

LIVINGSTON PARISH SCHOOL BOARD

**REPORT ON AUDIT OF BASIC
FINANCIAL STATEMENTS**

JUNE 30, 2004

LIVINGSTON, LOUISIANA

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 2-9-2005

LIVINGSTON PARISH SCHOOL BOARD

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January 7, 2005

INDEPENDENT AUDITOR'S REPORT

Livingston Parish School Board
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish School Board as of and for the year ended June 30, 2004, which collectively comprise the Livingston Parish School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the Livingston Parish School Board. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with Government Auditing Standards, we have also issued our report dated January 7, 2005, on our consideration of the Livingston Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

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

Respectfully submitted,

Hannia J. Bourgeois, CPA

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2004

The Management's Discussion and Analysis (MD&A) of the Livingston Parish School Board provides an overview and overall review of the School Board's financial activities for the fiscal year ended June 30, 2004. The intent of the MD&A is to look in layman's terms at the School Board's financial performance as a whole. It should, therefore, be read in conjunction with the School Board's Annual Financial Statements and the notes thereto.

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2003-2004 fiscal year include the following:

- ❖ Net assets increased by \$3,444,233 for the year ended June 30, 2004. As discussed below, the increase in net assets was the result of an increase in total assets of \$4,660,186 coupled with an increase in total liabilities of \$1,215,953.
- ❖ Total assets increased by \$4,660,186 attributed to the following elements:

	<u>June 30, 2004</u>	<u>June 30, 2003</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Cash and Cash Equivalents	\$ 37,781,103	\$ 43,808,129	\$(6,027,026)	(13.76)%
Receivables	7,313,856	7,243,023	70,833	.98%
Inventory	771,009	938,222	(167,213)	(17.82)%
Deferred Bond Issuance Costs	653,267	693,138	(39,871)	(5.75)%
Capital Assets, Net of Accumulated Depreciation	<u>101,632,552</u>	<u>90,809,089</u>	<u>10,823,463</u>	11.92%
Total Assets	<u>\$148,151,787</u>	<u>\$ 143,491,601</u>	<u>\$ 4,660,186</u>	3.25%

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2004

The main reason for the decrease in cash was due to the ongoing construction and capital outlay in the current year. Capital outlay in the current year amounted to \$14.8 million. The inventory decrease reflects normal fluctuation of commodity items used by the School Food Service Program, School Supply, Textbooks/Workbooks, Computer Repair Parts and Maintenance Materials. Capital assets increased because of the continued capital outlay and construction within the Districts. At June 30, 2004, major incomplete construction in the Districts were as follows:

District #1:		
Gray's Creek Elementary School	\$	4,675,000
District #22:		
North Live Oak Elementary School		4,950,000
District #99:		
Special Education Center		800,000
Warehouse Addition		<u>175,000</u>
		<u>\$10,600,000</u>

During the current fiscal year, the School Board purchased two parcels of property for expansions. One in District #26 to be used for the Doyle Junior High in the amount of \$112,901, and one in District #99 to be used for the Central Office expansion in the amount of \$100,000. In addition, the School Board purchased 15 buses and two other maintenance vehicles at a cost of \$805,186, new computer software at approximately \$400,000 and completed various other small renovation projects at an approximate cost of \$2,100,000.

❖ Total Liabilities increased \$1,215,953 due to the following items:

	<u>June 30, 2004</u>	<u>June 30, 2003</u>	Amount Increase (Decrease)	Percent Increase (Decrease)
Accounts, Salaries, and Other Payables	\$ 17,866,543	\$ 16,190,493	\$1,676,050	10.35%
Interest Payable	309,373	353,370	(43,997)	(12.45)%
Long-Term Liabilities	<u>38,803,115</u>	<u>39,219,215</u>	<u>(416,100)</u>	(1.06)%
Total Liabilities	<u>\$ 56,979,031</u>	<u>\$ 55,763,078</u>	<u>\$1,215,953</u>	2.18%

General payables increased primarily due to a large increase (\$849,906) in construction "Work-In-Process" bills at June 30, 2004. While the decrease in Interest Payable and Long-Term Liabilities is directly related to the payment schedules of the various bond issues.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2004

- ❖ General revenues increased by \$7,698,645 from fiscal year 2003 to fiscal year 2004. Primary increases and decreases are discussed below.
 - Property tax revenue levied increased by \$443,216 (7.07%) due to increased property value assessment and growth within the parish.
 - Sales and use tax revenue increased \$1,744,763 (8.92%) due to growth of major retail businesses in the Parish.
 - Earnings on Investments decreased (\$138,239) ((20.28)%) due to major reduction in the Federal Interest Discount rate and the reduction of cash as discussed above.
 - Other Local Revenue increased \$624,306 (54.30%) due to a judgment payoff of \$470,000.
 - The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$87,054,887. This is an increase of \$5,148,639 (6.29%) from the prior year, caused by an increase in enrollment of approximately 490 students. The School Board is one of several in Louisiana considered to be "POOR" in terms of its ability to generate revenues on its own. Therefore, since 1992-93, when a new MFP formula was implemented, Livingston Parish has seen its MFP funding increasing; (70% of the increase must be spent for classroom cost), and (50% of all new money must go to increase teacher salaries).
 - Other state revenue and grants decreased (\$90,402) (5.81%) from the prior year caused primarily from one time grants received in the prior year.
- ❖ Expenditures continue to increase due to the huge influx of students into the parish. The largest expenditure of the School Board continues to be payroll. The next largest expenditure was construction cost; continued construction on two new schools and the School Board made major additions to several other facilities. Other large increases were in the bus fleet, equipping new facilities, adding staff and increased benefit cost, primarily health insurance.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2004

OVERVIEW OF THE FINANCIAL STATEMENTS

The School Board's Report on the Audit of Basic Financial Statements consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a whole, i.e., an entire operating entity. The "Basic Financial Statements" Section, consisting of the Statement of Net Assets, and the Statement of Activities begin on page 13, provide consolidated financial information, and render a government-wide perspective of the School Board's financial condition. They present an aggregate view of the School Board's finances. These statements seek to answer the question, "How did the School Board do financially during the 2003/2004 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private - sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

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

To provide more in-depth reporting of the School Board's financial position and the results of operations, fund basis financial information is presented in the "Fund Financial Statements" section beginning on page 15. The Fund Financial Statements, which should be familiar to those who have read previous governmental financial statements, report governmental activities on more of a current rather than long-term basis, indicating sources and uses of funding, as well as resources available for spending in future periods.

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

The Statement of Fiduciary Net Assets - presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust, and accounted for in the School Activity Fund and Sales Tax Collection Fund. See Schedule 18-1 for school-by-school information on the School Activity Fund and Schedule 18-2 for the receipts and disbursements of sales tax collections for the year ended June 30, 2004.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2004

GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 14, the cost of the School Board's *governmental* activities for the year ended June 30, 2004 was \$132,534,581. However, not all of this cost was borne by the taxpayers of Livingston Parish. Of this amount, \$2,868,427 was paid by those who used or benefited from the services rendered (e.g., charges for school lunches and summer school tuition) and \$14,290,540 was paid through various federal and state grants. Consequently, the net cost of \$115,375,614, an 8.04% increase over the prior year, after taking into consideration these fees and subsidies, was paid by the taxpayers of the Parish through Ad Valorem taxes, sales and use taxes, the Minimum Foundation Program (MFP) from the State of Louisiana, and other general revenues.

Table I below shows the total cost of services and the net cost of these services (after charges for services and grants received) for the largest categories of expenses of the School Board for the year ended June 30, 2004. The "net cost" presentation allows Parish taxpayers to determine the remaining cost of the various categories which were borne by them, and allows them the opportunity to assess the cost of each of these functions in comparison to the perceived benefits received.

TABLE I
Total and Net Cost of Governmental Activities
Year Ended June 30, 2004 and 2003

	<u>2004</u>		<u>2003</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction:				
Regular Education Programs	\$ 56,000,773	\$ 54,252,375	\$ 53,998,380	\$ 52,714,371
Special Education Programs	16,936,860	13,042,704	14,420,229	8,614,112
Other Instructional Programs	6,694,263	4,011,507	5,597,563	5,036,103
Support Services:				
Student Services	4,466,966	3,849,363	3,848,286	3,623,368
Instructional Staff Support	3,980,826	3,066,811	3,531,770	3,531,770
General and School Administration	11,689,473	11,498,349	10,169,983	9,993,267
Business and Central Services	3,132,767	2,883,661	2,504,297	2,325,204
Plant Services	10,605,463	10,602,751	9,549,031	9,549,031
Student Transportation	6,570,876	6,542,997	6,027,008	5,870,166
School Food Services	9,478,521	2,702,598	8,618,978	2,177,698
Community Service Programs	55,295	-	45,445	45,445
Small Equipment	998,716	998,716	1,508,052	1,508,052
Interest on Long-Term Debt	1,923,782	1,923,782	1,802,212	1,802,212
Totals	\$132,534,581	\$115,375,614	\$121,621,234	\$106,790,799

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2004

THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal year ended June 30, 2004, its combined fund balance was \$27,999,425, as compared to its combined restated fund balance of \$35,798,881 as of June 30, 2003, a difference of (\$7,799,456). The General Fund, the main operational arm of the School Board, saw its total fund balance (designated as well as undesignated) decrease by (\$826,298). While General Fund Revenues increased by \$7,593,215, General Fund Expenditures increased by \$8,019,099 and Other Financing Uses (Transfers to Other Funds) increased by \$1,744,253 thereby decreasing current year Excess of Revenues and Other Sources over Expenditures and Other Uses from \$1,343,839 to (\$826,298).

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less than, and/or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The Original Budget for the School Board was adopted on September 4, 2003, and the Final Budget was adopted June 24, 2004. The budget amendments increased total anticipated revenues by 4.68% and increased projected expenditures by 5.41%.

A schedule showing the School Board's General Fund's Original and Final Budget compared with Actual operating results is provided in this report, Statement G. The School Board generally did better than had been budgeted in its major fund since it practices conservative budgeting in which revenues are forecasted very conservatively and expenditures are budgeted with worst case scenarios in mind. The General Fund finished the fiscal year about \$2,219,498 better than had been budgeted.

This excess will be rolled into the beginning fund balance for the 2004-2005 fiscal year. The fiscal year 2005 General Fund budget, adopted on September 2, 2004, showed anticipated revenues of \$119,610,566, projected expenditures of \$114,510,352, and net transfers out \$5,226,118, resulting in a projected deficit of (\$125,904) for the year. This deficit will be caused by the transfer of approximately \$1,830,000 to the Capital Projects Fund, \$1,510,000 to the Maintenance Fund and \$2,379,118 to School Food Service Fund.

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

JUNE 30, 2004

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2004, the School Board had \$101,632,552 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year, and depreciation of depreciable assets for the year. Table II below shows the net book value of capital assets at June 30, 2004 and 2003.

TABLE II
NET CAPITAL ASSETS
AT JUNE 30, 2004 AND 2003

	2004	2003
Land	\$ 5,482,756	\$ 5,269,855
Construction in Progress	10,857,513	2,877,260
Buildings and Improvements	77,622,735	76,130,413
Furniture and Equipment	1,270,393	1,235,696
Library Books and Textbooks	4,401,313	3,780,009
Vehicles	1,997,842	1,515,856
Total	\$101,632,552	\$ 90,809,089

During the current fiscal year, \$15,927,421 of assets were capitalized as additions while \$2,882,174 were deleted, consisting of obsolete items. Depreciation for the year ended June 30, 2004 amounted to a net of \$3,016,278 on buildings and improvements and \$2,050,913 on movables such as furniture, vehicles, and equipment.

During the fiscal year ended June 30, 2004, the following major construction projects were completed:

Holden School - Four Classroom Additions	\$ 362,691
Live Oak High School - Additions	837,805
Live Oak Upper Elementary - Additions	602,688
Live Oak Middle - Additions and Renovations	891,083
Live Oak Lower Elementary - Additions and Renovations	738,354
Live Oak High School - Stadium Renovations	412,340
Total	\$3,844,961

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2004

At June 30, 2004 the following major projects were included in incomplete construction:

<u>Project</u>	<u>Project Cost to June 30, 2004</u>	<u>Total Estimated Project Cost</u>
Denham Springs. - Gray's Creek Elementary School	\$ 4,649,712	\$ 5,315,378
Live Oak Pre-K - Grade 5	4,955,726	6,300,457
Central Office - Sp. Ed. Office Center	787,753	801,213
Central Office - Warehouse & Tech Center	172,063	1,269,304

All funding is coming from the individual districts except for the Live Oak School District (District #22) which \$9,000,000 in bonds were sold to fund all projects. In addition, the "Central Office Projects" are being funded by \$100,000 from the General Fund with the balance coming from the various school districts.

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

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

DEBT

At June 30, 2004, the School Board had outstanding bonded indebtedness of \$30,542,712 as compared to \$32,287,671 at June 30, 2003.

The School Board's bonds were last rated February 1, 2003, at which time they were given a rating of BBB+ by Standard & Poors. The legal debt limit of the School Board fixed by Louisiana Revised Statute 39:562(L) at 35% of the total assessed valuation of property in the Parish, was approximately \$165,855,430 at June 30, 2004.

