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LIVINGSTON PARISH SCHOOL BOARD

**REPORT ON AUDIT OF BASIC
FINANCIAL STATEMENTS**

JUNE 30, 2008

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 4/22/09

LIVINGSTON PARISH SCHOOL BOARD

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February 16, 2009

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, 2008, which collectively comprise the Livingston Parish School Board's basic financial statements, as listed in the table of contents. We have also audited the financial statements of each of the School Board's nonmajor governmental funds presented in the accompanying combining and individual fund financial statements and schedules as of and for the year ended June 30, 2008, 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 opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, 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 as well as the aggregate nonmajor governmental funds of the Livingston Parish School Board as of June 30, 2008, and the respective changes in financial position thereof for the general fund and the capital projects fund and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Livingston Parish School Board as of

June 30, 2008, and the respective changes in financial position thereof and the budgetary comparison for the special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Livingston Parish School Board adopted the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, as of July 1, 2007.

In accordance with Government Auditing Standards, we have also issued our report dated February 16, 2009, 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 15 is not a required part of the basic financial statements but is 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livingston Parish School Board's basic financial statements. The schedules required by state law, the combining schedule of major capital project funds by district, the combining schedule of non-major governmental funds, each of the non-major special revenue fund budgetary comparison schedules, the combining non-major debt service fund schedules by district, the fiduciary fund schedules, and the schedule of compensation paid to board members are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the Livingston Parish School Board. The combining schedule of major capital project funds by district, the combining schedule of non-major governmental funds, each of the non-major special revenue fund budgetary comparison schedules, the combining non-major debt service fund schedules by district, the fiduciary fund schedules, the schedule of compensation paid to board members, and the Schedule of Expenditures of Federal Awards have 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. The schedules required by state law have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

Harris T. Bougeois, CPA

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2008

The Management's Discussion and Analysis (MD&A) of the Livingston Parish School Board provides an overview and overall review of the School System's financial activities for the fiscal year ended June 30, 2008. The intent of the MD&A is to look in layman's terms at the School System's financial performance as a whole. It should, therefore, be read in conjunction with the School System'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 2007-2008 fiscal year include the following:

- ❖ Net assets increased by \$2,672,149 for the year ended June 30, 2008. As discussed below, the increase in net assets was the result of an increase in total assets of \$32,155,151 coupled with an increase in total liabilities of \$29,483,002.
- ❖ Total assets increased by \$32,155,151 attributed to the following elements:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Cash and Cash Equivalents	\$ 80,230,699	\$ 54,442,565	\$ 25,788,134	47.37 %
Receivables	13,821,332	9,208,961	4,612,371	50.00 %
Inventory	1,014,138	887,231	126,907	14.30 %
Deferred Bond Issuance Costs	748,878	701,260	47,618	6.79 %
Capital Assets, Net of Accumulated Depreciation	<u>121,262,571</u>	<u>119,682,450</u>	<u>1,580,121</u>	1.32 %
Total Assets	<u>\$217,077,618</u>	<u>\$184,922,467</u>	<u>\$ 32,155,151</u>	17.39 %

The main reasons for the increase in cash was due to approximately \$17.6 million in additional MFP funding being received and the issuance of a \$26 million bond issue in District #1 for construction projects. At June 30, 2008, the construction projects were in the beginning stages and approximately \$25 million of the proceeds were unspent. Receivables increased due to an increase in amount due from federal and state grants/programs reimbursements and an increase in interest receivable at June 30, 2008 caused by a

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

miscalculation by the Board's bank of previous interest due to the School Board. The inventory increase reflects normal fluctuation of commodity items used by the School Food Service Program, School Supply, Textbooks/Workbooks, Computer Repair Parts and Maintenance Materials. Capital assets increased because of the continued capital outlay and construction within the Districts. Total capital outlay recorded in all funds in the current year amounted to \$7.2 million. At June 30, 2008, major incomplete construction projects in the Districts totaled \$2,175,368:

District #1:	
Juban Parc Elementary (New School)	\$ 432,151
Juban Parc Junior High (New School)	845,600
Denham Springs High School Field House Addition	306,379
District #4:	
Levi Milton Elementary Classroom Addition	71,417
New Walker Elementary School – Land Improvements	6,582
Walker Elementary Drainage Project	283,607
District #24:	
Albany Middle Classroom Addition	214,782
District #26:	
Doyle Elementary Classroom Addition (Band Room)	<u>14,850</u>
	<u>\$ 2,175,368</u>

In addition, at June 30, 2008, unexpended commitments were \$18,344,324 for contracts in progress and \$10,218,969 for future construction projects. During the current fiscal year, the School System purchased 38 buses/vehicles at a cost of \$572,701 and purchased other large equipment totaling \$695,236.

❖ Total Liabilities increased \$29,483,002 due to the following items:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Accounts, Salaries, and Other				
Payables	\$ 25,191,754	\$ 23,320,263	\$ 1,871,491	8.03 %
Interest Payable	520,458	359,354	161,104	44.83 %
Long-Term Liabilities	<u>75,534,525</u>	<u>48,084,118</u>	<u>27,450,407</u>	57.09 %
Total Liabilities	<u>\$101,246,737</u>	<u>\$ 71,763,735</u>	<u>\$ 29,483,002</u>	41.08 %

General payables increased primarily due to a large increase of \$2,041,415 for salaries and related expenses and withholdings payable because of an increase in wages, benefits and number of employees. While the increase in Interest Payable and Long-term Liabilities is due to the \$26 million bond sale in District #1 and

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

the implementation of the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* which required a prospective adjustment of \$2,799,813 to record the first year of the required annual contribution.

- ❖ General revenues increased by \$22,882,237 from fiscal year 2007 to fiscal year 2008. Primary increases and decreases are discussed below.
 - Property tax revenue levied increased by \$2,745,037 (28.35%) due to increased property value assessment and growth within the parish.
 - Sales and use tax revenue increased \$1,733,833 (5.57%) due to increased businesses and population in the Parish.
 - Earnings on Investments increased \$703,985 (27.59%) due to an increase in the funds available to invest and a miscalculation by the Board's bank of previous interest due to the School Board of \$691,400.
 - Other Local Revenue decreased \$50,046 (8.96%) due to a decrease in various revenues.
 - The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$130,031,265. This is an increase of \$17,633,346 (15.69%) from the prior year, caused by an increase in enrollment of approximately 960 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 general fund expenditures must be spent on instructional activities), and (50% of all new MFP money received must go to increase teacher salaries).
 - Other state revenue and grants increased \$96,413 (13.34%) from the prior year caused primarily by an increase in state grant allocations.
- ❖ Expenditures continue to increase due to the huge influx of students into the parish. The largest expenditure of the School System continues to be payroll. This includes maintaining and upgrading salaries, along with adding staff and increased benefit costs, primarily health insurance and retirement contributions. Other large increases were in the bus fleet, maintaining facilities and skyrocketing costs of fuel and food.

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. Beginning on page 16, the "Basic Financial Statements" Section, consisting of the Statement of Net Assets and the Statement of Activities, provide consolidated financial information, and render a government-wide

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

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 2007/2008 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 18. 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, 2008.

GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 17, the cost of the School Board's *governmental* activities for the year ended June 30, 2008 was \$203,561,519. However, not all of this cost was borne by the taxpayers of Livingston Parish. Of this amount, \$4,744,120 was paid by those who used or benefited from services rendered (e.g., charges for school lunches and summer school tuition) and \$21,639,975 was paid through various federal and state grants. Consequently, the net cost of \$177,177,424, a 21.24% 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.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

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, 2008. 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, 2008 and 2007

	<u>2008</u>		<u>2007</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	\$ 86,128,267	\$ 81,380,206	\$ 70,967,954	\$ 68,222,728
Special Education Programs	25,979,544	23,201,277	22,186,884	19,201,637
Other Instructional Programs	12,693,453	7,239,480	11,467,896	5,438,839
Support Services:				
Student Services	7,166,460	6,335,067	6,095,764	5,406,083
Instructional Staff Support	7,078,847	5,283,179	6,104,924	4,175,823
General and School Administration	16,729,658	15,990,720	13,706,912	13,071,390
Business and Central Services	3,716,507	3,028,578	3,165,166	2,488,535
Plant Services	16,345,210	16,050,970	13,249,721	13,179,511
Student Transportation	9,946,974	9,623,527	8,716,370	8,601,843
School Food Services	13,523,257	4,851,247	11,997,338	3,791,252
Community Service Programs	75,170	15,001	67,551	15,001
Small Equipment	1,795,470	1,795,470	699,546	699,546
Interest on Long-Term Debt	<u>2,382,702</u>	<u>2,382,702</u>	<u>1,841,861</u>	<u>1,841,861</u>
Totals	<u>\$203,561,519</u>	<u>\$177,177,424</u>	<u>\$170,267,887</u>	<u>\$146,134,049</u>

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and manage money for particular purposes, some parish-wide, some by individual districts, and some by site, (e.g., dedicated taxes and grant programs). The Fund basis financial statements allow 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.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

As the School Board completed the fiscal year ended June 30, 2008, its combined fund balance was \$69,874,415, as compared to its combined fund balance of \$41,218,494 as of June 30, 2007, a difference of \$28,655,921. The General Fund, the main operational arm of the School Board, saw its total fund balance (designated as well as undesignated) increase by \$1,099,618. While General Fund Revenues increased by \$22,470,061, General Fund Expenditures increased by \$28,333,311 and Other Financing Sources (Uses) (Transfers to Other Funds) increased by \$1,351,767, thereby decreasing current year Excess of Revenues and Other Sources over Expenditures and Other Uses from \$8,314,635 to \$1,099,618 a total decrease of \$7,215,017.

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 August 23, 2007, and the Final Budget was adopted June 19, 2008. The budget amendments increased total anticipated revenues by 3.19% and increased projected expenditures by 6.80%.

A schedule showing the School Board's General Fund's Original and Final Budget compared with Actual operating results is provided in this report, Statement G. The School Board generally did better than had been budgeted in its major fund since it practices conservative budgeting in which revenues are forecasted very conservatively and expenditures are budgeted with worst case scenarios in mind. The General Fund finished the fiscal year about \$1,600,958 more than had been budgeted.

The fiscal year 2009 General Fund budget, adopted on August 21, 2008, showed anticipated revenues of \$190,200,591, projected expenditures of \$178,072,739, and net transfers out of \$9,310,000 resulting in a projected increase of \$2,817,852 for the year. Transfers out include \$3,050,000 to the Capital Projects Fund, \$2,225,000 to Maintenance Fund, \$35,000 to the Sinking Fund (Debt Service) and \$4,000,000 to School Food Service Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2008, the School Board had \$121,262,571 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, 2008 and 2007.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

TABLE II

Net Capital Assets
at June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Land	\$ 7,609,782	\$ 7,609,782
Construction in Progress	2,175,368	831,910
Buildings and Improvements	101,649,844	102,578,150
Furniture and Equipment	2,529,641	2,277,276
Library Books and Textbooks	4,843,535	4,074,856
Vehicles	<u>2,454,401</u>	<u>2,310,476</u>
Total	<u>\$ 121,262,571</u>	<u>\$ 119,682,450</u>

During the current fiscal year, \$7,957,980 of assets were capitalized as additions while \$1,386,221 were deleted, consisting of obsolete items. Depreciation for the year ended June 30, 2008 amounted to a net of \$3,722,617 on buildings and improvements and \$2,599,506 on movables such as furniture, vehicles, and equipment.

No land purchases were made during the 2007-2008 fiscal year.

During the fiscal year ended June 30, 2008, the following major construction projects were completed:

North Corbin Elementary – Classroom Addition	\$ 1,061,601
Walker High – Athletic Facilities Renovations & Additions	975,063
South Live Oak Elementary – Basketball Pavilion	164,454
Live Oak High – Football Field Renovation	<u>392,816</u>
Total	<u>\$ 2,593,934</u>

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

At June 30, 2008 the following major projects were included in incomplete construction:

<u>Project</u>	<u>Project Cost to June 30, 2008</u>	<u>Total Estimated Project Cost</u>
Juban Parc Elementary – New School (Exc. Contractor)	\$ 432,151	\$ 648,455
Juban Parc Jr. High – New School	845,600	16,508,636
Denham Springs High – Field House Addition	306,379	344,582
Levi Milton Elementary – Classroom Addition	71,417	706,619
New Walker Elementary School Land Improvement	6,582	-
Walker Elementary – Drainage Project	283,607	458,239
Albany Middle – Classroom Addition	214,782	1,432,152
Doyle Elementary – Classroom Addition (Band Room)	<u>14,850</u>	<u>421,009</u>
Total	<u>\$ 2,175,368</u>	<u>\$ 20,519,692</u>

All funding is coming from the individual districts except for the Denham Springs District #1 in which \$26,000,000 in bonds were sold to fund all projects.

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

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

DEBT

At June 30, 2008, the School System had outstanding bonded indebtedness of \$60,527,986 as compared to \$37,738,290 at June 30, 2007.

The School System's bonds were last rated January 20, 2005, at which time they were given a rating of Aaa by Moody's Investors Service. The legal debt limit of the School System fixed by Louisiana Revised Statute 39:562(L) at 35% of the total assessed valuation of property in the Parish was approximately \$218,000,000 at June 30, 2008.

Other long-term obligations include a capital lease, compensated absences, claims and judgments, and other post employment benefits. At June 30, 2008, these balances were \$502,045, \$9,827,428, \$2,170,000, and \$2,799,813, respectively.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

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. The parish consists of 642 square miles on 410,880 acres and is 32 miles long by 30 miles wide. The geographical landscape of the parish varies. The northern part of the parish consists of rolling terrain covered by slash pine and hardwood forests approximately 50 feet above sea level. In the southern end of the parish, the land submerges into rich cypress forests and marshes that border on Lake Maurepas and the Amite River. Between lie a variety of streams, bayous and swales. It is bordered by St. Helena Parish on the North, Tangipahoa Parish on the East, East Baton Rouge Parish on the West, and Lake Maurepas, St. John the Baptist Parish and Ascension Parish on the South.

The Livingston Parish School System is second in the State in student enrollment increases (approximately 960+ students in each of the past three years); present enrollment is approximately 24,310 students; 40 schools (pre-K through high school), up from 30 schools in 1990; a new elementary and junior high are currently under construction and are scheduled to open in 2009/10 and another elementary is on the drawing board for the following year. This highlights that not only is our school population increasing, but also that this increase is on an escalating basis. The Livingston Parish School System's District "Accountability Report Card" released by the State reflected a performance score of 101.5, ranking seventh in the State.

Livingston Parish is primarily described as a rural parish with a population of 120,877 based on a 2008 estimate. The main population areas compromise the following: one city (western edge of parish, Denham Springs – pop. 10,594), three towns (Walker – pop. 6,113, Livingston – pop. 1,636 and Springfield – pop. 406), and four villages (Albany – pop. 1,136, Killian – pop. 1,275, French Settlement - pop. 1,205, and Port Vincent – pop. 528).

Livingston Parish has been among the two fastest growing parishes in the state for the past decade – increasing its population from 70,526 in 1990 to today's estimated population of 120,877 (an increase of approximately 71%). Hurricane Katrina made landfall in south Louisiana in August 2005 and the year after it hit, the parish took on nearly 6,000 new residents. Livingston Parish permitting and planning offices reported that 1,381 new home permits, 930 new lots, and 25 new subdivisions were approved in 2007. The parish anticipates this to continue as people learn about the quality of life advantages in Livingston Parish.

On the Livingston Parish 2008 tax roll, the total assessed property value is approximately \$574,436,420 and the taxable value is \$368,012,470, which is approximately a 35.27% increase over the prior year. Increased population and development of rural lands continues to elevate property values in addition to a once every four years assessment done in 2008 of existing properties.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

One of the fastest growing parishes in Louisiana, Livingston Parish is home to excellent schools, low crime rates and some of the Capital Region's most popular outdoor activities. In addition, the parish is a hotbed for current and planned retail and commercial growth, with major new developments under way for its Denham Springs, Walker and Satsuma interchanges on Interstate 12 (I-12). Livingston Parish has joined the parishes of Tangipahoa, St. Tammany, St. Helena and Washington to form the I-12 Corridor Initiative. The organization received funding from the Louisiana Economic Development to promote a grant program to develop a plan to market the highly traveled I-12 corridor. The plan targets four industries – transportation logistics, energy, material suppliers and aerospace manufacturing.

