



Lincoln Parish School Board
Ruston, Louisiana

**Comprehensive Annual Financial
Report**
For the Year Ended June 30, 2004

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

Release Date 2-9-05

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2004

Robert E. Shadoin
President

Charles R. Scriber, Ph.D.
Superintendent

Prepared by the Department of Finance
Bonnie Fogger
Interim Business Manager

**Lincoln Parish School Board
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INTRODUCTORY SECTION

LINCOLN PARISH SCHOOL BOARD

410 SOUTH FARMERVILLE STREET
RUSTON, LOUISIANA 71270-4699
318/255-1430 • FAX 318/255-3203

ROBERT E. SHADOIN
PRESIDENT

CHARLES R. SCRIBER, PH.D.
SUPERINTENDENT

December 31, 2004

Mr. Robert E. Shadoin, President,
and Members of the Lincoln
Parish School Board
Ruston, Louisiana

In accordance with the laws of the state of Louisiana, the Comprehensive Annual Financial Report of the Lincoln Parish School Board is hereby issued for the year ended June 30, 2004. This report consists of *management's representations concerning the finances of the Lincoln Parish School Board*. Consequently, management assumes full responsibility for the completeness and reliability of all the information provided in this report.

To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed both to protect the School Board's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the Lincoln Parish School Board's financial statements. Because the costs of internal controls should not outweigh their benefits, the Lincoln Parish School Board's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we believe this report is accurate in all material respects, and is presented in a manner that fairly sets forth the results of operations and financial position of the Lincoln Parish School Board as of and for the year ended June 30, 2004. This report was prepared in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB) of the Financial Accounting Foundation. The Governmental Accounting Standards Board is the standard-setting body for establishing governmental accounting and financial reporting standards in the United States of America.

The School Board's financial statements, included herewith, have been audited by Allen, Green & Williamson, LLP, a firm of licensed certified public accountants, in accordance with generally accepted auditing standards. The goal of the independent audit was to provide reasonable assurance the financial statements of the Lincoln Parish School Board for the fiscal year ended June 30, 2004, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, there was a reasonable basis for rendering an unqualified opinion on the School Board's financial statements for the fiscal year ended June 30, 2004, and the statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component in the financial section of this report.

The independent audit of the financial statements of the School Board was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. This year the School Board met the requirements for having a single audit conducted in accordance with The Single Audit Act Amendment of 1996 and U. S. Office of Management and Budget Circular No. A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls

and legal requirements involving the administration of federal awards. These reports are available in the School Board's separately issued Single Audit Report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The School Board's MD&A can be found immediately following the report of the independent auditor in the financial section of this report.

Reporting Entity

The School Board is authorized by LSA-R.S. 17:81 to establish policies and procedures 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. Although created as a political subdivision of the State, the School Board legally stands on its own, is fiscally independent, and elects its own governing body who is accountable for the financial activities of the Lincoln Parish School Board. Therefore, it is considered a primary government under the provision of Governmental Accounting Standards Board Statement No. 14. The School Board has no component units nor is it a component unit of any other entity. All funds and activities of the Lincoln Parish School Board are included in this annual report.

The Lincoln Parish School Board serves approximately 6515 students, employs over 885 full time employees, and offers a full range of educational services for students from pre-kindergarten through twelfth grade, including regular and special education services for the disabled, adult education, vocational education, and alternative education programs, in addition to auxiliary services such as student transportation and food service. These services are provided through the Central Office and its fourteen school sites housed throughout the parish. The School Board also provides financial support for education to four university lab schools and one home for neglected and delinquent students adjudicated by the state. To learn more about the Lincoln Parish School Board, visit our web site at www.lincolnschools.org.

Comprehensive Annual Financial Report Sections

This Comprehensive Annual Financial Report (CAFR) consists of three sections: the *introductory section*, the *financial section*, and the *statistical section*.

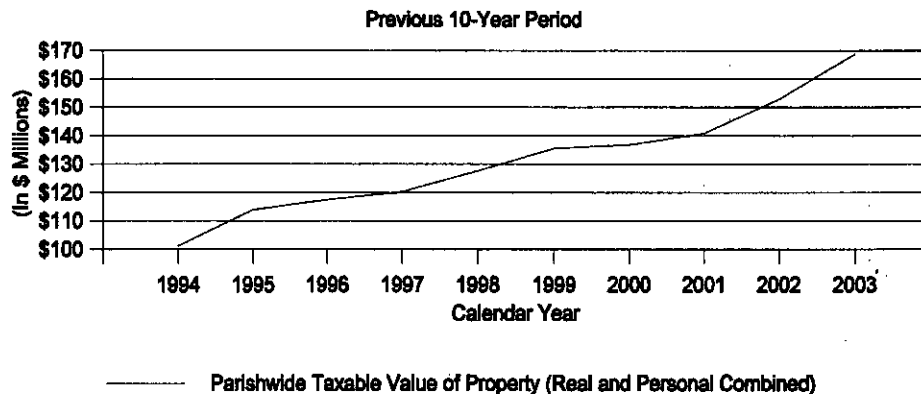
- The *introductory section* is the first major section of the CAFR. It introduces the reader to the CAFR and provides an overview of the annual report. It includes the title page, table of contents, this letter of transmittal, awards for financial reporting, teacher-of-the-year awards, organization chart, and list of elected officials and administrative officials.
- The *financial section* consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, required supplementary information, and combining schedules. The basic financial statements include the following: government-wide financial statements, fund financial statements, and the notes to the financial statements.
- The *statistical section* is the last section in the CAFR. It includes comparative data over a ten-year period in addition to other demographic information. This information is prepared from both accounting and non-accounting sources for the purpose of reflecting financial trends and fiscal capacity of the School Board, as well as other social and economic information.

Economic Condition and Outlook

Lincoln Parish is located in the north-central region of the state of Louisiana at the crossroads of U. S. Highway 167 which runs North and South and U.S. Interstate 20 which runs East and West. It has a land area of 472 square miles which is situated between the two largest metropolitan cities in North Louisiana: the City of Shreveport approximately 60 miles to the west and the City of Monroe approximately 32 miles to the east. Lincoln Parish is also within the same proximity to Dallas, Texas; Little Rock, Arkansas; and Jackson, Mississippi. Lincoln Parish is considered one of the most business-friendly locations in the South. Lincoln Parish boasts a well-rounded economy based on education, natural resources, retail and service, transportation, manufacturing, agriculture and banking and financial services. The economy in Lincoln Parish is firmly rooted in education with two major universities, Louisiana Tech and Grambling State, two of the largest employers in the area, a strong K-12 public education program, and four private schools. Grambling State University maintains an enrollment of approximately 4,699 students and Louisiana Tech University continues its steady growth with a student enrollment of 11,960, an increase of 703 students over the previous year.⁹ With a population of about 42,822, the citizens in Lincoln Parish enjoy all the benefits offered by life in a prosperous, smaller, family-oriented community, without big-city hassles. If a need does arise, however, proximity to metropolitan areas allows area citizens big city convenience at a moments notice without sacrificing the safety and security of a non-urban lifestyle.¹ These are the qualities that continue to spur the prosperous economic growth in Lincoln Parish.

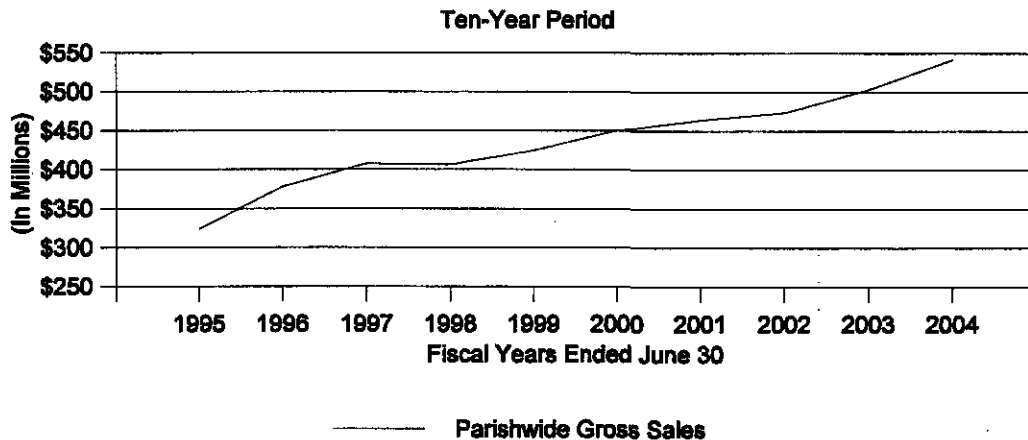
The growth and stability of the economy in Lincoln Parish is evidenced by several statistical factors. The growth in both the property tax base² and sales tax base³ over the past ten years have been slow and steady.

Property Tax Base



Property values have increased 8.5% this year compared to 2002 due to a large increase in real and personal property. The property tax base in Lincoln is expected to continue the steady growth trend seen over the last ten years. Future growth will be enhanced by the continued development of the Squire Creek subdivision and country club in the northeast section of the parish. This exclusive subdivision provides for future growth of over 300 home sites situated around a professionally designed golf course and country club. The exclusive golf course and country club was opened to members in 2003 and should provide an increase in Lincoln's sales tax base from member fees. This professionally designed golf course is becoming a big attraction to residents in Lincoln Parish and surrounding areas, as well as nationally.

Gross Sales Tax Base



Like property values, the sales tax base in Lincoln parish shows slow and steady growth over the last 10 years. There was a noted increase in sales tax collections of 7.97% for the fiscal year 2003-04. Also in addition to an increase in monthly collections there was an unexpected windfall in audit recovery of over 410.18% over the previous year. Lincoln parish is gearing up for future economic development with the four-lane expansion of state Highway 167 which runs north and south through the parish from Alexandria, Louisiana to Eldorado, Arkansas. A commitment has already been made by a theater developer to build a ten-screen state of the art movie theater in Ruston. A 125-acre parcel of land has been purchased to construct the theater, national restaurant chains and a strip mall. One national chain restaurant opened in November 2004. This project has been regarded as one of the largest single commercial developments ever attempted in Ruston, Louisiana. It is estimated this project will provide about 300 permanent jobs in the area. The theater development will give Ruston a better marketing tool for businesses looking to invest in Lincoln Parish.

In addition to the steady growth in the local tax base, the strength of the economy in Lincoln Parish is shown by the low rate of unemployment in our parish. Currently, the unemployment rate of Lincoln Parish is at 3.5 percent compared to 3.8 percent a year ago. The unemployment rate has always been consistently low, as compared to the current unemployment rates of 6.9 percent for the state and 5.4 percent nationally.⁴

Accounting System and Budgetary Control

An explanation of the School Board's accounting and budgetary policies are contained in the notes to the financial statements. Explained in detail are the basis of accounting, fund structure and other significant information regarding accounting and budgetary policies. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the general fund and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriate amount) is established by function within an individual fund. Management is responsible for review of the budget and making adjustments as needed by prior authority granted from the School Board. All budget amendments must be presented to the School Board for approval.

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposits, instruments issued by the United States Government or its federal agencies, and in the state-sponsored external investment pool. Deposits in financial institutions are also collateralized by instruments issued by the United States Government or federal government agencies created by an act of Congress and insured by the Federal Deposit Insurance Corporation. The majority of investments are invested short-term, maturing within one year, but some investment maturities extended as long as three years. The School Board earned interest revenue of \$220,887 for the year ended June 30, 2003. Interest was earned in the School Board's funds as follows:

General Fund	\$ 113,188
Other Governmental	83,878
Internal Service Funds	<u>23,821</u>
	<u>\$ 220,887</u>

Risk Management

The Lincoln Parish School Board recognizes that there are certain risks or liabilities that could be costly to the School Board. Risk management is merely making decisions about how to best deal with those potential risks and managing them accordingly to reduce the potential exposure to the School Board. Insurance, retention limits, self-insurance, loss control programs and maintaining sufficient fund balances are several ways the School Board manages its exposure to risks.

The School Board lowers its potential exposure by purchasing insurance policies for (1) property and casualty, (2) errors and omissions, (3) general liability, (4) automobile liability, (5) employee fidelity, and (6) worker's compensation from A+ rated companies approved by the Commissioner of Insurance in the State of Louisiana. The total costs for these coverages for the year ended June 30, 2003 was \$324,000.

In addition to insurance coverage purchased from third-party insurers, the School Board retains liability for losses up to a specified retention limit per claim for several of the coverages above. The School Board maintains a loss retention for property claims of \$10,000 per occurrence, for errors and omissions of \$10,000 per occurrence, and for general and automobile liability of \$25,000 per occurrence. In addition the School Board maintains a combined annual aggregate loss retention of \$200,000 for all of these coverages combined. In management's opinion, the School Board maintains a sufficient undesignated and unrestricted fund balance to cover these retention limits based upon historical loss trends. Claims incurred in excess of retention amounts are paid by insurance carriers. In addition to the insurance and retention programs for these risk areas, the School Board outsources professional loss control services to assist in the effective management of existing claims and future risk.

For its workers compensation program the School Board maintains a partially self-insured program whereby the School Board is responsible for payment of all claims incurred during the year up to a maximum of \$200,000 per claim or an annual aggregate of \$377,000 for all claims. An additional \$1,000,000 of insurance coverage is maintained with an excess insurance carrier to pay claims exceeding these retention limits.

The School Board also administers its own health and dental insurance plan for its employees with a combination of self-insurance and stop-loss coverage. Claims are paid from contributions made by the School Board and its plan members. In the 2003-04 fiscal year the School Board retained specific stop loss insurance coverage which provides excess coverage for claims in excess of \$100,000 per covered member annually, and aggregate insurance which provides excess coverage if annual claims exceed \$8,032,882. The School Board contracts with a third party administrator to manage and pay claims incurred by the health and dental insurance plans in accordance with plan provisions.

Service Efforts and Accomplishments

Effort in State Funding. The School Board's effort ranking is 21st according to the state MFP for fiscal year 2003-2004. The following is a chart which shows the changes in local revenues over the past three years and the local revenue per pupil compared to the state average. Lincoln's local revenue per pupil is consistently higher than the overall state's average of local revenues.

<u>Fiscal Year</u>	<u>Total Pupils Served</u>	<u>Total Local Tax Revenues</u>	<u>Lincoln Parish Local Revenue Per Pupil</u>	<u>State Average Local Revenue Per Pupil¹</u>
2001-02	6,596	\$19,175,896	\$2,907	\$2,633
2002-03	6,550	\$18,865,014	\$2,880	\$2,625
2003-04	6,515	\$18,969,076	\$2,912	\$2,649

School Board Meets Required Percent of Instruction. The MFP requires each school system in Louisiana to spend a minimum of seventy-percent of total actual expenditures in the area of instruction. The Lincoln Parish School Board's percentage, as calculated by the Louisiana Department of Education, is 76.19% for the 2003-04 fiscal year compared to 76.21% in 2002-03. Lincoln Parish continues to meet this requirement as in years past, as well as exceed the state's average expenditures for instruction.

Increase in Average Teacher Salary. The average teacher salary at the Lincoln Parish School Board in 2003-04 is \$39,416. This average ranks Lincoln Parish 15th in the state for highest average teacher pay in 2003-04 which is above the state's average of \$37,918. This is an increase in the prior year's average teacher salary of \$35,923 and the prior year's state ranking of 18th.² The increase in salary is partly the result of a greater number of certified employees, additional employees receiving the National Board increments, an increase in local sales tax checks, a \$614 State teacher raise, and the attraction of more teachers with experience and graduate degrees to Lincoln Parish.

Student Academic Performance. Student performance on standardized test are a major component used to measure school performance, according to standards set by the state. The newly revised LEAP for the 21st Century test was given for the first time in the Spring of 1999. Also, the new Graduate Exit Exam for the 21st Century (GEE) test for English/Language Arts and Math for all tenth-grade students were given in 2000-01 with eleventh grade GEE 21 Science and Social Studies components were added in 2001-02. The LEAP and GEE scores are weighted at 60 percent in determining each schools performance. Here is how Lincoln Parish public school students performed overall on the LEAP and GEE in the Spring of 2004³:

Percent of Lincoln Parish Students Approaching Basic or Higher

	<u>State</u>	<u>LPSB</u>		<u>State</u>	<u>LPSB</u>
Fourth Grade - LEAP 21			Tenth Grade - GEE 21		
English/Language Arts ...	82%	89%	English/Language Arts .	81%	88%
Math	76%	80%	Math	76%	79%
Science	85%	90%			
Social Studies	81%	84%			
Eighth Grade - LEAP 21			Eleventh Grade - GEE 21		
English/Language Arts ...	83%	85%	Science	81%	81%
Math	75%	77%	Social Studies	85%	85%
Science	77%	74%			

Social Studies 80% 78%

Overall the students in Lincoln Parish continue to perform above the state average on the LEAP and GEE consistent with past years.

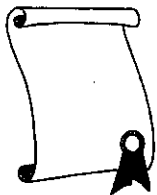
The national IOWA exam is given to all students in grades three, five, six, seven, and nine each year. The following are the composite scores showing how public school students in Lincoln Parish performed on the IOWA for 2003-04:

Test of Basic Skills (ITBS)	Composite	
	State	LPSB
Grade 3	57%	61%
Grade 5	57%	56%
Grade 6	46%	50%
Grade 7	48%	54%
Test of Educational Development (ITED)		
Grade 9	48%	54%

These scores show, overall, our students are performing at the national average and above the state average. The state's 10-year goal is for all grades to meet a composite of 55 percent on the IOWA exam. Lincoln Parish is within reach of this goal. IOWA scores are weighted at 30 percent in determining school performance.

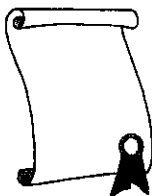
Of Lincoln Parish's 363 high school graduates in May 2003, 57 percent, or 213 graduates, entered a Louisiana college as a freshman in the Fall of 2003. Only 24.88 percent of Lincoln Parish graduates who were first time freshman entering college in the Fall of 2003 needed to take remedial courses. This is an improvement of 7% fewer first time freshmen needing remedial courses in college which implies that our efforts are successful in improving instruction and learning.

GFOA Certificate of Achievement



The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Lincoln Parish School Board its *Certificate of Achievement for Excellence in Financial Reporting*. This is a prestigious national award recognizing conformance with the highest standards for preparation of state and local Comprehensive Annual Financial Reports. This award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003, substantially conforms to the principles and standards of financial reporting as recommended and adopted by GFOA. In order to be awarded a certificate of achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A certificate of achievement is valid for a period of one year only. The School Board has been awarded this Certificate of Achievement for the Comprehensive Annual Financial Report for the year ended June 30, 1995, and each year thereafter.

ASBO Certificate of Excellence



The Lincoln Parish School Board has received the Association of School Business Officials International's (ASBO) *Certificate of Excellence in Financial Reporting*. This award certifies that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the

business officials. The Lincoln Parish School Board has consecutively received this award for each Comprehensive Annual Financial Report prepared and submitted since June 30, 1994.

We believe the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004, which will be submitted to GFOA and ASBO for review, continues to conform to the principles and standards of each organization.

Acknowledgments

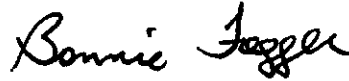
It is our desire that this report contain the necessary information and data which will provide a better understanding of the operations of the school system. It is further hoped that this report has been designed in a manner to be used as an administrative tool and general source of information so as to enhance our accountability to the public. We would like to take this opportunity to express our sincere appreciation to the staff of the business department whose extraordinary efforts contributed to the publication of this report.

Respectfully submitted,



Charles R. Scriber, Ph.D.
Superintendent

Respectfully submitted,



Bonnie Fogger
Interim Business Manager

-
1. Lincoln Parish information source: Ruston-Lincoln Chamber of Commerce (<http://www.rustonlincoln.org>)
 2. Property tax base statistical data source: Lincoln Parish Tax Assessor's Annual Recapitulation Reports
 3. Sales tax base statistical data source: Lincoln Sales & Use Tax Commission monthly distribution reports. Fiscal year parish-wide collections were divided by the parish-wide sales tax rate to arrive at parish-wide gross sales for the fiscal year.
 4. Unemployment data source: Louisiana Department of Labor, Louisiana Occupational Information System, October 2004 Area Profile Report for Lincoln Parish.
 5. Source of state average local revenue per student: Louisiana Department of Education, Minimum Foundation Program annual budget letters.
 6. State LEAP and GEE test score data source: Spring 2004 Criterion-Referenced Test State Subgroup/Education Classification Reports. Reports obtained from Louisiana State Department of Education website (<http://www.doe.state.la.us>).
 7. State IOWA test score data source: Louisiana NRT, State Desegregation Analysis Reports for March 2004. Reports obtained from Louisiana State Department of Education website (<http://www.doe.state.la.us>).
 8. Source of average teacher salary data: Report of Budgeted Average Teacher Salaries, Hourly Rates, and Rankings obtained from the Louisiana State Department of Education website (<http://www.doe.state.la.us>).
 9. Latest university enrollment figures were obtained from the 2003-04 Statewide Student Profile System, Institutional Summary Report obtained from the Louisiana Board Of Regents Information Serviced Division.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lincoln Parish School Board,
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

LINCOLN PARISH SCHOOL BOARD

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2003

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

William R. Kelly
President

Ann H. Keller
Executive Director

Lincoln Parish School Board

Teacher-of-the-Year Awards
2003-2004

Elementary Division:

A. E. Phillips

Choudrant

Cypress Springs

Glenview

Hico

Hillcrest

J. A. Lewis

Ruston

Simsboro

Sue Barfield

Sandy Hogan

Patricia Saber

Linda Wallace

Deborah Joyner

Donna Canterbury

Doris Bacon

Ellen Breed

Leigh Ann Williams

Junior High Division:

A. E. Phillips

Dubach

Ruston

Simsboro

Randall Boyd

Sharon Morgan

Liz Dixon

John Stutzman

Chris Campbell

High School Division:

Choudrant

Dubach

Ruston

Simsboro

Heather Reeder

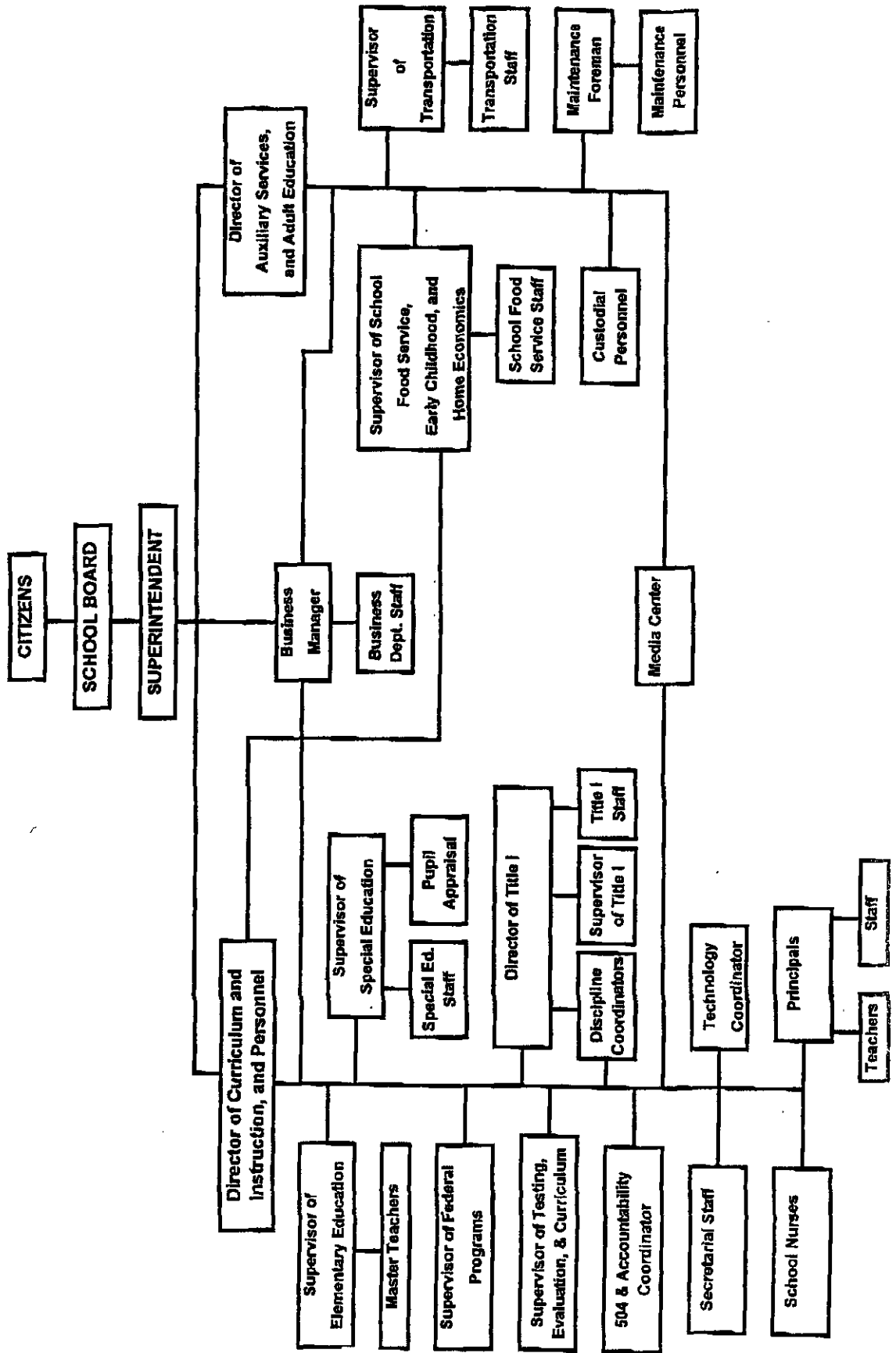
Ronald Phillips

Dana Talley

Phillip Cardwell

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

ORGANIZATION CHART



Lincoln Parish School Board

Elected Officials

June 30, 2004

Mr. Robert E. Shadoin, President

Mr. Otha Anders, Vice-President

Mr. Don Beasley

Mr. George Mack

Mr. James R. Kessler

Mr. William E. Abraham

Mr. Joe E. Mitcham, Jr.