Other long-term obligations include compensated absences and claims and judgments. At June 30, 2004, these balances were \$8,040,817 and \$1,100,000, respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Livingston Parish is located in the southeastern portion of Louisiana, approximately 30 miles East of the state capital of Baton Rouge. It is bordered by St. Helena Parish on the North, Tangipahoa Parish on the East, Lake Maurepas, St. John the Baptist Parish and Ascension Parish on the South, and East Baton Rouge Parish on the West. This area contains 655 square miles with a surface relief of fairly flat land that varies

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2004

from sea level to nearly 50 feet at the northern boundaries. Livingston Parish School System is second in the State in student enrollment increase (approximately 500 students in each of the past three years); present enrollment is approximately 20,900; 37 schools (pre-K through high school); two new elementary schools to be completed next year; a third elementary and a junior high on the drawing board for the following year. The Livingston Parish School System District "Accountability Report Card" released by the State reflected a performance score of 106.4 and a District responsibility index of Very Good. This D.P.S. score shows Livingston Parish School System performing above the 10 year goal established by the State in compliance with the federal "No Child Left Behind" law.

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

Correspondingly, the school population to be served has increased from approximately 16,100 students in 1990 to approximately 20,900 students currently - an increase of approximately 4,800 students over 14 years or 30%. The 2004-05 school year is expected to be another record year for student growth with an estimated increase of 600 students and approximately 1,600 student increase over the past 3 years. This highlights that not only is our school population increasing, but also that this increase is on an escalating basis. The number of schools serving these students has increased from 30 sites in 1990 to 37 sites - with two schools under construction at June 30, 2004 and two additional schools in the planning stages. Construction on one of the schools planned is expected to begin during 2004/2005 year and projected occupancy by July 2006.

The economic outlook for the recent past and the current term is bright. Due to the population increase over the past two years, two large retail outlets - Wal-Mart Super Store in the Walker School District and a Wal-Mart Super Store in the Denham Springs District has provided a platform for retail trade in our parish. Additionally in the Denham Springs School District, in April, 2003, a Home Depot opened. These retail opportunities keep the domestic dollars from being spent in surrounding parishes as they have been for the past years. Livingston Parish has very little industry, but is poised to see growth due to the availability of reasonably - priced land and the I-12 interstate traversing the parish (east - west) with its many interchanges. Currently, the primary industry is forestry products. The major employer of Livingston Parish is the Livingston Parish School Board with approximately 2,500 employees and a budget in excess of \$130 million. Most of our population finds employment along the Mississippi River, which is laced

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2004

with companies in the high-tech oil and chemical industries. A fledgling tourism industry is being developed with the addition of a State Park at Springfield, summer camps/homes on the various rivers, and the antique shopping village in Denham Springs. The Property tax base in Livingston Parish on the 2004 tax roll is approximately \$203,301,300 which is approximately a 22% increase over the prior year. Increased population and development of rural lands continues to elevate property values.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS

JUNE 30, 2004

ASSETS

Cash and Cash Equivalents	\$	8,181,103
Investments		29,600,000
Receivables		7,313,856
Inventory		771,009
Deferred Bond Issuance Costs		653,267
Capital Assets:		
Land and Construction in Progress		16,340,269
Other Capital Assets (Net of Accumulated Depreciation)		<u>85,292,283</u>
Total Assets	\$	<u><u>148,151,787</u></u>

LIABILITIES

Accounts, Salaries, and Other Payables	\$	17,866,543
Interest Payable		309,373
Long-Term Liabilities:		
Due Within One Year		4,076,916
Due in More than One Year		<u>34,726,199</u>
Total Liabilities		56,979,031

NET ASSETS

Invested in Capital Assets, Net of Related Debt		71,135,865
Restricted for:		
Debt Service Fund		2,818,972
General Fund		14,774,121
Unrestricted		<u>2,443,798</u>
Total Net Assets		<u><u>91,172,756</u></u>
Total Liabilities and Net Assets	\$	<u><u>148,151,787</u></u>

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

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities:					
Instruction:					
Regular Programs	\$ 56,000,773	\$ -	\$ 1,748,398	\$ -	\$ (54,252,375)
Special Programs	16,936,860	-	3,145,831	748,325	(13,042,704)
Vocational Programs	2,459,522	-	174,864	-	(2,284,658)
Adult Continuing Education Programs	152,189	-	152,649	-	460
All Other Programs	4,082,552	121,500	2,082,083	151,660	(1,727,309)
Support Services:					
Student Services	4,466,966	133,501	484,102	-	(3,849,363)
Instructional Staff Support	3,980,826	-	914,015	-	(3,066,811)
General Administration	5,230,710	191,124	-	-	(5,039,586)
School Administration	6,458,763	-	-	-	(6,458,763)
Business Services	1,852,010	-	249,106	-	(1,602,904)
Plant Services	10,605,463	-	2,712	-	(10,602,751)
Student Transportation Services	6,570,876	4,015	23,864	-	(6,542,997)
Central Services	1,280,757	-	-	-	(1,280,757)
Food Services	9,478,521	2,418,287	4,357,636	-	(2,702,598)
Community Service Programs	55,295	-	55,295	-	-
Small Equipment Below Capitalization					
Policy - Not Reported By Function	998,716	-	-	-	(998,716)
Interest on Long-Term Debt	1,923,782	-	-	-	(1,923,782)
Total Governmental Activities	\$ 132,534,581	\$ 2,868,427	\$ 13,390,555	\$ 899,985	(115,375,614)
Taxes:					
Property Taxes, Levied for General Purposes					3,641,197
Property Taxes, Levied for Debt Services					3,071,349
Sales and Use Taxes, Levied for General Purposes					21,015,565
Sales and Use Taxes, Levied for Debt Services					291,116
State Revenue Sharing					659,167
Grants and Contributions not Restricted to Specific Purposes:					
Minimum Foundation Program					87,054,887
Other					805,682
Interest and Investment Earnings					543,519
Loss on Retirement of Capital Asset					(36,767)
Miscellaneous					1,774,132
Total General Revenues and Special Items					118,819,847
Change in Net Assets					3,444,233
Net Assets - Beginning of Year, As Restated					87,728,523
Net Assets - End of Year					\$ 91,172,756

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

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2004

<u>ASSETS</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 4,491,466	\$ 1,360,624	\$ 2,306,206	\$ 8,158,296
Cash with Fiscal Agent	22,807	-	-	22,807
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	25,750,000	1,850,000	2,000,000	29,600,000
Receivables	3,067,611	11,344	4,234,901	7,313,856
Due from Other Funds	4,091,682	926,435	45,381	5,063,498
Inventory	672,815	-	98,194	771,009
Total Assets	<u>\$ 38,096,381</u>	<u>\$ 4,148,403</u>	<u>\$ 8,684,682</u>	<u>\$ 50,929,466</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts, Salaries and Other Payables	\$ 15,843,097	\$ 1,821,466	\$ 201,980	\$ 17,866,543
Due to Other Funds	-	926,435	4,137,063	5,063,498
Total Liabilities	15,843,097	2,747,901	4,339,043	22,930,041
Fund Balances:				
Reserved for:				
Incomplete Contracts	-	1,216,106	-	1,216,106
Debt Service	-	-	2,818,972	2,818,972
Inventory	672,815	-	98,194	771,009
Salaries	5,161,196	-	-	5,161,196
Construction, Utilities and Maintenance	8,876,768	-	-	8,876,768
Classroom Improvements	579,830	-	-	579,830
Other	156,327	-	-	156,327
Unreserved:				
Designated for:				
Property Damage Insurance	713,804	-	-	713,804
General Liability Insurance	1,794,694	-	-	1,794,694
Computer Equipment	337,852	-	-	337,852
Alternative School/Career Center	1,598,504	-	-	1,598,504
Undesignated	2,361,494	184,396	1,428,473	3,974,363
Total Fund Balances	<u>22,253,284</u>	<u>1,400,502</u>	<u>4,345,639</u>	<u>27,999,425</u>
Total Liabilities and Fund Balances	<u>\$ 38,096,381</u>	<u>\$ 4,148,403</u>	<u>\$ 8,684,682</u>	<u>\$ 50,929,466</u>

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

LIVINGSTON PARISH SCHOOL BOARD

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

JUNE 30, 2004

Total Fund Balances at June 30, 2004 - Governmental Funds		27,999,425
Cost of Capital Assets at June 30, 2004	167,849,590	
Less: Accumulated Depreciation as of June 30, 2004	<u>(66,217,038)</u>	
		101,632,552
Deferred Bond Issuance Costs		653,267
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	5,063,498	
Due to Other Funds	<u>(5,063,498)</u>	-
Long-Term Liabilities at June 30, 2004:		
Compensated Absences	(8,040,817)	
Claims and Judgments	(1,100,000)	
Bonds Payable	(30,496,687)	
Deferred Amount on Refunding	834,389	
Accrued Interest Payable	<u>(309,373)</u>	<u>(39,112,488)</u>
Net Assets at June 30, 2004		<u>\$ 91,172,756</u>

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 1,696,291	\$ 810,419	\$ 4,205,836	\$ 6,712,546
Sales and Use	21,015,565	-	291,116	21,306,681
Other	216,961	-	-	216,961
Rentals, Leases and Royalties	112,662	-	-	112,662
Tuition	121,500	-	-	121,500
Interest Earnings	393,694	96,084	53,741	543,519
Food Services	-	-	2,418,287	2,418,287
Other	1,770,649	2,500	-	1,773,149
State Sources:				
Unrestricted Grants-in-Aid	87,441,269	162,783	560,343	88,164,395
Restricted Grants-in-Aid	2,698,533	-	-	2,698,533
Federal Sources:				
Unrestricted - Indirect Cost Recoveries	-	-	227,540	227,540
Restricted Grants-in-Aid - Subgrants	-	-	11,270,463	11,270,463
Other - Commodities	-	-	449,345	449,345
Total Revenues	115,467,124	1,071,786	19,476,671	136,015,581
Expenditures:				
Instruction:				
Regular Programs	55,867,964	-	10,762	55,878,726
Special Programs	13,738,873	-	3,075,832	16,814,705
Vocational Programs	2,262,383	-	174,864	2,437,247
Adult and Continuing Education Programs	54,304	-	96,729	151,033
Other Programs	2,207,862	-	1,826,085	4,033,947
Support Services:				
Pupil Support	4,135,020	-	294,889	4,429,909
Instructional Staff Support	3,200,583	-	914,015	4,114,598

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2004

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Expenditures (Continued):				
Support Services (Continued):				
General Administration	1,636,174	33,818	191,080	1,861,072
School Administration	6,385,113	-	-	6,385,113
Business Services	1,820,752	-	21,566	1,842,318
Plant Services	7,700,502	-	2,805,903	10,506,405
Transportation Services	6,274,523	-	200	6,274,723
Central Services	1,275,878	-	-	1,275,878
Food Services	-	-	9,418,813	9,418,813
Community Service Programs	-	-	55,295	55,295
Capital Outlay	1,722,831	12,114,387	998,778	14,835,996
Debt Service:				
Principal Retirement	-	-	1,744,959	1,744,959
Interest and Bank Charges	-	-	1,754,300	1,754,300
Total Expenditures	<u>108,282,762</u>	<u>12,148,205</u>	<u>23,384,070</u>	<u>143,815,037</u>
Excess (Deficiency) of Revenues Over Expenditures	7,184,362	(11,076,419)	(3,907,399)	(7,799,456)
Other Financing Sources (Uses):				
Transfers In	227,540	4,870,000	3,368,200	8,465,740
Transfers Out	<u>(8,238,200)</u>	<u>-</u>	<u>(227,540)</u>	<u>(8,465,740)</u>
Total Other Financing Sources (Uses)	<u>(8,010,660)</u>	<u>4,870,000</u>	<u>3,140,660</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(826,298)	(6,206,419)	(766,739)	(7,799,456)
Fund Balances at Beginning of Year, As Restated				
	<u>23,079,582</u>	<u>7,606,921</u>	<u>5,112,378</u>	<u>35,798,881</u>
Fund Balances at End of Year	<u>\$ 22,253,284</u>	<u>\$ 1,400,502</u>	<u>\$ 4,345,639</u>	<u>\$ 27,999,425</u>

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2004

Total Net Change in Fund Balances - Governmental Funds \$ (7,799,456)

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	13,837,280
Library Books and Textbooks Purchased	2,090,141
Depreciation Expense	(5,067,191)

Add accumulated depreciation on capital assets retired during the year	2,785,407
Less cost basis of capital assets retired during the year	(2,822,174)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

General Obligation Bond Principal Repayments	1,744,959
--	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Increase in Compensated Absences Payable	(882,251)
Increase in Claims and Judgments Payable	(273,000)
Amortization of Bond Discounts	(90,242)
Amortization of Cost of Issuance	(39,871)
Amortization of Deferred Amounts on Refunding	(83,366)