A united effort between the public and private sectors announced in November 2007 that they will assist in the continued economic growth of Livingston Parish. *Livingston Tomorrow* is the economic development plan outlining the strategies and goals that will create at least 12,000 new jobs with significantly higher wages over the next five years; stable and growing tax base; new market opportunities for existing business; protection of existing business investments; individual engagement in the community growth; and unparalleled quality of life. The core mission of *Livingston Tomorrow* is based on the concept of "economic vitality" and the need to have a strong, healthy, local economy aimed at improving the economic quality of life for residents and businesses. Our business leaders and decision makers continue to see the need to attract new businesses and maintain and grow existing businesses, and the *Livingston Tomorrow* campaign will insure that we have sufficient funding for these endeavors.

The parish continues to be at the forefront of growth in the Baton Rouge metropolitan statistical area and the parishes affiliated with the I-12 Corridor Initiative. The following is a summary of the growth from January 2004 through November 2007.

Economic Indicator	2004-2007 % Growth
Employment in Parish	+24.1%
No. of New Businesses	+18.4%
Quarterly Wages Paid	+56.3%
Sales Tax Collections	+46.9%

The parish's largest city, Denham Springs, includes a downtown antique district with 30 antique shops, in addition to numerous restaurants, hotels and other retail stores. Located off Wax Road, south of I-12, is Greystone Golf and Country Club. Greystone is a 350-acre development, featuring a golf course, club house, pool, tennis courts, lake and trails along with some 400 upscale homes.

A Bass Pro Shop is the anchor to a 75-acre development at I-12 and Range Avenue. The 163,000 square foot store includes Islamorada Fish Company Restaurant which seats 300 people. The outdoor store features hand-painted murals from renowned artists depicting scenes that are typical of southern Louisiana. Record wildlife mounts are displayed alongside local historical prints depicting early Louisiana residents enjoying sporting adventures. The bayou theme includes a uniquely designed aquarium, an alligator pit, a huge snapping turtle and museum quality wildlife dioramas. There is an expansive boat showroom

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

featuring Gator Track boats built right here in the town of Springfield. The entire store is a tribute to the vast diversity of the Louisiana landscape and its people and like other Bass Pro Shops Outdoor World stores, takes on the flavor and atmosphere of the region. It is estimated the Bass Pro Shop and accompanying hotel and restaurants will achieve annual sales of \$62 million. Within three years, the full development of the 75-acre complex should produce \$135 million in sales and more than 2 million people are expected to visit the complex each year. Bass Pro provides 300 permanent jobs and opened in February 2008.

Currently underway is the development of Juban Crossing. It will be a 500-acre development on Juban Road near I-12. A site plan shows the layout for more than 1.2 million square feet of retail space, 385,000 square feet of medical and office space, a state of the art movie theater, and more than 1,150 residences are proposed for the development near Denham Springs. It is estimated that up to 4,000 jobs may be available within the complex and projected annual sales are over \$625 million. Juban Crossing presents a new style of living that offers a place to live, shop, play, dine and relax all in the same complex.

Our Lady of the Lake Regional Medical Center purchased 236 acres on Walker South Road near I-12 for a multimillion-dollar expansion in Livingston Parish. The site near Walker will be a health-care facility offering diagnostic services and outpatient treatment. Also, planned is a 50,906 square foot nursing home, assisted living houses and a building dedicated to "all-inclusive care for the elderly". The plans include six medical office buildings, a fitness center, a community center with a walking path, a conference and lodging center, a community education building, and parking garages.

Walker is the home of Wal-Mart, CVS Pharmacy, Walgreens, and its first hotel, LaQuinta Inn. Construction for a Stein Lumber store is underway on a fourteen acre site on Highway 447. The highway also hosts numerous restaurants and other businesses.

A planned 1,037 acre development on both sides of I-12 at Satsuma will feature a medical center, houses, condominiums, baseball diamonds, 11 restaurants, two hotels and 610,000 square feet of retail space. Suma Crossing will include a \$10 million, three-story, 36,359 square foot outpatient clinic with urgent care, family medicine and diagnostic services administered by North Oaks Health System. Construction of the medical building is scheduled to begin in early 2009. In the first year that the medical complex is operational, North Oaks plans to employ approximately 100 health care professionals with an estimated \$4.4 million payroll and a projected economic impact of \$13.2 million cycling through the community. Suma Crossing Phase One will cover 337 acres and Phase II will cover 700 acres.

Also within the parish is French Settlement, which holds an annual Creole Festival and is home of the Creole Museum. The museum exhibits hundreds of artifacts from the 1800's and is housed in an authentic Creole cottage. The Hungarian Settlement near Albany is the largest settlement of people of Hungarian descent in the United States. The rural ethnic settlement draws hundreds of guests to their Hungarian Festival each October which was instituted to preserve Hungarian food, music, dance and culture. They are hoping to establish a museum there. The town of Springfield features the golf and residential community

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

of Carter Plantation, a championship golf venue that has garnered national attention and the Tickfaw State Park, a 1,200-acre park located along three miles of the Tickfaw River. The park offers diverse recreational, nature and educational opportunities.

While retail, tourism and timber are all important to the local economy, there are also several major manufacturing operations, including Ferrara Fire Apparatus in Holden, the fourth largest manufacturer of fire trucks in the United States. The Livingston Parish Industrial Park on Highway 190 near Walker houses Shaw APP, the largest private employer in the parish, and Waste Management, a Fortune 500 company. A new manufacturer, Compressor Engineering Corporation (CECO) of Houston, Texas, purchased a seven-acre tract adjacent to Shaw APP. It announced plans to build a \$4.3 million facility in the park to construct industrial compressors used in the offshore petrochemical industry.

Just down Highway 190 from the Livingston Parish Industrial Park is the newly developed Co-Mar Commerce Centre. It is an industrial park with fifty-four acres on U.S. Highway 190. Forty-two lots are planned and twenty-four have already been completed with all land preparation and infrastructure ready for construction. The lots were specifically designed for office complexes with warehouses and the development is highly restricted. This is the only commercial park of its kind in the parish.

The major employer of Livingston Parish is the Livingston Parish School Board with approximately 3,400 employees and a budget in excess of \$227 million. Most of our population finds employment within the Baton Rouge metropolitan area and along the Mississippi River, which is laced with companies in the high-tech oil and chemical industries.

Magnificent natural resources like Lake Maurepas, the Tickfaw River and the Amite River make boating, tubing and fishing in Livingston Parish major activities for residents of the entire Capital Region. Other outdoor activities include camping, water skiing, swamp tours, boat races and river parades.

But Livingston Parish isn't all down to earth. Perhaps its most unique asset is the Laser Interferometer Gravitational Wave Observatory (LIGO) federal research project, one of only two such sites in the world which is located near the town of Livingston. While scientists study gravitational waves, education directors conduct free tours of the facility and the Science Education Center has over forty hands-on interactive science exhibits that relate to the science of LIGO. Tours include a 20-minute video called Einstein's Messengers, and there is plenty of time to explore the exhibits that will fascinate and challenge visitors. For more information about tours and programs, see the LIGO website, www.ligo-la.caltech.edu.