Mr. David Wright

Mr. Curtis Dowling

Ms. Mary Jo Tatum

Ms. Mattie M. Harrison

Ms. Lisa A. Best

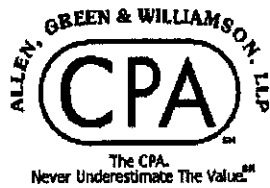
Lincoln Parish School Board

Administrative Officials

June 30, 2004

Charles R. Scriber, Ph.D.	Superintendent
Danny Bell	Director of Curriculum, Instructional Programs, and Personnel
Charles Owens	Director of Auxiliary Services and Adult Services
Bonnie Fogger	Interim Business Manager
Mary Null	Supervisor: Elementary Programs
Ricky Edmiston	Supervisor: Secondary and Vocational Programs
Eric Carter	Supervisor: Testing, Evaluation and Curriculum
Gloria Roebuck	Supervisor: Special Education
Kathy Stone	Coordinator: Pupil Appraisal Services
Betty Wall	Coordinator: 504 and Dyslexia Programs
Willie Washington	Administrative Supervisor: Title I Programs
Sallie Evans	Coordinator: Parental Involvement and Drug Free
Brenda Theodos	Supervisor: School Food Services, Early Childhood, and Home Economics
Ronnie Volentine	Supervisor: Transportation, Child Welfare and Attendance
Deborah Sandidge	Coordinator: Technology Services

FINANCIAL SECTION



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Margie Williamson, CPA

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(Retired)

1963 - 2000

INDEPENDENT AUDITORS' REPORT

Board Members

Lincoln Parish School Board

Ruston, Louisiana

Basic Financial Statements We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lincoln Parish 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 basic 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities, each 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 under separate cover, our report dated December 28, 2004 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Required Supplemental Information The Management's Discussion and Analysis and the Budgetary Comparison Schedules as listed in the table of contents, are not a required part of the *basic financial statements* but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Other Supplemental Information Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information identified in the table of contents as other supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information The information identified in the table of contents as the Introductory and Statistical Sections are presented for purposes of additional analysis and is not a required part of the basic financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 28, 2004

Lincoln Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

**Lincoln Parish School Board
Management's Discussion and Analysis (MD&A)**

Our discussion and analysis of Lincoln Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

Total revenues for all governmental funds increased \$4,580,513 due mainly to increases in MFP of \$898,789, increases in sales tax of \$3,069,465 and increases in operating grants and contributions of \$1,020,143. These increases were partially offset by decreases in ad valorem tax of 16,112, decreases in charges for services of \$39,887, decreases in capital grants of \$7,267 and other local sources of \$344,618 which is a result of a 49 percent decrease in earnings from interest from the prior year.

Total expenditures of our governmental funds increased \$5,254,014 due mainly to the state mandated salary increase for all certified employees and associated retirement benefits as well as the additional supplemental pay from the sales tax recoveries resulting from an audit conducted by the Sales Tax Commission and the associated retirement benefits. Also, beginning July 1, 2003, the Louisiana School Employee Retirement System (LSERS) and the Teacher's Retirement System of Louisiana (TRSL) increased employer contributions on eligible employee earnings. For the past three years, LSERS waived employee contribution due to accumulated funds in an Employer Credit Account which paid 100 percent of employee contributions for those years, and increased to 8.5 percent. The employer contribution for TRSL increased from 13.1 percent to 13.8 percent beginning July 1, 2003.

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. 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. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the general fund, IASA, and special federal fund. The remaining statement - the Statement of Fiduciary Net Assets presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

Required Supplemental Information
Management's Discussion & Analysis (MD&A)

Basic Financial Statements

Government-wide Financial Statements ↔ **Fund Financial Statements**

Notes to the Basic Financial Statements

**Lincoln Parish School Board
Management's Discussion and Analysis (MD&A)**

Required Supplemental Information

Budgetary Information for Major Funds

Supplemental Information

**Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members**

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Assets and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the school lunch) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Lincoln Parish School Board
Management's Discussion and Analysis (MD&A)

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They 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 fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds, and the sales tax collection fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Net Assets. We exclude these activities 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.

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$28,233,829 at June 30, 2004. Of this amount \$10,811,734 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Net Assets
June 30,

	<u>2004</u>	<u>2003</u>	<u>Variance</u>
		<u>Governmental</u>	
		<u>Activities</u>	
Current and other assets	\$ 27,941,216	\$ 23,260,649	\$ 4,680,567
Capital assets	<u>12,001,709</u>	<u>12,428,229</u>	<u>(426,520)</u>
Total assets	<u>39,942,925</u>	<u>35,688,878</u>	<u>4,254,047</u>
Current and other liabilities	7,004,552	5,603,221	(1,401,331)
Long-term liabilities	<u>4,704,544</u>	<u>6,267,633</u>	<u>1,563,089</u>
Total liabilities	<u>11,709,096</u>	<u>11,870,854</u>	<u>161,758</u>
Net assets			
Invested in capital assets, net of debt	9,497,494	8,150,558	1,346,936
Restricted	7,924,601	7,030,276	894,325
Unrestricted	<u>10,811,734</u>	<u>8,637,190</u>	<u>2,174,544</u>
Total net assets	<u>\$ 28,233,829</u>	<u>\$ 23,818,024</u>	<u>\$ 4,415,805</u>

The \$10,811,734 in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its non-capital liabilities such as compensated absences, there would be \$10,811,734 left.

The net assets of the School Board increased by \$4,415,803 this year due to the increase in revenues of 9.2 percent, with overall revenues exceeding what was needed to provide for the cost of services provided for the fiscal year.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

**Lincoln Parish School Board
Management's Discussion and Analysis (MD&A)**

**Table 2
Changes in Net Assets
For the Years Ended June 30,**

	Governmental Activities		Variance
	2004	2003	
Net Assets - beginning	\$23,818,026	\$18,728,720	\$ 5,089,306
Revenues:			
Program revenues			
Charges for services	413,232	453,119	(39,887)
Operating grants and contributions	7,409,680	6,389,537	1,020,143
Capital grants and contributions	0	7,267	(7,267)
General Revenues			
Ad valorem taxes	8,348,774	8,364,886	(16,112)
Sales taxes	13,569,593	10,500,128	3,069,465
State equalization	23,748,489	22,849,700	898,789
Other general revenues	762,135	1,106,753	(344,618)
Total revenues	<u>54,251,903</u>	<u>49,671,390</u>	<u>4,580,513</u>
Functions/Program Expenses:			
Instruction			
Regular programs	20,098,725	18,069,683	(2,029,042)
Special programs	5,354,997	4,969,460	(385,537)
Other instructional programs	4,707,893	4,198,832	(509,061)
Support services			
Student services	2,049,368	1,817,513	(231,855)
Instructional staff support	3,176,919	2,388,812	(788,107)
General administration	984,882	936,950	(47,932)
School administration	2,597,125	2,494,698	(102,427)
Business services	488,057	469,174	(18,883)
Plant services	3,742,947	3,406,459	336,488
Student transportation services	2,686,156	2,227,343	(458,813)
Central services	117,815	31,914	(85,901)
Food Services	3,636,494	3,286,646	(349,848)
Community Service Programs	33,403	52,769	19,366
Interest on long-term debt	161,319	231,833	70,514
Total expenses	<u>49,836,100</u>	<u>44,582,086</u>	<u>(5,254,014)</u>
Increase (decrease) in net assets	<u>4,415,803</u>	<u>5,089,304</u>	<u>(673,501)</u>
Net Assets - ending	<u>\$28,233,829</u>	<u>\$23,818,024</u>	<u>\$ 4,415,805</u>

Governmental Activities As reported in the Statement of Activities, the cost of all governmental activities this year was \$49,836,100. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$42,013,188 because some of the cost was paid by those who benefited from the programs (\$413,232) or by other governments and organizations who subsidized certain programs with grants and contributions (\$7,409,680). The School Board paid for the remaining "public benefit" portion of its governmental activities with \$23,748,489 in Minimum Foundation Program funds, and with other revenues such as interest and other local sources.

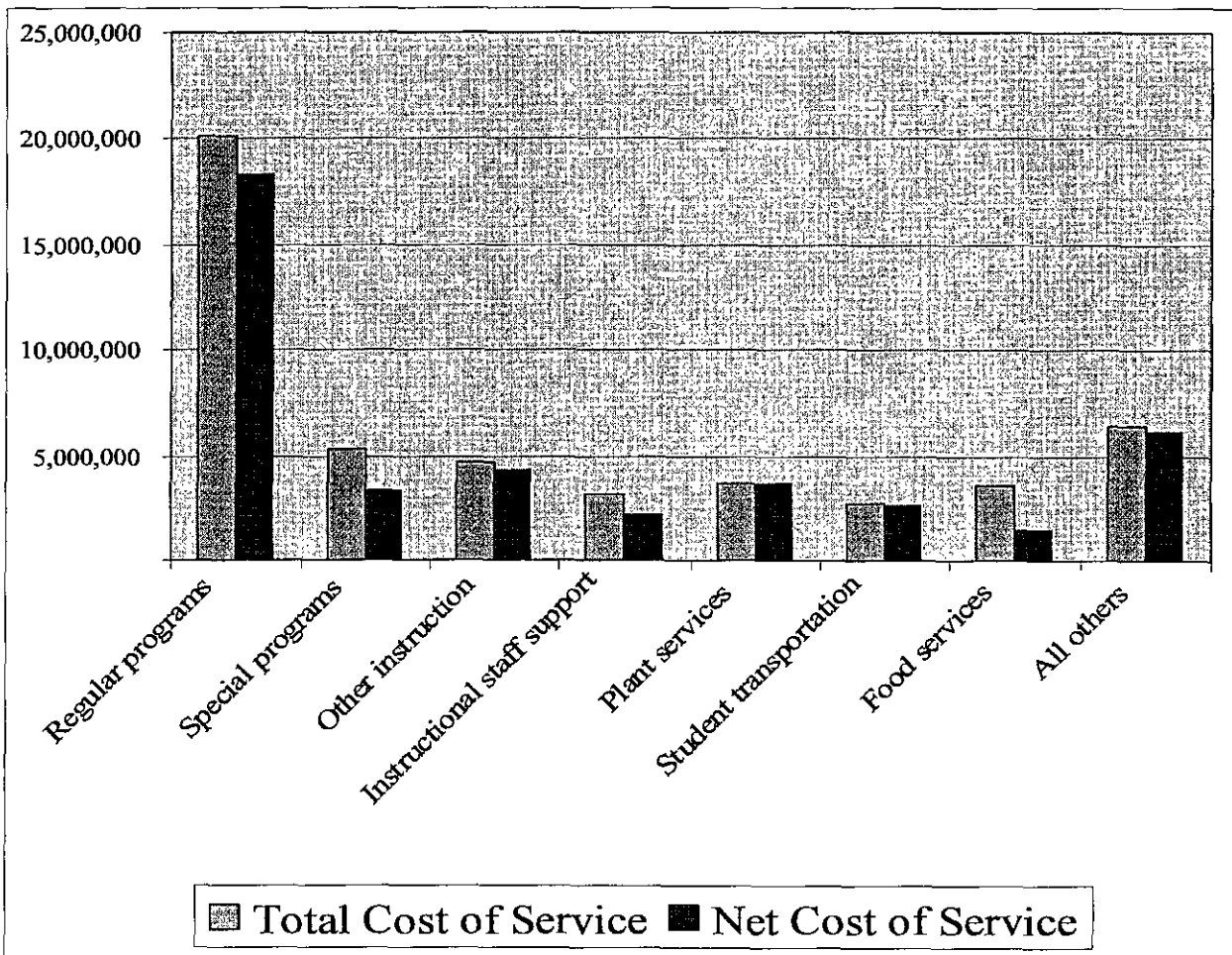
In the table below we have presented the cost of each of the School Board's seven largest functions – regular programs, special programs, other instructional programs, instructional staff support, plant services, student transportation services and food services as well as each program's net cost (total 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.

**Lincoln Parish School Board
Management's Discussion and Analysis (MD&A)**

**For the Years Ended June 30,
Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Regular programs instruction	\$20,098,725	\$18,069,683	\$18,293,050	\$16,662,618
Special programs instruction	5,354,997	4,969,460	3,309,920	3,462,644
Other instructional programs	4,707,893	4,198,832	4,299,949	3,682,851
Instructional staff support	3,176,919	2,388,812	2,152,190	1,576,621
Plant services	3,742,947	3,406,459	3,692,138	3,373,302
Student transportation services	2,686,156	2,227,343	2,605,975	2,185,497
Food services	3,636,494	3,286,646	1,486,074	1,241,057
All others	6,431,969	6,034,851	6,173,892	5,547,573
Totals	<u>\$49,836,100</u>	<u>\$44,582,086</u>	<u>\$42,013,188</u>	<u>\$37,732,163</u>

**Total Cost of Services
Versus
Net Cost of Services
For the Year Ended June 30, 2004**



**Lincoln Parish School Board
Management's Discussion and Analysis (MD&A)**

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health. The fund balance of the general fund increased \$2,222,551 and the fund balance of the other governmental funds increased \$653,766 due to an increase in revenues of 6.1 percent for the general fund and 4.9 percent for other governmental funds, in which revenues exceed expenditures in both instances.

The Title I federal fund does not carry a fund balance as this is a cost reimbursement fund.

GENERAL FUND BUDGETARY HIGHLIGHTS As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.) Over the course of the year, the School Board revised the annual operating budgets only once. At the time the beginning budget for the fiscal year was approved by the School Board, management was given authorization to make amendments to the budget throughout the fiscal year and to bring all amendments before the Board at year-end for approval. Therefore, actual revenues and expenditures for the year are in line with final revised budgets approved by the School Board. Overall, actual revenues exceeded final projections by \$217,491 and actual expenditures came under expenditure projections by \$2.8 million. It should also be noted that final projected revenues exceeded projected expenditures by approximately \$2 million.

In comparing the original budget and the final revised budget of the General Fund as shown in Exhibit 1-1 on page 52, there are a few reasons for the significant changes between the original and final budget.

- Management conservatively estimated local sales and property tax revenues based upon an average of prior year revenues and then considered the tapering off of local taxes due to the slowing economy. These estimates did take into account the payment received for the settlement of a sales tax audit conducted by Lincoln Parish Sales and Use Tax Commission. Due to this change in collections, sales tax revenue projections were increased by 32 percent. Property tax revenues decreased from the original budget due to the amount of taxes in protest. The total projected increase in local tax revenues was \$1.5 million.
- State equalization funding through the MFP is conservatively budgeted at the start of the fiscal year. This is because the final allocation from the MFP is not made until later into the fiscal year in January, and there are many factors that can affect the final allocation of state equalization funding. One factor is student enrollment. Since the current fiscal year's allocation is based upon the current year's student enrollment as of October 1st, enrollment figures could drop significantly which will affect the School Board's final allocation from the MFP. This is currently the situation as the School Board has been experiencing a steady decline in student enrollments in recent years.
- Because of the increase of sales tax collections, an additional supplemental check was issued to employees. With the estimated supplemental payment based on an average of the prior year supplemental payment, adjustments were required to reflect the additional payment and the related retirement benefits associated. As a result revisions were made across the board for all programs.
- Beginning July 1, 2003, the Louisiana School Employee Retirement System (LSERS) and the Teachers' Retirement System of Louisiana (TRSL) increased the employer contributions on eligible employee earnings. For the past three years, LSERS waived employer contribution due to accumulated funds in an Employer Credit Account which paid 100 percent of employee contributions for those years, and increased to 8.5 percent. The employer contribution for TRSL increased from 13.1 percent to 13.8 percent beginning July 1, 2003. An estimated \$1 million of the budget amounts adjusted is associated with the increase of employer contribution for the retirement programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, the School Board had \$12,001,709 invested in a broad range of capital assets, including land, buildings, improvements other than buildings, furniture and equipment, and transportation equipment. This amount represents a net

Lincoln Parish School Board
Management's Discussion and Analysis (MD&A)

decrease (including additions, deductions and depreciation) of \$426,520, or 3.4 percent, from last year. This decrease is a result of the current year depreciation expense exceeds the cost of capital asset additions.

Capital Assets at June 30,

	Governmental Activities		
	<u>2004</u>	<u>2003</u>	<u>Variance</u>
Land	\$ 375,654	\$ 375,654	\$ 0
Buildings	9,202,291	9,552,281	(349,990)
Improvements other than buildings	371,109	392,319	(21,210)
Furniture and equipment	1,011,472	1,075,676	(64,204)
Transportation equipment	1,041,183	1,008,299	32,884
Construction in progress	<u>0</u>	<u>24,000</u>	<u>(24,000)</u>
Totals	<u>\$12,001,709</u>	<u>\$12,428,229</u>	<u>\$(426,520)</u>

More detail information regarding capital assets is included in Note 7 of Notes to the Basic Financial Statements.

Debt

At the end of this year, the School Board had \$4,704,544 in debt outstanding versus \$6,267,633 last year, a decrease of 25% percent. The Outstanding debts consisted of:

Outstanding Debt at June 30,

	Governmental Activities		
	<u>2004</u>	<u>2003</u>	<u>Variance</u>
Notes payable	\$ 195,000	\$ 220,000	\$ 25,000
General Obligation (financed with property taxes)	2,278,000	4,013,000	1,735,000
Compensated absences	2,200,329	1,989,962	(210,367)
Capital leases	<u>\$ 31,215</u>	<u>\$ 44,671</u>	<u>\$ 13,456</u>
Total	<u>\$4,704,544</u>	<u>\$6,267,633</u>	<u>\$1,563,089</u>

The School Board does not have a bond rating from Moody's nor Standard & Poor's for its general obligation bonds at this time. The state limits the amount of general obligation debt that can be issued to 33 percent of the assessed value of all taxable property within the School Board's corporate limits. The School Board's net bonded general obligation debt of \$512,427 (total bonded debt of \$2,473,000 less assets in debt services funds of \$1,960,573) is significantly below this \$70,415,842 statutory-imposed limit.

Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in Notes 13 and 14 of Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The following are currently known Lincoln Parish economic factors to be considered in going into the 2003-2004 fiscal year:

- The unemployment rate in Lincoln Parish is currently 3.5 percent for September 2004, which is down from September 2003's unemployment rate of 3.9 percent. Rates for September in prior years 2002 and 2001 were 4.0 and 3.9 percent, respectively. Lincoln Parish is known for continually having one the lowest unemployment rates in the state. This current rate still compares favorably to the September 2004 average unemployment rate of 6.9 percent for the state and 5.4 percent nationally.

Lincoln Parish School Board
Management's Discussion and Analysis (MD&A)

- Property values have increased 8.5% in Lincoln Parish compared to 2002 due to a large increase in real and personal property. Over a 10-year period property valuations are consistently rising which is an indicator of a stable economy.
- Likewise, the sales tax base has consistently grown over the past ten years.

More supplemental information is presented on the economic condition and outlook in Lincoln Parish in the transmittal letter in the introductory section of this report.

At the time these financial statements were prepared and audited, the School Board was aware of the following circumstances that could significantly have an impact on the present and future budgets of the Lincoln Parish School Board:

- Final payments of bonds for the Ruston #1, Simsboro #3, and Choudrant #6 school districts will come due in 2005, 2006, and 2007 respectively. When these annual sources of local taxes come off the tax rolls in the near future, the resulting decreases in local tax revenues could be detrimental to future MFP funding allocations.
- Another area of financial concerns is the increase in recent years of the School Board's self-insured health and dental program costs. Annual increases have been quite dramatic over the past two calendar years – approximately 12 % each year. The cost of health and dental claims have declined dramatically during the last half of fiscal year 2003-04 resulting in an overall increase for fiscal year 2004-05 projected at 7%. Budget costs were based on an overall increase of 7.5%. Costs are based on actual claims – both number of claims and amounts paid per claim. Two major factors contributing to the increases are cost of services and supplies driven by research and development and increased member utilization. People these days are more informed when it comes to health issues because of the volumes of information people are exposed to through the Internet, media and advertising. Other alternatives to consider would be to try to limit the pool of providers available to plan members to only those who provide the highest discounts on services or provide the lowest costs for services. But no matter what changes are made, the problems of rising health costs are nation wide and are not experienced by Lincoln Parish School Board alone. This will be a continuing area of budgetary concern for this year and future years.
- The cost of operating the school system will continue to increase with the growing need for more and better technology, the increasing demands for accountability, the implementing of state and federal mandates with no additional funding to offset the associated new costs, and the aging of our facilities which increases realized day to day costs of operations. The renovation and remodeling of our physical plant facilities in Ruston School District #1 made possible by the passing of the bond issue during fiscal year 2003-04 will help reduce the costs of maintenance to buildings in that district. However we have rural schools in need of repair and renovation who are not in the Ruston School District #1 and therefore do not have access to these construction monies.
- Also, this fiscal year the mandated employer's contribution costs to various state retirement systems have increased. Louisiana Teacher's Retirement System employer costs increases from last year's rate of 13.8 percent to the 2004-05 rate of 15.5 percent. School Employees' Retirement System employer costs increases from last year's rate of 8.5 percent to the 2004-05 rate of 18.8 percent. Due to increases in salaries noted above, the corresponding costs of FICA and Medicare will increase approximately 2 percent over the prior year.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and 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 wish to request additional financial information, contact Bonnie Fogger, Interim Business Manager, at Lincoln Parish School Board, 410 S. Farmerville St, Ruston, Louisiana 71270-4699, telephone number (318) 255-1430.