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

	43,997
Change in Net Assets of Governmental Activities	\$ 3,444,233

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance
	<u>Budget</u>	<u>Budget</u>	<u>Actual</u>	Final Budget
				to Actual
				Favorable
				<u>(Unfavorable)</u>
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 1,455,000	\$ 1,750,000	\$ 1,696,291	\$ (53,709)
Sales and Use	19,605,000	20,875,000	21,015,565	140,565
Other	186,000	190,000	216,961	26,961
Rentals, Leases and Royalties	98,000	103,380	112,662	9,282
Tuition	120,000	120,000	121,500	1,500
Interest Earnings	456,600	435,680	393,694	(41,986)
Other	1,031,600	1,636,329	1,770,649	134,320
State Sources:				
Unrestricted Grants-in-Aid	85,024,207	87,604,034	87,441,269	(162,765)
Restricted Grants-in-Aid	<u>2,165,170</u>	<u>2,838,468</u>	<u>2,698,533</u>	<u>(139,935)</u>
Total Revenues	110,141,577	115,552,891	115,467,124	(85,767)
Expenditures:				
Instruction:				
Regular Programs	54,346,100	57,957,299	55,867,964	2,089,335
Special Programs	12,440,760	13,632,300	13,738,873	(106,573)
Vocational Programs	2,374,879	2,257,343	2,262,383	(5,040)
Other Programs	1,312,521	1,592,580	2,207,862	(615,282)
Adult and Continuing Education Programs	110,110	104,700	54,304	50,396
Support Services:				
Pupil Support	3,629,761	4,188,000	4,135,020	52,980
Instructional Staff Support	3,198,100	3,416,750	3,200,583	216,167
General Administration	1,511,685	1,825,872	1,636,174	189,698
School Administration	6,140,000	6,395,450	6,385,113	10,337
Business Services	1,408,821	1,806,390	1,820,752	(14,362)
Plant Services	7,780,635	7,952,579	7,700,502	252,077
Transportation Services	6,405,160	6,140,327	6,274,523	(134,196)
Central Services	1,583,200	1,225,657	1,275,878	(50,221)

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual Favorable (Unfavorable)</u>
Expenditures (Continued):				
Support Services (Continued):				
Food Services	70,000	-	-	-
Community Service Programs	9,000	9,000	-	9,000
Capital Outlay	<u>1,894,514</u>	<u>1,671,600</u>	<u>1,722,831</u>	<u>(51,231)</u>
Total Expenditures	<u>104,215,246</u>	<u>110,175,847</u>	<u>108,282,762</u>	<u>1,893,085</u>
Excess (Deficiency) of				
Revenues Over Expenditures	5,926,331	5,377,044	7,184,362	1,807,318
Other Financing Sources (Uses):				
Transfers In	305,000	485,443	227,540	(257,903)
Transfers Out	<u>(8,925,336)</u>	<u>(8,908,283)</u>	<u>(8,238,200)</u>	<u>670,083</u>
Total Other Financing Sources (Uses)	<u>(8,620,336)</u>	<u>(8,422,840)</u>	<u>(8,010,660)</u>	<u>412,180</u>
Excess (Deficiency) of				
Revenues and Other Sources Over Expendi- tures and Other Uses	(2,694,005)	(3,045,796)	(826,298)	2,219,498
Fund Balance at Beginning of Year, As Restated				
	<u>21,348,827</u>	<u>21,348,827</u>	<u>23,079,582</u>	<u>1,730,755</u>
Fund Balance at End of Year	\$ <u>18,654,822</u>	\$ <u>18,303,031</u>	\$ <u>22,253,284</u>	\$ <u>3,950,253</u>

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

LIVINGSTON PARISH SCHOOL BOARD

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2004

ASSETS

Cash and Cash Equivalents	\$ <u>4,336,937</u>
Total Assets	\$ <u><u>4,336,937</u></u>

LIABILITIES

Amounts Held for School Activities	\$ 2,526,446
Deposits Due to Others	<u>1,810,491</u>
Total Liabilities	\$ <u><u>4,336,937</u></u>

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

INTRODUCTION

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

The School Board operates thirty-six schools and a special education center within the parish with a total enrollment of approximately 20,900 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

(1) Summary of Significant Accounting Policies -

A. Basis of Presentation

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

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

B. Reporting Entity

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

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

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

The Governmental Accounting Standards Board (GASB) Statements No. 14 and No. 37, the Financial Reporting Entity, established criteria for determining which component units should be considered part of the Livingston Parish School Board for financial reporting purposes. The basic criteria are as follows:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the School Board to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the School Board.
2. Organizations for which the School Board does not appoint a voting majority but are fiscally dependent on the School Board.
3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the School Board's management has determined the following entity to be a discretely presented component unit in the financial reporting entity. At June 30, 2004, no financial transactions have occurred by the entity that would require it to be included in the current year financial statements.

The Livingston Parish Public Benefit Corporation was formed on May 20, 2002 as a private Louisiana nonprofit corporation and a public benefit corporation established for charitable, scientific and educational purposes for the benefit of the Livingston Parish School Board. Once created, the Corporation entered into a cooperative endeavor agreement with the School Board and the Southeastern Educational Foundation (the Foundation), a Louisiana nonprofit corporation and a wholly owned subsidiary of the Southeastern Development Foundation, a Louisiana nonprofit corporation organized for the benefit of Southeastern Louisiana University. Under the terms of the cooperative endeavor agreement, the Corporation entered into a lease for land from the School Board and the Corporation is authorized to sublease the

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

land to the Foundation. In addition, the Foundation is required to construct and operate the Livingston Parish Literacy and Technology Center in accordance with a court order issued in the matter of "*In Re Combustion, Inc.*" Civil Action 94-MDL-4000, United States District Court, Western District of Louisiana. Once the facility is completed, the cooperative endeavor agreement authorizes the Corporation to lease a portion of the completed facility from the Foundation. The initial rent \$1,000,000 is due by the School Board upon receipt of evidence of substantial completion of the facility. The School Board is required to make an additional five rental payments of \$210,333 annually due on January 1 each year. The total rental payments of \$2,051,665 is subject to adjustment based on the final cost of constructing the facilities. At June 30, 2004, the Corporation had no assets or liabilities to report.

C. Funds

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

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

Governmental Funds

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

Governmental Fund Types:

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

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

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

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

Fiduciary Fund Type:

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

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Program Revenues

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

Allocation of Indirect Expenses

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

Fund Financial Statements (FFS)

Governmental Funds

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Revenues

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

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

Sales and use tax revenues are recorded in the month collected by the vendor even though not paid to the School Board until the subsequent month.

Substantially all other revenues are recorded when received.

Expenditures

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

Other Financing Sources (Uses)

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

E. Budget Practices

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

The proposed budgets for the fiscal year ended June 30, 2004, were made available for public inspection and comments from taxpayers. The budgets, which included proposed expenditures and the means of financing them, were published in the official journal fifteen days prior to the public hearing on the budgets for the year ended June 30, 2004. At this meeting, the proposed budgets were legally adopted by the School Board.

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

F. Encumbrances

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

G. Cash and Cash Equivalents

Cash and cash equivalents include interest bearing demand deposits and amounts in time deposits with maturities less than 90 days. Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash and cash equivalents are stated at cost, which approximates market value.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

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

H. Inventory

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

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

I. Capital Assets

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

J. Compensated Absences

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

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

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

K. Long-Term Obligations

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

L. Fund Balance Reserves

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

M. Net Assets

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

N. Sales and Use Taxes

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

In addition, on October 5, 2002, the voters in School Board District No. 22 approved a ½ percent sales and use tax for the purpose of constructing and acquiring a new elementary school and providing renovations and improvements to the existing buildings within the school district.

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

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

O. Use of Estimates

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

(2) Cash and Cash Equivalents -

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

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

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

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

At June 30, 2004, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$42,118,040 and the confirmed bank balances were \$42,381,328. Cash and Cash Equivalents and Investments are stated at cost, which approximates market.

The following is a summary of Cash and Cash Equivalents and Investments at June 30, 2004, classified by credit risk:

	Carrying Amount			Confirmed Balance
	Governmental Funds	Fiduciary Funds	Total	
Category 1	\$37,781,103	\$ 4,336,937	\$42,118,040	\$42,381,328
Category 2	-	-	-	-
Category 3	-	-	-	-
Total	\$37,781,103	\$ 4,336,937	\$42,118,040	\$42,381,328

Recap by Financial Statement Caption:

Cash and Cash Equivalents	\$ 8,181,103
Investments	<u>29,600,000</u>
Total Reported in Statement of Net Assets (Statement A)	37,781,103
Fiduciary Funds Cash and Cash Equivalents (Statement H)	<u>4,336,937</u>
Total	<u>\$42,118,040</u>

- (3) Ad Valorem Taxes -

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

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

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

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

	<u>Authorized</u>	<u>Levied</u>	
	<u>Millage</u>	<u>Millage</u>	
Parishwide Taxes:			
Constitutional	3.29	3.29	
Additional Support	7.18	7.18	
Maintenance	5.00	5.00	
Construction	7.00	7.00	
	<u>Low</u>	<u>High</u>	<u>Low</u> <u>High</u>
District Taxes -			
Bond and Interest	-	70.25	- 70.25

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

Total Ad Valorem Taxes Levied	\$ 6,888,305
Less: Amounts Deemed Uncollectible	<u>(222,749)</u>
	6,665,556
Add: Prior Year Taxes Collected in Current Year	<u>46,990</u>
Net Ad Valorem Taxes Collectible	<u>\$ 6,712,546</u>

Ad Valorem taxes receivable at June 30, 2004, totaled \$82,772 and is included under the caption "Receivables" in these financial statements.

LIVINGSTON PARISH SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

(4) Receivables -

The receivables at June 30, 2004, are as follows:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Sales Taxes</u>	<u>Ad Valorem Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ -	\$1,158,825	\$1,879,042	\$ 20,479	\$ 3,269	\$ 5,996	\$3,067,611
Capital Projects Fund	-	-	-	9,780	1,564	-	11,344
Nonmajor Funds	<u>4,147,663</u>	<u>-</u>	<u>26,011</u>	<u>52,513</u>	<u>8,166</u>	<u>548</u>	<u>4,234,901</u>
Totals	<u>\$4,147,663</u>	<u>\$1,158,825</u>	<u>\$1,905,053</u>	<u>\$ 82,772</u>	<u>\$ 12,999</u>	<u>\$ 6,544</u>	<u>\$7,313,856</u>

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 4,091,682	\$ -
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Chapter 1	-	1,612,019
Chapter 2	-	79,338
Special Education Fund	-	856,741
Special Federal Fund	-	737,096
Other Federal ESEA Fund	-	<u>806,488</u>
Total Special Revenue Funds	-	4,091,682
Debt Service Funds:		
District No. 1	45,381	-
District No. 31	-	<u>45,381</u>
Total Debt Service Funds	45,381	45,381
Capital Projects Funds:		
District No. 1	919,114	-
District No. 4	7,321	-
District No. 22	-	332,691
District No. 24	-	117,734
District No. 25	-	58,042
District No. 26	-	8,460
District No. 27	-	5,060

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Capital Projects Funds (Continued):		
District No. 31	-	54,824
District No. 32	-	66,450
District No. 33	-	85,671
District No. 90	-	87,444
District No. 99	-	110,059
Total Capital Projects Fund	<u>926,435</u>	<u>926,435</u>
Total	<u>\$5,063,498</u>	<u>\$5,063,498</u>
	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 227,540	\$8,238,200
Special Revenue Funds:		
Elementary and Secondary Education Act: Chapter 1	-	86,738
Special Education	-	85,478
Maintenance of Schools	1,320,000	-
School Lunch	2,048,200	-
Special Federal	-	10,502
Other Federal ESEA	-	44,822
Total Special Revenue Funds	<u>3,368,200</u>	<u>227,540</u>
Capital Projects Fund:		
District No. 1	3,720,000	-
District No. 4	300,000	-
District No. 24	200,000	-
District No. 25	300,000	-
District No. 26	50,000	-
District No. 27	<u>300,000</u>	<u>-</u>
Total Capital Projects Fund	<u>4,870,000</u>	<u>-</u>
Total	<u>\$8,465,740</u>	<u>\$8,465,740</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2004 is as follows:

	<u>Balance</u> <u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2004</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 5,269,855	\$ 212,901	\$ -	\$ 5,482,756
Construction in Progress	<u>2,877,260</u>	<u>10,462,200</u>	<u>(2,481,947)</u>	<u>10,857,513</u>
Total Capital Assets not being Depreciated	8,147,115	10,675,101	(2,481,947)	16,340,269
Capital Assets being Depreciated:				
Buildings and Improvements	129,108,323	4,508,600	-	133,616,923
Furniture and Equipment	3,386,858	330,340	(175,696)	3,541,502
Library Books and Textbooks	11,840,288	2,090,141	(2,646,478)	11,283,951
Vehicles	<u>2,261,759</u>	<u>805,186</u>	<u>-</u>	<u>3,066,945</u>
Total Capital Assets being Depreciated	146,597,228	7,734,267	(2,822,174)	151,509,321
Less: Accumulated Depreciation for:				
Buildings and Improvements	52,977,910	3,016,278	-	55,994,188
Furniture and Equipment	2,151,162	258,876	(138,929)	2,271,109
Library Books and Textbooks	8,060,279	1,468,837	(2,646,478)	6,882,638
Vehicles	<u>745,903</u>	<u>323,200</u>	<u>-</u>	<u>1,069,103</u>
Total Accumulated Depreciation	63,935,254	5,067,191	(2,785,407)	66,217,038
Total Capital Assets being Depreciated, Net	<u>82,661,974</u>	<u>2,667,076</u>	<u>(36,767)</u>	<u>85,292,283</u>
Total Governmental Activities Capital Assets, Net	<u>\$ 90,809,089</u>	<u>\$13,342,177</u>	<u>\$(2,518,714)</u>	<u>\$101,632,552</u>

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Depreciation expense of \$5,067,191 for the year ended June 30, 2004 was charged to the following governmental functions:

Instruction:

Regular Education	\$1,238,029
Special Education	8,762
Vocational Education	4,087
Other Education Programs	12,007

Support Services:

Instructional Staff Support	367,209
General Administration (Including all Buildings)	3,089,617
School Administration	560
Plant Services	61,386
Student Transportation Services	263,634
School Food Services	<u>21,900</u>
Total	<u>\$5,067,191</u>

