal year 2004 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The level of control over the budget is exercised at the function or program level for the General and Special Revenue. The Superintendent and/or assistant superintendents are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget were not material.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation; is not employed by the School Board.

G. Revenue Restrictions

The School Board has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Ad valorem taxes	See Note 3
Sales taxes	See Note 8

The School Board uses unrestricted resources only when restricted resources are fully depleted.

H. Capitalization of Interest Expense

It is the policy of the School Board to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2004, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Report Classification

Certain previously reported amounts for the year ended June 30, 2003 have been reclassified to conform to June 30, 2004 classifications.

(2) Cash and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2004, the School Board has cash and interest-bearing deposits (book balances) totaling \$18,731,483 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ -	\$ 64	\$ 64
Interest-bearing accounts	16,265,847	2,009,284	18,275,131
Time Deposits	-	83,203	83,203
Money market	372,184	-	372,184
Petty cash	100	801	901
Total	\$ 16,638,131	\$ 2,093,352	\$ 18,731,483

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2004, are secured as follows:

Bank balances	\$ 19,859,454
Federal deposit insurance	112,775
Pledged securities (Category 3)	19,746,679
Total federal insurance and pledged securities	\$ 19,859,454

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the School Board's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

B. Investments

At June 30, 2004, the School Board's investments (book balance) totaled \$8,327,484. Investment information is as follows:

Description	Maturity Date	Interest Rate	Reported Amount
Trust fund -			
U.S. Treasury bonds and notes	Various	Variable	\$ 647,501
FNMA obligations	Various	Variable	1,029,078
GNMA obligations	Various	Variable	226,425
Other government debt obligations	Various	Variable	911,135
Other non-government debt obligations	Various	Variable	2,984,839
Equity securities	N/A	N/A	<u>2,528,506</u>
Total investments			<u>\$ 8,327,484</u>

(3) Ad Valorem Taxes

The following ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2004, taxes were levied by the School Board in July 2003 and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Vermilion Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2004, taxes were levied on property with net assessed valuations totaling \$261,816,790 and were dedicated as follows:

Parishwide Taxes:	
School employee salary and benefit tax (1998)	25.00 mills
Special school maintenance and operational tax	2.00 mills
Special school improvement tax	5.00 mills
School operations tax (1996)	<u>3.00</u> mills
Total Special Revenue Funds	35.00 mills
School District Tax (Debt Service Fund)	1.33 mills
School maintenance and operational tax (General Fund)	<u>4.40</u> mills
Total assessment	<u>40.73</u> mills

Gross taxes levied for the current fiscal year totaled \$7,834,479. After deductions for various pension distributions and uncollectible taxes and collections of back taxes, net taxes remitted to the School Board amounted to \$7,577,920.

(4) Receivables

Receivables at June 30, 2004 of \$4,624,951 consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Permanent Fund	Totals
Grants					
Federal	\$ -	\$3,778,783	\$ -	\$ -	\$ 3,778,783
State	510,951	75,812	-	-	586,763
Accounts	148,656	11,369	453	-	160,478
Accrued interest	-	-	-	98,927	98,927
Total receivables	<u>\$ 659,607</u>	<u>\$3,865,964</u>	<u>\$ 453</u>	<u>\$ 98,927</u>	<u>\$ 4,624,951</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital assets balances and activity for the year ended June 30, 2004 is as follows:

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Capital assets not being depreciated:				
Land	\$ 1,545,787	\$ -	\$ -	\$ 1,545,787
Construction in progress	854,711	224,049	\$ 854,711	224,049
Other capital assets:				
<i>Building and improvements</i>	75,251,053	1,245,788	-	76,496,841
Furniture and equipment	13,890,486	874,998	357,933	14,407,551
Total	91,542,037	2,344,835	1,212,644	92,674,228
Less accumulated depreciation:				
Buildings and improvements	46,569,368	4,538,497	-	51,107,865
Furniture and equipment	10,278,390	775,535	345,186	10,708,739
Total	56,847,758	5,314,032	345,186	61,816,604
Net capital assets	\$ 34,694,279	\$ (2,969,197)	\$ 867,458	\$ 30,857,624

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$2,305,171
Special education programs	737,961
Vocational education programs	185,831
Other programs	19,612
Pupil support services	248,987
Instructional staff support services	177,218
General administration	182,216
School administration	325,384
Business services	215,357
Operation and maintenance of plant services	551,582
Student transportation services	327,521
Central services	37,192
Total depreciation expense	\$5,314,032

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Accounts, Salaries, and Other Payables

At June 30, 2004, accounts, salaries, and other payables of \$9,593,370 consisted of the following:

	<u>Totals</u>
Salaries and benefits payable	\$8,122,199
Accounts payable	652,037
Workers compensation and health claims payable	799,912
Retainage payable	<u>19,222</u>
Total payables	<u>\$9,593,370</u>

Prior to July 1, 1999 the Vermilion Parish School Board was partially self-insured for worker's compensation claims. Under this program the School Board maintained a self-insured retention per occurrence of \$200,000 with excess insurance coverage, and a third party administrator to handle claims. The unpaid probable cost of active claims incurred while self-insured is estimated to be \$22,990 and is reported in the General Fund as a liability.

(7) Long-Term Liabilities

General government

\$2,295,000 General Obligation Bonds, Series 2002, due in annual installments of \$30,000 to \$290,000 through March 1, 2006; at interest rates of 3.35% to 5.70% (to be retired from the proceeds of ad valorem taxes) \$ 565,000

Certificates of Indebtedness:

\$645,000 Certificate of Indebtness, Series 2002, due in annual installments of \$50,000 to \$80,000 through February 1, 2012; at an interest rate of 4.625% (to be retired from income derived from trust fund investments). \$ 540,000

\$1,475,000 Certificate of Indebtedness, Series 2003, due in annual installments of \$280,000 to \$55,000 through February 1, 2009; at an interest rate of 2.90% (to be retired from income derived from trust fund investments). 1,195,000

Total certificates of indebtedness \$1,735,000

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The bonds and certificates are due as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u> <u>payments</u>	<u>Interest</u> <u>payments</u>	
2005	\$ 620,000	\$ 91,560	\$ 711,560
2006	650,000	65,206	715,206
2007	370,000	37,201	407,201
2008	305,000	25,436	330,436
2009	125,000	15,470	140,470
2010-2012	230,000	21,507	251,507
Totals	<u>\$ 2,300,000</u>	<u>\$ 256,380</u>	<u>\$ 2,556,380</u>

Defeasance of Debt:

On February 5, 2003, the School Board issued \$1,475,000 of Refunding Bonds, Series 2003, with an interest rate of 2.90% for the purpose of refunding \$340,000 of outstanding Certificates of Indebtedness, Series 1997 maturing February 1, 2003 to February 1, 2007, bearing interest rates of 5.60% to 5.30%, \$990,000 of outstanding Certificates of Indebtedness, Series 1998 maturing February 1, 2003 to February 1, 2008, bearing interest rates of 4.65% to 4.90%, and \$375,000 of outstanding Certificates of Indebtedness, Series 1999 maturing February 1, 2003 to February 1, 2009, bearing interest rates of 4.40% to 4.60% and paying the cost of issuance of bonds. The proceeds of \$1,475,000 (after payment of \$19,214 in issuance costs and fees) were deposited into an irrevocable trust with an escrow agent to defease the Certificates of Indebtedness, Series 1997, 1998, and 1999, on February 2, 2003 at the principal amount thereof and accrued interest to the date fixed for redemption. As a result, the Certificates of Indebtedness, Series 1997, maturing February 1, 2003 to February 1, 2007, Certificates of Indebtedness, Series 1998, maturing February 1, 2003 to February 1, 2008, and Certificates of Indebtedness, Series 1999, maturing February 1, 2003 to February 1, 2009, are considered to be defeased and the liability has been removed from the School Board's books. This advanced refunding was undertaken to reduce total debt service payments over the next six years by \$69,792 and resulted in an economic gain (difference between the present value of debt service payments on the old and the new debt) of \$5,366.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

Changes in General Long-Term Liabilities

During the year ended June 30, 2004, the following changes occurred in long-term liabilities transactions and balances:

	Balance 7/1/2003	Additions	Reductions	Balance 6/30/2004	Due Within One Year
General Obligation					
Bonds, Series 2002	\$ 820,000	\$ -	\$ 255,000	\$ 565,000	\$275,000
Certificates of Indebtedness, Series 1997, 1998, 1999	2,070,000	-	335,000	1,735,000	345,000
Compensated absences	3,482,414	-	37,317	3,445,097	-
	<u>\$ 6,372,414</u>	<u>\$ -</u>	<u>\$ 627,317</u>	<u>\$5,745,097</u>	<u>\$620,000</u>

Compensated Absences

Compensated absences payable consist of the portion of accumulated sick and annual leave of the governmental funds that is not expected to require current resources. The liability for compensated absences is computed only at the end of each fiscal year; therefore, the decrease of \$37,317 for fiscal year 2004, is the net of leave benefits accrued and paid during those years.