The Livingston Parish Convention & Visitors Bureau Tourist Center is located off I-12 at the Albany exit. Visitors will find a wealth of information located just inside the center. Free brochures, maps, magazines and newspapers are available. Anyone wanting additional help uncovering Livingston Parish's "treasures" can call 225-567-7899 or 888-317-7899, email info@visitlivingstonparish.com or they can check out the website, visitlivingstonparish.com. The website provides information on cities and towns, lodging, outdoor activities, shopping, attractions, restaurants and much more.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2008

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 Terry E. Hughes, 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. Ms. Hughes' e-mail address is Terry.Hughes@lpsb.org.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS

JUNE 30, 2008

(With Comparative Totals as of June 30, 2007)

ASSETS

	Governmental Activities	
	2008	2007
Cash and Cash Equivalents	\$ 20,080,699	\$ 20,086,936
Investments	60,150,000	34,355,629
Receivables	13,821,332	9,208,961
Inventory	1,014,138	887,231
Deferred Bond Issuance Costs	748,878	701,260
Capital Assets:		
Land and Construction in Progress	8,441,692	8,441,692
Other Capital Assets (Net of Accumulated Depreciation)	<u>112,820,879</u>	<u>111,240,758</u>
Total Assets	<u>\$ 217,077,618</u>	<u>\$ 184,922,467</u>

LIABILITIES

Accounts, Salaries, and Other Payables	\$ 25,191,754	\$ 23,320,263
Interest Payable	520,458	359,354
Long-Term Liabilities:		
Due Within One Year	6,088,473	4,971,229
Due in More than One Year	<u>69,446,052</u>	<u>43,112,889</u>
Total Liabilities	101,246,737	71,763,735

NET ASSETS

Invested in Capital Assets, Net of Related Debt	84,794,067	81,200,239
Restricted for:		
Debt Service Fund	4,950,449	3,039,272
General Fund	26,491,286	23,407,241
Unrestricted (Deficit)	<u>(404,921)</u>	<u>5,511,980</u>
Total Net Assets	<u>115,830,881</u>	<u>113,158,732</u>
Total Liabilities and Net Assets	<u>\$ 217,077,618</u>	<u>\$ 184,922,467</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, 2008

(With Comparative Totals For the Year Ended June 30, 2007)

FUNCTIONS/PROGRAMS	Program Revenues				Total Governmental Activities - Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2008	2007
Governmental Activities:						
Instruction:						
Regular Programs	\$ 86,128,267	\$ 126,075	\$ 4,621,986	\$ -	\$ (81,380,206)	\$ (68,222,728)
Special Programs	25,979,544	311	2,606,608	171,348	(23,201,277)	(19,201,637)
Vocational Programs	2,855,448	-	141,555	67,698	(2,646,195)	(2,431,549)
Adult Continuing Education Programs	198,155	11,153	206,316	-	19,314	5,168
All Other Programs	9,639,850	255,314	4,699,061	72,876	(4,612,599)	(3,012,458)
Support Services:						
Student Services	7,166,460	-	831,393	-	(6,335,067)	(5,406,083)
Instructional Staff Support	7,078,847	-	1,795,668	-	(5,283,179)	(4,175,823)
General Administration	7,420,210	652,044	-	-	(6,768,166)	(5,488,734)
School Administration	9,309,448	86,894	-	-	(9,222,554)	(7,582,656)
Business Services	2,066,957	267,569	419,555	-	(1,379,833)	(1,177,179)
Plant Services	16,345,210	84,758	209,482	-	(16,050,970)	(13,179,511)
Student Transportation Services	9,946,974	290,878	32,569	-	(9,623,527)	(8,601,843)
Central Services	1,649,550	805	-	-	(1,648,745)	(1,311,356)
Food Services	13,523,257	2,968,319	5,638,843	64,848	(4,851,247)	(3,791,252)
Community Service Programs	75,170	-	60,169	-	(15,001)	(15,001)
Small Equipment Below Capitalization Policy - Not Reported By Function	1,795,470	-	-	-	(1,795,470)	(699,546)
Interest on Long-Term Debt	2,382,702	-	-	-	(2,382,702)	(1,841,861)
Total Governmental Activities	\$ 203,561,519	\$ 4,744,120	\$ 21,263,205	\$ 376,770	(177,177,424)	(146,134,049)
Taxes:						
Property Taxes, Levied for General Purposes					5,973,500	5,330,266
Property Taxes, Levied for Debt Services					6,453,205	4,351,402
Sales and Use Taxes, Levied for General Purposes					31,937,059	30,625,567
Sales and Use Taxes, Levied for Debt Services					926,709	504,368
State Revenue Sharing					802,644	696,234
Grants and Contributions not Restricted to Specific Purposes:						
Minimum Foundation Program					130,031,265	112,397,919
Other					16,607	26,604
Interest and Investment Earnings					3,255,754	2,551,769
Net Gain (Loss) on Sale of Assets					(55,736)	(75,405)
Miscellaneous					508,566	558,612
Total General Revenues and Special Items					179,849,573	156,967,336
Change in Net Assets					2,672,149	10,833,287
Net Assets - Beginning of Year					113,158,732	102,325,445
Net Assets - End of Year					\$ 115,830,881	\$ 113,158,732

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

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD

BALANCE SHEET
GOVERNMENTAL FUNDSJUNE 30, 2008
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2007)

ASSETS	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2008	2007
Cash and Cash Equivalents	\$ 9,898,393	\$ 5,586,492	\$ 4,570,099	\$ 20,054,984	\$ 19,987,723
Cash with Fiscal Agent	25,715	-	-	25,715	99,213
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	36,150,000	22,500,000	1,500,000	60,150,000	34,355,629
Receivables	7,454,736	63,394	6,303,202	13,821,332	9,208,961
Due from Other Funds	5,858,123	-	-	5,858,123	4,300,008
Inventory	791,627	-	222,511	1,014,138	887,231
Total Assets	\$ 60,178,594	\$ 28,149,886	\$ 12,595,812	\$ 100,924,292	\$ 68,838,765
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, Salaries and Other Payables	\$ 24,303,497	\$ 469,532	\$ 418,725	\$ 25,191,754	\$ 23,320,263
Due to Other Funds	-	-	5,858,123	5,858,123	4,300,008
Total Liabilities	24,303,497	469,532	6,276,848	31,049,877	27,620,271
Fund Balances:					
Reserved for:					
Incomplete Contracts	-	16,782,388	-	16,782,388	500,146
Future Construction	-	10,218,969	-	10,218,969	-
Debt Service	-	-	4,950,449	4,950,449	3,039,272
Inventory	791,627	-	166,087	957,714	887,231
Salaries	965,089	-	-	965,089	2,268,919
Construction, Utilities and Maintenance	22,748,547	-	-	22,748,547	19,195,040
Classroom Improvements	1,994,914	-	-	1,994,914	1,775,461
E-Rate	722,719	-	-	722,719	71,417
Other	60,017	-	-	60,017	96,404
Unreserved:					
Designated for:					
Property Damage Insurance	736,379	-	-	736,379	593,082
General Liability Insurance	2,228,351	-	-	2,228,351	1,988,888
Workers Compensation Insurance	375,009	-	-	375,009	389,877
Other Post Employment Benefits	1,630,000	-	-	1,630,000	-
Alternative School/Career Center	-	-	-	-	77,555
Undesignated	3,622,445	678,997	1,202,428	5,503,870	10,335,202
Total Fund Balances	35,875,097	27,680,354	6,318,964	69,874,415	41,218,494
Total Liabilities and Fund Balances	\$ 60,178,594	\$ 28,149,886	\$ 12,595,812	\$ 100,924,292	\$ 68,838,765

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, 2008

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2007)