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2004, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Withholdings</u>	<u>Retirement</u>	<u>Total</u>
General Fund	\$1,577,209	\$7,891,207	\$4,378,730	\$1,995,951	\$15,843,097
Capital Projects Fund	1,821,466	-	-	-	1,821,466
Nonmajor Funds	<u>201,980</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,980</u>
Total	<u>\$3,600,655</u>	<u>\$7,891,207</u>	<u>\$4,378,730</u>	<u>\$1,995,951</u>	<u>\$17,866,543</u>

(8) Defined Benefit Pension Plans -

A. Plan Descriptions, Contribution Information and Funding Policies -

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

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

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
Eligibility to Participate	Employees that meet the legal definition of a "teacher" in accordance with Louisiana Revised Statutes 11:701(23)(a).	Employees paid with school food service funds in which the parish has withdrawn from Social Security coverage.	Membership is mandatory for all employees under age 60 employed by a Louisiana Parish or City School Board who work more than 20 hours as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide.
Authority Establishing Contribution Obligations and Benefits	State Statute	State Statute	State Statute
Plan Members' Contribution Rate (Percent of Covered Payroll)	8.00%	9.10%	7.50%
School Board's Contribution Rate (Percent of Covered Payroll)	13.80%	13.80%	0.00%
Period Required to Vest	10 years	10 years	10 years

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Benefits and Eligibility for Distribution (Full-time)	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>																																					
	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following requirements:	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following requirements:	At least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60, 2 1/2% of average compensation for the three highest consecutive years of service times the number of years of service, plus an additional 1/2% of average final compensation times the years of creditable service in excess of 20 years, plus a supplementary allowance of \$24 per annum or \$2 per month for each year of service, not to exceed average final compensation.																																					
<table border="0"> <thead> <tr> <th><u>Years Service</u></th> <th><u>Min. Age</u></th> <th><u>Formula Percentage</u></th> </tr> </thead> <tbody> <tr> <td>10</td> <td>60</td> <td>2.0%</td> </tr> <tr> <td></td> <td>Any</td> <td></td> </tr> <tr> <td>20</td> <td>Age</td> <td>2.0%</td> </tr> <tr> <td>25</td> <td>55</td> <td>2.5%</td> </tr> <tr> <td></td> <td>Any</td> <td></td> </tr> <tr> <td>30</td> <td>Age</td> <td>2.5%</td> </tr> <tr> <td>20</td> <td>65</td> <td>2.5%</td> </tr> </tbody> </table>	<u>Years Service</u>	<u>Min. Age</u>		<u>Formula Percentage</u>	10	60	2.0%		Any		20	Age	2.0%	25	55	2.5%		Any		30	Age	2.5%	20	65	2.5%	<table border="0"> <thead> <tr> <th><u>Years Service</u></th> <th><u>Min. Age</u></th> <th><u>Formula Percentage</u></th> </tr> </thead> <tbody> <tr> <td>10*</td> <td>60</td> <td>3.0%</td> </tr> <tr> <td>25</td> <td>55</td> <td>3.0%</td> </tr> <tr> <td></td> <td>Any</td> <td></td> </tr> <tr> <td>30</td> <td>Age</td> <td>3.0%</td> </tr> </tbody> </table>	<u>Years Service</u>	<u>Min. Age</u>	<u>Formula Percentage</u>	10*	60	3.0%	25	55	3.0%		Any		30	Age
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	*Less than 10 years at age 70 if member entered School Lunch Employees' Retirement System when Parish withdrew from Social Security.																																							

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

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

B. Trend Information -

Contributions required by State statute:

<u>Fiscal Year</u>	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>		<u>Teachers' Retirement System of Louisiana - Plan A</u>		<u>State of Louisiana School Employees' Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
1995	\$5,524,209	100%	\$116,721	100%	\$233,479	100%
1996	\$6,285,982	100%	\$107,718	100%	\$252,034	100%
1997	\$6,859,610	100%	\$ 86,835	100%	\$258,771	100%
1998	\$7,816,519	100%	\$ 92,247	100%	\$276,111	100%

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

<u>Fiscal Year</u>	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>		<u>Teachers' Retirement System of Louisiana - Plan A</u>		<u>State of Louisiana School Employees' Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
1999	\$8,718,960	100%	\$ 88,797	100%	\$298,691	100%
2000	\$8,349,114	100%	\$ 77,961	100%	\$ -	N/A
2001	\$8,067,534	100%	\$ 62,298	100%	\$ -	N/A
2002	\$8,032,885	100%	\$ 45,635	100%	\$ -	N/A
2003	\$8,580,196	100%	\$ 41,839	100%	\$ -	N/A
2004	\$9,493,360	100%	\$ 36,851	100%	\$ -	N/A

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

C. Deferred Compensation Plan -

In addition to the above mentioned retirement plans, on May 5, 1994, the School Board adopted a resolution establishing a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All part-time, seasonal and temporary employees of the School Board are eligible to participate in this plan. Participation in this plan is at a rate of 7.5% of compensation with contributions to the plan funded 1.3% by the employer and 6.2% by the employee. During the current fiscal year, total contributions to the plan amounted to \$245,243 which consisted of \$204,803 from the School Board and \$40,440 from the employees.

The School Board has implemented GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the School Board's plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the School Board's financial statements as of June 30, 2004.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

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

In addition to the pension benefits described in Note (8), the Livingston Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee, the State Employees Group Benefits Program (the state), and the School Board (the parish). The School Board recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the fiscal year ended June 30, 2004, the cost of providing these benefits for 1,714 active employees is \$6,508,053 and for 495 retirees is \$2,668,369.

(10) Changes in Agency Fund Deposits Due Others -

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

	<u>School Activity Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Balance - June 30, 2003	\$ 2,550,771	\$ 1,634,785	\$ 4,185,556
Additions	9,191,504	43,063,268	52,254,772
Deductions	<u>(9,215,829)</u>	<u>(42,887,562)</u>	<u>(52,103,391)</u>
Balance - June 30, 2004	<u>\$ 2,526,446</u>	<u>\$ 1,810,491</u>	<u>\$ 4,336,937</u>

(11) Long-Term Debt -

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

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Total</u>
Long-Term Obligations - July 1, 2003	\$ 31,233,649	\$ 7,158,566	\$ 827,000	\$ 39,219,215
Additions	-	2,001,464	600,913	2,602,377
Accretions of Deep Discount	90,242	-	-	90,242
Amortization of Deferred Amounts on Refunding	83,366	-	-	83,366
Deductions	<u>(1,744,959)</u>	<u>(1,119,213)</u>	<u>(327,913)</u>	<u>(3,192,085)</u>
Long-Term Obligations - June 30, 2004	<u>\$ 29,662,298</u>	<u>\$ 8,040,817</u>	<u>\$ 1,100,000</u>	<u>\$ 38,803,115</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2004:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Total</u>
Current Portion	\$ 2,066,712	\$ 2,010,204	\$ -	\$ 4,076,916
Long-Term Portion	<u>27,595,586</u>	<u>6,030,613</u>	<u>1,100,000</u>	<u>34,726,199</u>
Total	<u>\$29,662,298</u>	<u>\$ 8,040,817</u>	<u>\$1,100,000</u>	<u>\$38,803,115</u>

Bonded Debt

All school board bonds outstanding at June 30, 2004 in the amount of \$30,496,687 consist of general obligation bonds with final maturities from 2005 to 2022 and interest rates from 3.00 percent to 12.00 percent. Bond principal and interest payable in the next fiscal year is \$2,066,712 and \$1,745,419, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General Obligation					
Bonds - Secured					
by Ad Valorem Taxes:					
School District No. 1:					
03/01/89	\$2,631,608	6.40-7.30%	2005	\$ 241,684	\$ 113,316
11/01/94	\$9,600,000	6.10%	2005	29,280	480,000
03/01/02	\$6,455,000	3.00-4.40%	2014	1,618,921	6,280,000
School District No. 4:					
11/01/94	\$4,200,000	6.10%	2005	12,810	210,000
03/01/02	\$2,840,000	3.00-4.40%	2014	712,515	2,760,000

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
School District No. 22:					
12/01/96	\$1,500,000	4.75-10.00%	2016	409,515	1,135,000
01/01/02	\$2,515,000	4.40%	2017	777,555	2,235,000
02/01/03	\$9,000,000	4.00-4.55%	2022	4,041,075	8,955,000
School District No. 24:					
11/01/93	\$2,035,000	6.40-6.60%	2014	652,752	1,725,000
School District No. 25:					
02/27/02	\$ 340,000	4.50%	2009	13,041	210,000
School District No. 26:					
02/27/02	\$ 411,000	3.90%	2008	13,485	253,000
School District No. 27-A:					
04/01/89	\$1,308,369	6.50-7.55%	2005	129,352	60,648
11/01/93	\$1,000,000	5.80-6.00%	2014	325,667	950,000
11/01/93	\$1,140,000	6.70%	2014	329,640	870,000
Less:					
Capital Appreciation					
Bond Deep-Discount				-	(25,343)
School District No. 31:					
04/01/96	\$ 725,000	5.30-12.00%	2016	200,808	550,000
08/01/01	\$ 450,000	.1%-6.50%	2016	143,628	405,000
School District No. 32-A:					
04/01/96	\$1,790,000	5.25-12.00%	2016	501,303	1,365,000
08/01/01	\$1,400,000	.1%-6.5%	2016	447,903	1,255,000
School District No. 33:					
03/01/89	\$ 444,464	6.80-7.55%	2005	44,252	20,748
11/01/93	\$1,045,000	6.70-6.80%	2014	253,315	710,000
Less:					
Capital Appreciation					
Bond Deep Discount				-	(20,682)
Total General Obligation Bonds				<u>10,898,501</u>	<u>30,496,687</u>
Total Bonded Debt				<u>\$ 10,898,501</u>	<u>\$ 30,496,687</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and the avails of a ½% sales and use tax within School Board District No. 22 within Livingston Parish. At June 30, 2004 the School Board has accumulated \$3,054,148 in the Debt Service Funds for future debt requirements. The bonds are due, by years, as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2005	\$ 2,066,712	\$ 1,745,419	\$ 3,812,131
2006	2,080,000	1,286,233	3,366,233
2007	2,167,000	1,202,170	3,369,170
2008	2,804,000	1,109,115	3,913,115
2009	2,180,000	1,011,651	3,191,651
2010-2014	12,595,000	3,360,929	15,955,929
2015-2019	4,550,000	990,059	5,540,059
2020-2022	<u>2,100,000</u>	<u>192,925</u>	<u>2,292,925</u>
	30,542,712	10,898,501	41,441,213
Less: Capital Appreciation Bond Deep Discount	<u>(46,025)</u>	<u>-</u>	<u>(46,025)</u>
	30,496,687	\$ 10,898,501	\$ 41,395,188
Unamortized Deferred Amount on Refunding	<u>(834,389)</u>		
	<u>\$ 29,662,298</u>		

During the fiscal year ended June 30, 1994, voters of Livingston Parish approved the issuance of \$5,220,000 (par value) of 1993 A, B, C and D General Obligation School Improvement Bonds dated November 1, 1993. Each series of Bonds constitute general obligations of the respective School District for which the full faith and credit of the issuing District's are pledged. Each series of Bonds is payable from unlimited ad valorem taxation on all taxable property in the respective issuing District. The Series A, B and C Bonds were issued at a deep discount totaling \$1,618,011. Accretion of this deep discount for the fiscal year ended June 30, 2004 amounted to \$90,242 leaving an amortized deep discount of \$46,025 at June 30, 2004.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Prior Years Advance Refundings

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

During the 2002 fiscal year, the School Board issued \$11,810,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$10,810,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from these financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,029,722. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. At June 30, 2004, the unamortized balance is \$834,389. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$957,672 and resulted in an economic gain of \$714,266.

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

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded by ad valorem taxes, in excess of thirty-five percent of the assessed value of taxable property. At June 30, 2004, the statutory limit is approximately \$118,900,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$30,496,687.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

Compensated Absences

At June 30, 2004, employees of the School Board have accumulated and vested \$8,040,817 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

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

Property Damage Insurance

The School Board continues to carry an excess coverage insurance policy to cover annual losses in excess of \$50,000 and has designated \$713,804 of fund balance of the General Fund at June 30, 2004, to cover the cost of future property damage not covered by insurance.

General Liability Insurance

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

The School Board made disbursements for liability claims of \$60,294 in the fiscal year ended June 30, 2004. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2004, amounted to \$686,493.

Each year the School Board compares the claims paid and the designated fund balance for general liability insurance to determine the amount of funds to be set aside that year. The School Board has designated \$1,794,694 of the fund balance of the General Fund to cover future general liability damage claims.

Worker's Compensation Insurance

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

All worker's compensation claims are paid out of the General Fund resources. The School Board made disbursements for worker's compensation claims of \$312,044 in the fiscal year ended June 30, 2004. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2004, amounted to \$413,507.

Each year the School Board compares the claims paid and the designated fund balance for worker's compensation insurance to determine the amount of funds to be set aside that year. The School Board has not designated any of the fund balance of the General Fund to cover future worker's compensation damage claims.

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

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

Computer Equipment

The School Board established a designation of fund balance in the General Fund to accumulate the projected costs of buying new computer equipment. The amount of this designation is \$337,852 at June 30, 2004.