(8) Sales and Use Taxes

The School Board is authorized to collect within the parish a one percent sales and use tax. The proceeds of the tax are dedicated to supplement salaries of teachers and/or the expenditures of operating the schools, including salaries of other personnel.

Effective March 1, 1992, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Vermilion Parish. The following is a summary of taxes that the School Board has the responsibility of collecting:

<u>Taxing Bodies:</u>	<u>Rate</u>
Vermilion Parish Police Jury	1.50%
Vermilion Parish Sheriff	0.25%
Town of Gueydan	1.00%
City of Kaplan	1.00%
City of Abbeville	1.25%
Town of Erath	1.00%
Town of Delcambre	1.00%
Village of Maurice	1.50%
Vermilion Parish Tourist Commission	2.00%
Vermilion Parish School Board	1.00%
Hospital Service District #1	1.00%

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Retirement Plans

Eligible employees of the Vermilion Parish School Board participate in one of four multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana – Regular

Plan members are required to contribute 8.0 percent of their annual salary to the system while the School Board is required to contribute the statutory rate of 13.1 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2004, 2003 and 2002 were \$4,309,181, \$4,037,539 and \$3,848,242, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P.O. Box 94123, Baton Rouge, Louisiana 70804-9123.

B. Teachers' Retirement System of Louisiana – Plan A

Plan members are required to contribute 9.1 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 13.1 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2004, 2003 and 2002 were \$19,753, \$23,200 and \$26,017, respectively, equal to the required contribution for each year.

C. Parochial Employees' Retirement System

Plan members are required to contribute 9.5 percent of their annual salary to the system while the School Board is required to contribute the statutory rate of 7.75 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2004, 2003 and 2002 were \$936, \$1,166 and \$1,488, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P.O. Box 94123, Baton Rouge, Louisiana, 70804-9123.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

D. Louisiana School Employees' Retirement System

Plan members are required to contribute 7.5 percent of their annual covered salary to the system. The School Board contribution to the system for the years ended 2004, 2003 and 2002 were \$222,095, \$-0- and \$-0-. Respectively. The School Board was not required to make any employer contributions for the years ended June 30, 2003 and 2002.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P.O. Box 44516, Baton Rouge, Louisiana, 70804.

(10) Self-insurance Group Health Insurance Program

On April 25, 2002, the School Board began a partially self-insured group health insurance program. A separate internal service fund was created to accumulate funds designated for the payment of health care claims, insurance and associated costs of school system employees, retirees and their covered dependants. The School Board has procured specific-loss insurance with a self-insured retention of \$150,000 per individual and aggregate-loss insurance with an attachment point of approximately \$9,271,643 based on projected enrollment of 1,330 subscribers.

The liability for unpaid claims of \$776,922 as of June 30, 2004 was determined based on reports obtained from third party administrator regarding claims incurred prior to June 30, 2004 paid out during the subsequent month period ending September 30, 2004, and includes a \$230,025 provision for claims incurred but not reported.

Changes in the claims liability amount for the group health insurance program is as follows:

	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
2002-2003	\$ 713,406	\$ 5,544,144	\$ 5,657,940	\$ 599,610
2003-2004	\$ 599,610	\$ 5,960,016	\$ 5,782,704	\$ 776,922

(11) Commitments and Contingencies

A. Litigation

There are several lawsuits presently pending against the School Board. The School Board's legal counsel is of the opinion that any favorable outcome in these cases would not materially affect the financial statements.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Grant Audits

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

C. Intergovernmental Agreement

On January 19, 2000 the Vermilion Parish School Board negotiated an intergovernmental agreement with the Iberia Parish School Board to establish certain parameters for calculating annual payments that the School Board shall remit to the Iberia Parish School Board for Vermilion Parish resident students attending Iberia Parish Schools. This agreement is effective for a twenty-year period ending June 30, 2020 but is subject to renegotiation every five years.

(12) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2004 are as follows:

	Interfund Receivables	Interfund Payables
Major funds:		
General Fund	\$ 4,083,597	\$ -
Nonmajor funds:		
State Adult Education	-	8,743
Federal Adult Education	-	45,944
Title II	-	390,641
Special Federal Revenue	-	758,309
Region IV	-	50,691
Truancy	-	14,785
IDEA	-	688,405
Title III	-	25,496
Title V	-	53,078
Preschool Flow-Through	-	32,644
Temporary Assistance for Needy Families	-	198,527
Title I	-	1,530,845
Title IV	-	49,088
School Lunch	-	236,401
Total nonmajor funds	-	4,083,597
Total	\$ 4,083,597	\$ 4,083,597

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The amounts due to the General Fund from various other funds are for reimbursements owed for expenditures paid for those funds.

B. Transfers consisted of the following at June 30, 2004:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ 4,800,794	\$ -
Nonmajor funds:		
Debt Service	346,745	-
1998 Ad Valorem Tax	-	4,650,549
Federal Adult Education	-	2,434
Special Federal Revenue	-	4,418
Region IV	-	3,385
Individual with Disabilities Education Act	-	48,037
Preschool Flow-Through	-	2,391
Title I	-	89,581
Dr. Daniel Dartez Educational Trust	-	346,744
Total nonmajor funds	346,745	5,147,539
Total	\$ 5,147,539	\$ 5,147,539

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(13) Post-Retirement Health Care and Life Insurance Benefits

In accordance with the Employer Health and Welfare Benefit Plan established in November 1986, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 40 percent) and the School Board (approximately 60 percent). The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The School Board's cost of providing these benefits to retirees totaled \$1,437,576 for 2004 and encompasses 609 former employees receiving such benefits as of the end of the year.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Risk Management

Commercial Insurance Coverage

The School Board purchases commercial insurance for property coverage, general liability, fleet liability, and errors and omissions. The deductibles per occurrence for these coverages are \$100,000, \$25,000, \$10,000 and \$25,000, respectively. During the fiscal year ending June 30, 2004, the property coverage deductible was increased from \$250,000 to \$500,000, for named storms. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

(15) Excess Oil and Gas Revenue Policy

The School Board has adopted a policy on excess oil and gas royalty revenues whereby mineral revenues over \$6,250,000 will be reserved in the following manner:

- A. 50% of the amount over \$6,250,000 is to be placed in the Vermilion Parish Education Public Trust.
- B. 50% of the amount over \$6,250,000 is to be used for employee salary supplements.

For the year ended June 30, 2004 oil and gas royalty revenues did not exceed the \$6,250,000 threshold, therefore no contributions were required to be made to the trust.

(16) Non-expendable Trust Fund

On June 11, 1996, pursuant to Louisiana Revised Statute (LSA-RS) 17:81(m), the School Board established the Vermilion Parish Education Trust (a non-expendable trust fund). Trust principal is derived from excess revenues and may not be used for expenditures. Income from the investment of fund principal is restricted to meeting the capital outlay needs of the school system.

The trust is administered by a board of trustees which consists of individuals who occupy the following positions:

- A. Vermilion Parish School Board President
- B. Vermilion Parish School Board Vice-President
- C. Vermilion Parish School System Superintendent
- D. Vermilion Parish School System Chief Financial Officer
- E. Vermilion Association of Educators President
- F. Vermilion Parish School Board legal advisor

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Basic Financial Statements (Continued)

The trustees of the Daniel R. Dartez Educational Trust believe that the following asset mixes will produce a pattern of returns over time that will conform to the desired return requirements, risk tolerance and liquidity:

Asset Class	Minimum	Target	Maximum
Intermediate Fixed Income	60%	75%	85%
Equities	15%	25%	35%

Cash equivalents may be held in lieu of equities or intermediate fixed income at the discretion of the investment advisor.