	<u>2008</u>	<u>2007</u>
Total Fund Balances - Governmental Funds	\$ 69,874,415	\$ 41,218,494
Cost of Capital Assets	205,414,846	198,843,087
Less: Accumulated Depreciation	<u>(84,152,275)</u>	<u>(79,160,637)</u>
	121,262,571	119,682,450
Deferred Bond Issuance Costs	748,878	701,260
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	5,858,123	4,300,008
Due to Other Funds	<u>(5,858,123)</u>	<u>(4,300,008)</u>
	-	-
Long-Term Liabilities:		
Accumulated Unfunded Other Postemployment Benefits Payable	(2,799,813)	-
Compensated Absences	(9,827,428)	(8,836,198)
Claims and Judgments	(2,170,000)	(1,350,000)
Bonds Payable	(60,527,986)	(37,738,290)
Deferred Premium on Bonds	(208,178)	-
Capital Lease Payable	(502,045)	(743,921)
Deferred Amount on Refunding	500,925	584,291
Accrued Interest Payable	<u>(520,458)</u>	<u>(359,354)</u>
	<u>(76,054,983)</u>	<u>(48,443,472)</u>
Net Assets	<u>\$ 115,830,881</u>	<u>\$ 113,158,732</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, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2008	2007
Revenues:					
Local Sources:					
Taxes:					
Ad Valorem	\$ 2,783,378	\$ 1,329,218	\$ 8,314,109	\$ 12,426,705	\$ 9,681,668
Sales and Use	31,937,059	-	926,709	32,863,768	31,129,935
Other	375,548	-	-	375,548	319,374
Rentals, Leases and Royalties	146,603	-	-	146,603	108,164
Tuition	216,700	-	-	216,700	165,650
Interest Earnings	2,515,305	502,392	238,057	3,255,754	2,551,769
Food Services	-	-	2,967,463	2,967,463	2,886,928
Other	2,781,544	-	28,298	2,809,842	2,038,959
State Sources:					
Unrestricted Grants-in-Aid	130,057,549	198,213	594,754	130,850,516	113,120,757
Restricted Grants-in-Aid	4,875,696	-	-	4,875,696	3,181,263
Federal Sources:					
Unrestricted - Indirect Cost Recoveries	-	-	395,037	395,037	422,665
Restricted Grants-in-Aid - Subgrants	205,878	-	14,156,459	14,362,337	15,034,859
Other - Commodities	-	-	743,435	743,435	534,588
Total Revenues	175,895,260	2,029,823	28,364,321	206,289,404	181,176,579
Expenditures:					
Instruction:					
Regular Programs	84,816,437	-	10,261	84,826,698	70,018,699
Special Programs	23,272,193	-	2,039,893	25,312,086	22,055,086
Vocational Programs	2,629,400	-	141,555	2,770,955	2,580,243
Adult and Continuing Education Programs	73,583	-	123,535	197,118	157,666
Other Programs	5,538,932	-	3,972,548	9,511,480	8,646,340
Support Services:					
Pupil Support	6,322,856	-	720,695	7,043,551	6,058,450
Instructional Staff Support	5,341,621	-	1,795,668	7,137,289	5,912,125

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2008	2007
Expenditures (Continued):					
Support Services (Continued):					
General Administration	2,273,495	52,465	373,843	2,699,803	2,333,501
School Administration	9,130,898	-	-	9,130,898	7,598,175
Business Services	1,932,263	-	24,518	1,956,781	1,793,908
Plant Services	12,232,677	-	3,897,270	16,129,947	13,164,356
Transportation Services	9,294,382	-	2,096	9,296,478	8,343,304
Central Services	1,608,535	-	-	1,608,535	1,291,617
Food Services	-	-	13,305,666	13,305,666	11,937,622
Community Service Programs	15,001	-	60,169	75,170	67,551
Capital Outlay	2,672,931	4,151,475	376,770	7,201,176	9,466,953
Debt Service:					
Principal Retirement	241,876	-	3,210,304	3,452,180	2,748,009
Interest and Bank Charges	18,599	-	2,055,568	2,074,167	1,729,664
Cost of Issuance	-	-	117,350	117,350	104,547
Total Expenditures	<u>167,415,679</u>	<u>4,203,940</u>	<u>32,227,709</u>	<u>203,847,328</u>	<u>176,007,816</u>
Excess (Deficiency) of Revenues Over Expenditures	8,479,581	(2,174,117)	(3,863,388)	2,442,076	5,168,763
Other Financing Sources (Uses):					
Sale of Capital Assets	-	-	-	-	6,639
Issuance of Bonds	-	26,000,000	-	26,000,000	5,075,000
Premium on Bond Issuance	-	213,845	-	213,845	-
Payment to Refund Bonds	-	-	-	-	(4,960,000)
Transfers In	395,037	1,800,000	6,005,000	8,200,037	6,899,165
Transfers Out	(7,775,000)	(30,000)	(395,037)	(8,200,037)	(6,899,165)
Total Other Financing Sources (Uses)	<u>(7,379,963)</u>	<u>27,983,845</u>	<u>5,609,963</u>	<u>26,213,845</u>	<u>121,639</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,099,618	25,809,728	1,746,575	28,655,921	5,290,402
Fund Balances at Beginning of Year	<u>34,775,479</u>	<u>1,870,626</u>	<u>4,572,389</u>	<u>41,218,494</u>	<u>35,928,092</u>
Fund Balances at End of Year	<u>\$ 35,875,097</u>	<u>\$ 27,680,354</u>	<u>\$ 6,318,964</u>	<u>\$ 69,874,415</u>	<u>\$ 41,218,494</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, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

	2008	2007
Total Net Change in Fund Balances - Governmental Funds	\$ 28,655,921	\$ 5,290,402
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.		
Capital Outlays	5,405,706	8,767,407
Library Books and Textbooks Purchased	2,552,274	924,751
Depreciation Expense	(6,322,123)	(5,776,810)
Add accumulated depreciation on capital assets retired during the year	1,330,485	504,289
Less cost basis of capital assets retired during the year	(1,386,221)	(586,333)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Issuance of General Obligation Bonds	(26,000,000)	(5,075,000)
Premium Received on Issuance of General Obligation Bonds	(213,845)	-
Increase in Other Postemployment Benefits Obligation Net	(2,799,813)	-
General Obligation Bond Principal Repayments	3,210,304	2,512,032
Capital Lease Principal Repayments	241,876	235,977
Payment to Refund Bonds	-	4,960,000
Cost of Issuance of General Obligation Bonds	117,350	104,547
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) Decrease in Compensated Absences Payable	(991,230)	(815,778)
(Increase) Decrease in Claims and Judgments Payable	(820,000)	(100,000)
Amortization of Cost of Issuance	(69,732)	(67,638)
Amortization of Deferred Amounts on Refunding	(83,366)	(83,366)
Amortization of Premium Received on Issuance of General Obligation Bonds	5,667	-
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.		
	(161,104)	38,807
Change in Net Assets of Governmental Activities	\$ 2,672,149	\$ 10,833,287

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, 2008

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 2,645,000	\$ 2,770,000	\$ 2,783,378	\$ 13,378
Sales and Use	32,573,002	33,009,960	31,937,059	(1,072,901)
Other	320,000	370,000	375,548	5,548
Rentals, Leases and Royalties	106,500	138,087	146,603	8,516
Tuition	170,500	213,500	216,700	3,200
Interest Earnings	2,175,000	1,885,000	2,515,305	630,305
Other	2,215,600	2,777,700	2,781,544	3,844
State Sources:				
Unrestricted Grants-in-Aid	127,618,537	130,065,256	130,057,549	(7,707)
Restricted Grants-in-Aid	3,368,810	5,219,501	4,875,696	(343,805)
Federal Sources:				
Restricted Grants-in-Aid	-	206,000	205,878	(122)
Total Revenues	171,192,949	176,655,004	175,895,260	(759,744)
Expenditures:				
Instruction:				
Regular Programs	82,191,989	85,345,054	84,816,437	528,617
Special Programs	21,952,309	23,368,804	23,272,193	96,611
Vocational Programs	2,814,850	2,703,800	2,629,400	74,400
Other Programs	4,355,289	5,839,615	5,538,932	300,683
Adult and Continuing Education Programs	63,524	88,065	73,583	14,482
Support Services:				
Pupil Support	6,088,250	6,323,963	6,322,856	1,107
Instructional Staff Support	4,611,482	5,391,571	5,341,621	49,950
General Administration	2,309,300	2,344,600	2,273,495	71,105
School Administration	8,506,881	9,132,312	9,130,898	1,414
Business Services	1,959,450	2,004,152	1,932,263	71,889
Plant Services	10,929,621	12,011,519	12,232,677	(221,158)