Alternative School/Career Center

During a prior fiscal year, the School Board passed a motion to set aside funds in the amount of \$1,000,000 in the General Fund to be used for a proposed alternative school/career center. In the current year and prior years, the board designated annual interest earnings and timber sale revenues for this purpose. At June 30, 2004, the \$1,598,504 remains designated to be used for the proposed alternative school/career center.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

(14) Fund Equity - Capital Projects Fund -

The Capital Projects Fund shows a total fund equity of \$1,400,502. A summary of commitments under construction contracts for each individual school district at June 30, 2004, follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2004</u>	<u>Unexpended Commitment</u>
District #1	\$ 5,352,862	\$ 4,679,608	\$ 673,254
District #4	58,000	41,470	16,530
District #22	6,300,457	4,955,726	1,344,731
District #24	263,564	183,260	80,304
District #99	<u>2,110,075</u>	<u>997,449</u>	<u>1,112,626</u>
Total	<u>\$14,084,958</u>	<u>\$10,857,513</u>	<u>\$3,227,445</u>

	<u>Actual District Fund Balance at June 30, 2004</u>	<u>Unexpended Commitment June 30, 2004</u>	<u>Fund Balances Less Commitments June 30, 2004</u>
District #1	\$ 13,037	\$ 673,254	\$ (660,217)
District #4	22,112	16,530	5,582
District #22	1,106,235	1,344,731	(238,496)
District #24	148,846	80,304	68,542
District #25	61,685	-	61,685
District #26	15,593	-	15,593
District #27	16,125	-	16,125
District #31	56,319	-	56,319
District #32	71,378	-	71,378
District #33	(88,043)	-	(88,043)
District #90	87,274	-	87,274
District #99	<u>(110,059)</u>	<u>1,112,626</u>	<u>(1,222,685)</u>
	<u>\$ 1,400,502</u>	<u>\$ 3,227,445</u>	<u>\$ (1,826,943)</u>

At June 30, 2004 the unexpended commitments are recorded in the Capital Projects Fund as fund balance reserved for incomplete contracts to the extent of available fund balances of \$1,216,106. The unavailable amount of \$2,011,339 as well as the deficits in Districts # 33 and #99, will have to be resolved in future years by anticipated Sales Tax revenues and General Fund Transfers.

LIVINGSTON PARISH SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

(15) Reservation of Fund Balance - General Fund -

Reservation for Salaries - In May 1967, the voters of Livingston Parish approved the levy of a 1% sales tax for the purpose of paying salaries of the employees of the School Board. In addition, in October 1987 the voters of Livingston Parish approved the levy of an additional 1/2 of 1% sales tax, 80% of which is dedicated for the purpose of paying salaries of the employees of the School Board. At June 30, 2004, a balance of \$5,161,196 is reserved for salaries as a result of these sales tax levies.

Reservation for Construction, Utilities, and Maintenance - In May 1978, the voters of Livingston Parish approved the levy of a 1% sales tax for the purpose of construction, renovation, operation and maintenance of the public schools of Livingston Parish. Also, the remaining 20% of the 1/2 of 1% sales tax approved in 1987, is dedicated to pay the cost of utility services of the public schools of Livingston Parish. At June 30, 2004, a balance of \$8,876,768 is reserved for utilities and maintenance as a result of these sales tax levies.

Excellence in Education - Classroom Improvements - In the current year and prior years, the School Board received payments from the State of Louisiana in connection with the State's settlement of its lawsuit with the tobacco industry. These funds can only be spent on classroom improvements as required by the State. Accordingly, the unspent monies at June 30, 2004 of \$579,830 are reflected as a reservation of fund balance.

(16) Revenues and Expenditures - Actual and Budget -

The following fund had actual expenditures and/or other uses over budgeted expenditures and/or other uses by 5% or more for the year ended June 30, 2004:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Expenditures:			
Maintenance of Schools	\$2,592,146	\$2,861,299	\$ (269,153)
Public Law 94-142 -			
Special Education Fund	\$2,197,193	\$2,399,212	\$ (202,019)
Other Federal ESEA Fund	\$1,083,619	\$1,161,954	\$ (78,335)

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

(17) **Prior Period Adjustment -**

The following prior period adjustment is necessary to the fund balance of the General Fund and the Debt Service Fund to properly account for sales tax revenue in the period the transaction occurred under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions".

	<u>General Fund</u>	<u>Nonmajor Funds</u>
Fund Balances at Beginning of Year, as Originally Reported	\$21,348,827	\$ 5,090,934
To record the June 2003 sales taxes collected in June 2003 by the retailers and paid to the School Board in July 2003.	<u>1,730,755</u>	<u>21,444</u>
Fund Balances at Beginning of Year, as Restated	<u>\$23,079,582</u>	<u>\$ 5,112,378</u>

In addition, the above fund balance correction requires a prior period adjustment to the net asset balance originally reported to account for the effect of reporting sales tax transactions in the correct fiscal year:

Net Assets at Beginning of Year, as Originally Reported	\$85,976,324
To record the June 2003 sales taxes collected in June 2003 by the retailers and paid to the School Board in July 2003.	<u>1,752,199</u>
Fund Balances at Beginning of Year, as Restated	<u>\$87,728,523</u>

(18) **Litigation and Claims -**

At June 30, 2004, the School Board is involved in several lawsuits. It is the opinion of the legal adviser for the School Board that the ultimate resolution of these lawsuits will not involve any material liability to the School Board in excess of insurance coverage.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2004

(19) Subsequent Event -

On January 1, 2005, the School Board issued \$1,750,000 of General Obligation School Improvement Bonds, Series 2004 for School District No. 33. In addition, as of the date of our report, the School Board was in the process of accepting bids for the issuance of \$12,000,000 of General Obligation Bonds, Series 2005 for District No. 4. The School Board anticipates these bonds will be issued by mid-January 2005.

The proceeds of both of these bonds will be used to pay the cost of construction and acquiring certain school building improvements to be located in these Districts. These bonds will be payable from the annual levy and collection of unlimited ad valorem taxes on all the taxable property within the Districts. These bonds have scheduled maturities through 2024.

SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)



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January 7, 2005

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

Livingston Parish School Board
Livingston, Louisiana

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

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

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

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

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

(No Differences Noted)

Education Levels of Public School Staff (Schedule 2)

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

(No Differences Noted)

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

(No Differences Noted)

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

(No Differences Noted)

Number and Type of Public Schools (Schedule 3)

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

(No Differences Noted)

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

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

(No Differences Noted)

Public Staff Data (Schedule 5)

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

(No Differences Noted)

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

(No Differences Noted)

Class Size Characteristics (Schedule 6)

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

Finding

The number of classes scheduled by the school selected for testing included 11 more classes scheduled in the class size 1 to 20 than the amount of classes per the report used to prepare Schedule 6. The Livingston Parish School Board could not provide an explanation of the difference.

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

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

(No Differences Noted)

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

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

(No Differences Noted)

The IOWA Tests (Schedule 9)

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

(No Differences Noted)

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

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

Respectfully submitted,

Harold J. Bourgeois, CPA

LIVINGSTON PARISH SCHOOL BOARD
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	\$ 50,753,432
Other Instructional Staff Activities	5,560,441
Employee Benefits	13,945,005
Purchased Professional and Technical Services	45,609
Instructional Materials and Supplies	3,506,149
Instructional Equipment	<u>650,538</u>

Total Teacher and Student Interaction Activities 74,461,174

Other Instructional Activities 320,750

Pupil Support Activities 4,135,020

Less: Equipment for Pupil Support Activities -

Net Pupil Support Activities 4,135,020

Instructional Staff Services 3,200,583

Less: Equipment for Instructional Staff Services -

Net Instructional Staff Services 3,200,583

Total General Fund Instructional Expenditures \$ 82,117,527

Total General Fund Equipment Expenditures \$ 1,606,331

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 533,241
Renewable Ad Valorem Tax	3,107,956
Debt Service Ad Valorem Tax	3,071,349
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	216,961
Sales and Use Taxes	<u>21,306,681</u>

Total Local Taxation Revenue \$ 28,236,188

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2004

Local Earnings on Investment in Real Property:	
Earnings from 16th Section Property	\$ 4,207
Earnings from Other Real Property	<u>68,077</u>
Total Local Earnings on Investment in Real Property	<u>\$ 72,284</u>
State Revenue in Lieu of Taxes:	
Revenue Sharing - Constitutional Tax	\$ 110,196
Revenue Sharing - Other Taxes	<u>548,971</u>
Total State Revenue in Lieu of Taxes	<u>\$ 659,167</u>
Nonpublic Textbook Revenue	<u>\$ 2,805</u>
Nonpublic Transportation Revenue	<u>\$ 23,664</u>

LIVINGSTON PARISH SCHOOL BOARD
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

AS OF OCTOBER 1, 2003

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	982	71%	3	60%	0	0%	0	0%
Master's Degree	272	20%	1	20%	33	49%	0	0%
Master's Degree + 30	105	8%	1	20%	27	40%	0	0%
Specialist in Education	11	1%	0	0%	7	11%	0	0%
Ph. D. or Ed. D.	5	0%	0	0%	0	0%	0	0%
Total	1,375	100%	5	100%	67	100%	0	0%

LIVINGSTON PARISH SCHOOL BOARD

NUMBER AND TYPE OF PUBLIC SCHOOLS

FOR THE YEAR ENDED JUNE 30, 2004

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

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

LIVINGSTON PARISH SCHOOL BOARD

EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2003

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	2	4	3	3	13	25
Principals	-	-	1	5	6	7	23	42
Classroom Teachers	99	134	391	189	190	163	214	1,380
Total	99	134	394	198	199	173	250	1,447

LIVINGSTON PARISH SCHOOL BOARD

PUBLIC SCHOOL STAFF DATA

FOR THE YEAR ENDED JUNE 30, 2004

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	39,462	39,455
Average Classroom Teachers' Salary Excluding Extra Compensation	39,109	39,104
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,308	1,302

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

LIVINGSTON PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2003

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	50.1%	671	45.7%	612	4.2%	56	0.0%	-
Elementary Activity Classes	17.8%	32	65.6%	118	5.5%	10	11.1%	20
Middle/Jr. High	23.1%	280	51.1%	620	25.8%	314	0.0%	-
Middle/Jr. High Activity Classes	21.6%	38	21.0%	37	36.9%	65	20.5%	36
High	40.0%	451	42.4%	479	17.6%	199	0.0%	-
High Activity Classes	43.4%	53	27.1%	33	19.7%	24	9.8%	12
Combination	73.0%	219	18.7%	56	8.3%	25	0.0%	-
Combination Activity Classes	48.0%	12	8.0%	2	16.0%	4	28.0%	7

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 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	68	4%	33	2%	93	5%	34	2%	68	4%	51	3%
Proficient	434	25%	349	21%	391	23%	335	19%	388	23%	273	16%
Basic	789	45%	894	53%	793	46%	875	50%	837	49%	866	51%
Approaching Basic	299	17%	319	19%	321	19%	332	19%	292	17%	345	20%
Unsatisfactory	162	9%	100	5%	114	7%	176	10%	110	7%	177	10%
Total	1,752	100%	1,695	100%	1,712	100%	1,752	100%	1,695	100%	1,712	100%

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	16	1%	9	1%	26	2%	12	1%	-	0%	16	1%
Proficient	418	27%	385	25%	415	29%	220	14%	191	13%	214	15%
Basic	689	44%	716	47%	647	44%	898	58%	866	57%	849	59%
Approaching Basic	341	22%	329	22%	273	19%	295	19%	340	22%	252	17%
Unsatisfactory	92	6%	74	5%	89	6%	129	8%	116	8%	110	8%
Total	1,556	100%	1,513	100%	1,450	100%	1,554	100%	1,513	100%	1,441	100%

LIVINGSTON PARISH SCHOOL BOARD

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	27	2%	4	0%	5	0%	120	9%	83	6%	101	8%
Mastery	290	22%	149	11%	195	15%	229	17%	305	23%	244	19%
Basic	607	47%	672	51%	672	53%	569	43%	570	42%	518	39%
Approaching Basic	240	18%	318	24%	285	22%	192	15%	188	14%	202	15%
Unsatisfactory	139	11%	184	14%	132	10%	213	16%	204	15%	254	19%
Total	1,303	100%	1,327	100%	1,289	100%	1,323	100%	1,350	100%	1,319	100%

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	35	3%	16	1%	20	2%	4	0%	12	1%	8	1%
Mastery	215	18%	172	15%	225	19%	138	12%	154	14%	120	10%
Basic	582	50%	593	52%	510	43%	718	61%	630	54%	611	52%
Approaching Basic	241	20%	242	22%	263	22%	226	19%	234	21%	270	23%
Unsatisfactory	104	9%	117	10%	165	14%	91	8%	110	10%	171	14%
Total	1,177	100%	1,140	100%	1,183	100%	1,177	100%	1,140	100%	1,180	100%

LIVINGSTON PARISH SCHOOL BOARD

THE IOWA TESTS

FOR THE YEAR ENDED JUNE 30, 2004

	Composite		
	2004	2003	2002
Test of Basic Skills (ITBS)			
Grade 3	69	67	65
Grade 5	68	67	61
Grade 6	58	55	63
Grade 7	61	60	63
Tests of Educational Development (ITED)			
Grade 9	59	56	55

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

SUPPLEMENTARY INFORMATION

MAJOR CAPITAL PROJECTS FUND - BY DISTRICT

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

LIVINGSTON PARISH SCHOOL BOARD

CAPITAL PROJECTS FUND

COMBINING BALANCE SHEET - BY DISTRICT

JUNE 30, 2004

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 10,885	\$ 18,913	\$ 941,688	\$ 126,810	\$ 52,520	\$ 13,062
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	14,800	25,715	1,280,385	172,420	71,410	17,760
Due From Other Funds	919,114	7,321	-	-	-	-
Receivables	3,784	2,440	1,758	981	344	554
Total Assets	948,583	54,389	2,223,831	300,211	124,274	31,376
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and Other Payables	935,546	32,277	784,905	33,631	4,547	7,323
Due to Other Funds	-	-	332,691	117,734	58,042	8,460
Total Liabilities	935,546	32,277	1,117,596	151,365	62,589	15,783
Fund Equity:						
Fund Balances:						
Reserved for Incomplete Contracts	13,037	16,530	1,106,235	80,304	-	-
Unreserved - Undesignated (Deficit)	-	5,582	-	68,542	61,685	15,593
Total Fund Equity (Deficit)	13,037	22,112	1,106,235	148,846	61,685	15,593
Total Liabilities and Fund Equity	\$ 948,583	\$ 54,389	\$ 2,223,831	\$ 300,211	\$ 124,274	\$ 31,376

See auditor's report.