(17) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2004 follows:

	<u>Amount</u>
Ira W. Searle, Jr.	\$ 10,800
Charles Campbell	9,600
Harold L. Hebert, Sr.	9,600
Carroll E. LeBlanc	9,600
Gerard Baudoin	9,600
Ricky LeBouef	9,600
Eric Moss	9,600
Herman Suire	9,600
	<u>\$ 78,000</u>

(18) Change in Accounting Estimate

During 2004, the School Board changed estimated useful lives for previously purchased identifiable, long-lived assets and uses the new lives for new assets purchased of the same class. The change in estimate effects the current period only. The effect on the change in net assets is a reduction of \$2,725,601.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2004

With Comparative Actual Amounts for the Year Ended June 30, 2003

	Budget		Actual	Variance Positive (Negative)	2003 Actual
	Original	Final			
Revenues					
Local sources:					
Ad valorem taxes	\$ 1,015,000	- \$ 1,015,000	\$ 1,047,334	\$ 32,334	\$ 1,035,164
Sales taxes	5,675,000	5,675,000	5,663,853	(11,147)	5,482,301
Other	2,270,865	2,475,132	5,124,289	2,649,157	8,872,462
Total local sources	8,960,865	9,165,132	11,835,476	2,670,344	15,389,927
State sources	30,442,864	30,920,639	30,906,681	(13,958)	30,605,590
Total revenues	<u>39,403,729</u>	<u>40,085,771</u>	<u>42,742,157</u>	<u>2,656,386</u>	<u>45,995,517</u>
Expenditures					
Current:					
Instruction -					
Regular programs	21,120,703	21,349,903	21,456,460	(106,557)	20,949,752
Special education programs	5,847,724	5,849,952	5,716,761	133,191	5,690,179
Vocational education programs	1,717,067	1,715,253	1,670,773	44,480	1,604,100
Other instructional programs	196,967	209,967	163,802	46,165	159,383
Special programs	267,982	202,692	209,878	(7,186)	271,350
Adult and continuing education programs	2,484	2,574	3,109	(535)	2,484
Support services -					
Pupil support services	1,559,185	1,605,670	1,631,031	(25,361)	1,473,659
Instructional staff support services	2,052,592	2,055,717	2,036,525	19,192	2,029,405
General administration	1,342,617	1,560,255	1,776,518	(216,263)	1,363,408
School administration	3,071,857	3,051,207	2,998,805	52,402	2,918,772
Business services	555,950	560,906	526,654	34,252	504,131
Operation and maintenance of plant services	4,503,994	4,999,269	5,207,993	(208,724)	5,989,992
Student transportation services	2,842,093	2,899,093	2,849,278	49,815	2,734,037
Central services	375,253	382,078	342,614	39,464	338,511
Non-instructional services -					
Food services	1,740	1,740	1,678	62	1,662
Community service programs	20,000	20,000	11,232	8,768	18,740
Facilities acquisition and construction	230,000	387,000	312,001	74,999	2,301,032
Total expenditures	<u>45,708,208</u>	<u>46,853,276</u>	<u>46,915,112</u>	<u>(61,836)</u>	<u>48,350,597</u>
Deficiency of revenues over expenditures	<u>(6,304,479)</u>	<u>(6,767,505)</u>	<u>(4,172,955)</u>	<u>2,594,550</u>	<u>(2,355,080)</u>
Other financing sources (uses)					
Transfers in	4,521,301	4,521,301	4,800,794	279,493	5,538,395
Transfers out	-	-	-	-	(1,450,000)
Total other financing sources (uses)	<u>4,521,301</u>	<u>4,521,301</u>	<u>4,800,794</u>	<u>279,493</u>	<u>4,088,395</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(1,783,178)</u>	<u>(2,246,204)</u>	<u>627,839</u>	<u>2,874,043</u>	<u>1,733,315</u>
Fund balances, beginning	<u>6,441,808</u>	<u>6,441,808</u>	<u>6,441,808</u>	<u>-</u>	<u>4,708,493</u>
Fund balances, ending	<u>\$ 4,658,630</u>	<u>\$ 4,195,604</u>	<u>\$ 7,069,647</u>	<u>\$ 2,874,043</u>	<u>\$ 6,441,808</u>

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2004
With Comparative Totals for June 30, 2003

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
					2004	2003
ASSETS						
Cash and interest-bearing deposits	\$2,844,106	\$ 629,537	\$ -	\$ 372,184	\$ 3,845,827	\$ 3,714,825
Investments	-	-	-	8,327,484	8,327,484	7,244,853
Receivables	3,865,964	453	-	98,927	3,965,344	2,820,738
Due from other funds	-	-	-	-	-	200,000
Inventories	116,973	-	-	-	116,973	102,403
Total assets	\$6,827,043	\$ 629,990	\$ -	\$ 8,798,595	\$16,255,628	\$14,082,819
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 349,581	\$ -	\$ -	\$ 6,937	\$ 356,518	\$ 333,529
Due to other funds	4,083,597	-	-	-	4,083,597	2,541,564
Deferred revenue	287,335	10,919	-	-	298,254	261,858
Total liabilities	4,720,513	10,919	-	6,937	4,738,369	3,136,951
Fund balances:						
Reserved for inventory	116,973	-	-	-	116,973	102,403
Reserved for debt retirement	-	619,071	-	-	619,071	705,421
Reserved for trust principal	-	-	-	8,791,658	8,791,658	8,766,257
Unreserved	1,989,557	-	-	-	1,989,557	1,371,787
Total fund balances	2,106,530	619,071	-	8,791,658	11,517,259	10,945,868
Total liabilities and fund balances	\$6,827,043	\$ 629,990	\$ -	\$ 8,798,595	\$16,255,628	\$14,082,819

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2004
With Comparative Totals for Year Ended June 30, 2003

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals	
					2004	2003
Revenues						
Local sources -						
Ad valorem taxes	\$ 6,712,269	\$273,751	\$ -	\$ -	\$ 6,986,020	\$ 6,930,588
Interest income	25,156	8,196	-	-	33,352	35,973
Food services	594,792	-	-	-	594,792	545,666
Other	95,656	435	-	400,077	496,168	2,301,294
State sources	1,202,668	-	-	-	1,202,668	906,637
Federal sources	9,491,278	-	-	-	9,491,278	9,431,939
Other commodities	213,337	-	-	-	213,337	223,843
Total revenues	<u>18,335,156</u>	<u>282,382</u>	<u>-</u>	<u>400,077</u>	<u>19,017,615</u>	<u>20,375,940</u>
Expenditures						
Current:						
Instruction -						
Regular programs	1,153,504	-	-	-	1,153,504	673,956
Special education programs	1,521,431	-	-	-	1,521,431	1,216,251
Vocational education programs	151,926	-	-	-	151,926	141,008
Other instructional programs	28,561	-	-	-	28,561	46,181
Special programs	2,893,450	-	-	-	2,893,450	2,890,706
Adult and continuing education programs	119,354	-	-	-	119,354	138,092
Support services -						
Pupil support services	811,123	-	-	-	811,123	1,179,096
Instructional staff support services	1,154,961	-	-	-	1,154,961	622,585
General administration	299,473	8,378	-	27,932	335,783	252,851
Operation and maintenance of plant services	205,310	-	-	-	205,310	182,134
Student transportation services	363,164	-	-	-	363,164	404,357
Central services	22,187	-	-	-	22,187	-
Food service operations	3,404,897	-	-	-	3,404,897	3,360,137
Facilities acquisition and construction	772,680	-	-	-	772,680	3,046,225
Debt service:						
Principal retirement	-	590,000	-	-	590,000	540,000
Interest and fiscal charges	-	115,994	-	-	115,994	171,284
Legal and technical fees	-	1,105	-	-	1,105	18,161
Total expenditures	<u>12,902,021</u>	<u>715,477</u>	<u>-</u>	<u>27,932</u>	<u>13,645,430</u>	<u>14,883,024</u>
Excess (deficiency) of revenues over expenditures	<u>5,433,135</u>	<u>(433,095)</u>	<u>-</u>	<u>372,145</u>	<u>5,372,185</u>	<u>5,492,916</u>
Other financing sources (uses)						
Proceeds from refunding certificates	-	-	-	-	-	1,475,000
Payment of refunded certificates	-	-	-	-	-	(1,455,000)
Transfers in	-	346,745	-	-	346,745	1,066,631
Transfers out	<u>(4,800,795)</u>	<u>-</u>	<u>-</u>	<u>(346,744)</u>	<u>(5,147,539)</u>	<u>(5,905,026)</u>
Total other financing sources (uses)	<u>(4,800,795)</u>	<u>346,745</u>	<u>-</u>	<u>(346,744)</u>	<u>(4,800,794)</u>	<u>(4,818,395)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	632,340	(86,350)	-	25,401	571,391	674,521
Fund balances, beginning	<u>1,474,190</u>	<u>705,421</u>	<u>-</u>	<u>8,766,257</u>	<u>10,945,868</u>	<u>10,271,347</u>
Fund balances, ending	<u>\$ 2,106,530</u>	<u>\$619,071</u>	<u>\$ -</u>	<u>\$8,791,658</u>	<u>\$11,517,259</u>	<u>\$ 10,945,868</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for special revenues that are legally restricted to expenditures for expenditures for specific purposes.