(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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures (Continued):				
Support Services (Continued):				
Transportation Services	8,612,171	9,634,856	9,294,382	340,474
Central Services	1,504,320	1,591,970	1,608,535	(16,565)
Community Service Programs	15,001	15,001	15,001	-
Capital Outlay	2,286,569	3,175,586	2,672,931	502,655
Debt Service:				
Principal Retirement	241,876	241,876	241,876	-
Interest	18,599	18,599	18,599	-
Total Expenditures	<u>158,461,481</u>	<u>169,231,343</u>	<u>167,415,679</u>	<u>1,815,664</u>
Excess (Deficiency) of Revenues Over Expenditures	12,731,468	7,423,661	8,479,581	1,055,920
Other Financing Sources (Uses):				
Transfers In	400,000	475,000	395,037	(79,963)
Transfers Out	<u>(5,311,787)</u>	<u>(8,400,001)</u>	<u>(7,775,000)</u>	<u>625,001</u>
Total Other Financing Sources (Uses)	<u>(4,911,787)</u>	<u>(7,925,001)</u>	<u>(7,379,963)</u>	<u>545,038</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	7,819,681	(501,340)	1,099,618	1,600,958
Fund Balance at Beginning of Year	<u>34,775,479</u>	<u>34,775,479</u>	<u>34,775,479</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 42,595,160</u>	<u>\$ 34,274,139</u>	<u>\$ 35,875,097</u>	<u>\$ 1,600,958</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, 2008

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2007)

ASSETS

	<u>2008</u>	<u>2007</u>
Cash and Cash Equivalents	\$ <u>7,250,444</u>	\$ <u>6,890,174</u>
Total Assets	\$ <u><u>7,250,444</u></u>	\$ <u><u>6,890,174</u></u>

LIABILITIES

Amounts Held for School Activities	\$ 4,464,504	\$ 4,141,457
Deposits Due to Others	<u>2,785,940</u>	<u>2,748,717</u>
Total Liabilities	\$ <u><u>7,250,444</u></u>	\$ <u><u>6,890,174</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, 2008

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-nine schools, a special education center, the Livingston Parish Literacy and Technology Center and the Option III Center, within the parish with a total enrollment of approximately 24,300 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 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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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, 2008, 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 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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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. Due to the substance of the lease the School Board is handling this lease as a capital lease within these financial statements. The initial lease payment of \$1,000,000 was due by the School Board upon receipt of evidence of substantial completion of the facility which occurred during the year ended June 30, 2006. The School Board is required to make an additional five lease payments of \$260,475 annually due on January 1 each year. The School Board made a payment of \$260,475 during the current year (including interest of \$24,498). See note 11 for further details. At June 30, 2008, the Livingston Parish Public Benefit 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 self-balancing set of accounts.

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

Governmental Funds

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

Governmental Fund Types:

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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, 2008

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 major funds of the School Board are the General Fund and the Capital Projects 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, 2008

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, 2008

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, 2008, 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, 2008. 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.

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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, 2008

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, 2008

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. Also, on September 18, 2004, the voters in School Board District No. 33 approved a one percent sales and use tax for the purpose of constructing and improving or renovating school 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 SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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
Denham Springs Economic Development District

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.

P. Change in Accounting Principles

For the fiscal year ended June 30, 2008, the Livingston Parish School Board prospectively implemented the provisions of Governmental Accounting Standards Board Statement No. 45 Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions.

(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.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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

At June 30, 2008, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$87,481,143 and the confirmed bank balances were \$87,961,977. 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, 2008, classified by credit risk:

	Governmental Funds	Fiduciary Funds	Total
Deposits in Bank Accounts per Balance Sheets:			
Cash and Cash Equivalents	\$20,080,699	\$7,250,444	\$27,331,143
Certificates of Deposits	<u>60,150,000</u>	-	<u>60,150,000</u>
Total	<u>\$80,230,699</u>	<u>\$7,250,444</u>	<u>\$87,481,143</u>

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. As of June 30, 2008, \$87,504,431 of the School Board's bank balances of \$87,961,977, was exposed to custodial credit risk because it was insured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

(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.

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>Low</u>	<u>High</u>
	<u>Millage</u>	<u>Millage</u>	<u>Low</u>	<u>High</u>
Parishwide Taxes:				
Constitutional	3.29	3.29		
Additional Support	7.18	7.18		
Maintenance	7.00	7.00		
Construction	5.00	5.00		
District Taxes -				
Bond and Interest	-	62.90	-	62.90

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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	\$12,787,134
Less: Amounts Deemed Uncollectible	<u>(360,763)</u>
	12,426,371
Add: Prior Year Taxes Collected in Current Year	<u>334</u>
Net Ad Valorem Taxes Collectible	<u>\$12,426,705</u>

Ad Valorem taxes receivable at June 30, 2008, totaled \$164,715.

(4) Receivables -

The receivables at June 30, 2008, 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	\$ -	\$3,854,573	\$2,817,804	\$ 36,315	\$ 618,536	\$127,508	\$ 7,454,736
Capital Projects Fund	-	-	-	17,342	46,052	-	63,394
Nonmajor Funds	<u>5,955,723</u>	<u>64,168</u>	<u>78,660</u>	<u>111,058</u>	<u>89,947</u>	<u>3,646</u>	<u>6,303,202</u>
Totals	<u>\$5,955,723</u>	<u>\$3,918,741</u>	<u>\$2,896,464</u>	<u>\$ 164,715</u>	<u>\$ 754,535</u>	<u>\$131,154</u>	<u>\$13,821,332</u>

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$5,858,123	\$ -
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Chapter 1	-	3,620,366
Chapter 2	-	19,978
Special Education Fund	-	1,491,625
Special Federal Fund	-	501,812
Other Federal ESEA Fund	<u>-</u>	<u>224,342</u>
Total Special Revenue Funds	<u>-</u>	<u>5,858,123</u>
Total	<u>\$5,858,123</u>	<u>\$5,858,123</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 395,037	\$7,775,000
Special Revenue Funds:		
Elementary and		
Secondary Education Act:		
Chapter 1	-	159,041
Chapter 2	-	881
Special Education	-	175,476
Maintenance of Schools	1,970,000	-
School Lunch	4,000,000	-
Special Federal	-	18,688
Other Federal ESEA	-	40,951
Total Special Revenue Funds	5,970,000	395,037
Debt Service Funds:		
District No. 24	35,000	-
Total Debt Service Funds	35,000	-
Capital Projects Fund:		
District No. 4	1,500,000	-
District No. 22	100,000	-
District No. 24	200,000	-
District No. 33	-	30,000
Total Capital Projects Fund	1,800,000	30,000
Total	\$ 8,200,037	\$ 8,200,037

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2008 is as follows:

	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 7,609,782	\$ -	\$ -	\$ 7,609,782
Construction in Progress	<u>831,910</u>	<u>3,937,392</u>	<u>(2,593,934)</u>	<u>2,175,368</u>
Total Capital Assets not being Depreciated	8,441,692	3,937,392	(2,593,934)	9,785,150
Capital Assets being Depreciated:				
Buildings and Improvements	167,549,893	2,794,311	-	170,344,204
Furniture and Equipment	4,352,180	695,236	(169,488)	4,877,928
Library Books and Textbooks	14,168,749	2,552,274	(1,216,733)	15,504,290
Vehicles	<u>4,330,573</u>	<u>572,701</u>	<u>-</u>	<u>4,903,274</u>
Total Capital Assets being Depreciated	190,401,395	6,614,522	(1,386,221)	195,629,696
Less: Accumulated Depreciation for:				
Buildings and Improvements	64,971,743	3,722,617	-	68,694,360
Furniture and Equipment	2,074,904	387,135	(113,752)	2,348,287
Library Books and Textbooks	10,093,893	1,783,595	(1,216,733)	10,660,755
Vehicles	<u>2,020,097</u>	<u>428,776</u>	<u>-</u>	<u>2,448,873</u>
Total Accumulated Depreciation	79,160,637	6,322,123	(1,330,485)	84,152,275
Total Capital Assets being Depreciated, Net	<u>111,240,758</u>	<u>292,399</u>	<u>(55,736)</u>	<u>111,477,421</u>
Total Governmental Activities Capital Assets, Net	<u>\$119,682,450</u>	<u>\$ 4,229,791</u>	<u>\$(2,649,670)</u>	<u>\$121,262,571</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

Depreciation expense of \$6,322,123 for the year ended June 30, 2008 was charged to the following governmental functions:

Instruction:

Regular Education	\$1,414,984
Special Education	18,565
Vocational Education	24,993
Other Education Programs	3,144

Support Services:

Instructional Staff Support	449,949
General Administration (Including all Buildings)	3,846,524
School Administration	2,921
Business Services	67,555
Plant Services	58,174
Central Services	25,013
Student Transportation Services	387,097
School Food Services	<u>23,204</u>
Total	<u>\$6,322,123</u>

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2008, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Withholdings</u>	<u>Employee Benefits</u>	<u>Total</u>
General Fund	\$ 1,419,900	\$9,721,965	\$12,732,235	\$ 429,397	\$24,303,497
Capital Projects Fund	469,532	-	-	-	469,532
Nonmajor Funds	<u>418,725</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,725</u>
Total	<u>\$2,308,157</u>	<u>\$9,721,965</u>	<u>\$12,732,235</u>	<u>\$ 429,397</u>	<u>\$25,191,754</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

(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).