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

LINCOLN PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS
June 30, 2004

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 10,234,711
Investments	13,685,404
Receivables (net)	3,973,550
Inventory	40,051
Prepaid items	5,000
Other assets	2,500
Capital assets:	
Land	375,654
Depreciable assets, net of depreciation	<u>11,626,055</u>
TOTAL ASSETS	<u>39,942,925</u>
LIABILITIES	
Accounts, salaries and other payables	6,806,165
Deferred revenue	169,516
Interest payable	28,871
Long-term liabilities	
Due within one year	2,044,622
Due in more than one year	<u>2,659,922</u>
TOTAL LIABILITIES	<u>11,709,096</u>
NET ASSETS	
Invested in capital assets, net of related debt	9,497,494
Restricted for:	
School food service	1,271,666
Instruction, repairs and construction	1,178,135
Salary improvement	3,514,227
Debt service	1,960,573
Unrestricted	<u>10,811,734</u>
TOTAL NET ASSETS	<u>\$ 28,233,829</u>

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

LINCOLN PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004**

Statement B

	PROGRAM REVENUES			NET (EXPENSE)
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	REVENUE AND CHANGES IN NET ASSETS
FUNCTIONS/PROGRAMS				
<i>Governmental activities:</i>				
<i>Instruction:</i>				
Regular programs	\$ 20,098,725	\$ 7,991	\$ 1,797,684	\$ (18,293,050)
Special education programs	5,354,997		2,045,077	(3,309,920)
Other instructional programs	4,707,893		407,944	(4,299,949)
<i>Support services:</i>				
Student services	2,049,368		222,010	(1,827,358)
Instructional staff support	3,176,919		1,024,729	(2,152,190)
General administration	984,882		1,567	(983,315)
School administration	2,597,125		11,861	(2,585,264)
Business services	488,057		12,669	(475,388)
Plant services	3,742,947		50,809	(3,692,138)
Student transportation services	2,686,156	28,437	51,744	(2,605,975)
Central services	117,815			(117,815)
Food services	3,636,494	376,804	1,773,616	(1,486,074)
Community service programs	33,403		9,970	(23,433)
Interest on long-term debt	161,319			(161,319)
Total Governmental Activities	49,836,100	413,232	7,409,680	(42,013,188)
 <i>General revenues:</i>				
<i>Taxes:</i>				
Property taxes, levied for general purposes				4,337,592
Property taxes, levied for maintenance & operation				1,220,222
Property taxes, levied for debt services				2,023,749
Property taxes, levied for general salaries				767,211
Sales taxes, levied for general purposes				1,182,355
Sales taxes, levied for salaries				12,387,238
State revenue sharing				279,799
<i>Grants and contributions not restricted to specific programs</i>				
Minimum Foundation Program				23,748,489
Impact Aid				5,931
Interest and investment earnings				220,887
Miscellaneous				255,518
Total general revenues				46,428,991
 Changes in net assets				 4,415,803
 Net assets - beginning				 23,818,026
 Net assets - ending				 \$ 28,233,829

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

Lincoln Parish School Board

**BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)**

LINCOLN PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2004

Statement C

	GENERAL	TITLE I	OTHER GOVERNMENTAL	TOTAL
ASSETS				
Cash and cash equivalents	\$ 4,822,259	\$ 0	\$ 2,922,152	\$ 7,744,411
Investments	8,583,631	0	5,101,773	13,685,404
Receivables	1,502,199	850,371	1,596,155	3,948,725
Interfund receivables	1,580,224	0	3,106	1,583,330
Inventory	0	0	40,051	40,051
Prepaid items	5,000	0	0	5,000
Other assets	0	0	2,500	2,500
TOTAL ASSETS	16,493,313	850,371	9,665,737	27,009,421
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	5,374,857	177,285	737,755	6,289,897
Interfund payables	129,258	673,086	911,627	1,713,971
Deferred revenues	0	0	169,516	169,516
Total Liabilities	5,504,115	850,371	1,818,898	8,173,384
Fund Balances:				
Reserved for:				
Prepaid items	5,000	0	0	5,000
Debt Service	0	0	1,960,573	1,960,573
Inventory	0	0	20,535	20,535
Instruction, repairs and construction	603,627	0	0	603,627
Salary improvements	2,183,678	0	2,910,909	5,094,587
Retiree health insurance premium	0	0	520,497	520,497
Casualty retention	24,759	0	0	24,759
Technology	0	0	215,793	215,793
Unreserved, reported in:				
General Fund	8,172,134	0	0	8,172,134
Special Revenue Funds	0	0	2,218,532	2,218,532
Total Fund Balances	10,989,198	0	7,846,839	18,836,037
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,493,313	\$ 850,371	\$ 9,665,737	\$ 27,009,421

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

LINCOLN PARISH SCHOOL BOARD

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

Statement D

Total fund balances - governmental funds \$ 18,836,037

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 39,131,266	
Depreciation expense to date	<u>(27,129,557)</u>	
		12,001,709

Net assets of the internal service fund reported as proprietary fund type in the fund financial statement but included as governmental activities in the government -wide financial statement.

Total net assets 2,129,498

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at June 30, 2004 are:

Long-term liabilities		
Note payable	(195,000)	
Bonds payable	(2,278,000)	
Capital leases payable	(31,215)	
Compensated absences payable	(2,200,329)	
Interest payable	<u>(28,871)</u>	
		<u>(4,733,415)</u>

Net Assets - Governmental Activities \$ 28,233,829

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

LINCOLN PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

Statement E

	GENERAL	TITLE I	OTHER GOVERNMENTAL	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,570,381	\$ 0	\$ 4,778,393	\$ 8,348,774
Sales and use	7,094,132	0	6,475,461	13,569,593
Interest earnings	113,188	0	83,878	197,066
Food services	0	0	376,804	376,804
Other	257,369	0	34,577	291,946
State sources:				
Equalization	23,460,728	0	287,761	23,748,489
Other	1,443,864	0	456,343	1,900,207
Federal sources	73,942	1,685,996	4,035,265	5,795,203
Total Revenues	36,013,604	1,685,996	16,528,482	54,228,082
EXPENDITURES				
Current:				
Instruction:				
Regular programs	15,424,239	0	4,376,518	19,800,757
Special programs	3,798,339	0	1,447,327	5,245,666
Other instructional programs	2,658,735	1,053,984	832,026	4,544,745
Support services:				
Student services	1,533,630	24,349	442,397	2,000,376
Instructional staff support	1,780,188	455,694	812,306	3,048,188
General administration	533,230	97,789	326,452	957,471
School administration	2,283,144	0	341,923	2,625,067
Business services	434,686	0	62,511	497,197
Plant services	2,097,787	47,570	1,410,251	3,555,608
Student transportation services	1,710,812	1,706	685,852	2,398,370
Central services	30,343	0	4,853	35,196
Food services	706,625	0	2,775,431	3,482,056
Community service programs	23,395	0	10,459	33,854
Capital outlay	374,316	4,904	794,726	1,173,946
Debt service:				
Principal retirement	38,456	0	1,735,000	1,773,456
Interest and bank charges	13,133	0	166,679	179,812
Total Expenditures	33,441,058	1,685,996	16,224,711	51,351,765
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 2,572,546	\$ 0	\$ 303,771	\$ 2,876,317

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

Statement E

	<u>GENERAL</u>	<u>TITLE I</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2	\$ 0	\$ 350,000	\$ 350,002
Transfers out	<u>(349,997)</u>	<u>0</u>	<u>(5)</u>	<u>(350,002)</u>
Total Other Financing Sources (Uses)	<u>(349,995)</u>	<u>0</u>	<u>349,995</u>	<u>0</u>
Net Change in Fund Balances	2,222,551	0	653,766	2,876,317
FUND BALANCES - BEGINNING	<u>8,766,647</u>	<u>0</u>	<u>7,193,073</u>	<u>15,959,720</u>
FUND BALANCES - ENDING	<u>\$ 10,989,198</u>	<u>\$ 0</u>	<u>\$ 7,846,839</u>	<u>\$ 18,836,037</u>

(CONCLUDED)

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

LINCOLN PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2004**

Statement F

Total net change in fund balances - governmental funds \$ 2,876,317

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$ 1,173,946	
<u>Depreciation expense</u>	<u>(1,575,411)</u>	(401,465)

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,773,456

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$396,527) exceeded the amounts used (\$186,160) by \$210,367 (210,367)

In the Statement of Activities, scrapping of capital assets are reported as a gain or loss net of the book value. Whereas in the governmental funds there is no recognition since there is no inflow/outflow of current financial resources.

Cost of assets scrapped	\$ 194,463	
<u>Accumulated depreciation</u>	<u>(169,408)</u>	
Net loss	25,055	(25,055)

All revenues, expenses and changes in fund net assets (deficits) of the internal service fund are reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement.

Net income (loss) 384,424

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. 18,493

Change in net assets of governmental activities \$ 4,415,803

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

LINCOLN PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Net Assets
June 30, 2004

Statement G

ASSETS	
Cash	\$ 2,490,300
Receivables	24,825
Interfund receivables	<u>130,641</u>
TOTAL ASSETS	<u>2,645,766</u>
LIABILITIES	
Accounts payable	<u>516,268</u>
TOTAL LIABILITIES	516,268
NET ASSETS	
Unrestricted	<u>2,129,498</u>
TOTAL NET ASSETS	<u>\$ 2,129,498</u>

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

LINCOLN PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Statement of Revenues, Expenses,
and Changes in Fund Net Assets
For The Year Ended June 30, 2004

Statement H

OPERATING REVENUE	
Premiums	<u>\$ 6,673,634</u>
OPERATING EXPENSES	
Administration	216,838
Insurance	508,835
Claims	<u>5,587,358</u>
Total operating expenses	<u>6,313,031</u>
Operating income	360,603
NONOPERATING REVENUES	
Earnings on investments	<u>23,821</u>
Change in Net Assets	384,424
NET ASSETS - BEGINNING	<u>1,745,074</u>
NET ASSETS - ENDING	<u>\$ 2,129,498</u>

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

LINCOLN PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE
Statement of Cash Flows
For the Year Ended June 30, 2004

Statement I

CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	\$ 6,652,907
Payments for administration	(216,838)
Payments for insurance premiums	(508,835)
Payments for claims	<u>(5,552,873)</u>
 <i>Net cash provided by operating activities</i>	 374,361
 CASH FLOW FROM INVESTING ACTIVITIES	
Earnings on investments	<u>23,821</u>
 Net increase (decrease) in cash and cash equivalents	 398,182
 CASH AND CASH EQUIVALENTS - BEGINNING	 <u>2,092,118</u>
 CASH AND CASH EQUIVALENTS - ENDING	 <u>2,490,300</u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	360,603
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
(Increase) decrease in receivables	22,534
(Increase) decrease in interfund receivables	(90,561)
Increase (decrease) in payable	<u>81,785</u>
 Net cash provided (used) for operating activities	 <u>\$ 374,361</u>

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

LINCOLN PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2004

Statement J

	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	\$ <u>577.870</u>
Total assets	<u>577.870</u>
 LIABILITIES	
Deposits due others	<u>577.870</u>
Total liabilities	<u>\$ 577.870</u>

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

Lincoln Parish School Board
Notes to the Basic Financial Statements

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Lincoln Parish School Board
Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The School Board operates fourteen schools and is the fiscal agent for four university laboratory schools within the parish with a total enrollment of approximately 6,550 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

B. FUNDS 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 self-balancing set of 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 are maintained consistent with legal and managerial requirements.

The funds of the School Board are classified into three categories: governmental, proprietary and fiduciary.

Governmental Funds Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The School Board reports the following major governmental fund:

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

Title I - primarily used to improve the educational opportunities of educationally deprived children by helping them succeed in regular school programs, attain grade level proficiency and improve achievement in basic and more advanced skills.

Proprietary Funds Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ

Lincoln Parish School Board
Notes to the Basic Financial Statements

from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary fund(s) include the following:

Internal service funds – accounts for operations that provide services other departments or agencies of the government, or to other governments, on a cost-reimbursement basis.

Workers' compensation – This fund, which began in fiscal year 1991, is used to account for the payment of workers' compensation benefits. Fund revenues are derived from government allocations. These revenues are planned to match: (1) expenses of insurance premiums in excess of risk retention amounts; (2) estimated claim losses resulting from risk retention programs which include estimated liabilities for claims incurred but not yet reported at year end, and (3) operating expenses.

Group health insurance – Revenues for this fund are received from local sales and property taxes, employee deductions from payroll, payments from retirees, and Minimum Foundation Program Funding (MFP). Monies are used to pay employee health insurance claims, the administrative cost to the insurance administrator for administration of the plan and processing medical claims, cost of excess and specific insurance to protect the fund from exposure to large claims, hospital pre-certification, and life insurance with an insurance carrier.

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

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Internal Activities The workers' compensation and group health insurance internal service funds provide services to the governmental funds. Accordingly, the internal service funds activities were rolled up into the governmental activities. Pursuant to GASB 34, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion.

Lincoln Parish School Board
Notes to the Basic Financial Statements

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from group health insurance premiums, cafeteria sales, and miscellaneous student fees. Operating grants and contributions consist of the many educational grants received from the federal and state government.

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. 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 in the Statement of Activities. Other indirect expenses are not allocated.

Fund Financial Statements (FFS)

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

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

Revenues

Ad valorem taxes and sales taxes are susceptible to accrual.

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

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

Expenditures

Salaries are recorded as paid. Unpaid salaries for nine-month employees who are paid over twelve months are accrued at June 30. Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed 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.

Lincoln Parish School Board
Notes to the Basic Financial Statements

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

Proprietary Funds Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The school board has elected pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only Financial Accounting Standards Board pronouncements issued before November 30, 1989.

Operating Revenues and Expenses Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

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

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

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31: Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The School Board reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

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

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

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

Lincoln Parish School Board
Notes to the Basic Financial Statements

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

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

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

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

Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No. 512, Act 701) enacted LSA-R.S. 33:2955(A)(1)(h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's Investment Guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. The LAMP's portfolio securities are valued at fair value. The LAMP operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, as amended, which governs money market funds (although the LAMP is not a money market fund and has no obligation to conform to this rule.) In addition, the LAMP will generally comply with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 397 days and meet certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

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

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

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

F. INVENTORY AND PREPAID ITEMS Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. Inventory of the school food service fund is

Lincoln Parish School Board
Notes to the Basic Financial Statements

accounted for on the consumption method. Inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture. Revenues related to commodities which are not consumed as of the date of the balance sheet are reflected as deferred revenues since title does not pass to the School Board until the commodities are consumed. Inventories are offset by a fund balance reserve which indicates that these do not constitute "available spendable resources," even though they are a component of total assets.

Acquisition of materials and supplies other than the food purchases are accounted for on the purchase method, that is, the expenditures are charged when the items are purchased. The value of these materials and supplies, except for the food purchased in the school food service special revenue fund, are not considered significant at June 30, 2004, and their value is not shown in the accompanying balance sheet.

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

G. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	20 - 40 years
Improvements other than buildings	10 - 20 years
Furniture and equipment	3 - 10 years
Transportation equipment	5-8 years

H. DEFERRED REVENUES The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or for commodities in inventory at June 30, as described in Note F. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

I. COMPENSATED ABSENCES All twelve-month employees earn from ten to fifteen days of vacation leave each year, depending on their length of service with the School Board. Vacation leave may be accumulated and carried forward to the next fiscal year without limitation. Employees hired or transferred into twelve-month positions after December 31, 2002, are limited to 25 days of accumulated vacation leave. Upon retirement, termination, or death, unused accumulated vacation leave is paid to the employee or the employee's estate at the employee's current rate of pay. Nine-month employees earn two work days of personal leave per academic year, which is non-cumulative.

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

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

Lincoln Parish School Board
Notes to the Basic Financial Statements

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

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

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

The School Board uses the following approach in accruing sick leave. A governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

J. LONG-TERM OBLIGATIONS 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.

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

K. RESTRICTED NET ASSETS For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

M. INTERFUND TRANSACTIONS Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

N. SALES TAXES The School Board receives a two-cent sales and use tax. The tax is collected by the Lincoln Parish Sales and Use Tax Commission and is remitted to the School Board the same month the tax is collected. The sales and use tax is recorded as revenue in the general fund and special revenue funds.

Lincoln Parish School Board
Notes to the Basic Financial Statements

A one-half cent sales and use tax approved September 12, 1967, is dedicated to supplement other revenues available for the payment of salaries of teachers in the public elementary and secondary schools and for the expenditures of operating said schools, such operating expenditures to include payment of other personnel employed by the School Board in addition to teachers.

A one-half cent sales and use tax approved May 19, 1979, and rededicated March 8, 1988, was dedicated as follows:

Two-thirds is for paying salaries of certified and non-certified employees of the School Board above their base pay and paying retirement and other benefits for said employees.

One-third is for constructing, acquiring, erecting, improving and/or repairing schools and school-related facilities and for paying the cost of utilities therefore, and for improving instruction, providing instructional materials and student services and curriculum enrichment, including salaries for over-staffed instructional positions, in and for the public schools.

The third one-half cent sales and use tax approved January 16, 1993, is dedicated for the purpose of paying institutional and support staff salaries and benefits, including but not limited to salaries and benefits for elementary school librarians, elementary school vocal music instructors, and elementary coordinators.

Another one-half cent sales and use tax approved January 15, 2000, is dedicated for paying salaries and benefits of teachers and other School Board employees.

O. BUDGETS

General Budget Policies The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements.

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

Each year prior to September 15, the Superintendent submits to the School Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant-oriented. Public hearings are conducted, prior to the School Board's approval, to obtain citizen comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the grantor. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the School Board. All budget revisions are approved by the School Board.

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

**Lincoln Parish School Board
Notes to the Basic Financial Statements**

approves budgets at the function level for the general fund and at the fund level for special revenue funds. Management can transfer amounts between line items within a function.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures over Appropriations in Individual Funds The following individual accounts and funds had actual expenditures over budgeted expenditures for the year ended June 30, 2004:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
School Food Service	\$2,496,519	\$2,518,548	\$22,029
Parish-wide Maintenance	1,085,275	1,122,425	37,150
Rural Education Achievement	184,722	244,359	59,637

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Lincoln Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Lincoln Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

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

Property Tax Calendar

Tax bills mailed	On or about November 25, 2003
Total taxes are due	December 31, 2003
Lien date	December 31, 2003
Penalties and interest are added	January 1, 2004
Tax sale	May 1, 2004

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2000. Total assessed value was \$213,381,340 for the 2003 calendar year. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$44,293,550 of the assessed value in calendar year 2003.

**Lincoln Parish School Board
Notes to the Basic Financial Statements**

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

The tax roll is prepared by the tax assessor and approved by the State Tax Commission in November of each year. The amount of 2004 property taxes to be collected occurs in December 2004 and January and February 2005. All property taxes are recorded in the general, special revenue (maintenance funds), and debt service funds. The School Board considers the lien date (January 1, 2005) as the date an enforceable legal claim occurs for 2004 property taxes. Property tax revenue is recognized in the period for which the taxes are levied (budgeted). Accordingly, the 2004 property taxes are budgeted in the 2004-2005 fiscal year of the School Board.

Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

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

	<u>Date of Voter Approval</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:				
Constitutional	Statutory	4.99	4.99	Statutory
Special maintenance and operation	Jan. 16, 1999	5.14	5.14	2008
Special repair and equipment	Jan. 16, 1999	5.14	5.14	2008
Maintenance and operation	May 4, 2002	12.09	12.09	2012
Maintenance and operation	Jan. 15, 2000	10.00	10.00	2009
District taxes:				
Maintenance and operations				
Ruston School District #1	May 4, 2002	3.05	3.01	2013
Simsboro School District #3	Apr. 20, 1996	2.98	2.75	2005
Dubach School District #5	Jan. 16, 1999	3.33	3.33	2008
Bond and interest				
Ruston School District #1	Apr. 30, 1983	Variable	13.00	2003
Simsboro School District #3	Oct. 19, 1995	Variable	19.20	2005
Choudrant School District #6	May 3, 1986	Variable	22.00	2005

The difference between authorized and levied millages are the result of the reassessment of taxable property required by Article 7, Section 23 of the Louisiana Constitution of 1974.

NOTE 4 - DEPOSITS Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the School Board's carrying amount of deposits was \$12,585,952 (includes \$1,773,371 of time deposits classified as investments) and the bank balance was \$13,507,822. Of the bank balance, \$577,891 was covered by

Lincoln Parish School Board
Notes to the Basic Financial Statements

federal depository insurance. \$12,929,931 was collateralized with securities held by the pledging financial institution's trust department or agent in the School Board's name (GASB Category 2).

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

Additional GASB Statement 3 information is included at Note 1 (d).

NOTE 5 - INVESTMENTS Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the School Board or its agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the School Board's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the School Board's name.

At year end, the School Board investment balances included the following:

	Category			<u>Carrying Amount</u>
	1	2	3	<u>Fair Value</u>
U. S. treasury securities	<u>\$1,215,722</u>	<u>\$0</u>	<u>\$0</u>	\$ 1,215,722
Investments not subject to categorization:				
External investment pool (LAMP)				<u>10,696,311</u>
Total investments				<u>\$11,912,033</u>

NOTE 6 - RECEIVABLES The receivables at June 30, 2004, are as follows:

	General	Title I	Other Governmental	Internal Service	Total
Taxes:					
Ad valorem	\$ 21,827		\$ 56,806	\$ 0	\$ 78,633
Sales tax	485,778		485,778	0	971,556
Intergovernmental - grants:					
Federal	0	\$ 850,371	1,053,571	0	1,903,942
State	933,573		0	0	933,573
Other	61,321		0	0	61,321
Stop-loss receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,825</u>	<u>24,825</u>
Total	<u>\$1,502,199</u>	<u>\$ 850,371</u>	<u>\$1,596,155</u>	<u>\$24,825</u>	<u>\$3,973,550</u>

The School Board expects to collect these balances in full; therefore, no allowance for doubtful accounts was established.

Lincoln Parish School Board
Notes to the Basic Financial Statements

NOTE 7 - CAPITAL ASSETS Capital assets balances and activity for the year ended June 30, 2004, is as follows:

	<u>Balance</u> <u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Ending</u>
Governmental activities				
Land	\$ 375,654	\$ 0	\$ 0	\$ 375,654
Construction in progress	24,000	0	24,000	0
Exhaustible capital assets				
Buildings	30,266,663	695,845	0	30,962,508
Improvements other than buildings	548,095	7,551	0	555,646
Furniture and equipment	3,842,411	273,123	180,341	3,935,193
Transportation equipment	<u>3,094,960</u>	<u>221,427</u>	<u>14,122</u>	<u>3,302,265</u>
Total	<u>38,151,783</u>	<u>1,197,946</u>	<u>218,463</u>	<u>39,131,266</u>
Less accumulated depreciation				
Buildings	20,714,382	1,045,835	0	21,760,217
Improvements other than buildings	155,776	28,761	0	184,537
Furniture and equipment	2,766,735	305,017	143,031	2,928,721
Transportation equipment	<u>2,086,661</u>	<u>195,798</u>	<u>26,377</u>	<u>2,256,082</u>
Total	<u>25,723,554</u>	<u>1,575,411</u>	<u>169,408</u>	<u>27,129,557</u>
Governmental activities				
Capital assets, net	<u>\$12,428,229</u>	<u>\$(337,465)</u>	<u>\$(49,055)</u>	<u>\$12,001,709</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 320,920
Special programs	113,366
Vocational programs	79,341
Other instructional programs	73,800
Other special programs	54,284
Adult education programs	8,267
Pupil support programs	32,323
Instructional staff support	120,745
General administration	2,895
School administration	63,322
Business services	9,260
Plant services	209,983
Student transportation services	309,537
Food services	176,912
Central Services	456
Total depreciation expense	<u>\$1,575,411</u>

NOTE 8 - RETIREMENT SYSTEMS

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

**Lincoln Parish School Board
Notes to the Basic Financial Statements**

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, full-time employees of parish and city school boards, except for bus drivers and maintenance personnel, are required to become TRSL members. Full-time bus drivers and maintenance personnel are required to become members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at any age with thirty or more years of creditable service, at age fifty-five with at least twenty-five years of creditable service and at age sixty with at least five years of creditable service. The formula for annual maximum retirement benefits is generally two percent (with less than twenty-five years of service) or 2.5 percent (with twenty-five or more years of service) times the years of creditable service times the average salary of the thirty-six highest successive months (plus \$300 applicable to persons who became members prior to July 1, 1986).

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

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

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

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

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

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

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

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2004, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.00%	13.8%
Plan A	9.10%	13.8%
Louisiana School Employees' Retirement System	7.50%	8.5%

**Lincoln Parish School Board
Notes to the Basic Financial Statements**

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2004, amounted to \$24,770,351, \$270,471 and \$2,312,748, respectively. Employer contributions for the year ended June 30, 2004, and each of the two preceding years are as follows:

<u>Fiscal Year Ended</u>	<u>.....TRS.....</u>		<u>....LSERS.....</u>	
	<u>Annual Actuarially Required Contribution</u>	<u>Percentage of Annual Required Contribution Paid</u>	<u>Annual Actuarially Required Contribution</u>	<u>Percentage of Annual Required Contribution Paid</u>
June 30, 2002	\$3,478,982	103.17	\$ 0	100.00
June 30, 2003	3,441,909	81.43	0	100.00
June 30, 2004	4,028,527	77.67	249,559	75.90

Annual actuarially required contributions for each plan above is based on the plan's annual financial report for that year except for the year ended June 30, 2004. Each annual actuarially required contribution for the year ended June 30, 2004, is based upon each plan's annual financial report for the year ended June 30, 2003, which is the latest information available.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS In accordance with state statutes, the Lincoln Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees were provided through a self-insurance program, whose monthly premiums are paid jointly by the employees and the School Board. The cost of retiree benefits totaled \$1,372,715 for 2003-2004 for approximately 331 retirees.