1998 Ad valorem Tax Fund

In January, 1998 Vermilion Parish voters approved a 25.00 mills ad valorem tax dedicated solely for the purpose of increasing the salaries and benefits of school employees to a level comparable with surrounding parishes.

1996 Ad valorem Tax Fund

In April, 1996 Vermilion Parish voters approved a rededication of a 10.00 mills ad valorem tax. The proposition provided that 3.00 mills be used for acquiring and maintaining equipment and supplies for educational and instructional services including library books and textbooks, 5.00 mills for maintaining and improving public school buildings including roof replacement, and heating and air conditioning systems, and 2.00 mills for acquiring and maintaining school buses.

Improving America's Schools Act (IASA):

Title I

Title I of the IASA is a program for economically and educationally deprived school children that is federally financed, state administered, and locally operated by the School Board. Title I 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 locally mandated activities.

Title II

Title II of the IASA is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science, computer learning, and to increase the accessibility of such instructions to all students.

Title III

Title III of the IASA is a program to help ensure that children who are limited English proficient, including immigrant children and youth, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging State academic content and student academic achievement standards as all children are expected to meet.

Title IV

Title IV of IASA is a program by which the federal government provides funds to the School Board for the Drug Free Schools program.

(continued)

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Title V

Title V of IASA purpose is to support local education reform efforts that are consistent with and support statewide education reform efforts. To provide funding to enable State educational agencies and local educational agencies to implement promising educational reform programs and school improvement programs based on scientifically based research. To provide a continuing source of innovation and educational improvement, including support programs to provide library services and instructional and media materials. To meet the educational needs of all students, including at-risk youth. To develop and implement education programs to improve schools, student, and teacher performance, including professional development activities and class size reduction programs.

Title VI

Title VI of the IASA is a program by which the federal government provides funds to the School for an after-school tutorial homework assistance program and staff development. This fund also accounts for revenues and expenditures of the Class Size Reduction Program, a new federal program designed to help local elementary schools reduce class size by hiring additional highly qualified teachers.

Education Excellence Fund

The Education Excellence Fund accounts for restricted revenues derived from the state's tobacco settlement. Expenditures from this fund are restricted to instructional enhancements for pre-kindergarten to twelfth grade students.

Individuals With Disabilities Education Act Fund

The IDEA Fund is a federally financed program of free education in the least restricted environment to children with exceptionalities.

Special Federal Revenue Fund

This Special Fund is used to account for federal grants such as Technology Literacy Challenge Grants, Carl Perkins Vocational Education Grants, Job Training Partnership Act Grants and other grants which are not accounted for in other special revenue funds.

Preschool Flow-Through Fund

Preschool Flow-Through Fund is a program by which the federal government provides funds to the Vermilion School Board for providing a free appropriate public education to preschool-age handicapped children.

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Federal and State Adult Education Funds

The Federal and State Adult Education Funds are programs for the education of adults, who have not received a high school education. These programs are federally and state financed, state administered, and locally operated by the Vermilion Parish School Board.

School Lunch/Breakfast Fund

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

Region IV Education Service Center Fund

Pursuant to an interagency agreement with the State Department of Education Executive Office, the School Board serves as the fiscal agent for the Region IV Education Service Center.

Truancy Assessment and Service Centers (TASC) Fund

The TASC Fund accounts for programs to provide for early identification and assessment of truants and the delivery of coordinated interventions to prevent unauthorized school absences.

Temporary Assistance for Needy Families (TANF) Fund

The TANF Fund accounts for the Early Childhood Development program for four year old children considered to be at risk of achieving academic success. The fund also accounts for a Pre GED/Skills Option program designed to provide exit options for students sixteen years or older.

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Special Revenue Funds

Combining Balance Sheet
 June 30, 2004
 With Comparative Totals for Year Ended June 30, 2003

	1998	1996	Improving America's Schools Act		
	Ad valorem	Ad valorem	Title I	Title II	Title III
	<u>Tax Fund</u>	<u>Tax Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>
ASSETS					
Cash and cash equivalents	\$203,299	\$1,211,959	\$ -	\$ -	\$ -
Receivables	8,121	3,248	1,544,692	390,641	25,496
Inventories	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$211,420</u>	<u>\$1,215,207</u>	<u>\$1,544,692</u>	<u>\$390,641</u>	<u>\$25,496</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts and salaries payable	\$ -	\$ 244,044	\$ 13,847	\$ -	\$ -
Due to other funds	-	-	1,530,845	390,641	25,496
Deferred revenue	<u>205,239</u>	<u>82,096</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>205,239</u>	<u>326,140</u>	<u>1,544,692</u>	<u>390,641</u>	<u>25,496</u>
<i>Fund balances:</i>					
Reserved for inventory	-	-	-	-	-
Unreserved	<u>6,181</u>	<u>889,067</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>6,181</u>	<u>889,067</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$211,420</u>	<u>\$1,215,207</u>	<u>\$1,544,692</u>	<u>\$390,641</u>	<u>\$25,496</u>

Improving America's Schools Act			Education Excellence Fund	Individuals With Disabilities Educator Act Fund	Special Federal Revenue Fund	Pre-School Flow-Through Fund	Federal Adult Education Fund	State Adult Education Fund
Title IV Fund	Title V Fund	Title VI Fund						
\$ -	\$ -	\$ -	\$ 333,222	\$ -	\$ -	\$ -	\$ -	\$ -
49,122	53,078	-	-	734,317	798,571	32,644	45,944	9,409
-	-	-	-	-	-	-	-	-
<u>\$ 49,122</u>	<u>\$ 53,078</u>	<u>\$ -</u>	<u>\$ 333,222</u>	<u>\$ 734,317</u>	<u>\$ 798,571</u>	<u>\$ 32,644</u>	<u>\$ 45,944</u>	<u>\$ 9,409</u>
\$ 34	\$ -	\$ -	\$ -	\$ 45,912	\$ 40,262	\$ -	\$ -	\$ -
49,088	53,078	-	-	688,405	758,309	32,644	45,944	8,743
-	-	-	-	-	-	-	-	-
<u>49,122</u>	<u>53,078</u>	<u>-</u>	<u>-</u>	<u>734,317</u>	<u>798,571</u>	<u>32,644</u>	<u>45,944</u>	<u>8,743</u>
-	-	-	-	-	-	-	-	-
-	-	-	333,222	-	-	-	-	666
-	-	-	333,222	-	-	-	-	666
<u>\$ 49,122</u>	<u>\$ 53,078</u>	<u>\$ -</u>	<u>\$ 333,222</u>	<u>\$ 734,317</u>	<u>\$ 798,571</u>	<u>\$ 32,644</u>	<u>\$ 45,944</u>	<u>\$ 9,409</u>

(continued)