Schedule 10

SCHOOL DISTRICTS						TOTAL CAPITAL PROJECTS FUND
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	NO. 99	
\$ 13,606	\$ 48,030	\$ 60,820	\$ -	\$ 74,290	\$ -	\$ 1,360,624
18,500	65,305	82,695	-	101,010	-	1,850,000
-	-	-	-	-	-	926,435
597	179	465	194	48	-	11,344
<u>32,703</u>	<u>113,514</u>	<u>143,980</u>	<u>194</u>	<u>175,348</u>	<u>-</u>	<u>4,148,403</u>
11,518	2,371	6,152	2,566	630	-	1,821,466
5,060	54,824	66,450	85,671	87,444	110,059	926,435
16,578	57,195	72,602	88,237	88,074	110,059	2,747,901
-	-	-	-	-	-	1,216,106
16,125	56,319	71,378	(88,043)	87,274	(110,059)	184,396
16,125	56,319	71,378	(88,043)	87,274	(110,059)	1,400,502
<u>\$ 32,703</u>	<u>\$ 113,514</u>	<u>\$ 143,980</u>	<u>\$ 194</u>	<u>\$ 175,348</u>	<u>\$ -</u>	<u>\$ 4,148,403</u>

LIVINGSTON PARISH SCHOOL BOARD

CAPITAL PROJECTS FUND

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

FOR THE YEAR ENDED JUNE 30, 2004

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 270,363	\$ 174,321	\$ 125,606	\$ 70,102	\$ 24,556	\$ 39,551
Interest Earnings	8,983	3,809	58,597	5,424	382	6,632
State Sources:						
Unrestricted						
Grants-in-Aid	54,304	35,014	25,231	14,081	4,933	7,944
Miscellaneous	-	-	2,500	-	-	-
Total Revenues	<u>333,650</u>	<u>213,144</u>	<u>211,934</u>	<u>89,607</u>	<u>29,871</u>	<u>54,127</u>
Expenditures:						
Support Services:						
General Administration	11,282	7,274	5,242	2,925	1,025	1,650
Capital Outlay	<u>4,733,744</u>	<u>397,104</u>	<u>5,807,790</u>	<u>251,858</u>	<u>309,624</u>	<u>131,012</u>
Total Expenditures	<u>4,745,026</u>	<u>404,378</u>	<u>5,813,032</u>	<u>254,783</u>	<u>310,649</u>	<u>132,662</u>
Excess (Deficiency) of Revenues over Expenditures	(4,411,376)	(191,234)	(5,601,098)	(165,176)	(280,778)	(78,535)
Other Financing Sources (Uses):						
Transfers In	<u>3,720,000</u>	<u>300,000</u>	<u>-</u>	<u>200,000</u>	<u>300,000</u>	<u>50,000</u>
Total Other Financing Sources (Uses)	<u>3,720,000</u>	<u>300,000</u>	<u>-</u>	<u>200,000</u>	<u>300,000</u>	<u>50,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(691,376)	108,766	(5,601,098)	34,824	19,222	(28,535)
Fund Balances (Deficit) at Beginning of Year	<u>704,413</u>	<u>(86,654)</u>	<u>6,707,333</u>	<u>114,022</u>	<u>42,463</u>	<u>44,128</u>
Fund Balances (Deficit) at End of Year	<u>\$ 13,037</u>	<u>\$ 22,112</u>	<u>\$ 1,106,235</u>	<u>\$ 148,846</u>	<u>\$ 61,685</u>	<u>\$ 15,593</u>

See auditor's report.

Schedule 11

SCHOOL DISTRICTS						TOTAL CAPITAL PROJECTS FUND
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	NO. 99	
\$ 42,629	\$ 12,804	\$ 33,227	\$ 13,858	\$ 3,402	\$ -	\$ 810,419
289	3,479	3,914	78	4,497	-	96,084
8,562	2,572	6,674	2,784	684	-	162,783
-	-	-	-	-	-	2,500
<u>51,480</u>	<u>18,855</u>	<u>43,815</u>	<u>16,720</u>	<u>8,583</u>	<u>-</u>	<u>1,071,786</u>
1,779	534	1,387	578	142	-	33,818
<u>344,214</u>	<u>5,863</u>	<u>15,215</u>	<u>6,346</u>	<u>1,558</u>	<u>110,059</u>	<u>12,114,387</u>
<u>345,993</u>	<u>6,397</u>	<u>16,602</u>	<u>6,924</u>	<u>1,700</u>	<u>110,059</u>	<u>12,148,205</u>
(294,513)	12,458	27,213	9,796	6,883	(110,059)	(11,076,419)
<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,870,000</u>
<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,870,000</u>
5,487	12,458	27,213	9,796	6,883	(110,059)	(6,206,419)
<u>10,638</u>	<u>43,861</u>	<u>44,165</u>	<u>(97,839)</u>	<u>80,391</u>	<u>-</u>	<u>7,606,921</u>
<u>\$ 16,125</u>	<u>\$ 56,319</u>	<u>\$ 71,378</u>	<u>\$ (88,043)</u>	<u>\$ 87,274</u>	<u>\$ (110,059)</u>	<u>\$ 1,400,502</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

DEBT SERVICE FUND

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

LIVINGSTON PARISH SCHOOL BOARD

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2004

ASSETS	Special Revenue Funds			
	Elementary and Secondary		Special Education	Maintenance of Schools
	Chapter 1	Chapter 2		
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 487,571
Receivables	1,612,019	79,338	862,614	15,878
Inventory	-	-	-	-
Due From Other Funds	-	-	-	-
Investments (Certificate of Deposit Maturities Greater Than 90 Days)	-	-	-	-
Total Assets	\$ <u>1,612,019</u>	\$ <u>79,338</u>	\$ <u>862,614</u>	\$ <u>503,449</u>
 LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, Salaries and Other Payables	\$ -	\$ -	\$ 5,873	\$ 80,971
Due to Other Funds	1,612,019	79,338	856,741	-
Total Liabilities	1,612,019	79,338	862,614	80,971
 Fund Equity:				
Fund Balances -				
Reserved for Inventory	-	-	-	-
Reserved for Debt Service	-	-	-	-
Unreserved - Undesignated	-	-	-	422,478
Total Fund Balances	-	-	-	422,478
Total Liabilities and Fund Equity	\$ <u>1,612,019</u>	\$ <u>79,338</u>	\$ <u>862,614</u>	\$ <u>503,449</u>

See auditor's report.

Schedule 12

School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds
\$ 1,064,362	\$ -	\$ -	\$ 754,273	\$ 2,306,206
548	787,204	806,488	70,812	4,234,901
98,194	-	-	-	98,194
-	-	-	45,381	45,381
-	-	-	2,000,000	2,000,000
<u>\$ 1,163,104</u>	<u>\$ 787,204</u>	<u>\$ 806,488</u>	<u>\$ 2,870,466</u>	<u>\$ 8,684,682</u>
\$ 58,915	\$ 50,108	\$ -	\$ 6,113	\$ 201,980
-	737,096	806,488	45,381	4,137,063
58,915	787,204	806,488	51,494	4,339,043
98,194	-	-	-	98,194
-	-	-	2,818,972	2,818,972
1,005,995	-	-	-	1,428,473
1,104,189	-	-	2,818,972	4,345,639
<u>\$ 1,163,104</u>	<u>\$ 787,204</u>	<u>\$ 806,488</u>	<u>\$ 2,870,466</u>	<u>\$ 8,684,682</u>

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

	Special Revenue Funds			
	Elementary and Secondary		Special	Maintenance
	Education Act			
	Chapter 1	Chapter 2		
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 1,134,487
Sales Taxes	-	-	-	-
Interest Earnings	-	-	-	7,224
Food Services	-	-	-	-
State Sources - Unrestricted:				
Grants-in-Aid	-	-	-	158,093
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	86,738	-	85,478	-
Restricted Grants-in-Aid - Subgrants	2,405,092	83,492	2,399,212	-
Other - Commodities	-	-	-	-
Total Revenues	2,491,830	83,492	2,484,690	1,299,804
Expenditures:				
Instruction:				
Regular Programs	-	-	-	10,762
Special Programs	1,962,168	-	1,103,784	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	-	-	-	-
Support Services:				
Pupil Support	-	-	165,287	-
Instructional Staff Support	274,595	83,492	484,277	-
General Administration	-	-	-	47,346
Business Services	-	-	9,025	-
Plant Services	-	-	1,348	2,803,191
Transportation Services	-	-	200	-
Food Services	-	-	-	-

(CONTINUED)

Schedule 13

<u>School Lunch</u>	<u>Special Federal Fund</u>	<u>Other Federal ESEA Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 3,071,349	\$ 4,205,836
-	-	-	291,116	291,116
1,165	-	-	45,352	53,741
2,418,287	-	-	-	2,418,287
402,250	-	-	-	560,343
-	10,502	44,822	-	227,540
3,908,291	1,312,422	1,161,954	-	11,270,463
449,345	-	-	-	449,345
<u>7,179,338</u>	<u>1,322,924</u>	<u>1,206,776</u>	<u>3,407,817</u>	<u>19,476,671</u>
-	-	-	-	10,762
-	9,880	-	-	3,075,832
-	174,864	-	-	174,864
-	96,729	-	-	96,729
-	839,375	986,710	-	1,826,085
-	38,550	91,052	-	294,889
-	-	71,651	-	914,015
-	-	-	143,734	191,080
-	-	12,541	-	21,566
-	1,364	-	-	2,805,903
-	-	-	-	200
9,418,813	-	-	-	9,418,813

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2004

	Special Revenue Funds			
	Elementary and Secondary		Special Education	Maintenance of Schools
	Education Act			
	Chapter 1	Chapter 2		
Expenditures (Continued):				
Community Service Programs	55,295	-	-	-
Capital Outlay	113,034	-	635,291	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	2,405,092	83,492	2,399,212	2,861,299
 Excess (Deficiency) of Revenues Over Expenditures	 86,738	 -	 85,478	 (1,561,495)
Other Financing Sources (Uses):				
Transfers In	-	-	-	1,320,000
Transfers Out	(86,738)	-	(85,478)	-
Total Other Financing Sources (Uses)	(86,738)	-	(85,478)	1,320,000
 Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	 -	 -	 -	 (241,495)
Fund Balances at Beginning of Year	-	-	-	663,973
Prior Period Adjustment	-	-	-	-
Fund Balances at Beginning of Year As Restated	-	-	-	663,973
Fund Balances at End of Year	\$ -	\$ -	\$ -	\$ 422,478

See auditor's report.

Schedule 13
(Continued)

School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds
-	-	-	-	55,295
98,793	151,660	-	-	998,778
-	-	-	1,744,959	1,744,959
-	-	-	1,754,300	1,754,300
9,517,606	1,312,422	1,161,954	3,642,993	23,384,070
(2,338,268)	10,502	44,822	(235,176)	(3,907,399)
2,048,200	-	-	-	3,368,200
-	(10,502)	(44,822)	-	(227,540)
2,048,200	(10,502)	(44,822)	-	3,140,660
(290,068)	-	-	(235,176)	(766,739)
1,394,257	-	-	3,032,704	5,090,934
-	-	-	21,444	21,444
1,394,257	-	-	3,054,148	5,112,378
\$ 1,104,189	\$ -	\$ -	\$ 2,818,972	\$ 4,345,639

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual Favorable (Unfavorable)</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 2,189,399	\$ 2,583,344	\$ 2,491,830	\$ (91,514)
Total Revenues	2,189,399	2,583,344	2,491,830	(91,514)
Expenditures:				
Instruction - Special Programs	1,744,479	2,039,638	1,962,168	77,470
Support Services:				
Instructional Staff Support	257,075	296,964	274,595	22,369
Community Services Programs	50,000	50,000	55,295	(5,295)
Capital Outlay	60,924	107,259	113,034	(5,775)
Total Expenditures	2,112,478	2,493,861	2,405,092	88,769
Excess of Revenues Over Expenditures	76,921	89,483	86,738	(2,745)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(76,921)	(89,483)	(86,738)	2,745
Total Other Financing Sources (Uses)	(76,921)	(89,483)	(86,738)	2,745
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual Favorable (Unfavorable)</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 130,000	\$ 129,000	\$ 83,492	\$ (45,508)
Total Revenues	130,000	129,000	83,492	(45,508)
Expenditures:				
Instructional Staff Support	125,302	123,675	83,492	40,183
Total Expenditures	125,302	123,675	83,492	40,183
Excess of Revenues Over Expenditures	4,698	5,325	-	(5,325)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(4,698)	(5,325)	-	5,325
Total Other Financing Sources (Uses)	(4,698)	(5,325)	-	5,325
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance - Final Budget to Actual Favorable (Unfavorable)
Revenues:				
Federal Sources:				
Federal Grants	\$ 2,310,073	\$ 2,275,547	\$ 2,484,690	\$ 209,143
Total Revenues	2,310,073	2,275,547	2,484,690	209,143
Expenditures:				
Instruction - Special Programs	840,388	830,417	1,103,784	(273,367)
Support Services:				
Pupil Support	174,881	153,536	165,287	(11,751)
Instructional Staff Support	401,305	413,570	484,277	(70,707)
Business Services	10,100	8,250	9,025	(775)
Plant Services	1,500	1,240	1,348	(108)
Transportation Services	500	180	200	(20)
Capital Outlay	797,915	790,000	635,291	154,709
Total Expenditures	2,226,589	2,197,193	2,399,212	(202,019)
Excess of Revenues Over Expenditures	83,484	78,354	85,478	7,124
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(83,484)	(78,354)	(85,478)	(7,124)
Total Other Financing Sources (Uses)	(83,484)	(78,354)	(85,478)	(7,124)
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - MAINTENANCE OF SCHOOLS