NOTE 10 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2004, are as follows:

	<u>General</u>	<u>Title I</u>	<u>Other Governmental</u>	<u>Internal Service</u>	<u>Total</u>
Salaries and withholding	\$3,130,987	\$177,285	\$627,025	\$ 0	\$3,935,297
Accounts	2,243,870		110,730	47,300	2,401,900
Incurred but not reported claims	0	0	0	468,968	468,968
Total	<u>\$5,374,857</u>	<u>\$177,285</u>	<u>\$737,755</u>	<u>\$516,268</u>	<u>\$6,806,165</u>

NOTE 11 - COMPENSATED ABSENCES At June 30, 2004, employees of the School Board have accumulated and vested \$2,200,329 of employee leave benefits including \$62,011 of salary-related benefits.

NOTE 12 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in school activity agency fund deposits due others for the year ended June 30, 2004, is as follows:

	<u>Balance Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance Ending</u>
Agency funds:				
School activities	<u>\$522,033</u>	<u>\$1,789,975</u>	<u>\$1,734,138</u>	<u>\$577,870</u>

Lincoln Parish School Board
Notes to the Basic Financial Statements

NOTE 13 - LEASES

Operating Leases. The School Board leases copy equipment under noncancellable operating leases. Total costs for such leases were \$27,563 for the year ended June 30, 2004. The future minimum lease payments for these leases are as follows:

Fiscal year:	
2005	\$ 23,429
2006	19,915
2007	16,928
2008	12,696
2009	<u>6,348</u>
Total minimum lease payments	<u>\$79,316</u>

Capital Leases. The School Board records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of equipment under capital leases:

Type	
Postage machine	\$ 7,267
Driver's education cars	<u>60,392</u>
Total	<u>\$67,659</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2004:

<u>Years ending June 30,</u>	<u>Postage Machine</u>	<u>Driver's Education Cars</u>	<u>Total</u>
2005	\$2,532	\$14,317	\$16,849
2006	2,532	14,318	16,850
2007	<u>1,266</u>	<u>0</u>	<u>1,266</u>
Total minimum lease payments	6,330	28,635	34,965
Less amounts representing interest	<u>1,383</u>	<u>2,367</u>	<u>3,750</u>
Present value of net minimum lease payments	<u>\$4,947</u>	<u>\$26,268</u>	<u>\$31,215</u>

NOTE 14 - LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2004:

	<u>Certificate of Indebtedness</u>	<u>Bonds Payable</u>	<u>Capital Leases Payable</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance, beginning of year	\$220,000	\$4,013,000	\$44,671	\$1,989,962	\$6,267,633
Additions	0	0	0	396,527	396,527
Deduction	<u>25,000</u>	<u>1,735,000</u>	<u>13,456</u>	<u>186,160</u>	<u>1,959,616</u>
Balance, end of year	<u>\$195,000</u>	<u>\$2,278,000</u>	<u>\$31,215</u>	<u>\$2,200,329</u>	<u>\$4,704,544</u>
Amounts due within one year	<u>\$ 25,000</u>	<u>\$1,819,000</u>	<u>\$14,462</u>	<u>\$ 186,160</u>	<u>\$2,044,622</u>

Lincoln Parish School Board
Notes to the Basic Financial Statements

The individual issues are as follows:

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding June 30, 2004</u>	<u>Amount Due Within One Year</u>
RUSTON NO. 1: August 4, 2001	\$5,360,000	4.00%	2005	\$57,400	\$1,435,000	\$1,435,000
SIMSBORO NO. 3: November 1, 1993	1,670,000	2.60 - 4.30%	2006	26,660	410,000	200,000
CHOUDRANT NO. 6: April 1, 1998	417,000	4.35 - 4.80%	2007	16,112	168,000	54,000
November 1, 1993	1,255,000	2.60 - 4.30%	2006	17,200	265,000	130,000
Certificate of Indebtedness	240,000	4.74%	2011	<u>35,944</u>	<u>195,000</u>	<u>25,000</u>
Total				<u>\$153,316</u>	<u>\$2,473,000</u>	<u>\$1,844,000</u>

All bond principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. Payments of compensated absences, Certificate of Indebtedness and capital leases are paid from the general revenues of the General Fund. At June 30, 2004, the School Board has accumulated \$1,960,573 debt service funds for future debt requirements.

The bonds are due as follows:

<u>Years ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2005	\$1,844,000	\$103,066	\$1,947,666
2006	428,000	28,394	456,394
2007	81,000	9,377	90,377
2008	30,000	5,197	35,197
2009	30,000	3,712	33,712
2010-2011	<u>60,000</u>	<u>2,970</u>	<u>62,970</u>
Total	<u>\$2,473,000</u>	<u>\$152,716</u>	<u>\$2,626,316</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 33 percent of the assessed value of taxable property. At June 30, 2004, the statutory limit is \$70,415,842, and outstanding net bonded debt totals \$512,427.

**Lincoln Parish School Board
Notes to the Basic Financial Statements**

NOTE 15 - INTERFUND TRANSACTIONS (FFS Level Only)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Title I Fund	\$ 673,086
	Other Governmental Funds	907,138
Other Governmental Funds	Other Governmental Funds	1,723
Internal Service Funds		
Group Health Insurance	General Fund	81,958
	Other Governmental Funds	1,383
Workers' Compensation	General Fund	<u>47,300</u>
Total		<u>\$1,713,971</u>

At year-end General Fund is owed \$1,580,224 from other governmental funds for the following:

1. Indirect cost of \$151,073 from various federal grants which is awarded to offset administrative operating costs of these programs during the year.
2. Various federal grant programs held negative cash balances at year-end totaling \$1,349,274 due to outstanding federal reimbursement claims. These negative cash balances occur because grant program expenditures are first paid by the School Board, and then subsequently reimbursed to the School Board by the federal grantor. Until the reimbursement payments are received by the School Board, these negative cash balances are considered a temporary use of General Fund resources.
3. The Title I program owes General Fund a balance of \$79,877 from funds advanced in the 2001-02 fiscal year to upgrade computer labs in all Title I schools. This balance is scheduled to be repaid to the General Fund in the 2004-05 fiscal year.

Other Governmental Funds owe other governmental funds \$1,723 for reimbursement of transportation operating expenses incurred in state summer school programs.

The General Fund owes the internal service funds \$129,258 for the following:

1. Employee and retiree insurance premiums of \$81,958 were collected by the General Fund through payroll deductions and bank drafts but not transferred to the Health Insurance Fund by the end of the year.
2. The Workers Compensation Fund is owed \$47,300 to cover the outstanding workers compensation claims liability at year end.

Operating Transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2	\$349,997
Other governmental funds	<u>\$350,000</u>	<u>5</u>
Total	<u>\$350,002</u>	<u>\$350,002</u>

During the fiscal year, the General Fund transferred \$350,000 to other governmental funds to cover excess expenditures due to insufficient ad valorem tax revenues to cover parish-wide maintenance and operating expenditures.

Lincoln Parish School Board
Notes to the Basic Financial Statements

NOTE 16 - RESERVED FUND BALANCES (FFS Level Only)

Reserved for Prepaid Items Fund balance is reserved for prepaid items which indicates that fund balances in that amount are not available for appropriation and expenditures.

Reserved for Debt Service This balance is reserved for the payment of principal and interest on bonded debt.

Reserved for Inventory This amount represents the portion of fund balance relating to inventory on hand which is therefore unavailable to be expended for other purposes.

Reserved for Instruction, Repairs and Construction One-third of the one-half cent sales tax, approved May 19, 1979, and rededicated March 8, 1988, is dedicated for constructing, acquiring, erecting, improving, and/or repairing schools and school-related facilities, and for paying the cost of utilities therefore, and for improving instruction, providing instructional materials and student services and curriculum enrichment, including salaries for over-staffed instructional positions, in and for the public schools.

Reserved for Salary Improvements Two-thirds of the one-half cent sales tax approved May 19, 1979, and rededicated March 8, 1988, the one-half cent sales tax approved January 16, 1993, and the one-half cent sales tax approved January 15, 2000, and one-half of the 10 mill property tax approved January 15, 2000, are dedicated for paying salaries, retirement and other benefits.

Reserved for Retiree Health Insurance Premiums Two mills of the 10-mill property tax approved January 15, 2000, is dedicated to the payment of the cost of single-health insurance premiums for Lincoln Parish School Board retirees. Premiums are paid from this fund for those retirees who meet eligibility criteria established by the School Board.

Reserved for Casualty Retention This amount represents the portion of fund balance set aside for liability and property claims.

Reserved for Technology One mill of the 10-mill property tax approved January 15, 2000, is dedicated for technology expenditures which includes hardware and software purchases and related installation, repairs, maintenance and upgrades, as well as professional development for employees in the area of technology.

NOTE 17 - LITIGATION AND CLAIMS

Litigation At June 30, 2004, the School Board is involved in various litigation. It is the opinion of management and legal counsel for the School Board that potential claims against the School Board not covered by insurance would not materially affect the financial statements.

Self-Insurance The School Board is self-insured for health insurance claims. Claims are funded through employee and retiree premium contributions and operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for individual claims incurred in excess of \$90,000 annually for each covered member and aggregate claims in excess of \$7,398,000 annually. All known claims that have been filed and an estimate of claims incurred but not reported based upon past historical trends of the School Board are made and accrued as necessary in the financial statements.

Lincoln Parish School Board
Notes to the Basic Financial Statements

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

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

NOTE 18 - RISK MANAGEMENT The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and automobile liability for which the School Board carries commercial insurance. The School Board must first meet specified deductibles before commercial insurance begins coverage of claims. These deductibles range from \$1,000 to \$25,000 per occurrence depending upon the type of claim incurred. The School Board's exposure to general liability and automobile liability claims are limited to a \$25,000 deductible per claim with a combined retention exposure of \$200,000 annually. A deductible of \$10,000 must be met for each occurrence of property damage and errors and omissions. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School Board is fully insured for all workers' compensation claims incurred from July 1, 1999 through June 30, 2002.

On July 1, 2002, the School Board resumed the limited risk management program for workers' compensation claims in place prior to July 1, 1999. During fiscal year 2004, a total of \$96,594 was incurred in claims and changes in estimates and a total of \$7,121 was paid in benefits and administration. An excess insurance policy covers all claims prior to July 1, 1999, in excess of \$150,000, and after June 30, 2002, in excess of \$200,000 up to \$1,000,000 annually. This risk management program is accounted for in a separate internal service fund. Premiums are paid to the internal service fund from all other funds. The internal service fund for workers' compensation benefits at June 30, 2004 had net assets of \$0.

The school board established a risk management program for group health insurance in fiscal year 1990. The group health insurance plan provides benefits to active employees and retirees. Premiums are paid into the group health insurance internal service fund by its members and all other funds. These premiums are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2004 a total of \$6,209,316 was paid for claims and administrative costs from the internal service fund. A third-party administrator is used to manage and pay claims according to group health plan provisions. Excess coverage insurance policies cover individual claims in excess of \$90,000 per covered member each year and aggregate claims in excess of \$8,032,882 annually. The incurred but not reported claims at year end of \$468,968 has been accrued as a liability based upon the third-party administrator's calculation using historical claim experience. The internal service fund for group health insurance benefits incurred net income during the fiscal year 2004 of \$384,424 and at June 30, 2004, had net assets of \$2,129,498.

Lincoln Parish School Board
Notes to the Basic Financial Statements

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

	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at Fiscal Year-End</u>
Workers' Compensation:				
2001-2002	\$ 25,245	\$ 1,160	\$ 15,233	\$ 11,172
2002-2003	11,172	35,686	6,724	40,134
2003-2004	40,134	28,027	20,861	47,300
Group Health Insurance:				
2001-2002	332,912	5,334,507	5,231,464	435,955
2002-2003	435,955	5,212,323	5,213,795	434,483
2003-2004	434,483	5,662,100	5,627,615	468,968

NOTE 19 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$20,394. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 20 - SUBSEQUENT EVENTS At the June 1, 2004 board meeting bids were opened for the purchase of five new buses. The buses were purchased in September, 2004 at a total cost of \$261,481.

On April 17, 2004 a \$33,000,000 bond issue was passed for Ruston School District #1. The initial offering was for \$15,000,000 which was received in July, 2004 as proceeds from the sale of the initial bond issue. The bonds have received a Standard and Poor rating of A-. The first interest payment is due March 1, 2005 and semiannually thereafter on March 1st and September 1st. The bonds are in the denomination of \$5,000 each. The purpose of the bonds is for acquiring and/or improving lands for building sites and playgrounds; including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities within and for the District, including, to the extent feasible, those specific school projects set forth in the Capital Improvements Plan approved by the Lincoln Parish School Board on February 3, 2004, and acquiring the necessary equipment and furnishings therefore.

NOTE 21 - ECONOMIC DEPENDENCY Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$23,748,489 to the School Board, which represents approximately 43% of the School Board's total revenue for the year.

**REQUIRED SUPPLEMENTAL
INFORMATION**

**BUDGETARY COMPARISON
SCHEDULES**

Lincoln Parish School Board
Budgetary Comparison Schedules

GENERAL FUND *The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.*

TITLE I *To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.*

LINCOLN PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

Exhibit 1-1

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE</u>
				<u>(NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ 7,935,220	\$ 8,766,647	\$ 8,766,647	0
Resources (inflows)				
Local sources:				
Ad valorem taxes	3,621,500	3,558,500	3,570,381	11,881
Sales and use taxes	5,012,000	6,640,000	7,094,132	454,132
Interest earnings	303,000	285,500	113,188	(172,312)
Other	254,168	231,105	257,369	26,264
State sources:				
Equalization	22,337,150	23,490,356	23,460,728	(29,628)
Other	1,353,065	1,532,702	1,443,864	(88,838)
Federal sources	56,375	57,950	73,942	15,992
Amounts available for appropriations	<u>40,872,478</u>	<u>44,562,760</u>	<u>44,780,251</u>	<u>217,491</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	14,925,032	16,798,856	15,424,239	1,374,617
Special education programs	4,025,232	4,346,961	3,798,339	548,622
Other instructional programs	2,676,979	2,841,692	2,658,735	182,957
Support services:				
Student services	1,444,365	1,634,759	1,533,630	101,129
Instructional staff support	2,010,475	1,916,421	1,780,188	136,233
General administration	580,070	507,168	533,230	(26,062)
School administration	2,346,809	2,403,158	2,283,144	120,014
Business services	456,908	461,400	434,686	26,714
Plant services	2,102,685	2,219,226	2,097,787	121,439
Student transportation services	1,972,158	1,989,033	1,710,812	278,221
Central services	31,570	30,550	30,343	207
Food services	681,325	720,260	706,625	13,635
Community service programs	29,460	24,320	23,395	925
Capital Outlay	100,000	136,600	374,316	(237,716)
Debt service:				
Principal retirement	37,040	37,040	38,456	(1,416)
Interest and bank charges	12,020	12,740	13,133	(393)
Transfers to other funds	300,000	512,630	349,995	162,635
Total charges to appropriations	<u>33,732,128</u>	<u>36,592,814</u>	<u>33,791,053</u>	<u>2,801,761</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>7,140,350</u>	\$ <u>7,969,946</u>	\$ <u>10,989,198</u>	\$ <u>3,019,252</u>

LINCOLN PARISH SCHOOL BOARD

TITLE I
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2004

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
Local sources:				
Federal sources	1,482,498	1,897,299	1,685,996	(211,303)
Amounts available for appropriations	1,482,498	1,897,299	1,685,996	(211,303)
Charges to appropriations (outflows)				
General government:				
Instruction:				
Other instructional programs	966,229	1,180,825	1,053,984	126,841
Support services:				
Student services	19,377	19,377	24,349	(4,972)
Instructional staff support	368,390	531,188	455,694	75,494
General administration	86,554	108,751	97,789	10,962
Plant services	39,509	52,885	47,570	5,315
Student transportation services	2,439	4,273	1,706	2,567
Capital outlay	0	0	4,904	(4,904)
Total charges to appropriations	1,482,498	1,897,299	1,685,996	211,303
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 0	\$ 0	0

**Lincoln Parish School Board
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2004**

A. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the School Board. All budget revisions are approved by the School Board.

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

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS – GENERAL FUND

<u>Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Administration	\$507,168	\$533,230	\$ 26,062
Capital Outlay	136,600	374,316	237,716
Principal Retirement	37,040	38,456	1,416
Interest and Bank Charges	12,740	13,133	393

LINCOLN PARISH SCHOOL BOARD
Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2004

Note C - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	GENERAL FUND	TITLE I
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 44,780,251	\$ 1,685,996
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(8,766,647)	0
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 36,013,604	\$ 1,685,996
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 33,791,053	\$ 1,685,996
Pension expenditures per budgetary comparison represent the total amount of 1% collections by sheriff which has been adjusted to include only the portion expended by other taxing bodies in the parish		
Transfer to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(349,995)	0
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 33,441,058	\$ 1,685,996

OTHER SUPPLEMENTAL INFORMATION

Lincoln Parish School Board

General Fund

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

LINCOLN PARISH SCHOOL BOARD

**GENERAL FUND ACCOUNTS
Combining Balance Sheet
June 30, 2004**

	<u>1967</u>	<u>1979</u>	<u>1993</u>	
<u>GENERAL</u>	<u>SALES TAX</u>	<u>SALES TAX</u>	<u>AD VALOREM</u>	
<u>ACCOUNTS</u>	<u>ACCOUNT</u>	<u>ACCOUNT</u>	<u>TAX ACCOUNT</u>	
ASSETS				
Cash and cash equivalents	\$ 2,632,181	\$ 555,954	\$ 746,216	\$ 883,039
Investments	6,113,478	415,567	1,106,209	948,377
Receivables	994,581	242,889	242,889	21,827
Interfund receivables	1,580,224	0	0	0
Prepaid items	0	0	0	5,000
	<u>11,320,464</u>	<u>1,214,410</u>	<u>2,095,314</u>	<u>1,858,243</u>
TOTAL ASSETS				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	4,881,909	127,322	314,170	46,883
Interfund payables	722	81,236	0	47,300
	<u>4,882,631</u>	<u>208,558</u>	<u>314,170</u>	<u>94,183</u>
Total Liabilities				
Fund Balances:				
Reserved for prepaid items	0	0	0	5,000
Reserved for instruction, repairs and construction, schools	0	0	603,318	0
Reserved for salary improvements	0	1,005,852	1,177,826	0
Reserved for casualty retention	24,759	0	0	0
Unreserved and undesignated	6,413,074	0	0	1,759,060
	<u>6,437,833</u>	<u>1,005,852</u>	<u>1,781,144</u>	<u>1,764,060</u>
Total Fund Balances				
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,320,464</u>	<u>\$ 1,214,410</u>	<u>\$ 2,095,314</u>	<u>\$ 1,858,243</u>

Exhibit 2

STATE
ACCOUNTABILITY

	<u>REWARDS</u>	<u>TOTAL</u>
\$	4,869	\$ 4,822,259
	0	8,583,631
	13	1,502,199
	0	1,580,224
	<u>0</u>	<u>5,000</u>
	<u>4,882</u>	<u>16,493,313</u>
	4,573	5,374,857
	<u>0</u>	<u>129,258</u>
	<u>4,573</u>	<u>5,504,115</u>
	0	5,000
	309	603,627
	0	2,183,678
	0	24,759
	<u>0</u>	<u>8,172,134</u>
	<u>309</u>	<u>10,989,198</u>
\$	<u>4,882</u>	<u>\$ 16,493,313</u>

LINCOLN PARISH SCHOOL BOARD

GENERAL FUND ACCOUNTS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

	1967	1979	1993
GENERAL	SALES TAX	SALES TAX	AD VALOREM
ACCOUNTS	ACCOUNT	ACCOUNT	TAX ACCOUNT
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,714,109	\$ 0	\$ 1,856,272
Sales and use	0	3,547,066	0
Interest earnings	77,608	7,358	14,047
Other	254,626	0	1,975
State sources:			
Equalization	23,460,728	0	0
Other	1,439,014	0	0
Federal sources	73,942	0	0
Total Revenues	27,020,027	3,554,424	1,872,294
EXPENDITURES			
Current:			
Instruction:			
Regular programs	12,045,684	1,470,459	1,581,844
Special education programs	3,097,516	401,021	294,726
Other instructional programs	2,162,209	194,016	199,386
Support services:			
Student services	1,141,401	114,725	150,488
Instructional staff support	1,282,818	129,716	297,783
General administration	366,469	54,102	34,054
School administration	1,863,826	169,280	124,564
Business services	374,368	29,598	17,838
Plant services	1,167,974	157,133	91,713
Student transportation services	1,346,389	207,166	114,682
Central services	25,714	2,934	1,637
Food services	307,444	226,790	130,114
Community service program	21,757	0	1,638
Capital outlay	145,639	0	50,000
Debt service:			
Principal retirement	13,456	0	0
Interest and bank charges	3,393	0	9,740
Total Expenditures	25,366,057	3,156,940	3,090,467
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1,653,970	\$ 397,484	\$ 50,038

Exhibit 3

STATE		
ACCOUNTABILITY		
<u>REWARDS</u>		<u>TOTAL</u>
\$	0	\$ 3,570,381
	0	7,094,132
	0	113,188
	0	257,369
	0	23,460,728
	4,850	1,443,864
	0	73,942
	<u>4,850</u>	<u>36,013,604</u>
	5,338	15,424,239
	0	3,798,339
	0	2,658,735
	0	1,533,630
	0	1,780,188
	0	533,230
	0	2,283,144
	0	434,686
	0	2,097,787
	0	1,710,812
	0	30,343
	0	706,625
	0	23,395
	0	374,316
	0	38,456
	0	13,133
	<u>5,338</u>	<u>33,441,058</u>
\$	<u>(488)</u>	\$ <u>2,572,546</u>

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD

GENERAL FUND ACCOUNTS
Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

	<u>GENERAL</u> <u>ACCOUNTS</u>	<u>1967</u> <u>SALES TAX</u> <u>ACCOUNT</u>	<u>1979</u> <u>SALES TAX</u> <u>ACCOUNT</u>	<u>1993</u> <u>AD VALOREM</u> <u>TAX ACCOUNT</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 2	\$ 0	\$ 0	\$ 0
Transfers out	<u>(349,997)</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Other Financing Sources (Uses)	 <u>(349,995)</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 Net Change in Fund Balances	 1,303,975	 397,484	 471,542	 50,038
 FUND BALANCES AT BEGINNING OF YEAR	 <u>5,133,858</u>	 <u>608,368</u>	 <u>1,309,602</u>	 <u>1,714,022</u>
 FUND BALANCES AT END OF YEAR	 <u>\$ 6,437,833</u>	 <u>\$ 1,005,852</u>	 <u>\$ 1,781,144</u>	 <u>\$ 1,764,060</u>

Exhibit 3

STATE ACCOUNTABILITY	
<u>REWARDS</u>	<u>TOTAL</u>
\$ 0	\$ 2
<u>0</u>	<u>(349,997)</u>
<u>0</u>	<u>(349,995)</u>
(488)	2,222,551
<u>797</u>	<u>8,766,647</u>
<u>\$ 309</u>	<u>\$ 10,989,198</u>

(CONCLUDED)

LINCOLN PARISH SCHOOL BOARD

GENERAL FUND (GENERAL ACCOUNTS)
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 4

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,723,500	\$ 1,714,109	\$ (9,391)
Interest earnings	110,500	77,608	(32,892)
Other	228,785	254,626	25,841
State sources:			
Equalization	23,490,356	23,460,728	(29,628)
Other	1,527,852	1,439,014	(88,838)
Federal sources			
	57,950	73,942	15,992
Total Revenues	27,138,943	27,020,027	(118,916)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	13,193,936	12,045,684	1,148,252
Special education programs	3,494,211	3,097,516	396,695
Other instructional programs	2,279,307	2,162,209	117,098
Support services:			
Student services	1,252,764	1,141,401	111,363
Instructional staff support	1,368,296	1,282,818	85,478
General administration	339,773	366,469	(26,696)
School administration	1,959,458	1,863,826	95,632
Business services	397,860	374,368	23,492
Plant services	1,225,846	1,167,974	57,872
Student transportation services	1,430,758	1,346,389	84,369
Central services	25,375	25,714	(339)
Food services	299,555	307,444	(7,889)
Community service program	22,700	21,757	943
Capital outlay	136,600	145,639	(9,039)
Debt service:			
Principal retirement	12,040	13,456	(1,416)
Interest and bank charges	3,000	3,393	(393)
Total Expenditures	27,441,479	25,366,057	2,075,422
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (302,536)	\$ 1,653,970	\$ 1,956,506