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Special Revenue Funds

Combining Balance Sheet (continued)
 June 30, 2004

With Comparative Totals for June 30, 2003

	School Lunch/ Breakfast Fund	Region IV Education Service Center Fund	TASC Fund	TANF Fund	Totals	
					2004	2003
ASSETS						
Cash and cash equivalents	\$694,809	\$ -	\$ -	\$ 400,817	2,844,106	\$1,752,982
Receivables	-	51,142	15,261	104,278	3,865,964	2,729,553
Inventories	<u>116,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,973</u>	<u>102,403</u>
Total assets	<u>\$811,782</u>	<u>\$51,142</u>	<u>\$15,261</u>	<u>\$ 505,095</u>	<u>\$ 6,827,043</u>	<u>\$4,584,938</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and salaries payable	\$ 3,010	\$ 451	\$ 476	\$ 1,545	349,581	\$ 316,912
Due to other funds	236,401	50,691	14,785	198,527	4,083,597	2,541,564
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,335</u>	<u>252,272</u>
Total liabilities	<u>239,411</u>	<u>51,142</u>	<u>15,261</u>	<u>200,072</u>	<u>4,720,513</u>	<u>3,110,748</u>
Fund balances:						
Reserved for inventory	116,973	-	-	-	116,973	102,403
Unreserved	<u>455,398</u>	<u>-</u>	<u>-</u>	<u>305,023</u>	<u>1,989,557</u>	<u>1,371,787</u>
Total fund balances	<u>572,371</u>	<u>-</u>	<u>-</u>	<u>305,023</u>	<u>2,106,530</u>	<u>1,474,190</u>
Total liabilities and fund balances	<u>\$811,782</u>	<u>\$51,142</u>	<u>\$15,261</u>	<u>\$ 505,095</u>	<u>\$ 6,827,043</u>	<u>\$4,584,938</u>

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Year Ended June 30, 2004
 With Comparative Totals for June 30, 2003

	Improving America's Schools Act				
	1998 Ad valorem Tax Fund	1996 Ad valorem Tax Fund	Title I Fund	Title II Fund	Title III Fund
Revenues					
Local Sources:					
Taxes:					
Ad valorem tax	\$4,794,473	\$1,917,796	\$ -	\$ -	\$ -
Interest income	13,432	7,550	-	-	-
Food services	-	-	-	-	-
Other	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	2,647,909	668,410	31,676
Other commodities	-	-	-	-	-
Total revenues	<u>4,807,905</u>	<u>1,925,346</u>	<u>2,647,909</u>	<u>668,410</u>	<u>31,676</u>
Expenditures					
Current:					
Instruction -					
Regular programs	-	562,014	-	462,229	-
Special education programs	-	-	-	-	-
Vocational education programs	-	-	-	-	-
Other instructional programs	-	-	-	-	-
Special programs	-	-	1,751,223	-	-
Adult and continuing education programs	-	-	-	5,508	-
Support services -					
Pupil support services	-	-	429,191	23,668	-
Instructional staff support services	-	-	292,273	172,223	29,088
General administration	157,475	62,990	40,566	4,782	2,588
Operation and maintenance of plant services	-	-	40,859	-	-
Student transportation services	-	345,141	967	-	-
Central services	-	-	3,249	-	-
Food service operations	-	-	-	-	-
Facility acquisition and construction	-	772,680	-	-	-
Total expenditures	<u>157,475</u>	<u>1,742,825</u>	<u>2,558,328</u>	<u>668,410</u>	<u>31,676</u>
Excess (deficiency) of revenues over expenditures	<u>4,650,430</u>	<u>182,521</u>	<u>89,581</u>	<u>-</u>	<u>-</u>
Other financing uses					
Transfers out	(4,650,549)	-	(89,581)	-	-
Total other financing uses	<u>(4,650,549)</u>	<u>-</u>	<u>(89,581)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>(119)</u>	<u>182,521</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>6,300</u>	<u>706,546</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 6,181</u>	<u>\$ 889,067</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Improving America's School's Act				Individuals	Special		Federal	State
Title IV	Title V	Title VI	Education	With	Federal	Pre-School	Adult	Adult
Fund	Fund	Fund	Excellence	Disabilities	Revenue	Flow-Through	Education	Education
			Fund	Education	Fund	Fund	Fund	Education
				Act Fund				Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	4,145
-	-	-	334,146	-	-	-	-	39,829
81,281	87,162	30,771	-	1,403,824	1,053,543	69,536	70,941	-
-	-	-	-	-	-	-	-	-
<u>81,281</u>	<u>87,162</u>	<u>30,771</u>	<u>334,146</u>	<u>1,403,824</u>	<u>1,053,543</u>	<u>69,536</u>	<u>\$ 70,941</u>	<u>43,974</u>
-	-	30,771	-	-	98,490	-	-	-
-	84,388	-	-	1,022,524	205,060	28,127	-	-
-	-	-	-	-	151,926	-	-	-
-	-	-	-	-	28,561	-	-	-
-	-	-	-	-	17,303	-	-	-
-	-	-	924	-	-	-	68,507	44,415
77,901	-	-	-	127,491	49,561	16,546	-	-
423	186	-	-	64,376	474,084	22,472	-	-
2,588	2,588	-	-	25,896	-	-	-	-
-	-	-	-	97,800	6,711	-	-	-
369	-	-	-	16,191	-	-	-	-
-	-	-	-	1,509	17,429	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>81,281</u>	<u>87,162</u>	<u>30,771</u>	<u>924</u>	<u>1,355,787</u>	<u>1,049,125</u>	<u>67,145</u>	<u>68,507</u>	<u>44,415</u>
-	-	-	333,222	48,037	4,418	2,391	2,434	(441)
-	-	-	-	(48,037)	(4,418)	(2,391)	(2,434)	-
-	-	-	-	(48,037)	(4,418)	(2,391)	(2,434)	-
-	-	-	333,222	-	-	-	-	(441)
-	-	-	-	-	-	-	-	1,107
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 666</u>

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Year Ended June 30, 2004
With Comparative Totals for June 30, 2003

	School Lunch/ Breakfast Fund	Region IV	TASC Fund	TANF Fund	Totals	
		Education Service Center Fund			2004	2003
Revenues						
Local Sources:						
Taxes:						
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$6,712,269	\$6,676,527
Interest income	4,174	-	-	-	25,156	23,842
Food services	594,792	-	-	-	594,792	545,666
Other	1,000	-	89,951	560	95,656	1,698,245
State sources	730,536	98,157	-	-	1,202,668	906,637
Federal sources	2,139,549	-	-	1,206,676	9,491,278	9,431,939
Other commodities	213,337	-	-	-	213,337	223,843
Total revenues	<u>3,683,388</u>	<u>98,157</u>	<u>89,951</u>	<u>1,207,236</u>	<u>18,335,156</u>	<u>19,506,699</u>
Expenditures						
Current:						
Instruction -						
Regular programs	-	-	-	-	1,153,504	673,956
Special education programs	-	-	-	181,332	1,521,431	1,216,251
Vocational education programs	-	-	-	-	151,926	141,008
Other instructional programs	-	-	-	-	28,561	46,181
Special programs	-	-	-	1,124,924	2,893,450	2,890,706
Adult and continuing education programs	-	-	-	-	119,354	138,092
Support services -						
Pupil support services	-	-	86,765	-	811,123	1,179,096
Instructional staff support services	-	94,772	-	5,064	1,154,961	622,585
General administration	-	-	-	-	299,473	218,966
Operation and maintenance of plant services	-	-	3,186	56,754	205,310	182,134
Student transportation services	-	-	-	496	363,164	404,357
Central services	-	-	-	-	22,187	-
Food service operations	3,404,897	-	-	-	3,404,897	3,360,137
Facility acquisition and construction	-	-	-	-	772,680	3,046,225
Total expenditures	<u>3,404,897</u>	<u>94,772</u>	<u>89,951</u>	<u>1,368,570</u>	<u>12,902,021</u>	<u>14,119,694</u>
Excess (deficiency) of revenues over expenditures	<u>278,491</u>	<u>3,385</u>	<u>-</u>	<u>(161,334)</u>	<u>5,433,135</u>	<u>5,387,005</u>
Other financing uses						
Transfers out	-	(3,385)	-	-	(4,800,795)	(5,537,522)
Total other financing uses	<u>-</u>	<u>(3,385)</u>	<u>-</u>	<u>-</u>	<u>(4,800,795)</u>	<u>(5,537,522)</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>278,491</u>	<u>-</u>	<u>-</u>	<u>(161,334)</u>	<u>632,340</u>	<u>(150,517)</u>
Fund balances, beginning	<u>293,880</u>	<u>-</u>	<u>-</u>	<u>466,357</u>	<u>1,474,190</u>	<u>1,624,707</u>
Fund balances, ending	<u>\$ 572,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,023</u>	<u>\$2,106,530</u>	<u>\$1,474,190</u>

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of bonded debt principal, interest, and related costs.