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

	<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>
Plan Members' Contribution Rate (Percent of Covered Payroll)	8.00%	9.10%	7.50%
School Board's Contribution Rate (Percent of Covered Payroll)	16.60%	16.60%	18.10%
Period Required to Vest	10 years	10 years	10 years
Benefits and Eligibility for Distribution (Full-time)	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following require- ments:	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following require- ments:	At least 30 years of creditable service re- gardless 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%

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

	<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>Years Service</u>	<u>Min. Age</u>	<u>Formula Percentage</u>	<u>Years Service</u>	<u>Min. Age</u>	<u>Formula Percentage</u>	
	10	60	2.0%	10*	60	3.0%	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.
		Any		25	55	3.0%	
	20	Age	2.0%		Any		
	25	55	2.5%	30	Age	3.0%	
		Any					
	30	Age	2.5%				
	20	65	2.5%				
				*Less than 10 years at age 70 if member entered School Lunch Employees' Retirement System when Parish withdrew from Social Security.			
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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

B. Trend Information -

Contributions required by State statute:

Fiscal Year	Teachers' Retirement System of Louisiana - Regular Plan		Teachers' Retirement System of Louisiana - Plan A		State of Louisiana School Employees' Retirement System	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
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
2005	\$11,445,128	100%	\$ 37,077	100%	\$ 953,322	100%
2006	\$12,770,586	100%	\$ 29,355	100%	\$1,222,461	100%
2007	\$13,876,912	100%	\$ 33,310	100%	\$1,545,886	100%
2008	\$17,235,237	100%	\$ 10,139	100%	\$1,749,675	100%

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 \$222,162 which consisted of \$38,518 from the School Board and \$183,644 from the employees.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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, 2008.

(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, 2008, the cost of providing these benefits for 2,180 active employees is \$13,465,955 and for 641 retirees is \$4,577,249.

(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, 2007	\$ 4,141,457	\$ 2,748,717	\$ 6,890,174
Additions	10,808,613	67,207,549	78,016,162
Deductions	(10,485,566)	(67,170,326)	(77,655,892)
Balance - June 30, 2008	<u>\$ 4,464,504</u>	<u>\$ 2,785,940</u>	<u>\$ 7,250,444</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

(11) Long-Term Debt -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2008:

	<u>Bonded Debt</u>	<u>Capital Lease</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Post-Employment Benefits</u>	<u>Total</u>
Long-Term Obligations - July 1, 2007	\$37,153,999	\$ 743,921	\$ 8,836,198	\$ 1,350,000	\$ -	\$ 48,084,118
Additions	26,000,000	-	3,340,695	1,139,414	2,799,813	33,279,922
Amortization of Deferred Amounts on Refunding	83,366	-	-	-	-	83,366
Amortization on Premium Received on Issuance of Bond	(5,667)	-	-	-	-	(5,667)
Premium Received on Issuance of Bond	213,845	-	-	-	-	213,845
Deductions	<u>(3,210,304)</u>	<u>(241,876)</u>	<u>(2,349,465)</u>	<u>(319,414)</u>	<u>-</u>	<u>(6,121,059)</u>
Long-Term Obligations - June 30, 2008	<u>\$60,235,239</u>	<u>\$ 502,045</u>	<u>\$ 9,827,428</u>	<u>\$ 2,170,000</u>	<u>\$ 2,799,813</u>	<u>\$ 75,534,525</u>

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, 2008:

	<u>Bonded Debt</u>	<u>Capital Lease</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Post Employment Benefits</u>	<u>Total</u>
Current Portion	\$ 3,383,693	\$ 247,923	\$ 2,456,857	\$ -	\$ -	\$ 6,088,473
Long Term Portion	<u>56,851,546</u>	<u>254,122</u>	<u>7,370,571</u>	<u>2,170,000</u>	<u>2,799,813</u>	<u>69,446,052</u>
Total	<u>\$60,235,239</u>	<u>\$ 502,045</u>	<u>\$ 9,827,428</u>	<u>\$ 2,170,000</u>	<u>\$ 2,799,813</u>	<u>\$ 75,534,525</u>

Bonded Debt

All school board bonds outstanding at June 30, 2008 in the amount of \$60,527,986 consist of general obligation bonds with final maturities from 2009 to 2027 and interest rates from 3.00 percent to 12.00 percent. Bond principal and interest payable in the next fiscal year is \$3,377,641 and \$2,581,349, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

	<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:					
03/01/02	\$6,455,000	3.00-4.40%	2014	\$ 668,380	\$ 4,340,000
12/01/07	\$26,000,000	3.88-5.00%	2027	12,762,344	25,310,000
School District No. 4:					
03/01/02	\$2,840,000	3.00-4.40%	2014	294,705	1,910,000
01/01/05	\$12,000,000	3.06-5.00%	2024	4,887,960	11,325,000
School District No. 22:					
12/01/96	\$1,500,000	4.75-10.00%	2016	203,500	845,000
01/01/02	\$2,515,000	4.40%	2017	412,543	1,695,000
02/01/03	\$9,000,000	4.00-4.55%	2022	2,686,097	7,600,000
School District No. 24:					
11/22/05	\$ 217,000	3.60-5.00%	2013	21,904	152,986
07/11/06	\$1,525,000	3.75-4.13%	2014	163,057	1,230,000
School District No. 25:					
02/27/02	\$ 340,000	4.50%	2009	94	5,000
School District No. 27-A:					
07/11/06	\$1,690,000	3.75-4.13%	2014	174,710	1,335,000
School District No. 31:					
04/01/96	\$ 725,000	5.30-12.00%	2016	101,115	405,000
08/01/01	\$ 450,000	.1%-6.50%	2016	70,335	295,000
School District No. 32-A:					
08/01/01	\$1,400,000	.1%-6.5%	2016	220,197	925,000
07/11/06	\$1,225,000	3.85-4.30%	2016	206,626	1,030,000
School District No. 33:					
01/01/05	\$1,750,000	3.75-5.00%	2024	652,668	1,615,000
07/11/06	\$ 635,000	3.75-4.13%	2014	<u>67,584</u>	<u>510,000</u>
Total General Obligation Bonds				<u>23,593,819</u>	<u>60,527,986</u>
Total Bonded Debt				<u>\$ 23,593,819</u>	<u>\$ 60,527,986</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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, 2008 the School Board has accumulated \$4,916,649 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>
2009	\$ 3,377,641	\$ 2,581,349	\$ 5,958,990
2010	3,559,046	2,440,812	5,999,858
2011	3,755,522	2,293,512	6,049,034
2012	3,947,074	2,135,835	6,082,909
2013	4,178,703	1,965,388	6,144,091
2014-2018	16,760,000	7,333,555	24,093,555
2019-2023	16,020,000	3,938,789	19,958,789
2024-2027	<u>8,930,000</u>	<u>904,579</u>	<u>9,834,579</u>
	60,527,986	<u>\$23,593,819</u>	<u>\$84,121,805</u>
Unamortized Deferred Amount on Refunding	(500,925)		
Unamortized Premium On Bond Issuance	<u>208,178</u>		
	<u>\$60,235,239</u>		

Prior Years Advance Refundings

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. At June 30, 2008, the principal balance on the defeased bonds is \$7,795,000. 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, 2008, the unamortized balance is \$500,925. 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 \$714,206

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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, 2008, the statutory limit is approximately \$160,000,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$60,527,986.