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD

GENERAL FUND (GENERAL ACCOUNTS)
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 4

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 100,000	\$ 2	(99,998)
Transfers out	<u>(512,630)</u>	<u>(349,997)</u>	<u>162,633</u>
Total Other Financing Sources (Uses)	<u>(412,630)</u>	<u>(349,995)</u>	<u>62,635</u>
Net Change in Fund Balances	(715,166)	1,303,975	2,019,141
FUND BALANCE AT BEGINNING OF YEAR	<u>5,133,858</u>	<u>5,133,858</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,418,692</u>	<u>\$ 6,437,833</u>	<u>\$ 2,019,141</u>

(CONCLUDED)

LINCOLN PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS - GENERAL FUND (1967 SALES TAX ACCOUNT)
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 5

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 3,300,000	\$ 3,547,066	\$ 247,066
Interest earnings	80,000	7,358	(72,642)
Total Revenues	<u>3,380,000</u>	<u>3,554,424</u>	<u>174,424</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	1,529,300	1,470,459	58,841
Special education programs	494,100	401,021	93,079
Other instructional programs	221,640	194,016	27,624
Support services:			
Student services	124,325	114,725	9,600
Instructional staff support	143,000	129,716	13,284
General administration	55,425	54,102	1,323
School administration	184,575	169,280	15,295
Business services	32,525	29,598	2,927
Plant services	183,875	157,133	26,742
Student transportation services	220,825	207,166	13,659
Central services	3,455	2,934	521
Food services	243,305	226,790	16,515
Total Expenditures	<u>3,436,350</u>	<u>3,156,940</u>	<u>279,410</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(56,350)	397,484	453,834
FUND BALANCE AT BEGINNING OF YEAR	<u>608,368</u>	<u>608,368</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 552,018</u>	<u>\$ 1,005,852</u>	<u>\$ 453,834</u>

LINCOLN PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS - GENERAL FUND (1979 SALES TAX ACCOUNT)
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 6

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 3,340,000	\$ 3,547,066	\$ 207,066
Interest earnings	83,000	14,175	(68,825)
Other	770	768	(2)
	<u>3,423,770</u>	<u>3,562,009</u>	<u>138,239</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	1,794,370	1,581,844	212,526
Special education programs	353,150	294,726	58,424
Other instructional programs	234,595	199,386	35,209
Support services:			
Student services	161,320	150,488	10,832
Instructional staff support	332,445	297,783	34,662
General administration	33,320	34,054	(734)
School administration	131,000	124,564	6,436
Business services	18,175	17,838	337
Plant services	113,695	91,713	21,982
Student transportation services	120,850	114,682	6,168
Central services	1,620	1,637	(17)
Food services	149,400	130,114	19,286
Community service programs	1,620	1,638	(18)
Capital outlay	0	50,000	(50,000)
	<u>3,445,560</u>	<u>3,090,467</u>	<u>355,093</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(21,790)	471,542	493,332
FUND BALANCE AT BEGINNING OF YEAR	<u>1,309,602</u>	<u>1,309,602</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,287,812</u>	<u>\$ 1,781,144</u>	<u>\$ 493,332</u>

LINCOLN PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS - GENERAL FUND (1993 AD VALOREM TAX ACCOUNT)
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 7

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,835,000	\$ 1,856,272	\$ 21,272
Interest earnings	12,000	14,047	2,047
Other	1,550	1,975	425
	<u>1,848,550</u>	<u>1,872,294</u>	<u>23,744</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	276,400	320,914	(44,514)
Special education programs	5,500	5,076	424
Other instructional programs	106,150	103,124	3,026
Support services:			
Student services	96,350	127,016	(30,666)
Instructional staff support	72,680	69,871	2,809
General administration	78,650	78,605	45
School administration	128,125	125,474	2,651
Business services	12,840	12,882	(42)
Plant services	695,810	680,967	14,843
Student transportation services	216,600	42,575	174,025
Central services	100	58	42
Food services	28,000	42,277	(14,277)
Capital outlay	0	178,677	(178,677)
Debt service:			
Principal retirement	25,000	25,000	0
Interest and bank charges	9,740	9,740	0
	<u>1,751,945</u>	<u>1,822,256</u>	<u>(70,311)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	96,605	50,038	(46,567)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,710,771</u>	<u>1,714,022</u>	<u>3,251</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,807,376</u>	<u>\$ 1,764,060</u>	<u>\$ 49,818</u>

LINCOLN PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS - GENERAL FUND (STATE ACCOUNTABILITY REWARDS)
 Schedule of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 8

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State sources:			
Other	\$ 4,850	\$ 4,850	\$ 0
Total Revenues	<u>4,850</u>	<u>4,850</u>	<u>0</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	<u>4,850</u>	<u>5,338</u>	<u>(488)</u>
Total Expenditures	<u>4,850</u>	<u>5,338</u>	<u>(488)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	(488)	(488)
FUND BALANCE AT BEGINNING OF YEAR	<u>797</u>	<u>797</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 797</u>	<u>\$ 309</u>	<u>\$ (488)</u>

Lincoln Parish School Board

**COMBINING
NONMAJOR GOVERNMENTAL FUNDS**

LINCOLN PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2004

Exhibit 9

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL
ASSETS				
Cash and cash equivalents	\$ 2,509,922	\$ 262,230	\$ 150,000	\$ 2,922,152
Investments	3,428,402	1,673,371	0	5,101,773
Receivables	1,571,183	24,972	0	1,596,155
Interfund receivables	3,106	0	0	3,106
Inventory	40,051	0	0	40,051
Other assets	2,500	0	0	2,500
TOTAL ASSETS	7,555,164	1,960,573	150,000	9,665,737
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	737,755	0	0	737,755
Interfund payables	911,627	0	0	911,627
Deferred revenue	19,516	0	150,000	169,516
Total Liabilities	1,668,898	0	150,000	1,818,898
 Fund Balances:				
Reserved for debt service	0	1,960,573	0	1,960,573
Reserved for inventory	20,535	0	0	20,535
Reserved for salary improvements	2,910,909	0	0	2,910,909
Reserved for retiree health insurance premium	520,497	0	0	520,497
Reserved for technology	215,793	0	0	215,793
Unreserved and undesignated	2,218,532	0	0	2,218,532
Total Fund Balances	5,886,266	1,960,573	0	7,846,839
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,555,164	\$ 1,960,573	\$ 150,000	\$ 9,665,737

LINCOLN PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended June 30, 2004

Exhibit 10

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 2,754,644	\$ 2,023,749	\$ 0	\$ 4,778,393
Sales and use	6,475,461	0	0	6,475,461
Interest earnings	49,426	34,452	0	83,878
Food services	376,804	0	0	376,804
Other	34,577	0	0	34,577
State sources:				
Equalization	287,761	0	0	287,761
Other	456,343	0	0	456,343
Federal sources	4,035,265	0	0	4,035,265
Total Revenues	14,470,281	2,058,201	0	16,528,482
EXPENDITURES				
Current:				
Instruction:				
Regular programs	4,376,518	0	0	4,376,518
Special education programs	1,447,327	0	0	1,447,327
Other instructional programs	832,026	0	0	832,026
Support services:				
Student services	442,397	0	0	442,397
Instructional staff support	812,306	0	0	812,306
General administration	255,932	70,520	0	326,452
School administration	341,923	0	0	341,923
Business services	62,511	0	0	62,511
Plant services	1,410,251	0	0	1,410,251
Student transportation services	685,852	0	0	685,852
Central services	4,853	0	0	4,853
Food services	2,775,431	0	0	2,775,431
Community service programs	10,459	0	0	10,459
Capital outlay	794,726	0	0	794,726
Debt service:				
Principal retirement	0	1,735,000	0	1,735,000
Interest and bank charges	0	166,679	0	166,679
Total Expenditures	14,252,512	1,972,199	0	16,224,711
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 217,769	\$ 86,002	\$ 0	\$ 303,771

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances- By Fund Type
For the Year Ended June 30, 2004

Exhibit 10

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 350,000	\$ 0	\$ 0	\$ 350,000
Transfers out	(5)	0	0	(5)
Total Other Financing Sources (Uses)	<u>349,995</u>	<u>0</u>	<u>0</u>	<u>349,995</u>
Net Change in Fund Balances	567,764	86,002	0	653,766
FUND BALANCES - BEGINNING	<u>5,318,502</u>	<u>1,874,571</u>	<u>0</u>	<u>7,193,073</u>
FUND BALANCES - ENDING	<u>\$ 5,886,266</u>	<u>\$ 1,960,573</u>	<u>\$ 0</u>	<u>\$ 7,846,839</u>

(CONCLUDED)

**Lincoln Parish School Board
Non-Major Special Revenue Funds**

TITLE V To assist state and local educational agencies to improve elementary and secondary education. Grants are awarded for students at risk of failure in school; instructional materials; school-wide improvements and effective school programs; training and professional development; early identification of children with reading disabilities, personal excellence of students and student achievements; innovative enhancements projects to the educational program and climate of the school; and additional teaching staff in grades 1-3 to reduce instructional class size.

ADULT EDUCATION To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship. Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

TITLE II To improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

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

PARISH-WIDE MAINTENANCE The parish-wide maintenance fund accounts for the proceeds of a specific parish-wide ad valorem tax to be used for maintenance and upkeep of school facilities.

RUSTON SCHOOL DISTRICT NO. 1 MAINTENANCE AND OPERATION The Ruston School District No. 1 maintenance and operation fund accounts for the proceeds of a 3-mil Ruston School District ad valorem tax to be used for the utilities of the schools in the district.

SIMSBORO SCHOOL DISTRICT NO. 3 MAINTENANCE AND OPERATION The Simsboro School District No. 3 maintenance and operation fund accounts for the proceeds of a 3-mil Simsboro School District ad valorem tax to be used for the utilities of the schools in the district.

DUBACH SCHOOL DISTRICT NO. 5 MAINTENANCE AND OPERATION The Dubach School District No. 5 maintenance and operation fund accounts for the proceeds of a 3-mil Dubach School District ad valorem tax to be used for maintaining and operating the school facilities in the district including the payment of the cost of the utilities.

SPECIAL PROGRAMS The special programs fund accounts for various federal grants to the School Board. All of the grants are restricted for special purposes.

EDUCATIONAL EXCELLENCE The Louisiana State Legislature established the Millennium Trust in 1999 to provide for the disposition of proceeds from the tobacco settlement. This fund is a component of the Millennium Trust. The funds are restricted to expenditure for pre-kindergarten through twelfth grade instructional enhancements for students, including early childhood education programs focused on at-risk children and remedial instruction and assistance to children who fail to achieve required scores on tests required for advancement.

TITLE IV (DRUG FREE) To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

Lincoln Parish School Board
Non-Major Special Revenue Funds

RURAL EDUCATION ACHIEVEMENT These funds are used for teacher recruitment and retention, professional development, educational technology and parental involvement activities.

2000 SALES TAX The 2000 Sales Tax Fund accounts for the proceeds of a one-half cent sales tax to be used for the payment of salaries and benefits of teachers and other School Board employees.

1993 SALES TAX The 1993 Sales Tax Fund accounts for the proceeds of a one-half cent sales tax to be used for paying instructional and support staff salaries and benefits.

2000 AD VALOREM TAX The 2000 Ad Valorem Tax Fund accounts for the proceeds of a parish-wide 10 mill ad valorem tax. Of the total tax collections, 50% is to be used for paying salaries and benefits. The remaining 50% of tax collections is to be used for paying retiree health insurance premiums, paying for technology, covering the cost of mandated summer school, and for maintaining, operating and improving school buildings, facilities, vehicles and equipment.

LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2004

	<u>TITLE V</u>	<u>ADULT EDUCATION</u>	<u>TITLE II</u>	<u>SCHOOL FOOD SERVICE</u>
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	551,496
Investments	0	0	0	840,843
Receivables	2,693	23,251	237,060	174
Interfund receivables	0	0	0	0
Inventory	0	0	0	40,051
Other assets	0	0	0	0
TOTAL ASSETS	<u>2,693</u>	<u>23,251</u>	<u>237,060</u>	<u>1,432,564</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries & other payables	0	13,406	26,747	141,382
Interfund payables	2,693	9,845	210,313	0
Deferred revenues	0	0	0	19,516
Total Liabilities	<u>2,693</u>	<u>23,251</u>	<u>237,060</u>	<u>160,898</u>
Fund Balances:				
Reserved for inventory	0	0	0	20,535
Reserved for salary improvements	0	0	0	0
Reserved for retiree health insurance premium	0	0	0	0
Reserved for technology	0	0	0	0
Reserved for equipment	0	0	0	0
Unreserved and undesignated	0	0	0	1,251,131
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,271,666</u>
TOTAL LIABILITIES AND AND FUND BALANCES	<u>\$ 2,693</u>	<u>\$ 23,251</u>	<u>\$ 237,060</u>	<u>\$ 1,432,564</u>

SCHOOL DISTRICTS							
PARISHWIDE MAINTENANCE	RUSTON NO. 1 MAINTENANCE & OPERATIONS	SIMSBORO NO. 3 MAINTENANCE & OPERATIONS	DUBACH NO. 5 MAINTENANCE & OPERATIONS	SPECIAL PROGRAMS	EDUCATION EXCELLENCE	TITLE IV (DRUG FREE)	
\$ 395,046	\$ 71,896	\$ 13,191	\$ 1,083	\$ 9,039	\$ 103,408	\$ 0	
39	0	0	0	0	0	0	
9,338	4,731	393	220	663,034	0	18,257	
3,106	0	0	0	0	0	0	
0	0	0	0	0	0	0	
2,500	0	0	0	0	0	0	
410,029	76,627	13,584	1,303	672,073	103,408	18,257	
35,574	25,521	178	312	108,904	27,706	0	
0	0	0	0	563,169	0	18,257	
0	0	0	0	0	0	0	
35,574	25,521	178	312	672,073	27,706	18,257	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
0	0	0	0	0	0	0	
374,455	51,106	13,406	991	0	75,702	0	
374,455	51,106	13,406	991	0	75,702	0	
\$ 410,029	\$ 76,627	\$ 13,584	\$ 1,303	\$ 672,073	\$ 103,408	\$ 18,257	

(CONTINUED)

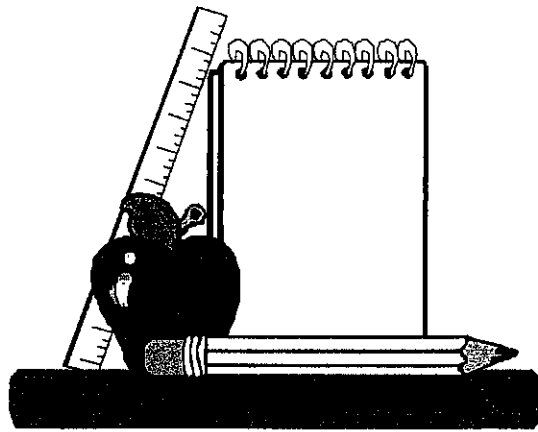
LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2004

Exhibit 11

	RURAL				
	EDUCATION	2000	1993	2000	
	ACHIEVEMENT	SALES TAX	SALES TAX	AD VALOREM	TOTAL
ASSETS					
Cash and cash equivalents	\$ 0	\$ 299,779	\$ 230,915	\$ 834,069	\$ 2,509,922
Investments	0	745,957	1,219,936	621,627	3,428,402
Receivables	109,102	242,889	242,889	17,152	1,571,183
Interfund receivables	0	0	0	0	3,106
Inventory	0	0	0	0	40,051
Other assets	0	0	0	0	2,500
TOTAL ASSETS	109,102	1,288,625	1,693,740	1,472,848	7,555,164
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries & other payables	1,752	5,617	348,772	1,884	737,755
Interfund payables	107,350	0	0	0	911,627
Deferred revenues	0	0	0	0	19,516
Total Liabilities	109,102	5,617	348,772	1,884	1,668,898
Fund Balances:					
Reserved for inventory	0	0	0	0	20,535
Reserved for salary improvements	0	1,283,008	1,344,968	282,933	2,910,909
Reserved for retiree health insurance premium	0	0	0	520,497	520,497
Reserved for technology	0	0	0	215,793	215,793
Unreserved and undesignated	0	0	0	451,741	2,218,532
Total Fund Balances	0	1,283,008	1,344,968	1,470,964	5,886,266
TOTAL LIABILITIES AND FUND BALANCES	\$ 109,102	\$ 1,288,625	\$ 1,693,740	\$ 1,472,848	\$ 7,555,164

(CONCLUDED)

Lincoln Parish School Board



LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

	TITLE V	ADULT EDUCATION	TITLE II	SCHOOL FOOD SERVICE
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 0	\$ 0	\$ 0	\$ 0
Sales and use	0	0	0	0
Interest earnings	0	0	0	10,562
Food service	0	0	0	376,804
Other	0	0	0	775
State sources:				
Equalization	0	0	0	287,761
Other	0	0	0	0
Federal sources	61,797	46,233	494,645	1,773,616
Total Revenues	61,797	46,233	494,645	2,449,518
EXPENDITURES				
Current:				
Instruction:				
Regular programs	0	0	369,734	0
Special education programs	0	0	0	0
Other instructional programs	58,151	45,406	69,227	0
Support services:				
Student services	0	0	0	0
Instructional staff support	0	827	27,301	0
General administration	3,646	0	28,383	0
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	0	0	0	0
Student transportation services	0	0	0	0
Central services	0	0	0	0
Food services	0	0	0	2,387,198
Community services	0	0	0	0
Capital outlay	0	0	0	131,350
Total Expenditures	61,797	46,233	494,645	2,518,548
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	(69,030)

Exhibit 12

SCHOOL DISTRICTS						
PARISHWIDE MAINTENANCE	RUSTON NO. 1 MAINTENANCE & OPERATIONS	SIMSBORO NO. 3 MAINTENANCE & OPERATIONS	DUBACH NO. 5 MAINTENANCE & OPERATIONS	SPECIAL PROGRAMS	EDUCATION EXCELLENCE	TITLE IV DRUG FREE
\$ 789,184	\$ 335,648	\$ 52,985	\$ 42,405	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	0
1,772	591	96	81	0	0	0
0	0	0	0	0	0	0
33,802	0	0	0	0	0	0
0	0	0	0	0	0	0
94,181	0	0	0	23,974	338,188	0
0	0	0	0	1,342,004	0	72,611
<u>918,939</u>	<u>336,239</u>	<u>53,081</u>	<u>42,486</u>	<u>1,365,978</u>	<u>338,188</u>	<u>72,611</u>
0	0	0	0	0	252,276	0
0	0	0	0	595,882	0	0
0	0	0	0	107,267	4,799	71,188
0	0	0	0	184,104	0	0
0	0	0	0	362,490	0	0
26,848	11,005	1,689	2,097	54,524	0	1,423
0	0	0	0	0	0	0
0	0	0	0	10,169	0	0
703,446	322,371	40,124	69,992	2,639	0	0
318,444	0	0	0	10,589	16,906	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	9,970	0	0
73,688	0	0	800	28,339	0	0
<u>1,122,426</u>	<u>333,376</u>	<u>41,813</u>	<u>72,889</u>	<u>1,365,973</u>	<u>273,981</u>	<u>72,611</u>
\$ (203,487)	\$ 2,863	\$ 11,268	\$ (30,403)	\$ 5	\$ 64,207	\$ 0

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

	<u>TITLE V</u>	<u>ADULT EDUCATION</u>	<u>TITLE II</u>	<u>SCHOOL FOOD SERVICE</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Transfers out	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	(69,030)
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,340,696</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,271,666</u>

<u>SCHOOL DISTRICTS</u>							
<u>PARISHWIDE</u>	<u>RUSTON NO. 1</u>	<u>SIMSBORO NO. 3</u>	<u>DUBACH NO. 5</u>	<u>SPECIAL</u>	<u>EDUCATION</u>	<u>TITLE IV</u>	
<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>PROGRAMS</u>	<u>EXCELLENCE</u>	<u>DRUG FREE</u>	
<u>& OPERATIONS</u>	<u>& OPERATIONS</u>	<u>& OPERATIONS</u>	<u>& OPERATIONS</u>				
\$ 350,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
0	0	0	0	(5)	0	0	0
<u>350,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(5)</u>	<u>0</u>	<u>0</u>	<u>0</u>
146,513	2,863	11,268	(30,403)	0	64,207		0
<u>227,942</u>	<u>48,243</u>	<u>2,138</u>	<u>31,394</u>	<u>0</u>	<u>11,495</u>		<u>0</u>
\$ 374,455	\$ 51,106	\$ 13,406	\$ 991	\$ 0	\$ 75,702		0

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

Exhibit 12

	RURAL				
	EDUCATION	2000	1993	2000	
	ACHIEVEMENT	SALES TAX	SALES TAX	AD VALOREM	TOTAL
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 0	\$ 0	\$ 0	1,534,422	\$ 2,754,644
Sales and use tax	0	2,928,395	3,547,066	0	6,475,461
Interest earnings	0	10,568	14,563	11,193	49,426
Food service	0	0	0	0	376,804
Other	0	0	0	0	34,577
State sources:					
Equalization	0	0	0	0	287,761
Other	0	0	0	0	456,343
Federal sources	244,359	0	0	0	4,035,265
Total Revenues	244,359	2,938,963	3,561,629	1,545,615	14,470,281
EXPENDITURES					
Current:					
Instruction:					
Regular programs	119,842	1,334,320	1,758,231	542,115	4,376,518
Special education programs	0	352,868	386,599	111,978	1,447,327
Other instructional programs	0	167,777	251,788	56,423	832,026
Support services:					
Student services	0	105,876	118,885	33,532	442,397
Instructional staff support	6,022	113,529	252,510	49,627	812,306
General administration	7,746	31,401	30,376	56,794	255,932
School administration	0	136,004	149,806	56,113	341,923
Business services	2,500	20,230	22,732	6,880	62,511
Plant services	0	112,647	120,254	38,778	1,410,251
Student transportation services	0	139,805	150,982	49,126	685,852
Central services	0	2,001	2,156	696	4,853
Food services	0	159,972	173,542	54,719	2,775,431
Community services	0	0	0	489	10,459
Capital outlay	108,249	0	0	452,300	794,726
Total Expenditures	244,359	2,676,430	3,417,861	1,509,570	14,252,512
EXCESS (Deficiency) OF REVENUES					
OVER EXPENDITURES	\$ 0	\$ 262,533	\$ 143,768	\$ 36,045	\$ 217,769

(CONTINUED)

LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

Exhibit 12

	RURAL				
	EDUCATION	2000	1993	2000	
	ACHIEVEMENT	SALES TAX	SALES TAX	AD VALOREM	TOTAL
OTHER FINANCING SOURCES (USES)					
Transfers in	\$ 0	\$ 0	\$ 0	\$ 0	350,000
Transfers out	0	0	0	0	(5)
TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	349,995
Net Change in Fund Balances	0	262,533	143,768	36,045	567,764
FUND BALANCES AT BEGINNING OF YEAR	0	1,020,475	1,201,200	1,434,919	5,318,502
FUND BALANCES AT END OF YEAR	\$ 0	\$ 1,283,008	\$ 1,344,968	\$ 1,470,964	\$ 5,886,266

(CONCLUDED)

LINCOLN PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
TITLE V

Statement of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 13

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 62,262	\$ 61,797	\$ (465)
Total Revenues	<u>62,262</u>	<u>61,797</u>	<u>(465)</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	58,588	58,151	437
Support services:			
General administration	<u>3,674</u>	<u>3,646</u>	<u>28</u>
Total Expenditures	<u>62,262</u>	<u>61,797</u>	<u>465</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
ADULT EDUCATION
Statement of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 14

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 47,101	\$ 46,233	\$ (868)
Total Revenues	47,101	46,233	(868)
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	46,273	45,406	867
Support services:			
Instructional staff support	828	827	1
Total Expenditures	47,101	46,233	868
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0

LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
TITLE II
Statement of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 15

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 534,107	\$ 494,645	\$ (39,462)
Total Revenues	534,107	494,645	(39,462)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	298,520	369,734	(71,214)
Other instructional programs	180,605	69,227	111,378
Support services:			
Instructional staff support	21,606	27,301	(5,695)
General administration	33,376	28,383	4,993
Total Expenditures	534,107	494,645	39,462
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0

LINCOLN PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
SCHOOL FOOD SERVICE**