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

FOR THE YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance - Final Budget to Actual Favorable (Unfavorable)
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 998,000	\$ 1,130,000	\$ 1,134,487	\$ 4,487
Interest Earnings	6,750	4,950	7,224	2,274
State Sources:				
Unrestricted:				
Grants-in-Aid	150,500	158,093	158,093	-
Other	18,000	18,000	-	(18,000)
Total Revenues	1,173,250	1,311,043	1,299,804	(11,239)
Expenditures:				
Instruction:				
Regular Programs	12,600	10,200	10,762	(562)
Support Services:				
General Administration	46,500	47,346	47,346	-
Plant Services	2,227,900	2,534,600	2,803,191	(268,591)
Total Expenditures	2,287,000	2,592,146	2,861,299	(269,153)
Excess (Deficiency) of Revenues Over Expenditures	(1,113,750)	(1,281,103)	(1,561,495)	(280,392)
Other Financing Sources (Uses):				
Transfers In	670,000	1,275,000	1,320,000	45,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	670,000	1,275,000	1,320,000	45,000
Excess of Revenues and Other Sources Over Expenditures and Other Uses	(443,750)	(6,103)	(241,495)	(235,392)
Fund Balance at Beginning of Year	663,973	663,973	663,973	-
Fund Balance at End of Year	\$ 220,223	\$ 657,870	\$ 422,478	\$ (235,392)

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - SCHOOL LUNCH

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

FOR THE YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance - Final Budget to Actual Favorable (Unfavorable)
Revenues:				
Local Sources:				
Interest Earnings	\$ 900	\$ 1,200	\$ 1,165	\$ (35)
Food Services	3,093,400	2,480,500	2,418,287	(62,213)
State Sources -				
Unrestricted Grants-in-Aid	517,386	402,250	402,250	-
Federal Sources:				
Restricted Grants-in- Aid-Subgrants	3,335,000	3,650,000	3,908,291	258,291
Other - Commodities	475,000	500,000	449,345	(50,655)
Total Revenues	7,421,686	7,033,950	7,179,338	145,388
Expenditures:				
Support Services:				
Food Services	8,750,970	9,464,428	9,418,813	45,615
Capital Outlay	70,000	100,000	98,793	1,207
Total Expenditures	8,820,970	9,564,428	9,517,606	46,822
Deficiency of Revenues Over Expenditures	(1,399,284)	(2,530,478)	(2,338,268)	192,210
Other Financing Sources (Uses):				
Transfers In	1,300,000	2,145,500	2,048,200	(97,300)
Transfers Out	-	-	-	-
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	(99,284)	(384,978)	(290,068)	94,910
Fund Balance at Beginning of Year	1,394,257	1,394,257	1,394,257	-
Fund Balance at End of Year	\$ 1,294,973	\$ 1,009,279	\$ 1,104,189	\$ 94,910

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - SPECIAL FEDERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance - Final Budget to Actual Favorable (Unfavorable)</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,304,111	\$ 1,287,761	\$ 1,322,924	\$ 35,163
Total Revenues	1,304,111	1,287,761	1,322,924	35,163
Expenditures:				
Instruction:				
Special Programs	9,800	10,000	9,880	120
Vocational Programs	174,679	175,429	174,864	565
Other Programs	433,741	804,237	839,375	(35,138)
Adult and Continuing Education Program	85,850	84,255	96,729	(12,474)
Support Services:				
Pupil Support	38,850	46,800	38,550	8,250
Plant Services	1,364	2,240	1,364	876
Capital Outlay	551,384	154,392	151,660	2,732
Total Expenditures	1,295,668	1,277,353	1,312,422	(35,069)
Excess of Revenues Over Expenditures	8,443	10,408	10,502	94
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(8,443)	(10,408)	(10,502)	(94)
Total Other Financing Sources (Uses)	(8,443)	(10,408)	(10,502)	(94)
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - OTHER FEDERAL ESEA FUND

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

FOR THE YEAR ENDED JUNE 30, 2004

	Original Budget	Final Budget	Actual	Variance - Final Budget to Actual Favorable (Unfavorable)
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,096,661	\$ 1,123,745	\$ 1,206,776	\$ 83,031
Total Revenues	1,096,661	1,123,745	1,206,776	83,031
Expenditures:				
Instruction:				
Other Programs	882,157	911,018	986,710	(75,692)
Support Services:				
Pupil Support	99,490	91,731	91,052	679
Instructional Staff Support	65,020	70,020	71,651	(1,631)
Business Services	12,100	10,000	12,541	(2,541)
Plant Services	1,000	850	-	850
Capital Outlay	-	-	-	-
Total Expenditures	1,059,767	1,083,619	1,161,954	(78,335)
Excess of Revenues Over Expenditures	36,894	40,126	44,822	4,696
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(36,894)	(40,126)	(44,822)	(4,696)
Total Other Financing Sources (Uses)	(36,894)	(40,126)	(44,822)	(4,696)
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

DEBT SERVICE FUND

COMBINING BALANCE SHEET - BY DISTRICT

JUNE 30, 2004

ASSETS	SCHOOL DISTRICTS				
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25
Cash and Cash Equivalents	\$ 127,490	\$ 159,277	\$ 123,545	\$ 105,317	\$ 23,140
Investments	506,000	384,000	304,000	252,000	52,000
Sales Tax Receivable	-	-	26,011	-	-
Due from Other Government	17,278	5,677	6,122	2,281	522
Due from Other Funds	45,381	-	-	-	-
Total Assets	\$ 696,149	\$ 548,954	\$ 459,678	\$ 359,598	\$ 75,662
LIABILITIES AND FUND EQUITY					
Accounts, Salaries and Other Payables	\$ -	\$ 480	\$ -	\$ 444	\$ -
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	480	-	444	-
Fund Equity - Fund Balances: Reserved for Debt Service	696,149	548,474	459,678	359,154	75,662
Total Fund Equity	696,149	548,474	459,678	359,154	75,662
Total Liabilities and Fund Equity	\$ 696,149	\$ 548,954	\$ 459,678	\$ 359,598	\$ 75,662

See auditor's report.

SCHOOL DISTRICTS					TOTAL
NO. 26	NO. 27A	NO. 31	NO. 32A	NO. 33	DEBT SERVICE FUND
\$ 33,046	\$ 94,270	\$ -	\$ 23,695	\$ 64,493	\$ 754,273
62,000	222,000	-	68,000	150,000	2,000,000
-	-	-	-	-	26,011
258	3,951	1,377	5,515	1,820	44,801
-	-	-	-	-	45,381
<u>\$ 95,304</u>	<u>\$ 320,221</u>	<u>\$ 1,377</u>	<u>\$ 97,210</u>	<u>\$ 216,313</u>	<u>\$ 2,870,466</u>
\$ 5,106	\$ -	\$ -	\$ -	\$ 83	\$ 6,113
-	-	45,381	-	-	45,381
5,106	-	45,381	-	83	51,494
90,198	320,221	(44,004)	97,210	216,230	2,818,972
90,198	320,221	(44,004)	97,210	216,230	2,818,972
<u>\$ 95,304</u>	<u>\$ 320,221</u>	<u>\$ 1,377</u>	<u>\$ 97,210</u>	<u>\$ 216,313</u>	<u>\$ 2,870,466</u>

LIVINGSTON PARISH SCHOOL BOARD

DEBT SERVICE FUND

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

FOR THE YEAR ENDED JUNE 30, 2004

	<u>SCHOOL DISTRICTS</u>				
	<u>NO. 1</u>	<u>NO. 4</u>	<u>NO. 22</u>	<u>NO. 24</u>	<u>NO. 25</u>
Revenues:					
Local Sources:					
Ad Valorem Taxes	\$ 1,055,869	\$ 415,036	\$ 454,244	\$ 190,172	\$ 70,105
Sales Taxes	-	-	291,116	-	-
Interest Earnings	16,479	7,523	5,921	4,565	909
Total Revenues	<u>1,072,348</u>	<u>422,559</u>	<u>751,281</u>	<u>194,737</u>	<u>71,014</u>
Expenditures:					
Support Service:					
General Administration	46,170	19,520	21,850	9,009	3,333
Debt Service:					
Principal Retirement	661,152	240,000	225,000	100,000	65,000
Interest and Bank Charges	544,800	138,963	534,739	115,973	9,167
Total Expenditures	<u>1,252,122</u>	<u>398,483</u>	<u>781,589</u>	<u>224,982</u>	<u>77,500</u>
Excess (Deficiency) of Revenues over Expenditures	(179,774)	24,076	(30,308)	(30,245)	(6,486)
Fund Balances at Beginning of Year	875,923	524,398	468,542	389,399	82,148
Prior Period Adjustment	-	-	21,444	-	-
Fund Balances at Beginning of Year as Restated	<u>875,923</u>	<u>524,398</u>	<u>489,986</u>	<u>389,399</u>	<u>82,148</u>
Fund Balances at End of Year	<u>\$ 696,149</u>	<u>\$ 548,474</u>	<u>\$ 459,678</u>	<u>\$ 359,154</u>	<u>\$ 75,662</u>

See auditor's report

Schedule 16

					TOTAL DEBT SERVICE FUND
NO. 26	NO. 27A	NO. 31	NO. 32A	NO. 33	
\$ 57,780	\$ 279,588	\$ 93,756	\$ 329,274	\$ 125,525	\$ 3,071,349
-	-	-	-	-	291,116
1,181	3,433	442	2,914	1,985	45,352
58,961	283,021	94,198	332,188	127,510	3,407,817
2,832	13,537	5,584	15,217	6,682	143,734
84,000	94,038	55,000	150,000	70,769	1,744,959
10,679	178,012	48,453	134,283	39,231	1,754,300
97,511	285,587	109,037	299,500	116,682	3,642,993
(38,550)	(2,566)	(14,839)	32,688	10,828	(235,176)
128,748	322,787	(29,165)	64,522	205,402	3,032,704
-	-	-	-	-	21,444
128,748	322,787	(29,165)	64,522	205,402	3,054,148
\$ 90,198	\$ 320,221	\$ (44,004)	\$ 97,210	\$ 216,230	\$ 2,818,972

FIDICIARY FUNDS

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

Sales Tax Fund - The Sales Tax Fund accounts for the collection and distribution of a two and one-half percent sales and use tax levied by the School Board, a one and one-half percent sales and use tax levied by the City of Denham Springs and the Village of Springfield, a one percent sales and use tax levied by the Village of Albany, the Town of Livingston, the Town of Walker, and the Livingston Parish Council, and a one-half percent sales and use tax levied by Law Enforcement Subdistrict A, Gravity Drainage District No. 1, Gravity Drainage District No. 2, Gravity Drainage District No. 5 and School Board Sales Tax District No. 22, and a hotel/motel tax levied by the Livingston Parish Tourist Commission.