General Obligation Bonds, Series 1993

To accumulate monies for the payment of the General Obligation Bonds, Series 1993 issued in the amount of \$2,295,000. The bonds were issued for the purpose of refinancing 1986 bond issuance initially used for capital improvements. The bonds are financed by specifically dedicated ad valorem tax levies.

Certificates of Indebtedness, Series 2002

To accumulate monies for the payment of the Certificates of Indebtedness, Series 2002 issued in the amount of \$500,000. The certificates were issued for the purpose of capital improvements to the print shop/technology center. The bonds are financed by the Dr. Daniel R. Dartez Educational Trust Fund.

Certificates of Indebtedness, Series 2003

To accumulate monies for the payment of the Certificates of Indebtedness, Series 2003 in the amount of \$1,475,000. The Certificates were issued for the purpose of refunding Certificates of Indebtedness, Series 1997, 1998 and 1999. The Certificates are financed by the interest earnings of the Dr. Daniel R. Dartez Educational Trust Fund.

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Debt Service Fund

Comparative Balance Sheet
 June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash and interest-bearing deposits	\$ 629,537	\$ 714,002
Accounts receivable	<u>453</u>	<u>1,005</u>
Total assets	<u>\$ 629,990</u>	<u>\$ 715,007</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deferred revenue	\$ 10,919	\$ 9,586
Fund balance:		
Reserved for debt retirement	<u>619,071</u>	<u>705,421</u>
Total liabilities and fund balance	<u>\$ 629,990</u>	<u>\$ 715,007</u>

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Debt Service Fund

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Years Ended June 30, 2004 and 2003

	2004	2003
Revenues		
Local Sources:		
Taxes:		
Ad valorem tax	\$ 273,751	\$ 254,061
Interest income	8,196	12,131
Miscellaneous	435	-
Total revenues	282,382	266,192
Expenditures		
Current:		
Support services -		
General administration	8,378	8,093
Debt service:		
Principal retirement	590,000	540,000
Interest and fiscal charges	115,994	171,284
Legal and technical fees	1,105	18,161
Total expenditures	715,477	737,538
Deficiency of revenues over expenditures	(433,095)	(471,346)
Other financing sources (uses):		
Proceeds from refunding certificates	-	1,475,000
Payments of refunded certificates	-	(1,455,000)
Transfers in	346,745	366,631
Total other financing sources (uses)	346,745	386,631
Deficiency of revenues and other sources over expenditures and other uses	(86,350)	(84,715)
Fund balance, beginning	705,421	790,136
Fund balance, ending	\$ 619,071	\$ 705,421

NONMAJOR CAPITAL PROJECTS

Capital projects are used to account for capital asset acquisition, construction, and improvements of public school facilities.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Nonmajor Capital Projects Fund

Comparative Balance Sheet
June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
ASSETS		
Cash and interest-bearing deposits	<u>\$ -</u>	<u>\$ 9,815</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ -	\$ 9,815
Fund balance:		
Reserved for capital outlay	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 9,815</u>

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Capital Projects

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
 Years Ended June 30, 2004 and 2003

	Totals	
	2004	2003
Other financing uses		
Transfers out	-	(873)
Total other financing uses	-	(873)
Deficiency of revenues over expenditures and other uses	-	(873)
Fund balance, beginning	-	873
Fund balance, ending	\$ -	\$ -

NONMAJOR PERMANENT FUND

Non-expendable trust

Dr. Daniel R. Dartez Educational Public Trust Fund

On June 11, 1996 pursuant to Louisiana Revised Statute LSR-R.S. 17:81(m), the School Board established a nonexpendable trust fund. Trust principal is derived from surplus revenues and may not be used for expenditures. Income from the investment of fund principal is restricted to meeting the capital outlay needs of the Vermilion Parish School System.

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Permanent Fund

Comparative Balance Sheet
 June 30, 2004 and 2003

	2004	2003
ASSETS		
Cash and interest-bearing deposits	\$ 372,184	\$ 1,238,026
Investments	8,327,484	7,244,853
Due from other funds	-	200,000
Receivables	98,927	90,180
Total assets	\$ 8,798,595	\$ 8,773,059
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 6,937	\$ 6,802
Fund balance:		
Reserved for trust principal	8,791,658	8,766,257
Total liabilities and fund balance	\$ 8,798,595	\$ 8,773,059

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 Nonmajor Permanent Fund

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
 Years Ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Operating revenues:		
Investment income	\$ 400,077	\$ 603,049
Operating expenses:		
Administration	<u>27,932</u>	<u>25,792</u>
Operating income	<u>372,145</u>	<u>577,257</u>
Other financing sources (uses):		
Transfers in	-	700,000
Transfers out	<u>(346,744)</u>	<u>(366,631)</u>
Total other financing sources (uses)	<u>(346,744)</u>	<u>333,369</u>
Net income	25,401	910,626
Fund balance, beginning	<u>8,766,257</u>	<u>7,855,631</u>
Fund balance, ending	<u>\$ 8,791,658</u>	<u>\$ 8,766,257</u>

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore can not be used to support the School Boards own programs.

Agency 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 is not available for use by the School Board.

Sales Tax Fund

The Sales Tax Fund accounts for the collection and distribution of sales tax that the School Board has the responsibility of collecting. Effective March 1, 1992, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Vermilion Parish. The cost of collecting the taxes is divided among all of the taxing bodies based upon their respective sales and use tax in relation to the combined total.

Vermilion Parish School Board
 Abbeville, Louisiana
 Agency Funds

Combining Statement of Assets and Liabilities
 June 30, 2004
 With Comparative Totals for June 30, 2003

	School Activity	Sales Tax	Totals	
			2004	2003
ASSETS				
Cash and cash equivalents	<u>\$ 949,000</u>	<u>\$ 1,144,352</u>	<u>\$ 2,093,352</u>	<u>\$ 2,131,002</u>
Total assets	<u>\$ 949,000</u>	<u>\$ 1,144,352</u>	<u>\$ 2,093,352</u>	<u>\$ 2,131,002</u>
LIABILITIES				
Accounts payable	\$ 9,550	\$ -	\$ 9,550	\$ 12,050
Due to other governmental units	-	1,104,961	1,104,961	1,152,076
Deposits due others	<u>939,450</u>	<u>39,391</u>	<u>978,841</u>	<u>966,876</u>
Total liabilities	<u>\$ 949,000</u>	<u>\$ 1,144,352</u>	<u>\$ 2,093,352</u>	<u>\$ 2,131,002</u>

VERMILION PARISH SCHOOL BOARD
 Abbeville, Louisiana
 School Activity Agency Fund

Schedule of Changes in Deposits Due Others
 For the Year Ended June 30, 2004

Schools	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
Abbeville High	\$ 113,976	\$ 471,107	\$ 472,825	\$ 112,258
Dozier Elementary	24,620	102,855	100,572	26,903
Eaton Park Elementary	10,949	59,106	57,891	12,164
Erath High	112,856	477,517	465,445	124,928
Erath Middle	106,769	352,026	364,507	94,288
F.I./E. Broussard Elementary	23,168	107,788	109,363	21,593
Gueydan High	55,381	162,046	160,569	56,858
Henry Elementary	32,320	31,875	41,411	22,784
James Herod Elementary	22,407	51,013	56,871	16,549
Indian Bayou Elementary	23,571	85,537	75,510	33,598
J. H. Williams Middle	23,590	130,588	122,674	31,504
Jesse Owens Elementary	27,701	32,360	32,078	27,983
Kaplan Elementary	30,330	94,128	93,725	30,733
Kaplan High	102,429	401,094	399,601	103,922
Maurice Elementary	27,683	87,578	75,958	39,303
Meaux Elementary	20,954	82,903	77,594	26,263
North Vermilion High	98,628	533,725	546,381	85,972
Pecan Island High	16,972	40,085	38,580	18,477
Rene A. Rost Middle	39,982	155,821	157,427	38,376
Seventh Ward Elementary	13,199	42,448	40,653	14,994
Total balances	<u>\$ 927,485</u>	<u>\$3,501,600</u>	<u>\$3,489,635</u>	<u>\$ 939,450</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana
Sales Tax Agency Fund