**Statement of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004**

Exhibit 16

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 15,250	\$ 10,562	\$ (4,688)
Food service	370,395	376,804	6,409
Other	0	775	775
State sources:			
Equalization	330,000	287,761	(42,239)
Federal sources	<u>1,673,815</u>	<u>1,773,616</u>	<u>99,801</u>
 Total Revenues	 <u>2,389,460</u>	 <u>2,449,518</u>	 <u>60,058</u>
 EXPENDITURES			
Current:			
Food services	2,496,519	2,387,198	109,321
Capital outlay	<u>0</u>	<u>131,350</u>	<u>(131,350)</u>
 Total Expenditures	 <u>2,496,519</u>	 <u>2,518,548</u>	 <u>(22,029)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 (107,059)	 (69,030)	 38,029
 FUND BALANCE AT BEGINNING OF YEAR	 <u>1,340,696</u>	 <u>1,340,696</u>	 <u>0</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 1,233,637</u>	 <u>\$ 1,271,666</u>	 <u>\$ 38,029</u>

LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
PARISH-WIDE MAINTENANCE
Statement of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 17

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 800,000	\$ 789,184	\$ (10,816)
Interest earnings	1,050	1,772	722
Other	28,800	33,802	5,002
State sources	92,000	94,181	2,181
 Total Revenues	 921,850	 918,939	 (2,911)
 EXPENDITURES			
Current:			
Support services:			
General administration	27,000	26,848	152
Plant services	707,900	703,446	4,454
Student transportation services	312,375	318,444	(6,069)
Capital outlay	38,000	73,688	(35,688)
 Total Expenditures	 1,085,275	 1,122,426	 (37,151)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 (163,425)	 (203,487)	 (40,062)
 OTHER FINANCING SOURCES (USES)			
Transfers in	350,000	350,000	0
 Total Other Financing Sources (Uses)	 350,000	 350,000	 0
 Net Change in Fund Balances	 186,575	 146,513	 (40,062)
 FUND BALANCE AT BEGINNING OF YEAR	 227,942	 227,942	 0
 FUND BALANCE AT END OF YEAR	 \$ 414,517	 \$ 374,455	 \$ (40,062)

LINCOLN PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 RUSTON NO. 1 MAINTENANCE AND OPERATIONS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 18

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 325,000	\$ 335,648	\$ 10,648
Interest earnings	200	591	391
	<u>325,200</u>	<u>336,239</u>	<u>11,039</u>
EXPENDITURES			
Current:			
Support services:			
General administration	11,050	11,005	45
Plant services	360,595	322,371	38,224
	<u>371,645</u>	<u>333,376</u>	<u>38,269</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(46,445)	2,863	49,308
FUND BALANCE AT BEGINNING OF YEAR	<u>48,243</u>	<u>48,243</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,798</u>	<u>\$ 51,106</u>	<u>\$ 49,308</u>

LINCOLN PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 SIMSBORO NO. 3 MAINTENANCE AND OPERATIONS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 19

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 52,000	\$ 52,985	985
Interest earnings	25	96	71
Total Revenues	<u>52,025</u>	<u>53,081</u>	<u>1,056</u>
EXPENDITURES			
Current:			
Support services:			
General administration	1,700	1,689	11
Plant services	<u>46,900</u>	<u>40,124</u>	<u>6,776</u>
Total Expenditures	<u>48,600</u>	<u>41,813</u>	<u>6,787</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	3,425	11,268	7,843
FUND BALANCE AT BEGINNING OF YEAR	<u>2,138</u>	<u>2,138</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,563</u>	<u>\$ 13,406</u>	<u>\$ 7,843</u>

LINCOLN PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 DUBACH NO. 5 MAINTENANCE AND OPERATIONS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 20

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 42,000	\$ 42,405	\$ 405
Interest earnings	50	81	31
Total Revenues	<u>42,050</u>	<u>42,486</u>	<u>436</u>
EXPENDITURES			
Current:			
Support services:			
General administration	2,100	2,097	3
Plant services	71,250	69,992	1,258
Capital outlay	0	800	(800)
Total Expenditures	<u>73,350</u>	<u>72,889</u>	<u>461</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(31,300)	(30,403)	897
FUND BALANCE AT BEGINNING OF YEAR	<u>31,394</u>	<u>31,394</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 94</u>	<u>\$ 991</u>	<u>\$ 897</u>

LINCOLN PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
SPECIAL PROGRAMS

Statement of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 21

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State sources:			
Other	\$ 30,787	\$ 23,974	\$ 6,813
Federal sources	<u>1,562,221</u>	<u>1,342,004</u>	<u>(220,217)</u>
Total Revenues	<u>1,593,008</u>	<u>1,365,978</u>	<u>(213,404)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	665	0	665
Special education programs	815,255	595,882	219,373
Other instructional programs	121,886	107,267	14,419
Support services:			
Student services	152,240	184,104	(31,864)
Instructional staff support	399,730	362,490	37,240
General administration	67,537	54,524	13,013
Business services	15,564	10,169	5,395
Plant services	2,365	2,639	(274)
Student transportation	13,697	10,589	3,108
Community services	0	9,970	(9,970)
Capital outlay	<u>0</u>	<u>28,339</u>	<u>(28,339)</u>
Total Expenditures	<u>1,588,739</u>	<u>1,365,973</u>	<u>222,766</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>4,269</u>	<u>5</u>	<u>(4,264)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(4,269)</u>	<u>(5)</u>	<u>4,264</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,269)</u>	<u>(5)</u>	<u>4,264</u>
Net Change in Fund Balances	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LINCOLN PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS
EDUCATION EXCELLENCE**

**Statement of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004**

Exhibit 22

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State sources	<u>349,682 \$</u>	<u>338,188 \$</u>	<u>(11,494)</u>
Total Revenues	<u>349,682</u>	<u>338,188</u>	<u>(11,494)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	281,015	252,276	28,739
Other instructional programs	53,889	4,799	49,090
Support services:			
Student transportation services	<u>14,778</u>	<u>16,906</u>	<u>(2,128)</u>
Total Expenditures	<u>349,682</u>	<u>273,981</u>	<u>75,701</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	64,207	64,207
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>11,495</u>	<u>11,495</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0 \$</u>	<u>75,702 \$</u>	<u>75,702</u>

LINCOLN PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
TITLE IV (DRUG FREE)

Statement of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 23

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 86,696	\$ 72,611	\$ (14,085)
Total Revenues	<u>86,696</u>	<u>72,611</u>	<u>(14,085)</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	84,996	71,188	13,808
Support services:			
General administration	<u>1,700</u>	<u>1,423</u>	<u>277</u>
Total Expenditures	<u>86,696</u>	<u>72,611</u>	<u>14,085</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LINCOLN PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 RURAL EDUCATION ACHIEVEMENT
 Statement of Revenues, Expenditures,
 and Changes in Fund Balance- Budget (GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 24

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 184,722	\$ 244,359	\$ 59,637
Total Revenues	<u>184,722</u>	<u>244,359</u>	<u>59,637</u>
EXPENDITURES			
<i>Current:</i>			
<i>Instruction:</i>			
Regular programs	0	119,842	(119,842)
<i>Support services:</i>			
Instructional staff support	110,111	6,022	104,089
General administration	10,611	7,746	2,865
Business services	64,000	2,500	61,500
Capital outlay	0	108,249	(108,249)
Total Expenditures	<u>184,722</u>	<u>244,359</u>	<u>(59,637)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

LINCOLN PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
2000 SALES TAX

Schedule of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 25

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 2,700,000	\$ 2,928,395	\$ 228,395
Interest earnings	60,500	10,568	(49,932)
Total Revenues	<u>2,760,500</u>	<u>2,938,963</u>	<u>178,463</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	1,410,290	1,334,320	75,970
Special education programs	422,910	352,868	70,042
Other instructional programs	210,087	167,777	42,310
Support services:			
Student services	117,917	105,876	12,041
Instructional staff support	124,155	113,529	10,626
General administration	31,427	31,401	26
School administration	152,480	136,004	16,476
Business services	22,631	20,230	2,401
Plant services	150,755	112,647	38,108
Student transportation services	146,692	139,805	6,887
Central services	2,007	2,001	6
Food services	170,424	159,972	10,452
Total Expenditures	<u>2,961,775</u>	<u>2,676,430</u>	<u>285,345</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(201,275)	262,533	463,808
FUND BALANCE AT BEGINNING OF YEAR	<u>1,020,475</u>	<u>1,020,475</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 819,200</u>	<u>\$ 1,283,008</u>	<u>\$ 463,808</u>

LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
1993 SALES TAX
Schedule of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 26

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 3,300,000	\$ 3,547,066	\$ 247,066
Interest earnings	85,000	14,563	(70,437)
Total Revenues	3,385,000	3,561,629	176,629
EXPENDITURES			
Current:			
Instruction:			
Regular programs	1,934,906	1,758,231	176,675
Special education programs	447,700	386,599	61,101
Other instructional programs	296,668	251,788	44,880
Support services:			
Student services	132,325	118,885	13,440
Instructional staff support	306,610	252,510	54,100
General administration	30,830	30,376	454
School administration	161,150	149,806	11,344
Business services	26,720	22,732	3,988
Plant services	155,720	120,254	35,466
Student transportation services	160,900	150,982	9,918
Central services	1,740	2,156	(416)
Food services	192,775	173,542	19,233
Total Expenditures	3,848,044	3,417,861	430,183
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(463,044)	143,768	606,812
FUND BALANCE AT BEGINNING OF YEAR	1,201,200	1,201,200	0
FUND BALANCE AT END OF YEAR	\$ 738,156	\$ 1,344,968	\$ 606,812

LINCOLN PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
2000 AD VALOREM
Schedule of Revenues, Expenditures,
and Changes in Fund Balance- Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 27

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,548,000	\$ 1,534,422	\$ (13,578)
Interest earnings	9,300	11,193	1,893
Total Revenues	<u>1,557,300</u>	<u>1,545,615</u>	<u>(11,685)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	628,050	542,115	85,935
Special education programs	316,400	111,978	204,422
Other instructional programs	62,600	56,423	6,177
Support services:			
Student services	36,100	33,532	2,568
Instructional staff support	61,235	49,627	11,608
General administration	56,595	56,794	(199)
School administration	51,400	56,113	(4,713)
Business services	7,590	6,880	710
Plant services	51,575	38,778	12,797
Student transportation services	52,580	49,126	3,454
Central services	698	696	2
Food services	61,700	54,719	6,981
Community services	528	489	39
Capital outlay	564,000	452,300	111,700
Total Expenditures	<u>1,951,051</u>	<u>1,509,570</u>	<u>441,481</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(393,751)	36,045	429,796
FUND BALANCE AT BEGINNING OF YEAR	<u>1,434,919</u>	<u>1,434,919</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,041,168</u>	<u>\$ 1,470,964</u>	<u>\$ 429,796</u>

Lincoln Parish School Board

Non-Major Debt Service Funds

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

The School Board utilizes the following debt service funds:

RUSTON SCHOOL DISTRICT NO. 1

SIMSBORO SCHOOL DISTRICT NO. 3

CHOUDRANT SCHOOL DISTRICT NO. 6

LINCOLN PARISH SCHOOL BOARD
NONMAJOR DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 2004

Exhibit 28

	<u>SCHOOL DISTRICTS</u>			<u>TOTAL</u>
	<u>RUSTON</u>	<u>SIMSBORO</u>	<u>CHOUDRANT</u>	
	<u>NO. 1</u>	<u>NO. 3</u>	<u>NO. 6</u>	
ASSETS				
Cash and cash equivalents	\$ 2,252	\$ 202,611	\$ 57,367	\$ 262,230
Investments	1,415,382	0	257,989	1,673,371
Receivables	21,340	2,426	1,206	24,972
TOTAL ASSETS	<u>1,438,974</u>	<u>205,037</u>	<u>316,562</u>	<u>1,960,573</u>
FUND BALANCES				
Reserved for debt service	<u>1,438,974</u>	<u>205,037</u>	<u>316,562</u>	<u>1,960,573</u>
TOTAL FUND BALANCES	<u>\$ 1,438,974</u>	<u>\$ 205,037</u>	<u>\$ 316,562</u>	<u>\$ 1,960,573</u>

LINCOLN PARISH SCHOOL BOARD
NONMAJOR DEBT SERVICE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes In Fund Balances
For the Year Ended June 30, 2004

Exhibit 29

	<u>SCHOOL DISTRICTS</u>			<u>TOTAL</u>
	<u>RUSTON</u>	<u>SIMSBORO</u>	<u>CHOUDRANT</u>	
	<u>NO. 1</u>	<u>NO. 3</u>	<u>NO. 6</u>	
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,450,734	\$ 319,008	\$ 254,007	\$ 2,023,749
Interest earnings	28,467	836	5,149	34,452
Total Revenues	<u>1,479,201</u>	<u>319,844</u>	<u>259,156</u>	<u>2,058,201</u>
EXPENDITURES				
Current:				
Support services:				
General administration	52,315	10,169	8,036	70,520
Debt service:				
Principal retirement	1,370,000	185,000	180,000	1,735,000
Interest and bank charges	112,600	26,188	27,891	166,679
Total Expenditures	<u>1,534,915</u>	<u>221,357</u>	<u>215,927</u>	<u>1,972,199</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(55,714)	98,487	43,229	86,002
FUND BALANCES, AT BEGINNING OF YEAR	<u>1,494,688</u>	<u>106,550</u>	<u>273,333</u>	<u>1,874,571</u>
FUND BALANCES, AT END OF YEAR	<u>\$ 1,438,974</u>	<u>\$ 205,037</u>	<u>\$ 316,562</u>	<u>\$ 1,960,573</u>

Lincoln Parish School Board

**COMBINING
INTERNAL SERVICE FUNDS**

The internal service funds are used to account for the accumulation of resources for and the payment of benefits by the School Board's risk retention programs. The School Board maintains the following risk retention funds:

Workers' Compensation — This fund, which began in fiscal year 1991, is used to account for the payment of workers' compensation benefits. Fund revenues are derived from government allocations. These revenues are planned to match: (1) expenses of insurance premiums in excess of risk retention amounts; (2) estimated claim losses resulting from risk retention programs which include estimated liabilities for claims incurred but not yet reported at year end, and (3) operating expenses. As of July 1, 1999, the School Board is no longer self-insured for workers' compensation. However, this fund will remain active in order to pay claims occurring prior to July 1, 1999.

Group Health Insurance — Monies in this fund are received from three sources: employee deductions from payroll, 1967 sales tax fund and general fund. Monies are used to pay employee health insurance claims, the administrative cost to the insurance administrator for administration of the plan and processing medical claims, cost of excess and specific insurance to protect the fund from exposure to large claims, hospital pre-certification, and life insurance with an insurance carrier.

LINCOLN PARISH SCHOOL BOARD
PROPRIETARY FUND TYPE - INTERNAL SERVICE
Combining Statement of Net Assets
June 30, 2004

Exhibit 30

	<u>WORKERS'</u>	<u>GROUP</u>	<u>TOTAL</u>
	<u>COMPENSATION</u>	<u>HEALTH</u>	
		<u>INSURANCE</u>	
ASSETS			
Cash	\$ 0	\$ 2,490,300	\$ 2,490,300
Receivables	0	24,825	24,825
Interfund receivables	<u>47,300</u>	<u>83,341</u>	<u>130,641</u>
TOTAL ASSETS	<u>47,300</u>	<u>2,598,466</u>	<u>2,645,766</u>
LIABILITIES			
Accounts payable	<u>47,300</u>	<u>468,968</u>	<u>516,268</u>
TOTAL LIABILITIES	<u>47,300</u>	<u>468,968</u>	<u>516,268</u>
NET ASSETS			
Unrestricted	<u>0</u>	<u>2,129,498</u>	<u>2,129,498</u>
TOTAL NET ASSETS	<u>\$ 0</u>	<u>\$ 2,129,498</u>	<u>\$ 2,129,498</u>

LINCOLN PARISH SCHOOL BOARD

Exhibit 31

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
For the Year Ended June 30, 2004

	<u>WORKERS'</u> <u>COMPENSATION</u>	<u>GROUP</u> <u>HEALTH</u> <u>INSURANCE</u>	<u>TOTAL</u>
OPERATING REVENUE			
Premiums	\$ 103,715	\$ 6,569,919	\$ 6,673,634
OPERATING EXPENSES			
Administration	0	216,838	216,838
Insurance premiums	0	508,835	508,835
Claims	103,715	5,483,643	5,587,358
Total operating expenses	103,715	6,209,316	6,313,031
Operating income	0	360,603	360,603
NONOPERATING REVENUES			
Earnings on investments	0	23,821	23,821
Change in Net Assets	0	384,424	384,424
NET ASSETS AT BEGINNING OF YEAR	0	1,745,074	1,745,074
NET ASSETS AT END OF YEAR	\$ 0	\$ 2,129,498	\$ 2,129,498

LINCOLN PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE
 Combining Statement of Cash Flows
 For the Year Ended June 30, 2004

Exhibit 32

	<u>WORKERS'</u> <u>COMPENSATION</u>	<u>GROUP</u> <u>HEALTH</u> <u>INSURANCE</u>	<u>TOTAL</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 103,715	\$ 6,549,192	\$ 6,652,907
Payments for administration	0	(216,838)	(216,838)
Payments for insurance premiums	0	(508,835)	(508,835)
Payments for claims	<u>(103,715)</u>	<u>(5,449,158)</u>	<u>(5,552,873)</u>
Net cash provided (used) by operating activities	0	374,361	374,361
CASH FLOW FROM INVESTING ACTIVITIES			
Earnings on investments	<u>0</u>	<u>23,821</u>	<u>23,821</u>
Net increase (decrease) in cash and cash equivalents	0	398,182	398,182
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>0</u>	<u>2,092,118</u>	<u>2,092,118</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>0</u>	<u>2,490,300</u>	<u>2,490,300</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	0	360,603	360,603
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
(Increase) decrease in receivables	0	22,534	22,534
(Increase) decrease in interfund receivables	(47,300)	(43,261)	(90,561)
Increase (decrease) in payable	<u>47,300</u>	<u>34,485</u>	<u>81,785</u>
Net cash provided (used) for operating activities	<u>\$ 0</u>	<u>\$ 374,361</u>	<u>\$ 374,361</u>

Lincoln Parish School Board

AGENCY FUNDS

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

LINCOLN PARISH SCHOOL BOARD
SCHOOL ACTIVITIES AGENCY FUND
Statement of Fiduciary Assets and Liabilities
June 30, 2004

Exhibit 33

ASSETS

Cash and cash equivalents

\$ 577,870

LIABILITIES

Deposits due others

\$ 577,870

LINCOLN PARISH SCHOOL BOARD

AGENCY FUNDS

Combining Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2004

Exhibit 34

	Balance, Beginning	Additions	Deductions	Balance, Ending
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	<u>\$522,033</u>	<u>\$1,789,975</u>	<u>\$1,734,138</u>	<u>\$577,870</u>
LIABILITIES				
Deposits due others	<u>\$522,033</u>	<u>\$1,789,975</u>	<u>\$1,734,138</u>	<u>\$577,870</u>

LINCOLN PARISH SCHOOL BOARD

Exhibit 35

SCHOOL ACTIVITIES AGENCY FUND
 Schedule of Changes in Deposits Due Others
 For the Year Ended June 30, 2004

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Choudrant Elementary	\$ 15,446	\$ 40,754	\$ 40,257	\$ 15,943
Choudrant High School	22,729	223,554	212,186	34,097
Cypress Springs Elementary	13,893	46,011	43,320	16,584
Dubach High School	26,536	104,508	101,599	29,445
Glen View Elementary	18,465	37,174	37,562	18,077
Hico Elementary	17,138	31,331	31,226	17,243
Hillcrest Elementary	14,247	54,156	51,859	16,544
J. A. Lewis School	8,811	62,069	59,677	11,203
Lincoln Center	2,389	8,844	7,790	3,443
Ruston Elementary	19,488	36,249	36,935	18,802
Ruston High School	229,948	753,831	711,009	272,770
Ruston Junior High	40,044	208,870	209,603	39,311
Secondary Alternative School	5,131	1,101	224	6,008
Simsboro High	<u>87,768</u>	<u>181,523</u>	<u>190,891</u>	<u>78,400</u>
Total	<u>\$ 522,033</u>	<u>\$ 1,789,975</u>	<u>\$ 1,734,138</u>	<u>\$ 577,870</u>

Lincoln Parish School Board

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

COMPENSATION PAID BOARD MEMBERS

LINCOLN PARISH SCHOOL BOARD

SCHEDULE OF CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS -
BY SOURCE
June 30, 2004

Exhibit 36

CAPITAL ASSETS:

Land	\$	375,654
Buildings		30,962,508
Improvements other than buildings		555,646
Furniture and equipment		3,935,193
Transportation equipment		<u>3,302,265</u>

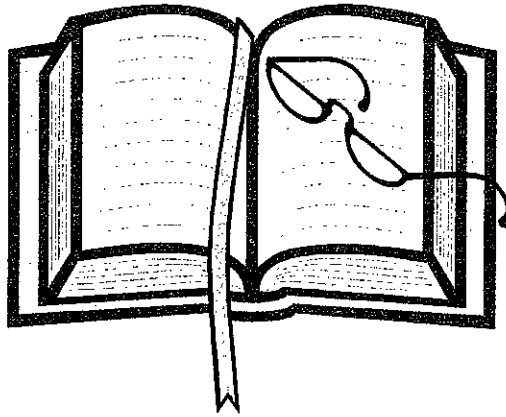
TOTAL CAPITAL ASSETS \$ 39,131,266

INVESTMENT IN CAPITAL ASSETS:

From General Fund	\$	34,300,386
From Title I Fund		471,044
From School Food Service Fund		1,264,436
From Maintenance Funds		1,441,546
From Ad Valorem Funds		476,300
From Special Education Fund		187,754
From Vocational Education Fund		154,732
From Other Federal Funds		<u>835,068</u>

TOTAL INVESTMENT IN CAPITAL ASSETS \$ 39,131,266

Lincoln Parish School Board



LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

**SCHEDULE OF CHANGES IN CAPITAL ASSETS
USED IN THE OPERATION OF GOVERNMENTAL FUNDS - BY FUNCTION
For the Year Ended June 30, 2004**

Exhibit 37

<u>FUNCTION</u>	<u>BALANCE, BEGINNING</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE, ENDING</u>
<u>Instructional</u>				
Regular	\$ 1,129,035	\$ 89,402	\$ 30,403	\$ 1,188,034
Special	170,769	57,165	16,364	211,570
Other instructional programs	<u>1,133,912</u>	<u>44,106</u>	<u>54,393</u>	<u>1,123,625</u>
 Total Instructional	 <u>2,433,716</u>	 <u>190,673</u>	 <u>101,160</u>	 <u>2,523,229</u>
 <u>Supporting services</u>				
Student services	81,104	1,859	0	82,963
Instructional staff support	383,977	27,191	23,201	387,967
General administration	13,628	1,082	0	14,710
School administration	208,994	37,801	17,764	229,031
Business and central services	25,091	22,314	0	47,405
Plant services	680,878	2,558	6,100	677,336
Student transportation services	2,871,642	200,563	0	3,072,205
Food services	1,162,090	20,659	46,238	1,136,511
Facility acquisition and construction	<u>24,000</u>	<u>0</u>	<u>24,000</u>	<u>0</u>
 Total Supporting Services	 <u>5,451,404</u>	 <u>314,027</u>	 <u>117,303</u>	 <u>5,648,128</u>
 Unallocated	 <u>30,266,663</u>	 <u>693,246</u>	 <u>0</u>	 <u>30,959,909</u>
 TOTAL CAPITAL ASSETS	 <u>\$ 38,151,783</u>	 <u>\$ 1,197,946</u>	 <u>\$ 218,463</u>	 <u>\$ 39,131,266</u>

LINCOLN PARISH SCHOOL BOARD
SCHEDULE OF CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS -
BY FUNCTION

June 30, 2004

<u>FUNCTION</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>
<u>Instructional</u>			
Regular	\$ 1,135,194	\$ 0	\$ 0
Special	211,570	0	0
Other instructional programs	<u>1,208,332</u>	<u>0</u>	<u>0</u>
Total Instructional	<u>2,555,096</u>	<u>0</u>	<u>0</u>
<u>Supporting Services</u>			
Pupil Support	58,648	0	0
Instructional Staff,	387,967	0	0
General Administration	14,710	0	0
School Administration	223,742	0	0
Business and Central Services	47,405	0	0
Plant services	670,655	375,654	0
Student Transportation	3,091,086	0	0
Food Service Operations	<u>1,119,449</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>5,613,662</u>	<u>375,654</u>	<u>0</u>
Unallocated	<u>30,962,508</u>	<u>0</u>	<u>30,962,508</u>
TOTAL CAPITAL ASSETS	<u>\$ 39,131,266</u>	<u>\$ 375,654</u>	<u>\$ 30,962,508</u>

Exhibit 38

IMPROVEMENTS OTHER THAN BUILDINGS	FURNITURE AND EQUIPMENT	TRANSPORTATION EQUIPMENT
\$ 555,646	\$ 579,548	\$ 0
0	211,570	0
<u>0</u>	<u>1,147,940</u>	<u>60,392</u>
<u>555,646</u>	<u>1,939,058</u>	<u>60,392</u>
0	58,648	0
0	387,967	0
0	14,710	0
0	223,742	0
0	26,541	20,864
0	170,907	124,094
0	11,475	3,079,611
<u>0</u>	<u>1,102,145</u>	<u>17,304</u>
<u>0</u>	<u>1,996,135</u>	<u>3,241,873</u>
<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 555,646</u>	<u>\$ 3,935,193</u>	<u>\$ 3,302,265</u>

Lincoln Parish School Board

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2004**

Exhibit 39

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

Mr. Robert E. Shadoin, President	\$ 6,000
Mr. Otha Anders, Vice-President	4,800
Mr. William E. Abrahm	4,000
Mr. Don Beasley	3,600
Ms. Lisa A. Best	4,800
Mr. Curtis Dowling	4,800
Mrs. Mattie M. Harrison	4,800
Ms. Lynda D. Henderson	1,200
Mr. James R. Kessler	4,800
Mr. Flynn A. Ludley	1,200
Mr. George Mack	4,800
Mr. Ted W. McKinney	800
Mr. Joe E. Mitcham, Jr.	4,800
Ms. Mary Jo Tatum	4,800
Mr. David Wright	<u>3,600</u>
Total	<u>\$58,800</u>

STATISTICAL SECTION

LINCOLN PARISH SCHOOL BOARD

Government-wide Expenses by Function

Fiscal Years Ended June 30, 2001 through June 30, 2004 (1)

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Governmental Activities:				
Instruction				
Regular programs	\$ 20,098,725	\$ 18,069,683	\$ 17,937,402	\$ 16,721,202
Special programs	5,354,997	4,969,460	4,308,433	3,763,519
Other instructional programs	4,707,893	4,198,832	4,083,134	3,356,273
 Support services				
Student services	2,049,368	1,817,513	1,815,306	1,430,266
Instructional staff support	3,176,919	2,388,812	2,322,363	2,147,060
General administration	984,882	936,950	1,029,770	792,226
School administration	2,597,125	2,494,698	2,460,355	2,336,748
Business services	488,057	469,174	458,356	404,389
Plant services	3,742,947	3,406,459	2,911,016	3,859,099
Student transportation services	2,686,156	2,227,343	2,144,505	2,273,755
Central services	117,815	31,914	31,002	25,134
 Food services	3,636,494	3,286,646	3,179,461	2,830,001
Community service programs	33,403	52,769	22,081	13,358
Interest on Long-Term Debt	161,319	231,833	317,295	469,074
Unallocated depreciation	<u>-</u>	<u>-</u>	<u>1,175,361</u>	<u>-</u>
 Total Expenditures	<u>\$ 49,836,100</u>	<u>\$ 44,582,086</u>	<u>\$ 44,195,840</u>	<u>\$ 40,422,104</u>

Source: Comprehensive Annual Financial Report

(1) Ten years of data are not available due to the implementation of GASB 34.