LIVINGSTON PARISH SCHOOL BOARD

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2004

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 2,526,446	\$ 1,810,491	\$ 4,336,937
Total Assets	<u>\$ 2,526,446</u>	<u>\$ 1,810,491</u>	<u>\$ 4,336,937</u>
LIABILITIES			
Amounts Held for School Activities	\$ 2,526,446	\$ -	\$ 2,526,446
Deposits Due to Others	<u>-</u>	<u>1,810,491</u>	<u>1,810,491</u>
Total Liabilities	<u>\$ 2,526,446</u>	<u>\$ 1,810,491</u>	<u>\$ 4,336,937</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHOOL ACTIVITY FUND

SCHEDULE OF CHANGES IN AMOUNTS HELD FOR SCHOOL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

<u>School</u>	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
Albany High	\$ 74,507	\$ 417,415	\$ 449,996	\$ 41,926
Albany Middle School	76,239	204,271	185,289	95,221
Albany Upper Elementary	34,414	193,030	183,159	44,285
Albany Lower Elementary	36,287	155,178	157,772	33,693
Denham Springs High	55,526	676,939	721,884	10,581
Denham Springs Junior High	60,551	364,612	357,203	67,960
Denham Springs Freshman High	99,944	150,060	150,847	99,157
Denham Springs Elementary	40,583	108,876	106,735	42,724
Doyle High	81,453	227,800	227,269	81,984
Doyle Elementary	71,446	172,901	167,899	76,448
Eastside Elementary	92,278	127,912	127,335	92,855
French Settlement High	64,297	220,784	200,891	84,190
French Settlement Elementary	72,644	112,041	92,867	91,818
Freshwater Elementary	41,502	175,958	164,195	53,265
Frost Elementary	28,836	135,562	139,632	24,766
Holden High	82,264	288,227	302,798	67,693
Levi Milton Elementary	36,042	182,668	174,382	44,328
Lewis Vincent Elementary	26,900	233,697	224,886	35,711
Live Oak High	112,769	555,019	616,608	51,180
Live Oak Middle School	122,822	570,905	565,110	128,617
Live Oak Upper Elementary	184,007	434,801	484,085	134,723
Live Oak Lower Elementary	183,440	365,469	383,944	164,965
Maurepas High	45,151	240,619	245,436	40,334
North Corbin Elementary	18,304	139,327	119,078	38,553
Northside Elementary	79,629	153,085	153,340	79,374
Pine Ridge School	25,138	43,696	47,729	21,105
Seventh Ward Elementary	45,052	199,001	172,600	71,453
South Walker Elementary	120,056	208,034	199,361	128,729
Southside Junior High	140,286	327,944	340,719	127,511
Southside Elementary	53,622	112,021	105,771	59,872
Springfield High	27,129	215,533	197,734	44,928
Springfield Middle School	22,725	142,726	149,519	15,932
Springfield Elementary	25,026	151,700	137,879	38,847
Walker High	154,907	655,178	622,004	188,081
Walker Junior High	67,899	165,394	157,186	76,107
Walker Elementary School	28,915	117,063	121,716	24,262
Westside Junior High School	18,181	246,058	260,971	3,268
Total	\$ 2,550,771	\$ 9,191,504	\$ 9,215,829	\$ 2,526,446

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SALES TAX FUND

SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS

FOR THE YEAR ENDED JUNE 30, 2004

Deposits Due Others at Beginning of Year	\$ 1,634,785
Additions:	
Sales Tax Collections	43,063,268
Deductions:	
Transfers to:	
General Fund:	
Sales Tax	20,867,278
Sales Tax Collection Fee	360,281
Debt Service - District No. 22	286,549
Livingston Parish Sheriff	4,241,199
Livingston Parish Council	8,469,194
Livingston Parish Tourist Commission	63,781
Livingston Parish Drainage Districts:	
No. 1	462,442
No. 2	318,278
No. 5	787,854
City of Denham Springs	4,555,701
Town of Walker	1,877,433
Town of Livingston	207,800
Town of Springfield	232,120
Village of Albany	117,649
Refunds to Vendors	40,003
Total Reductions	<u>42,887,562</u>
Deposits Due Others at End of Year	\$ <u>1,810,491</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Claire Corburn	\$ 9,600	\$ 4,800
Louis Carlisle	9,600	9,600
Earnest Carrier, Jr. (Term expired December 31, 2002)	-	4,800
Jeffrey Cox	9,600	4,800
Milton Hughes	9,600	9,600
Keith Martin	9,600	9,600
Julius J. Prokop	9,600	4,800
David Tate	9,600	4,800
James V. Watson (Term expired December 31, 2002)	-	4,800
Malcolm Sibley	10,800	10,800
Ralph L. Willie (Term expired December 31, 2002)	-	4,800
S. Gerald Stilley (Term expired December 31, 2002)	-	4,800
Norman Alton Leggette	<u>9,600</u>	<u>9,600</u>
Total	<u>\$ 87,600</u>	<u>\$ 87,600</u>

Term of Current Board Expires December 31, 2006.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Agriculture</u>			
Passed Through Louisiana Department of Agriculture and Forestry - Food Distribution Program	10.550	N/A	\$ 449,345
Passed Through Louisiana Department of Education:			
National Breakfast Program	10.533	N/A	879,018
National School Lunch Program	10.555	N/A	<u>3,029,273</u>
Total United States Department of Agriculture			4,357,636
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	103,804
Educationally Deprived Children - Local Educational Agencies:			
IASA Title I	84.010	04-IASA-32-1	2,006,713
IASA Title I	84.010	03-IASA-32 C/O	<u>485,117</u>
			2,491,830
Handicapped State Grants:			
Special Education IDEA	84.027	04-FT-32	1,219,882
Special Education IDEA	84.027	03-FT-32	<u>1,264,808</u>
			2,484,690

(CONTINUED)

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

FOR THE YEAR ENDED JUNE 30, 2004

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Education (Continued)</u>			
Vocational Education - Basic Grants to States	84.048	N/A	180,281
Learn and Serve - Outdoor Odyssey	84.298	N/A	8,033
Children with Disabilities	84.323A	N/A	91,661
Handicapped - Preschool Grants:			
Preschool Flow-thru	84.173	04-PI-32-S	112,618
Innovative Education Program	84.298	N/A	83,492
Drug-Free Schools and Communities - State Grants	84.186	04-7032	93,383
Title II - Eisenhower Professional Development State Grants	84.281A	N/A	1,091,798
School Renovation - Technology	84.352A		617,459
Enhancing Education Through Technology	84.318X	N/A	65,441
Chapter IV- Class Size Reduction	84.340A	N/A	<u>21,595</u>
Total Passed Through Louisiana Department of Education			7,446,085
Passed Through East Baton Rouge School Board:			
Tech - Prep Education	84.243	N/A	<u>14,007</u>
Total United States Department of Education			7,460,092
<u>United States Department of Health and Human Services</u>			
Passed Through Louisiana Department of Education:			
Starting Points	93.575	N/A	58,317
T.A.N.F.	93.558	N/A	<u>71,303</u>
Total United States Department of Health and Human Services			<u>129,620</u>
Total Expenditures of Federal Awards			<u>\$11,947,348</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2004

Note A - Significant Accounting Policies -

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

Note B - Food Distribution Program -

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2004, the Livingston Parish School Board had food commodities totaling \$55,894 in inventory.

See auditor's report.

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



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January 7, 2005

Livingston Parish School Board
Livingston, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish School Board, Livingston, Louisiana, as of and for the year ended June 30, 2004, which collectively comprise the Livingston Parish School Board's basic financial statements, and have issued our report thereon dated January 7, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs as items 2004-1 - 2004-3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

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 Livingston Parish School Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 2004-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our 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 none of the reportable conditions described above is a material weakness. In addition, we did note other matters involving the internal control over financial reporting that we have reported to the School Board in a separate letter dated January 7, 2005.

This report is intended solely for the information of management, the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Harold T. Bougeois, CPA

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



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January 7, 2005

Livingston Parish School Board
Livingston, Louisiana

Compliance

We have audited the compliance of the Livingston Parish School Board with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2004. The Livingston Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

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

Internal Control Over Compliance

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

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

This report is intended solely for the information of management, the Office of the Legislative Auditor, State of Louisiana, Louisiana Department of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specific parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Hannu J. Bourgeois, CPA

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2004

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

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

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>CFDA Number</u>
<u>United States Department of Education</u> Passed Through Louisiana Department of Education:	
Special Education IDEA	84.027
IASA, Title I	84.010

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

LIVINGSTON PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2004

B. Findings - Financial Statements Audit

2004-1 - Failure to Amend Budget (LSA - R.S. 39:1301):

Finding

During our current year audit, it was noted that actual expenditures exceeded the budgeted expenditures in the Maintenance of Schools Fund by \$269,153, in the Special Education Fund by \$202,019, and in the other Federal ESEA Fund by \$78,335 which are greater than a 5% variance. State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more.

Recommendation

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

Management's Response

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

2004-2 - Failure to Complete Audit Report Within Six Months of the Close of the Fiscal Year - (LSA - R.S.24:513):

Finding

During the current year and the prior two years, the School Board failed to comply with the above revised statute regarding timely completion of their audit report. One reason for the delay was due to continued difficulty experienced by the School Board in providing capital asset and depreciation schedules (particularly the schedules pertaining to buildings and improvements) as required by GASB 34. The School Board should have begun the task of preparing the depreciation schedules sooner as they are fully aware of the time and effort necessary to accurately compile the information. Also in the current year, the School Board implemented a new accounting software package that further contributed to the delay in completing the audit report as the conversion process was very time consuming.

Recommendation

We again recommend all future audit reports be filed timely. Failure to comply with LSA-R.S. 24:513 and timely submission exposes management to monetary penalties from the State. Now that all capital asset and depreciation schedules have been prepared through June 30, 2004, they should be updated at least quarterly so as to avoid future delays in reporting. Also the computer software conversion process is complete and should not contribute to any future delays in reporting.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2004

Management's Response

Management concurs with this finding and plans to submit all future reports timely. In addition, management will begin to update the fixed asset schedules as recommended.

2004-3 - Possible Violation of State Bid Law (LSA - R.S. 38:2212):

Finding

During the current year, the School Board purchased new accounting software for the approximate cost of \$450,000 without advertising and awarding to the lowest possible bidder as required under provisions of R.S. 38:2212. According to the School Board's management, the School Board obtained the software from a sole source and the State Bid Law did not apply to this purchase. The School Board could not provide us with any documentation that the software purchased could only be obtained from one provider as a sole source purchase.

As an alternative to advertising for bids and purchasing from the lowest bidder, R.S. 38:2237 provides an alternate method of purchasing data processing software through a request for proposal. This method allows management to request proposals from all qualified vendors and purchase the software from the most qualified vendor using evaluation criteria of the specifications offered where price is only one of many evaluation criteria. The Livingston Parish School Board also did not comply with the provisions of this alternate method of purchasing the software.

Recommendation

We recommend that the School Board comply with all provisions of the State procurement laws. If management decides an exemption exists to the laws, then management should obtain adequate documentation of the exemption to follow the State Bid Laws. If there is still a question concerning compliance with any laws and/or regulations, clarification should always be obtained from legal counsel and made a part of the documentation file.

Management's Response

Management plans to comply with all provisions of the State procurement laws. Adequate documentation for any exemption will be documented and any need for clarifications will be provided by legal counsel.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2004

2004-4 - Failure to Reconcile Payroll Cash Account:

Finding

As of the date of our initial year end fieldwork (October 2004), it was noted that the payroll checking account had not been reconciled since January 2004. Management stated that several attempts had been made to reconcile the account after the payroll module of the computer software conversion took place in January 2004. Subsequent to our fieldwork date, management has completed the necessary reconciliations through the current date.

Recommendation

Although we recognize the fact that computer conversions are never an easy task and are very time consuming, it is imperative that all reconciliations be performed on a timely basis particularly those involving cash and payroll accounts. Management must continue to remain current on all reconciliations.

Management's Response

As stated above, the payroll bank reconciliations have been brought current. Management will continue to perform these reconciliations timely.

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2004

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

Finding

During our prior year audit, it was noted that actual expenditures exceeded the budgeted expenditures in the Maintenance of Schools Fund by \$333,690 which is greater than a 5% variance. In the current year, the School Board again failed to amend the budget for the Maintenance of Schools Fund. This finding is reported in the current year's schedule of findings and questions cost as 2004-1. State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more.

Recommendation

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

Management's Response

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

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

Finding

During the prior two years, the School Board failed to comply with the above revised statute regarding timely completion of their audit report. The reason for the delay was due to difficulty experienced by the School Board in providing capital asset and depreciation schedules as required by GASB 34. The same finding has been cited again in the current year schedule of findings and questioned costs as Finding 2004-2.

Recommendation

We recommended all future audit reports be filed timely. We again recommend now that all capital asset and depreciation schedules have been prepared through June 30, 2004, they should be updated at least quarterly so as to avoid future delays in reporting.

Management's Response

Management concurs with this finding and plans to submit all future reports timely. In addition, management will begin to update the fixed asset schedules as recommended.

LIVINGSTON PARISH SCHOOL BOARD
LIVINGSTON, LOUISIANA

MANAGEMENT LETTER

JUNE 30, 2004



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January 7, 2005

Livingston Parish School Board
Livingston, Louisiana

In planning and performing our audit of the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana, for the year ended June 30, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The following summarizes our comments and suggestions regarding the matters. This letter does not affect our report dated January 7, 2005, on the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana.

CURRENT YEAR FINDINGS:

Finding:

It was noted in the current year that numerous adjustments by the client were necessary to the various performance and statistical schedules required by R.S. 24:514 to be included in our audit report.

Recommendation:

We recommend more care be exercised in the future when these reports are originally prepared. The majority of these schedules can be prepared well in advance of the audit fieldwork and you should not wait until the completion of the audit to prepare these schedules. These schedules are included on a list of items to be prepared by you and are attached to the arrangement agreement.

Management Response:

Management concurs with our recommendation and will exercise more care in the future in preparation of these schedules.

Finding:

In the current year, it was noted that an independent Information Technology (I.T.) review has not been conducted for the last several years.

Recommendation:

Due to the increasing size and complexity of the I.T. computer system of the School Board, we recommend management hire an independent I.T. consultant to perform this review.

Management Response:

Management concurs with the recommendation and plans to hire an independent information technology consultant to review the School Board's computer system.

PRIOR YEAR FINDINGS:

Athletic Event Tickets:

Finding:

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

Recommendation:

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

Management Response:

Management concurs with our recommendation and will develop a standard procedure for the schools to follow to issue tickets to attendants at athletic events and reconcile the collections to the number of tickets issued.

Grants Reimbursement Request:

Finding:

It was noted in the prior year that as of the middle of October 2003, the grant reimbursement requests for the fiscal year ended June 30, 2003 for the Chapter VI Class Size Reduction grant (\$87,389) and the Innovative Education Program grant (\$113,156) had not been completed and submitted to the respective grantors. These requests should be filed more timely.

Recommendation:

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

Corrective Action Taken:

It was noted in the current year that grant reimbursement requests for these two programs were filed more timely.

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

Respectfully submitted,

Harris J. Bourgeois, M.P.