Comparative Schedule of Cash Receipts and Disbursements
Years Ended June 30, 2004
With Comparative Totals for June 30, 2003

	<u>2004</u>	<u>2003</u>
Deposits due others - Beginning	\$ 39,391	\$ 39,391
Additions:		
Sales tax collections - parishwide	20,292,410	19,602,967
Interest earnings	10,214	12,704
Total Additions	<u>20,302,624</u>	<u>19,615,671</u>
Beginning balance plus additions	<u>20,342,015</u>	<u>19,655,062</u>
Deductions:		
Transfers to:		
General Fund:		
Sales tax	5,652,694	5,452,462
Sales tax administrative allowance	177,754	170,714
Interest Earnings	2,900	3,671
Vermilion Parish Police Jury:		
Sales Tax	8,382,729	8,127,979
Interest Earnings	4,132	5,194
Vermilion Parish Sheriff:		
Sales Tax	1,397,300	1,354,858
Interest Earnings	689	866
City of Gueydan:		
Sales Tax	167,680	145,365
Interest Earnings	84	93
City of Kaplan:		
Sales Tax	476,573	453,511
Interest Earnings	266	327
City of Abbeville:		
Sales Tax	2,513,395	2,419,888
Interest Earnings	1,369	1,572
Town of Erath:		
Sales Tax	187,747	199,948
Interest Earnings	99	129
Town of Delcambre:		
Sales Tax	102,114	111,008
Interest Earnings	52	73
Village of Maurice:		
Sales Tax	271,785	234,367
Interest Earnings	148	158
Vermilion Parish Tourist Commission:		
Sales Tax	36,034	26,160
Interest Earnings	27	21
Hospital Service District #1:		
Sales Tax	825,874	862,530
Interest Earnings	447	601
Refunds	100,732	44,176
Total deductions	<u>20,302,624</u>	<u>19,615,671</u>
Deposits Due Others - ending	<u>\$ 39,391</u>	<u>\$ 39,391</u>

**COMPLIANCE, INTERNAL CONTROL
AND
OTHER GRANT INFORMATION**

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

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

* A Professional Accounting Corporation

Mr. Joseph Hebert, Superintendent,
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

We have audited the financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Vermilion Parish School Board, (the School Board) as of and for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated November 7, 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

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This report is intended for the information and use of the School Board, the School Board's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 7, 2004

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

Mr. Joseph Hebert, Superintendent
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

Compliance

We have audited the compliance of the Vermilion Parish School Board (the School Board), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The 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 each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; 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 School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

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Internal Control Over Compliance

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

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

This report is intended solely for the information and use of the School Board, the School Board's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 7, 2004

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2004

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
<u>United States Department of Education:</u>			
Passed through State Department of Education:			
Adult Education State Grant Programs -	047057	84.002	70,941
<i>Title I Grant to Local Education Agencies</i>	04T157	84.010	<u>2,647,909</u>
Special Education - Grants to States	2804B157	84.027	1,403,824
Special Education - Preschool Grants	2804P157	84.173	<u>69,536</u>
Total for Special Education Cluster			<u>1,473,360</u>
Special Education - State Program Improvement			
Grants for Children with Disabilities	2802SP57	84.323	<u>55,030</u>
Vocational Education - Basic Grants to States	28040257	84.048	<u>151,926</u>
Safe and Drug-Free Schools and Communities - State Grants	047057	84.186	<u>81,281</u>
Teacher & Principal Training and Recruiting Fund	045057	84.367	<u>668,410</u>
Innovative Education Program Strategies	048057	84.298	<u>87,162</u>
Innovative Education Program Strategies - Carryover	020157002003	84.298	<u>30,771</u>
English Language Acquisition, Language Enhancement, and Academic Achievement Program for Limited English Proficient Children	28046057	84.365	<u>31,676</u>
Technology Literacy Challenge Fund Grants			
Consortium Professional Development	044657	84.318	180,436
Professional Development	041457	84.318	178,710
Technology Improvement	28044957	84.318	<u>54,499</u>
Total for Technology Cluster			<u>413,645</u>
Rural Education Achievement Program	04RE57	84.358	<u>385,392</u>
JAVITS Grant	N/A	84.206	<u>1,900</u>
Total United States Department of Education			<u>6,099,403</u>
<u>United States Department of Health & Human Services:</u>			
Passed through Louisiana Department of Education:			
Temporary Assistance for Needy Families (TANF) -			
Starting Points Preschool Program	N/A	93.558	72,428
Pre-GED/Skills Option Program	28043657	93.558	89,433
Early Childhood Development	N/A	93.558	1,042,000
Lifeskills Training	N/A	93.558	2,293
Family Math & Science Nights	N/A	93.558	<u>522</u>
Total for TANF Cluster			<u>1,206,676</u>
Refugee and Entrant Assistance -			
Discretionary Grants	280YX357	93.576	<u>18,989</u>
Total United States Department of Health & Human Services			<u>1,225,665</u>

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2004

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
<u>Federal Emergency Management Agency</u>			
Passed through Louisiana Department of Emergency Preparedness Public Assistance Grants	N/A	83.544	<u>42,629</u>
<u>United States Department of Agriculture</u>			
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	N/A	10.550	<u>213,337</u>
Passed through Louisiana Department of Education School Breakfast Program	N/A	10.555	479,131
National School Lunch Program	N/A	10.555	<u>1,617,789</u>
Total for Child Nutrition Cluster			<u>2,096,920</u>
Total United States Department of Agriculture			<u>2,310,257</u>
<u>United States Department of Labor</u>			
Passed through St. Landry Parish Police Jury Workforce Investment Act - Youth Activities	5943	17.259	<u>26,661</u>
TOTAL FEDERAL AWARDS			<u>\$ 9,704,615</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2004

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Vermilion Parish School Board (the School Board). The School Board reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2004. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The following programs are considered major federal programs of the School Board: Title I Grant to Local Education Agencies, Rural Education Achievement Program, Agriculture and Forestry – Food Distribution and Technology Literacy Challenge Fund Grants.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2004.

VERMILION PARISH SCHOOL BOARD
Vermilion, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2004

Part I. Summary of Auditor's Results:

1. An unqualified report was issued on the basic financial statements.
2. No reportable conditions in internal control were disclosed by the audit of the basic financial statements.
3. There were no material instances of noncompliance.
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the basic financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings required to be reported under Section 510(a) of Circular A-133.
7. The following programs were considered to be major programs: Title I Grant to Local Educational Agencies, Technology Literacy Challenge Fund Grants, Rural Education Achievement Program, Agriculture and Forestry – Food Distribution.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

There were no compliance findings.

B. Internal Control Findings –

There were no internal control findings.

III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings and questioned costs related to federal programs.

VERMILION PARISH SCHOOL BOARD

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2004

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<u>CURRENT YEAR (6/30/04) --</u>						
<u>Compliance</u>						
2004		There are no findings on report.	N/A	None	Phillip Sellers, Chief Financial Officer	N/A
<u>Internal Control</u>						
2004		There are no findings on report.	N/A	None	Philip Sellers, Chief Financial Officer	N/A
<u>Management Letter</u>						
2004		There are no findings on report.	N/A	None	Philip Sellers, Chief Financial Officer	N/A
<u>PRIOR YEAR (6/30/03) --</u>						
<u>Compliance</u>						
2003		There are no findings on report.	N/A	None	Philip Sellers, Chief Financial Officer	N/A
<u>Internal Control</u>						
2003		There are no findings on report.	N/A	None	Philip Sellers, Chief Financial Officer	N/A
<u>Management Letter</u>						
2003		There are no findings on report.	N/A	None	Philip Sellers, Chief Financial Officer	N/A

**SUPPLEMENTAL SCHEDULES
OF
PERFORMANCE MEASURES**

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

Mr. Joseph Hebert, Superintendent
and Members of the Vermilion Parish School Board
Abbeville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Vermilion Parish School Board and the Legislative Auditor, State of Louisiana, for the year ended June 30, 2004. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in 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 are as follows:

I. 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 in 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, and
 - Nonpublic Transportation Revenue.