Lincoln Parish School Board



Table b

LINCOLN PARISH SCHOOL BOARD

Government-wide Revenues
Fiscal Years Ended June 30, 2001 through June 30, 2004 (1)

Years Ended June 30,	Program Revenues				General Revenues					Total		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Sales Taxes	State Revenue Sharing	Minimum Foundation	Restricted to Specific Programs Impact Aid	Other		Unrestricted Investment Earnings	Miscellaneous
2001	440,745	5,148,471	37,856	7,193,286	9,463,005	303,257	20,207,003	-	-	675,914	48,035	49,517,572
2002	464,131	5,810,360	-	8,408,168	10,767,728	303,394	21,336,689	3,750	488,393	375,509	121,290	48,079,412
2003	459,119	6,369,537	7,267	8,364,886	10,500,128	276,132	22,848,700	4,372	-	438,334	367,915	49,671,390
2004	413,232	7,409,680	-	8,348,774	13,569,593	279,799	23,749,489	5,931	-	220,887	255,518	54,251,903

Source: Comprehensive Annual Financial Statements

(1) Ten years of data are not available due to the implementation of GASB 34.

LINCOLN PARISH SCHOOL BOARD
Ruston , Louisiana

GENERAL FUND
EXPENDITURES BY FUNCTION
Last Ten Fiscal Years

FISCAL YEAR	TOTAL	INSTRUCTION	PUPIL SUPPORT SERVICES	INSTRUCTIONAL STAFF SERVICES	GENERAL ADMINISTRATION
2004	\$ 33,441,058	\$ 21,881,313	\$ 1,533,630	\$ 1,780,188	\$ 533,230
2003	31,320,994	20,725,582	1,375,050	1,548,153	593,462
2002	30,272,201	20,055,308	1,376,226	1,391,262	678,635
2001	(1) 27,829,554	18,213,386	1,125,575	1,203,700	538,213
2000	30,192,234	20,699,556	1,197,407	1,488,953	654,678
1999	30,205,717	20,583,999	1,222,237	1,441,049	589,757
1998	28,471,691	19,244,940	1,061,378	1,428,968	556,941
1997	27,317,503	18,187,315	833,764	1,074,794	460,662
1996	24,897,833	17,311,059	691,758	1,039,351	448,645
1995	24,088,012	16,810,357	678,234	940,452	651,552

NOTES:

(1) Beginning with the 2001 fiscal year, the activity in the 1993 Sales Tax Fund, the 2000 Sales Tax Fund and the 2000 Ad Valorem Tax Fund are reported as Special Revenue Funds. Previously, the activity in these funds were previously reported as part of the General Fund.

Table c

SUPPORTING SERVICES					
SCHOOL ADMINISTRATION	BUSINESS SERVICES	PLANT SERVICES	STUDENT TRANSPORTATION SERVICES	MISCELLANEOUS	CAPITAL OUTLAY
\$ 2,283,144	\$ 434,686	\$ 2,097,787	\$ 1,710,812	\$ 811,952	\$ 374,316
2,191,764	419,102	1,837,372	1,528,432	781,512	320,565
2,119,220	402,427	1,623,184	1,420,896	740,164	464,879
2,057,230	360,902	1,418,093	1,557,359	638,232	716,864
2,096,316	366,354	1,477,499	1,696,287	392,549	122,635
1,963,433	335,876	1,429,183	1,777,384	423,968	438,831
1,898,394	323,231	1,382,148	1,701,077	444,317	430,297
1,695,763	257,870	1,202,162	1,824,155	321,364	1,459,654
1,617,404	306,560	1,207,439	1,781,187	356,385	138,045
1,641,970	271,368	1,108,039	1,738,178	247,862	0

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

GENERAL FUND REVENUE BY SOURCE
Last Ten Fiscal Years

FISCAL YEAR	TOTAL REVENUE	LOCAL SOURCES			
		AD VALOREM TAX (1)	SALES TAX (2)	OTHER	TOTAL
2004	\$ 36,013,604	\$ 3,570,381	\$ 7,094,132	\$ 370,557	\$ 11,035,070
2003	33,943,216	3,627,785	5,424,347	669,649	9,721,781
2002	32,183,693	3,555,543	5,383,864	463,162	9,402,569
2001	(1) 29,196,225	2,971,389	4,762,948	566,479	8,300,816
2000	31,420,433	3,088,968	7,538,467	716,545	11,343,980
1999	29,864,780	2,885,098	6,751,986	697,194	10,334,278
1998	28,901,290	2,931,885	6,361,980	688,589	9,982,454
1997	25,845,487	2,742,180	6,089,511	471,912	9,303,603
1996	25,500,428	2,619,826	6,110,643	777,706	9,508,175
1995	24,936,222	2,566,073	5,669,099	342,500	8,577,672

NOTES:

(1) Beginning with the 2001 Fiscal Year, the activity in the 1993 Sales Tax Fund, the 2000 Sales Tax Fund and the 2000 Ad Valorem Tax Fund are reported as Special Revenue Funds. Previously, the activity in those funds were reported as part of the General Fund.

(2) The School Board has collected a 1% sales tax since 1979. This increased by an additional 1/2 % effective July 1, 1994 and by an additional 1/2% effective April 1, 2000. Presently, a total of 2% is being collected from sales tax by the School Board.

Table d

<u>STATE</u> <u>SOURCES</u>	<u>FEDERAL</u> <u>SOURCES</u>
\$ 24,904,592	\$ 73,942
24,172,655	48,780
22,726,353	54,771
20,843,877	51,532
20,032,601	43,852
19,488,788	41,714
18,763,727	155,109
16,416,466	125,418
15,865,049	127,204
16,316,310	42,240

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

PROPERTY TAX LEVIES
Last Ten Calendar Years

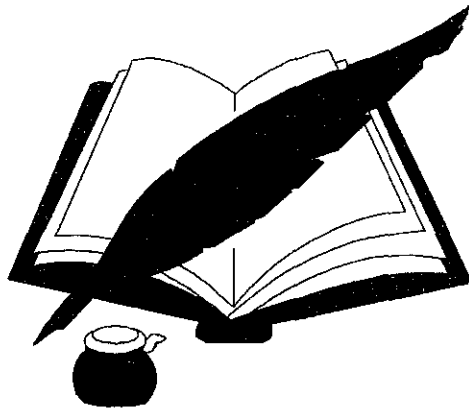
	2003		2002		2001		2000		1999	
	TAX RATES	TAX (1) LEVIES	TAX RATES	TAX (1) LEVIES	TAX RATES	TAX (1) LEVIES	TAX RATES	TAX (1) LEVIES	TAX RATES	TAX (1) LEVIES
	(Mills)	(Total Taxes)	(Mills)	(Total Taxes)	(Mills)	(Total Taxes)	(Mills)	(Total Taxes)	(Mills)	(Total Taxes)
Constitutional School Tax (2)	4.99	\$1,064,740	4.99	\$995,200	4.99	\$930,844	4.99	\$915,802	4.99	\$888,591
Special School Tax (2)	5.14	1,096,717	5.14	1,025,088	5.14	958,800	5.14	943,304	5.14	915,302
Five Mill Maintenance School Tax (2)	5.14	1,096,717	5.14	1,025,088	5.14	958,800	5.14	943,304	5.14	915,302
1993 Ad Valorem Tax	12.09	2,579,641	12.09	2,411,161	12.09	2,255,239	12.09	2,218,792	12.09	2,152,918
2000 Ad Valorem Tax	10.00	2,133,676	10.00	1,994,322	10.00	1,865,357	10.00	1,835,214		
Ruston School District No. 1 Maintenance & Operation	3.01	454,292	3.01	430,965	3.01	406,477	3.01	402,753	3.01	389,953
Simsboro School District No. 3 Maintenance & Operation	3.18	65,901	2.75	48,825	2.75	39,340	2.75	41,712	3.19	44,944
Dubach School District No. 5 Maintenance & Operation	3.33	78,602	3.33	74,751	3.33	70,774	3.33	67,170	3.33	67,297
Debt Service Taxes										
Ruston School District No. 1	13.00	1,962,013	13.00	1,860,102	15.00	2,025,591	15.00	2,007,036	17.00	2,202,395
Simsboro School District No. 3	19.20	396,635	19.20	340,853	19.20	274,637	19.20	291,191	18.20	256,421
Choudrant School District No. 6	22.00	354,823	22.00	309,152	25.00	346,396	25.00	303,070	28.00	336,082
TOTALS	101.08	\$11,283,757	100.65	\$10,515,507	105.65	\$10,132,255	105.65	\$9,969,348	100.09	\$8,169,205

NOTES:

- (1) Tax Levies (Total Taxes) represent the grand total of all taxes upon assessed valuation of property at applicable millage rates and includes the total tax on the assessed value of homestead exemptions.
- (2) The actual amounts of Constitutional and other special school tax revenues from Tax Levies (Total Taxes) principally due to the amount of tax exempted by homestead exemptions in effect on assessed properties. A portion of this exempted revenue is received by the Board through Revenue Sharing payments appropriated by the State annually.

1998		1997		1996		1995		1994	
TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)	TAX RATES (Mills)	TAX (1) LEVIES (Total Taxes)
4.99	\$834,259	4.95	\$826,882	4.95	\$786,028	4.95	\$762,206	4.95	\$738,197
5.14	859,337	5.10	851,918	5.10	809,847	5.10	785,303	5.10	760,567
5.14	859,337	5.10	851,918	5.10	809,847	5.10	785,303	5.10	760,567
12.09	2,021,282	12.00	2,004,514	12.00	1,905,525	12.00	1,847,773	12.00	1,789,569
3.01	355,808	3.01	346,253	3.01	331,534	3.05	320,945	3.05	320,453
3.19	47,647	2.98	46,761	2.98	45,367	2.98	41,579	2.98	46,662
3.33	69,494	3.02	68,352	3.02	63,612	2.86	69,926	2.86	52,049
17.00	3,008,375	17.00	1,955,541	17.00	1,872,418	17.00	1,788,779	20.00	2,101,221
18.20	271,838	17.20	269,891	16.20	246,624	16.20	226,029	18.00	281,647
28.00	312,149	33.00	383,842	43.00	461,939	45.00	397,041	58.00	493,393
<u>100.09</u>	<u>\$8,639,326</u>	<u>103.36</u>	<u>\$7,605,852</u>	<u>112.36</u>	<u>\$7,332,741</u>	<u>114.24</u>	<u>\$7,024,884</u>	<u>132.04</u>	<u>\$7,344,525</u>

Lincoln Parish School Board



LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Calendar Years

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Ratio of Total Tax Collections to Total Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Ratio of Delinquent Taxes to Total Tax Levy</u>
2003	\$ 8,917,883	\$ 8,538,446	95.75%	\$	\$ 8,538,446	95.75%	\$	0.00%
2002	8,136,510	7,894,303	97.02%	64,711	7,959,014	97.82%	144	0.00%
2001	7,985,241	7,916,359	99.14%	25,865	7,942,224	99.46%	9,256	0.12%
2000	7,640,840	6,902,043	90.33%	16,876	6,918,919	90.55%	44,679	0.58%
1999	6,245,216	5,817,790	93.16%	90,702	5,908,492	94.61%	38,814	0.62%
1998	5,748,963	5,451,724	94.83%	68,651	5,520,374	96.02%	88,661	1.54%
1997	5,759,355	5,506,815	95.62%	68,727	5,575,542	96.81%	152,447	2.65%
1996	5,494,172	5,285,669	96.20%	149,059	5,434,728	98.92%	56,374	1.03%
1995	5,234,683	5,025,457	96.00%	8,443	5,033,900	96.16%	316,897	6.05%
1994	5,521,588	5,309,397	96.16%	107,271	5,416,668	98.10%	211,130	3.82%

(1) Information for 2004 is exclude because the calendar year has not ended.

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY (1)
Last Ten Calendar Years

Year	Real Property		Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	\$ 148,282,370	\$ 1,282,378,293	\$ 65,098,970	\$ 515,891,633
2002	132,517,589	1,076,300,709	65,089,871	415,454,657
2001	132,912,577	1,073,544,838	63,398,043	404,278,199
2000	127,547,293	1,029,444,262	55,703,737	371,358,246
1999	127,483,980	990,417,110	50,589,260	337,261,733
1998	115,078,490	919,003,980	50,083,670	311,479,000
1997	111,850,380	883,466,553	55,192,210	343,881,640
1996	108,445,710	851,089,230	50,347,930	315,137,800
1995	103,375,050	809,475,943	50,606,120	315,611,893
1994	96,011,410	757,632,347	53,320,370	314,488,147

NOTES:

- (1) Total assessed value is 10% to 25% of estimated actual value of property.
- (2) Homestead exemption is \$75,000 of estimated actual value (or \$7,500 assessed value) of real property per household.
- (3) Source: Lincoln Parish Tax Assessors Grand Recapitulation
- (4) Information for 2003 is exclude because the calendar year has not ended.

Table g

<u>Exemptions (2)</u> <u>Real</u> <u>Property</u>	<u>Total</u>		<u>Ratio of Total</u> <u>Assessed Value</u> <u>To Total Estimated</u> <u>Actual Value</u>
	<u>Assessed</u> <u>Value</u>	<u>Estimated</u> <u>Actual Value</u>	
\$ 44,293,550	\$ 169,087,790	\$ 1,798,269,926	9.40%
43,589,210	154,018,250	1,491,755,366	10.32%
42,852,770	153,457,850	1,477,823,037	10.38%
42,252,330	140,998,700	1,400,802,508	10.07%
41,071,420	137,001,820	1,327,678,843	10.32%
29,447,530	135,714,630	1,230,482,980	11.03%
39,261,020	127,781,570	1,227,348,193	10.41%
38,417,140	120,376,500	1,166,227,030	10.32%
36,362,920	117,618,250	1,125,087,836	10.45%
35,162,800	114,168,980	1,072,120,494	10.65%

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

PROPERTY TAX MILLAGE RATES - ALL OVERLAPPING GOVERNMENTS(1)
(PER \$1,000 OF ASSESS VALUE)
Last Ten Fiscal Years

LINCOLN PARISH SCHOOL BOARD

YEAR	GENERAL FUND	FIVE MILL MAINTENANCE FUND	DEBT SERVICE FUND (3)	PARISHWIDE M & O FUND	MAINTENANCE & OPERATION FUND (2)	TOTAL	PARISH	MAINTENANCE
2003	10.13	5.14	54.2	22.09	9.52	101.08	3.64	4.41
2002	10.13	5.14	54.20	22.09	9.09	100.65	1.82	4.41
2001	10.13	5.14	59.20	22.09	9.09	105.65	5.46	4.41
2000	10.13	5.14	59.20	22.09	9.09	105.65	5.71	4.41
1999	10.13	5.14	63.20	12.09	9.53	100.09	5.15	4.41
1998	10.13	5.14	63.20	12.09	9.53	100.09	4.90	4.41
1997	10.05	5.10	67.20	12.00	9.01	103.36	4.81	4.38
1996	10.05	5.10	78.20	12.00	8.89	114.24	4.80	4.38
1995	10.05	5.10	96.00	12.00	8.89	132.04	4.80	4.38
1994	10.05	5.10	107.50	12.00	8.89	143.54	4.80	4.38

NOTES:

- (1) All information obtained from Legislative Auditors Itemized Tax Statements, except for tax levies of municipalities which were obtained from the Lincoln Parish Tax Assessor.
- (2) Includes levies for the municipalities of Ruston, Grambling, Simsboro and Dubach.
- (3) Represents the total of debt serviced taxes levied in individual school districts.

Table h

<u>FIRE DISTRICT</u>	<u>ROAD CONSTRUCTION</u>	<u>HOSPITAL</u>	<u>LIBRARY MAINTENANCE</u>	<u>LAW ENFORCEMENT</u>	<u>ASSESSMENT DISTRICT</u>	<u>CITIES (2)</u>
3.30	4.41	N/A	11.58	13.95	2.51	72.33
5.50	4.41	N/A	14.00	13.95	2.51	78.14
5.50	4.41	N/A	11.00	14.01	2.43	78.14
5.50	4.41	N/A	3.60	14.01	2.43	78.14
8.00	4.41	N/A	3.60	13.97	2.51	37.55
8.00	4.41	N/A	3.60	13.97	2.51	37.55
8.00	4.38	N/A	3.60	13.22	2.51	46.28
8.00	4.38	N/A	3.60	13.22	2.51	46.28
8.00	4.38	N/A	3.60	13.22	2.51	45.12
9.90	4.38	0.70	3.60	13.22	2.51	45.12

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

**RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**
Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>(1) (3) ESTIMATED POPULATION</u>	<u>(2) (3) ASSESSED VALUE</u>	<u>GROSS BONDED DEBT</u>	<u>LESS DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
2004	42,413	\$ 213,381,340	\$ 2,473,000	\$ 1,960,573	\$ 512,427	0.24%	\$ 12
2003	42,688	197,607,460	4,233,000	1,874,571	2,358,429	1.19%	55
2002	42,375	196,310,620	5,764,000	1,949,625	3,814,375	1.94%	90
2001	42,509	183,251,030	7,406,000	1,860,209	5,545,791	3.03%	130
2000	44,890 (4)	178,073,240	8,924,000	1,948,616	6,975,384	3.92%	155
1999	43,476	165,162,160	10,348,000	1,927,767	8,420,233	5.10%	194
1998	43,320	167,042,590	11,687,000	2,063,424	9,623,576	5.76%	222
1997	43,150	158,793,640	13,136,000	2,042,509	11,093,491	6.99%	257
1996	43,024	153,981,170	14,115,000	2,026,661	12,088,339	7.85%	281
1995	42,950	149,331,780	15,230,000	2,252,912	12,977,080	8.69%	302

NOTE:

- (1) Census information was obtained from the Louisiana Population Data Center.
- (2) The source of assessment is Lincoln Parish Assessor's tax rolls. Assessed values are established by the Parish Assessor's Office each year based on 10% of the assumed market value of residential property and commercial land and on 15% of the assumed market value of commercial buildings, personal property and 25% of the assumed market value of public utilities as required by the State Constitution. A reassessment of all property is required to be completed no less than every four years.
- (3) Estimated Population and Assessed Value is as of December 31.
- (4) Population estimate provided by the 2000 National Census.

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2004

ASSESSED VALUATIONS:

Assessed Value	\$	169,087,790
Add Back: Exempt Real Property		<u>44,293,550</u>
TOTAL ASSESSED VALUE	\$	<u>213,381,340</u>

LEGAL DEBT MARGIN:

Debt Limit of Thirty-Three Percent (33%)	\$	70,415,842
<i>Total Bonded Debt</i>		2,473,000
Less: Net Assets in Debt Service Funds	<u>\$</u>	<u>1,960,573</u>
Total Amount of Debt Applicable to Debt Limit		<u>512,427</u>
TOTAL LEGAL DEBT MARGIN	\$	<u>69,903,415</u>

NOTE:

(1) Legal debt limit of 33% is established by Louisiana Revised Statute Title 39, Section 562, Paragraph G.

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

COMPUTATION OF DIRECT AND OVERLAPPING DEBT
June 30, 2004

<u>GOVERNMENTAL UNIT</u>	<u>GROSS DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO LINCOLN PARISH SCHOOL BOARD (1)</u>	<u>AMOUNT APPLICABLE TO LINCOLN PARISH SCHOOL BOARD</u>
DIRECT:			
Lincoln Parish School Board	\$ 2,473,000	100%	\$ 2,473,000
OVERLAPPING: (2)			
City of Grambling	\$ 2,253,470	100%	2,253,470
City of Ruston	3,109,000	100%	3,109,000
Lincoln Parish Library Construction	5,150,000	100%	5,150,000
Lincoln Parish Fire Protection District No. 1	<u>1,000,015</u>	100%	<u>1,000,015</u>
TOTAL	<u>\$ 13,985,485</u>		<u>\$ 13,985,485</u>

NOTE:

(1) All property within Lincoln Parish must bear the debt of the Lincoln Parish School Board; therefore, all other taxing entities within the parish fall under the Board's taxing jurisdiction. The computation of the amount applicable to the Board, within the context that such debt will be serviced through levies upon the same properties which the Board taxes, is determined by applying the above percentages to the net amount of debt outstanding.

(2) Source: Annual audited financial reports of the various governments within the parish.

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES**
Last Ten Fiscal Years

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST AND FISCAL CHARGES (2)</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL EXPENDITURES (1)</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
2004	\$ 1,760,000	\$ 166,679	\$ 1,926,679	\$ 35,413,257	5.44%
2003	1,771,000	235,947	2,006,947	33,367,011	6.01%
2002	1,672,000	396,516	2,068,516	29,953,451	6.91%
2001	(3) 1,518,000	510,958	2,028,958	29,953,451	6.77%
2000	1,494,493	597,174	2,091,667	31,655,905	6.61%
1999	1,444,507	670,398	2,114,905	30,205,717	7.00%
1998	1,255,000	726,217	1,981,217	28,471,691	6.96%
1997	1,196,159	906,984	2,103,143	29,420,646	7.15%
1996	1,115,000	888,840	2,003,840	27,162,115	7.38%
1995	1,040,000	1,029,322	2,069,322	26,157,334	7.91%

NOTE:

- (1) Includes General Fund and Debt Service Funds.
- (2) Excludes bond issuance's and other costs.
- (3) Beginning with the 2001 fiscal year, the 1993 Sales Tax, 2000 Sales Tax and the 2000 Ad Valorem Tax Funds were reported as Special Revenue Funds. These funds were previously reported in the General Fund.

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

Property Value, Construction and Bank Deposits
Last Ten Years

<u>Property Value (1)</u>				
<u>Year</u>	<u>Commercial (5)</u>	<u>Residential (5)</u>	<u>Exemptions (4)</u>	<u>Total</u>
2003	\$ 544,923,293	\$ 737,555,000	\$ 431,397,916	\$ 851,080,377
2002	712,787,267	778,968,100	429,916,730	1,061,838,637
2001	709,527,947	768,295,090	442,650,610	1,035,172,427
2000	644,595,824	740,089,150	416,285,580	968,399,394
1999	595,479,573	732,199,270	404,617,420	923,061,423
1998	575,970,260	654,512,720	257,334,910	973,148,070
1997	605,861,113	621,487,080	386,216,330	841,131,863
1996	567,932,340	598,294,690	377,641,360	788,585,670
1995	565,838,267	559,249,570	359,575,280	765,512,557
1994	541,169,860	529,610,500	347,067,070	723,713,290

NOTE:

- (1) Source: Lincoln Parish Tax Assessor's Grand Recapitulation
- (2) Source: City of Ruston Inspection Department
- (3) Source: Louisiana Office of Financial Institutions
- (4) The exemption column is calculated at estimated actual value. Table d reflects the exemptions column at excess value.
- (5) The sum of Commercial and Residential equals the estimated actual value for real property in Table e

Construction (2)					Bank Deposits (3)
Commercial		Residential			
Number of Units	Value	Number of Units	Value		
9	\$ 6,774,623	80	\$ 12,112,280	\$ 525,583,000	
23	6,713,300	55	8,223,893	535,619,000	
21	1,350,000	43	6,258,793	457,075,000	
20	4,933,115	53	7,520,288	462,821,000	
11	4,202,000	58	10,905,328	429,652,000	
26	15,460,000	30	3,505,000	465,885,000	
26	5,574,627	41	4,904,835	432,627,000	
77	22,625,103	140	8,612,264	426,972,000	
116	10,166,321	159	5,602,631	454,765,000	
115	11,290,388	344	8,874,455	472,828,000	

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

PRINCIPAL AD VALOREM TAXPAYERS (1)
December 31, 2003

<u>COMPANY</u>	<u>TYPE OF BUSINESS</u>	<u>ASSESSMENT</u>	<u>TAX BILL (2)</u>	<u>PERCENT OF TOTAL TAXABLE VALUATION</u>
Mississippi River Transmission Corp.	Gas Transmission	\$ 8,820,110	\$ 791,492	4.13%
Weyerhaeuser Co.	Timber Products	6,941,230	712,193	3.25%
Laclede Gas Co.	Gas Transmission	5,742,290	533,410	2.69%
Squire Creek Country Club	Recreation	819,710	468,786	0.38%
Bellsouth Telecommunications	Telephone Utility	4,810,790	446,483	2.25%
Centerpoint Energy Gas	Gas Transmission	4,323,550	392,930	2.03%
Entergy Louisiana, Inc.	Electric Utility	3,346,790	316,438	1.57%
Saint-Gobain Containers	Glass Manufacturing	2,701,000	262,456	1.27%
Community Trust Bank	Financial Institution	2,693,110	253,978	1.26%
Fairways		<u>82,130</u>	<u>188,386</u>	0.04%
Totals of Principal		<u>40,280,710</u>	<u>4,366,552</u>	<u>18.88%</u>
All others		<u>173,100,630</u>		81.12%
Totals		<u>\$ 213,381,340</u>		<u>100.00%</u>

NOTES:

(1) Information obtained from Lincoln Parish Tax Assessor's Office

(2) Represents Parishwide Tax Bill

LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana

DEMOGRAPHIC STATISTICS
Last Ten Years

<u>YEAR</u>	<u>(1) POPULATION</u>	<u>(1) PER CAPITA INCOME</u>	<u>(1) UNEMPLOYMENT RATE</u>	<u>(2) PUBLIC SCHOOL ENROLLMENT</u>	<u>(2) PUBLIC HIGH SCHOOL GRADUATES</u>
2003	42,413	21,965	4.7%	6,515	317
2002	42,688	22,017	5.4%	6,550	414
2001	42,375	26,977	5.3%	6,602	406
2000	42,509	28,038	4.9%	6,736	396
1999	41,129	19,492	2.2%	6,844	369
1998	41,140	19,681	2.7%	6,865	378
1997	42,005	19,254	3.4%	7,022	364
1996	42,935	18,827	3.1%	6,881	368
1995	43,024	16,255	3.2%	7,091	357
1994	42,950	15,760	3.9%	7,129	325

NOTE:

- (1) Census information was obtained from the Louisiana Department of Labor, Louisiana Occupational Information System Area Profile Report for Lincoln Parish.
- (2) Information obtained from Lincoln Parish School Board Annual Financial and Statistical Reports filed with the Louisiana Department of Education and the Louisiana Progress Profiles, District Composite Report for Lincoln Parish.

LINCOLN PARISH SCHOOL BOARD
Ruston Louisiana

Miscellaneous Statistical Data
June 30, 2004

Form of Government	President/School Board
Area of Parish	472 Square Miles
Regular School Days	176
Number of Schools:	
K & Special Ed.	1
K-5	4
K-8	5
K-12	2
6 Grade Only	1
Junior High (7-8 only)	1
Secondary Alternative School (8-11 only)	1
High School (7-12 only)	1
High School (9-12 only)	<u>2</u>
Total	(1) <u><u>18</u></u>

Enrollment (Public School Only):

Preschool	59
Kindergarten	551
Grades 1-5	2,530
Grades 6-8	2,086
Grades 9-12	<u>1,837</u>
Total	(1) <u><u>7,063</u></u>

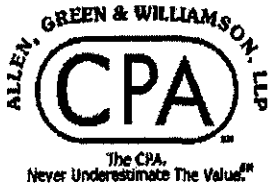
(1) Included in total number of schools and enrollment are 4 university laboratory schools in the parish for which Lincoln Parish School Board services as a passthrough for state equalization funding.

**Lincoln Parish School Board
Ruston, Louisiana**

**Single Audit Report
For the Year Ended June 30, 2004**

**Lincoln Parish School Board
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members
Lincoln Parish School Board
Ruston, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining information of the Lincoln Parish 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 5, 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 of America.

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 internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 04-F1 and 04-F2.

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 the amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

Compliance

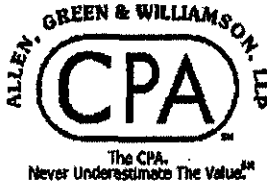
As part of obtaining reasonable assurance about whether the School Board's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect 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. We noted a certain matter that we reported to Management of the School Board in a separate letter dated November 5, 2004.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 5, 2004



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

Board Members
Lincoln Parish School Board
Ruston, Louisiana

Compliance

We have audited the compliance of Lincoln Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control over Compliance

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

Our consideration of internal control over compliance would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud 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 internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lincoln Parish 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 5, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 5, 2004

**Lincoln Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004**

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME</u>	<u>CFDA Grantor No.</u>	<u>Pass-Through Grantor No.</u>	<u>Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
School Breakfast Program	10.553	N/A	\$ 385,395
National School Lunch Program	10.555	N/A	<u>1,216,923</u>
Total United States Department of Agriculture			1,602,318
United States Department of Education			
Direct Programs:			
Impact Aid (Title VIII)	84.041	SO41Z-2002-2113	5,931
Passed Through Louisiana Department of Education:			
Adult Education - State Grant Program	84.002A	280244-31	46,233
Title I Grants to Local Educational Agencies	84.010A	02-T1-31-1	1,685,996
Special Education:			
Grants to States (Part B)	84.027	02-B1-31-S	933,011
Preschool Grants	84.173	02-IP-31	73,464
Innovative Education Program Strategies - Title V	84.298	02-00-31	61,797
Safe and Drug-Free Schools - State Grant - Title IV	84.186A	02-70-31	72,611
Rural Education Achievement – Title VI, Part B	84.358		244,359
Technology Literacy Challenge	84.318X	280049-31	200,911
Title II - Improving Teacher Quality State Grants	84.367	N/A	494,645
Passed Through Louisiana Community and Technical			
Vocational Education:			
Basic Grants to States	84.048A	0202-31	89,545
United States Department of Defense			
Direct Programs:			
Junior Reserve Officer Training Corps (JROTC)	12.609	LA020792	68,011
United States Department of Health and Human Services			
Passed Through the Louisiana Department of Education:			
Temporary Assistance to Needy Families	93.558	N/A	<u>45,073</u>
Total Cash Federal Awards			<u>5,623,905</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture			
Food Distribution (Commodities)	10.550	N/A	<u>171,298</u>
TOTAL FEDERAL AWARDS			<u>\$ 5,795,203</u>

Lincoln Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Lincoln Parish School Board, (the School Board) Ruston, Louisiana. The School Board's reporting entity is defined in Note 1 of the Notes to the basic financial statements of the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the Notes to the basic Financial Statements of the School Board's Comprehensive Annual Financial Report.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

	<u>Federal Sources</u>
General fund	\$ 73,942
Special revenue funds:	
Title I	1,685,996
Title V	61,797
Adult education	46,233
Title II	494,645
School food service	1,773,616
Special programs	1,342,004
Title IV (Drug Free)	72,611
Rural Education Achievement	<u>244,359</u>
Total	<u>\$ 5,795,203</u>

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

NOTE 5 - MAJOR FEDERAL AWARDS For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

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

**Lincoln Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004**

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were two reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America. Neither of the two reportable conditions was considered to be material weaknesses.
- iii. There were no instances of noncompliance considered material, as defined by the Government Auditing Standards, to the basic financial statement.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA #84.010 Title I – Grants to Local Educational Agencies
 - Special Education Cluster
 - CFDA #84.027 Grants to States
 - CFDA #84.173 Preschool Grants
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular No. A-133, Section .520(b) was \$300,000.
- ix. The auditee does qualify as a low-risk auditee under OMB Circular No. A-133, Section .530.

**Lincoln Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2004**

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

Reference # and title: 04-F1 Bank Reconciliations Are Not Being Prepared Timely

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

Criteria or specific requirement: Good internal controls require that bank reconciliations be performed timely. This ensures that unexplained differences are discovered quickly and can be researched. Also, there is usually only thirty days from the bank statement date to report and resolve any bank errors.

Condition: Upon requesting the bank reconciliations for the month of June 2004, we were told that bank reconciliations had only been prepared through January 2004.

Possible asserted effect (cause and effect):

Cause: The person responsible for the bank reconciliations had to take off quite a bit of time due to an immediate family member's health problems and fell behind in preparing the bank reconciliations. There was no one else available to perform this function.

Effect: Internal controls over cash were weakened.

Recommendations to prevent future occurrences: The preparations of the bank reconciliations could be monitored by a supervisor to ensure that the reconciliations are prepared in a timely manner. An additional person could be trained to perform this task in case there are circumstances in which the assigned person cannot perform this task.

Reference # and title: 04-F2 No Segregation of Duties in Payroll Department

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

Criteria or specific requirement: Good internal controls over the payroll function require that no single person has the access to perform all stages of payroll – from entering a person into the payroll system to issuing checks.

Condition: Conversations with the payroll clerk and observations of payroll check runs confirmed that the payroll accountant has access to perform all stages of the payroll function. In addition, she is the person who sets up direct deposit information and electronically transfers payroll checks to the banks.

Possible asserted effect (cause and effect):

Cause: There is only one person in the payroll department.

Effect: Internal controls over the payroll function are weakened.

Recommendations to prevent future occurrences: There should be intervening checks and balances during the payroll process.

Bossier Parish School Board
Corrective Action Plan For Current Year Findings and Questioned Costs
June 30, 2004

Reference # and title: **04-F1** **Bank Reconciliations Are Not Being Prepared Timely**

Condition: Upon requesting the bank reconciliations for the month of June 2004, we were told that bank reconciliations had only been prepared through January 2004.

Corrective action planned: At the time I became Business Manager in December 2003, I found that the "lag time" in completing bank reconciliations was five months. At the time of the audit field work, the bank statements had been reconciled through June 30, 2004; and, work was being done to reconcile the months of July, August and September 2004.

Due to the complexity of numerous transfers between accounts and funds, reconciling the bank statements is not a simple task. Although we could have reconciled by indicating an "unidentified" difference, we felt that this would only be a cosmetic solution. Therefore, we were attempting to identify and correct the small unreconciled differences.

Due primarily to the employee who reconciles the bank statements having to be off work quite a bit due to members of her immediate family having health problems, the gains made in this area in the past months were lost. As stated during our meeting on the last day of audit field work, we did not have other staff available to perform this task and also complete their regular job duties.

Subsequent to the completion of the field work, this employee has returned to work and has reconciled the bank statements up to date. Since we have emphasized to the employee the importance of having this task completed in a timely manner; and, since this problem occurred due to extenuating circumstances, we do not anticipate reoccurrence of this situation.

Person responsible for corrective action:

Ms. Bonnie Fogger, Interim Business Manager Telephone: (318) 255-1430
Lincoln Parish School Board Fax: (318) 255-3203
410 S. Farmerville Street
Ruston, LA 71270-4699

Anticipated completion date: June 30, 2005

Reference # and title: **04-F2** **No Segregation of Duties in Payroll Department**

Condition: Conversations with the payroll clerk and observations of payroll check runs confirmed that the payroll accountant has access to perform all stages of the payroll function. In addition, she is the person who sets up direct deposit information and electronically transfers payroll checks to the banks.

Corrective action planned: As Dr. Scriber and I stated during our meeting on the last day of audit field work, we do have mitigating internal controls that we feel reduce to an acceptable level the increased risk resulting from our having only one person in the Payroll Department. You stated during the meeting that this individual could perform all the payroll procedures from adding new employees to payroll to writing and issuing the payroll checks or making wire transfers.

**Bossier Parish School Board
Corrective Action Plan For Current Year Findings and Questioned Costs
June 30, 2004**

Mitigating controls in place during the audit year included, but were not limited to, the following:

1. The Personnel Department Secretary completes and processes paperwork for all certified personnel to payroll upon the individual(s) being hired or changes made in their level of education, etc. which would change their pay scale.
2. The employees' immediate Supervisor must sign off on the time card/sheet of hourly paid employees.
3. Three people - the Payroll Clerk, the Accounts Payable Clerk, and the Insurance Clerk - enter information pertaining to changes made to the payroll records to the monthly "Employee Maintenance Audit Report". This report indicates and compares "old data" with the "new data" changes including such items as new hire dates, changes in hourly rate, changes in bank account information, changes in deduction information, changes in number of days per year in contract, changes in insurance information, leave time changes, etc.
4. The "Employee Maintenance Audit Report" print-out is reviewed monthly by the Business Manager for reasonableness and/or any "red flags".
5. The Profile of Education Personnel (PEP) report is prepared by the Business Manager – not the Payroll Clerk – from the Payroll Employee Maintenance records. This report identifies inconsistencies in the data base records for correction; and, allows the Business Manager opportunity to review the payroll employee maintenance records.
6. The Business Manager reviews on a monthly basis the summary of payroll changes to various funds for reasonableness. The Fiscal Accountant also reviews this summary and extracts information for preparation of the monthly sales tax reports.

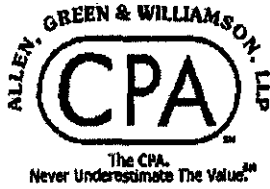
A mitigating control initiated subsequent to the audit year ended June 30, 2004 as a result of the comment made at the meeting referred to above is that the Business Manager or Accounts Payable Clerk review and approve all payroll wire transfers prior to the transfer being made. The Business Manager has contacted Bank One regarding this control and is in the process of being activated – along with the Accounts Payable Clerk – for this mitigating control procedure.

Person responsible for corrective action:

Ms. Bonnie Fogger, Interim Business Manager
Lincoln Parish School Board
410 S. Farmerville Street
Ruston, LA 71270-4699

Telephone: (318) 255-1430
Fax: (318) 255-3203

Anticipated completion date: June 30, 2005



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(Retired)
1963 - 2000

Management Letter

Board Members
Lincoln Parish School Board
Ruston, Louisiana

In planning and performing our audit of the financial statements of the Lincoln Parish School Board for the year ended June 30, 2004, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted a certain matter involving the internal control and other operational matter that is presented for your consideration. This letter does not affect our report dated November 5, 2004, on the financial statements of the School Board. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment and management's response are summarized as follows:

Reference # and title: **04-M1** **Late Submission of the Audit Report**

Condition found: State Statute requires local governments to file their annual financial report with the Office of the Louisiana Legislative Auditor with in six months of its year end. The audit report was filed with the Office of the Louisiana Legislative Auditor's office one month after the deadline. The School Board experienced a sudden change in personnel in mid-December and was unable to complete the report timely. Through mutual agreement, the Business Manager resigned. The Assistant Business Manager only a few days before, had to suspend her work for medical reason and will be off work for three months. Accordingly the School Board was unable to complete the report by the December 31 deadline

Recommendation: Due to the extremely unusual nature of this year's personnel changes and the history of the School Board's filing timely, no recommendation is made.

Management's Response: Management believes this situation was an extremely unusual experience that due to the circumstances was unavoidable. Management believes in future years the report will be filed timely in the normal course of the Business Department's activity. However, management will monitor the situation for this next year and will ask our auditors to complete the audit earlier in the filing season in order to assure the timely filing of the audit report with the Office of the Louisiana Legislative Auditor.

* * * * *

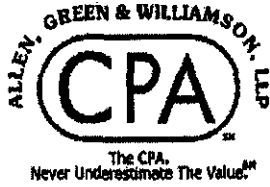
Our audit procedures are designed primarily to enable us to form opinions on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 5, 2004



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members
Lincoln Parish School Board
Ruston, Louisiana

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

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

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported 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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

Management's Response:

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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)

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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 the School Board.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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 the School Board.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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 the School Board.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 13, 2005

LINCOLN PARISH SCHOOL BOARD
Ruston, 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	\$ 15,033,006	
Other Instructional Staff Activities	1,038,258	
Employee Benefits	5,232,687	
Purchased Professional and Technical Services	36,277	
Instructional Materials and Supplies	753,827	
Instructional Equipment	60,598	
Total Teacher and Student Interaction Activities		\$ 22,154,653

Other Instructional Activities 45,666

Pupil Support Activities	1,540,954	
Less: Equipment for Pupil Support Activities	(5,922)	
Net Pupil Support Activities		1,535,032

Instructional Staff Services	1,808,683	
Less: Equipment for Instructional Staff Services	(5,161)	
Net Instructional Staff Services		1,803,522

Total General Fund Instructional Expenditures \$ 25,538,873

Total General Fund Equipment Expenditures \$ 331,182

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 765,901	
Renewable Ad Valorem Tax	5,400,099	
Debt Service Ad Valorem Tax	2,023,749	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	159,023	
Sales and Use Taxes	13,569,595	
Total Local Taxation Revenue		<u>\$ 21,918,367</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -	
Earnings from Other Real Property	5,027	
Total Local Earnings on Investment in Real Property		<u>\$ 5,027</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 91,439	
Revenue Sharing - Other Taxes	188,360	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		<u>\$ 279,799</u>

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ 23,142

LINCOLN PARISH SCHOOL BOARD
Ruston, 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	5	0.00%	0	0.00%	0	0.00%	0	0.00%
Bachelor's Degree	222	46.15%	0	0.00%	1	0.00%	0	0.00%
Master's Degree	152	31.60%	0	0.00%	3	11.54%	0	0.00%
Master's Degree + 30	94	19.54%	0	0.00%	17	65.38%	0	0.00%
Specialist in Education	3	0.62%	0	0.00%	1	0.00%	0	0.00%
Ph. D. or Ed. D.	5	0.00%	0	0.00%	4	0.00%	0	0.00%
Total	481	97.92%	0	0.00%	26	76.92%	0	0.00%

Schedule 3

**LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana**

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

Type	Number
Elementary	7
Middle/Jr. High	2
Secondary	4
Combination	1
Total	14

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

**LINCOLN PARISH SCHOOL BOARD
Ruston, 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	0	0	0	2	0	2	5	9
Principals	0	0	2	1	5	2	7	17
Classroom Teachers	46	40	116	57	74	52	96	481
Total	46	40	118	60	79	56	108	507

LINCOLN PARISH SCHOOL BOARD
Ruston, 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	\$38,780.61	\$38,753.56
Average Classroom Teachers' Salary Excluding Extra Compensation	\$38,406.43	\$38,384.40
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	488.62	484.43

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.

LINCOLN PARISH SCHOOL BOARD
Ruston, 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	48	223	49	180	3	14	0	0
Elementary Activity Classes	59	57	35	34	5	4	1	1
Middle/Jr. High	69	114	29	48	2	3	0	0
Middle/Jr. High Activity Classes	67.5	27	27.5	11	2.5	1	2.5	1
High	69.4	439	21.2	134	9.4	60	0	0
High Activity Classes	63	54	18.5	16	7	6	11.5	10
Combination	79	159	18	36	3	6	0	0
Combination Activity Classes	40	6	40	6	20	3	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.

Schedule 7

LINCOLN PARISH SCHOOL BOARD
Ruston, 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	7	1	2	1	17	4	9	2	11	3	8	2	
Mastery	90	18	60	14	78	17	57	12	55	13	45	10	
Basic	204	42	172	40	188	42	200	41	168	39	207	46	
Approaching Basic	122	25	120	28	119	28	121	25	113	26	119	26	
Unsatisfactory	64	13	75	17	51	11	100	21	82	19	74	16	
Total	487		429		453		487		429		453		

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	4	1	4	1	18	4	3	1	6	2	5	1
Mastery	60	12	59	14	40	9	64	13	45	11	38	8
Basic	218	45	141	33	223	49	225	46	175	41	234	52
Approaching Basic	155	32	173	40	130	29	116	24	127	30	112	25
Unsatisfactory	50	10	51	12	43	9	79	16	73	17	63	14
Total	487		428		454		487		428		452	

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	2	0	5	1	3	1	12	3	21	5	8	2
Mastery	34	8	68	15	78	16	23	5	38	8	30	6
Basic	157	37	172	38	151	31	227	51	208	45	204	41
Approaching Basic	170	40	139	31	212	43	81	18	95	21	152	30
Unsatisfactory	65	15	63	14	51	10	101	23	97	21	105	21
Total	428		447		495		444		459		499	

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	6	1	3	1	7	1	3	1	0	0	6	1
Mastery	68	16	65	15	69	14	35	8	41	9	50	10
Basic	141	33	163	37	183	38	183	43	221	50	228	47
Approaching Basic	104	24	134	30	142	29	112	26	98	22	109	22
Unsatisfactory	106	25	81	18	87	18	92	22	86	19	93	19
Total	425		446		488		425		446		486	

LINCOLN PARISH SCHOOL BOARD
Ruston, 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	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	12	3	0	0	4	1	32	7	28	6	29	7
Mastery	96	22	39	9	65	17	76	18	73	16	52	13
Basic	171	40	192	43	165	43	172	40	163	36	159	39
Approaching Basic	99	23	108	24	86	23	60	14	72	16	62	15
Unsatisfactory	49	11	108	24	61	16	89	21	121	26	105	26
Total	427		447		381		429		457		407	

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	6	2	8	2	7	2	2	1	8	2	5	1
Mastery	60	17	41	12	53	13	46	13	57	16	56	14
Basic	146	40	137	39	140	35	188	52	151	43	171	43
Approaching Basic	79	22	97	27	97	24	68	19	85	24	84	21
Unsatisfactory	72	20	72	20	102	26	59	16	52	15	83	21
Total	363		355		399		363		353		399	

Schedule 9

**LINCOLN PARISH SCHOOL BOARD
Ruston, Louisiana**

**The IOWA Tests
For the Year Ended June 30, 2004**

	Composite		
	2004	2003	2002
Test of Basic Skills (ITBS)			
Grade 3	61	58	55
Grade 5	56	58	51
Grade 6	50	48	49
Grade 7	54	50	53
Tests of Educational Development (ITED)			
Grade 9	54	49	51

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.