There were no exceptions noted.

II. 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 1st.

There were no exceptions noted.

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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.

There were no exceptions noted.

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

There were no exceptions noted.

III. 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 Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

There were no exceptions noted.

IV. 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.

There were no exceptions noted.

V. 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.

There were no exceptions noted.

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

There were no exceptions noted.

VI. 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 1st roll books for those classes and determined if the class was properly classified on the schedule.

There were no exceptions noted.

VII. 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 Vermilion Parish School Board.

There were no exceptions noted.

VIII. 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 Vermilion Parish School Board.

There were no exceptions noted.

IX. 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 Vermilion Parish School Board.

There were no exceptions noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. 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 information and use of management of Vermilion Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
November 7, 2004

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2004

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities -

Classroom teacher salaries	\$20,400,564
Other instructional staff salaries	1,856,485
Employee benefits	5,879,638
Purchased professional and technical services	58,966
Instructional materials and supplies	496,678
Instructional equipment	<u>51,270</u>

Total teacher and student interaction activities \$28,743,601

Other instructional activities:

Pupil support activities	1,631,032	
Less: Equipment for pupil support activities	<u>-</u>	
Net pupil support activities		1,631,032

Instructional staff services	2,036,525	
Less: Equipment for instructional staff services	<u>(11,590)</u>	
Net instructional staff services		<u>2,024,935</u>

Total general fund instructional expenditures \$32,876,751

Total general fund equipment expenditures \$ 97,044

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 848,345
Renewable ad valorem tax	6,712,269
Debt service ad valorem tax	273,751
Up to 1% of collections by the Sheriff on taxes other than school taxes	198,990
Sales and use taxes	<u>5,663,852</u>
Total local taxation revenue	<u>\$13,697,207</u>

Local earnings on investment in real property:

Earnings from 16th section property	\$ 4,275,906
Earnings from other real property	<u>-</u>
Total local earnings on investment in real property	<u>\$ 4,275,906</u>

State revenue in lieu of taxes:

Revenue sharing - constitutional tax	\$ 129,395
Revenue sharing - other taxes	-
Revenue sharing - excess portion	9,428
Other revenue in lieu of taxes	<u>-</u>
Total state revenue in lieu of taxes	<u>\$ 138,823</u>

Nonpublic textbook revenue \$ 22,121

Nonpublic transportation revenue \$ 47,328

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Education Levels of Public School Staff
As of October 1, 2003

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%
Bachelor's degree	448	76%	7	78%	-	0%	-	0%
Master's degree	90	15%	2	22%	11	31%	-	0%
Master's degree + 30	40	7%	-	0%	18	52%	-	0%
Specialist in education	10	2%	-	0%	6	17%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	-	0%	-	0%
Total	588	100%	9	100%	35	100%	-	0%

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2004

Type	Number
Elementary	11
Middle/Junior high	3
Secondary	5
Combination	1
Total	20

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

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2003

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant principals	-	-	-	4	3	-	8	15
Principals	-	-	-	1	3	1	15	20
Classroom teachers	38	35	162	79	68	80	135	597
Total	38	35	162	84	74	81	158	632

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Public School Staff Data
For the Year Ended June 30, 2004

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average classroom teachers' salary including extra compensation	\$35,940	\$35,869
Average classroom teachers' salary excluding extra compensation	\$35,142	\$35,066
Number of teacher full-time equivalents (FTEs) used in computation of average salaries	594	590

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.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Class Size Characteristics
As of October 1, 2003

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	75.1%	996	22.8%	302	2.2%	29	0.0%	-
Elementary activity classes	66.6%	191	26.1%	75	4.2%	12	3.1%	9
Middle/Junior high	23.4%	95	51.0%	207	25.6%	104	0.0%	-
Middle/Junior high activity classes	20.5%	16	20.5%	16	33.3%	26	25.6%	20
High	54.2%	463	32.9%	281	13.0%	111	0.0%	-
High activity classes	70.6%	89	13.5%	17	7.1%	9	8.7%	11
Combination	100.0%	68	0.0%	-	0.0%	-	0.0%	-
Combination activity classes	100.0%	9	0.0%	-	0.0%	-	0.0%	-

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.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2004

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	16	2%	11	2%	30	4%	18	3%	26	4%	19	3%
Proficient	132	20%	109	16%	149	22%	121	18%	117	17%	110	16%
Basic	279	42%	339	49%	294	43%	296	44%	309	45%	302	44%
Approaching basic	141	21%	178	26%	164	24%	136	20%	162	23%	157	23%
Unsatisfactory	102	15%	56	8%	51	7%	99	15%	79	11%	100	15%
Total	670		693		688		670		693		688	

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	14	2%	18	3%	42	6%	4	1%	17	2%	11	2%
Proficient	147	22%	125	18%	132	19%	129	19%	113	16%	73	11%
Basic	326	49%	323	47%	339	49%	336	50%	365	53%	373	54%
Approaching basic	132	20%	192	28%	143	21%	117	17%	151	22%	157	23%
Unsatisfactory	51	8%	35	5%	32	5%	84	13%	47	7%	74	11%
Total	670		693		688		670		693		688	

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2004

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	3	0%	5	1%	14	2%	14	2%	15	2%	12	2%
Proficient	68	10%	94	15%	102	16%	44	6%	34	5%	18	3%
Basic	304	43%	243	39%	228	35%	384	53%	287	43%	240	35%
Approaching basic	234	33%	219	35%	262	40%	163	22%	163	24%	228	34%
Unsatisfactory	92	13%	62	10%	42	6%	123	17%	168	25%	180	27%
Total	701		623		648		728		667		678	

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	5	1%	4	1%	11	2%	4	1%	2	0%	6	1%
Proficient	133	19%	102	17%	124	19%	72	10%	61	10%	63	10%
Basic	280	40%	227	37%	255	40%	326	47%	284	46%	328	51%
Approaching basic	178	26%	203	33%	187	29%	198	28%	182	29%	154	24%
Unsatisfactory	102	15%	82	13%	64	10%	97	14%	90	15%	90	14%
Total	698		618		641		697		619		641	

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2004

District Achievement Level Results	English Language Arts						Mathematics						
	2004		2003		2002		2004		2003		2002		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 10													
Advanced	9	2%	1	0%	4	1%	50	10%	45	8%	47	8%	
Proficient	86	17%	74	14%	92	16%	79	16%	109	19%	90	15%	
Basic	243	48%	254	47%	265	45%	228	45%	214	38%	242	40%	
Approaching basic	112	22%	134	25%	156	27%	75	15%	114	20%	95	16%	
Unsatisfactory	54	11%	83	15%	68	12%	73	14%	86	15%	136	22%	
Total	504		546		585		505		568		610		

District Achievement Level Results	Science						Social Studies						
	2004		2003		2002		2004		2003		2002		
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	
Grade 11													
Advanced	18	4%	6	1%	18	3%	4	1%	7	1%	2	0%	
Proficient	110	22%	94	19%	98	18%	53	11%	59	12%	45	8%	
Basic	216	44%	234	46%	209	38%	276	56%	268	53%	286	52%	
Approaching basic	98	20%	121	24%	140	25%	110	22%	111	22%	120	22%	
Unsatisfactory	52	11%	50	10%	86	16%	51	10%	60	12%	98	18%	
Total	494		505		551		494		505		551		

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

The IOWA Tests
For the Year Ended June 30, 2004

	Composite		
	2004	2003	2002
Test of basic skills (ITBS)			
Grade 3	62	62	59
Grade 5	62	62	53
Grade 6	52	48	53
Grade 7	53	52	51
Tests of educational development (ITED)			
Grade 9	51	53	52

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.