Compensated Absences

At June 30, 2008, employees of the School Board have accumulated and vested \$9,827,428 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

Capital Lease

As described in note 1, the School Board entered into a cooperative endeavor agreement with The Livingston Parish Public Benefit Corporation (the Corporation) and the Southeastern Educational Foundation (the Foundation), a Louisiana nonprofit corporation and wholly owned subsidiary of the Southeastern Development Foundation, a Louisiana nonprofit corporation organized for the benefit of Southeastern Louisiana University. The Livingston Parish Literacy and Technology Center was constructed by the Foundation. Under the terms of the agreement, the School Board is required to pay a \$1,000,000 lease payment and five lease payments of \$260,475 in January for the next five years upon final acceptance of the Center. The total lease payments net of interest equals \$2,210,120 which is approximately 47% of the total cost of construction for the Center. The School Board made a payment of \$260,475 during the current year. The following schedule lists the future lease payment requirements:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2009	247,923	12,552	260,475
2010	<u>254,122</u>	<u>6,353</u>	<u>260,475</u>
	<u>\$ 502,045</u>	<u>\$ 18,905</u>	<u>\$ 520,950</u>

Post-Employment Benefits

Plan Description. The Livingston Parish School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an agent multiple-employer plan (within the meaning of paragraph 22 of GASB 45) for financial reporting purposes and for this valuation.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

The OGB "Medicare Advantage" plan has been assumed to apply to those employees after Medicare eligibility for purposes of this valuation. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Teachers' Retirement System of Louisiana (TRSL) according to the retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. Employees covered by the Louisiana School Employees' Retirement System have the same retirement eligibility except for age 60 and 10 years of service instead of age 65 and 20 years of service.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the cost of the retiree life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents of the OGB, available at www.groupbenefits.org - "Quick Links" - "Health Plans".

Fund Policy. Until 2007, The Livingston Parish School Board recognized the cost of providing post-employment medical and life benefits (Livingston Parish School Board's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2007/2008, Livingston Parish School Board's portion of health care funding cost for retired employees totaled \$4,533,870 and the life insurance totaled \$43,379.

Effective with the Fiscal Year beginning July 1, 2007, Livingston Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

Annual Required Contribution. Livingston Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2007 is \$7,208,455 for medical and \$168,607 for life, as set forth below:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

	Medical	Life
Normal Cost	\$ 2,647,408	\$ 15,273
30-year UAL amortization amount	4,561,047	153,334
Annual required contribution (ARC)	\$ 7,208,455	\$ 168,607

Net Post-employment Benefit Obligation (Asset). The table below shows Livingston Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2008:

	Medical	Life
Net OPEB Obligation (Asset)- Beginning of Year	\$ -	\$ -
Annual Required Contribution	7,208,455	168,607
Interest on Net OPEB Obligation (Asset)	-	-
ARC Adjustment	-	-
OPEB Cost	7,208,455	168,607
Contribution	-	-
Current Year Retiree Premium Paid	(4,533,870)	(43,379)
Change in Net OPEB Obligation	2,674,585	125,228
Net OPEB Obligation (Asset) – End of Year	\$ 2,674,585	\$ 125,228

The following table shows Livingston Parish School Board's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net PEB Liability (Asset)
Medical	June 30, 2008	\$7,208,455	62.90%	\$2,674,585
Life	June 30, 2008	\$168,607	25.73%	\$125,228

Funded Status and Funding Progress. In the fiscal year ending June 30, 2008, Livingston Parish School Board made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2007, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$78,869,525 (medical) and \$2,651,417 (life), which is defined as that portion, as determined by a particular actuarial cost

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

method (Livingston Parish School Board uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2007/2008, the entire actuarial accrued liability of \$78,869,525 (medical) and \$2,651,417 (life) were unfunded.

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Livingston Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Livingston Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Livingston Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	20.0%
26 - 40	12.0%
41 - 54	8.0%
55+	6.0%

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

Post employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence six years after earliest eligibility to enter the D.R.O.P. This consists of a three year D.R.O.P. period plus an additional three year delay. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. Employees covered by the Louisiana School Employees' Retirement System have the same retirement eligibility except for age 60 and 10 years of service instead of age 65 and 20 years of service.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Zero trend has been assumed for valuing life insurance.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by Livingston Parish School Board for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The OGB medical rates provided are "unblended" rates for active and retired as required by GASB 45 for valuation purposes.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

(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 \$100,000 and has designated \$736,379 of fund balance of the General Fund at June 30, 2008, 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 \$250,000.

The School Board made disbursements for liability claims of \$2,191 in the fiscal year ended June 30, 2008. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2008, amounted to \$611,117.

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 \$2,228,351 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 \$400,000.

Each year the School Board compares the claims paid and the designated fund balance for worker's compensation insurance to determine the amount of funds to be set aside that year. The School Board has designated \$375,009 of the fund balance of the General Fund to cover future worker's compensation damage claims.

All worker's compensation claims are paid out of the General Fund resources. The School Board made disbursements for worker's compensation claims of \$1,002,075 in the fiscal year ended June 30, 2008. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2008, amounted to \$1,558,883.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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 is held in trust for the School Board.

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

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. During the current fiscal year, the School Board expended \$260,475 on the Livingston Parish Library and Technology Center located in Walker, Louisiana. At June 30, 2008, all designated funds for the alternative school/career center have been spent.

Other Post Employment Benefit

During the current fiscal year, the School Board passed a motion to set aside funds in the amount of \$1,600,000 in the General Fund to be used to fund the Other Post Employment Benefits trust fund plan when adopted.

(14) Fund Equity - Capital Projects Fund -

The Capital Projects Fund shows a total fund equity of \$27,680,354. A summary of commitments under construction contracts for each individual school district at June 30, 2008, follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2008</u>	<u>Unexpended Commitment</u>
District #1	\$17,501,673	\$1,584,131	\$15,917,542
District #4	1,164,858	361,605	803,253
District #24	1,432,152	214,782	1,217,370
District #26	<u>421,009</u>	<u>14,850</u>	<u>406,159</u>
Total	<u>\$20,519,692</u>	<u>\$2,175,368</u>	<u>\$18,344,324</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

	Actual District Fund Balance at June 30, 2008	Unexpended Commitment June 30, 2008	Unexpended Bond Proceeds Committed to Future Construction June 30, 2008	Fund Balances Less Commitments June 30, 2008
District #1	\$26,136,511	\$ 15,917,542	\$ 10,218,969	\$ -
District #4	452,587	803,253	-	(350,666)
District #22	118,807	-	-	118,807
District #24	301,466	1,217,370	-	(915,904)
District #25	146,563	-	-	146,563
District #26	110,793	406,159	-	(295,366)
District #27	139,246	-	-	139,246
District #31	120,107	-	-	120,107
District #32	139,659	-	-	139,659
District #33	12,211	-	-	12,211
District #90	<u>2,404</u>	<u>-</u>	<u>-</u>	<u>2,404</u>
	<u>\$27,680,354</u>	<u>\$18,344,324</u>	<u>\$ 10,218,969</u>	<u>\$ (882,939)</u>

At June 30, 2008 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 \$16,782,388. The unavailable amount of \$1,561,936 will have to be resolved in future years by anticipated Sales Tax revenues and General Fund Transfers. In addition, at June 30, 2008, District #1 had \$10,218,969 of unexpended bond proceeds unencumbered but restricted for future construction.

(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, 2008, a balance of \$965,089 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, 2008, a balance of \$22,748,547 is reserved for utilities and maintenance as a result of these sales tax levies.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2008

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, 2008 of \$1,994,914 are reflected as a reservation of fund balance.

(16) **Litigation and Claims -**

At June 30, 2008, 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 and amounts recorded in these financial statements.

SCHEDULES REQUIRED BY STATE LAW

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

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February 16, 2009

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 attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

(No Differences Noted)

Education Levels of Public School Staff (Schedule 2)

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

(No Differences Noted)

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

(No Differences Noted)

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

(No Differences Noted)

Number and Type of Public Schools (Schedule 3)

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

(No Differences Noted)

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

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

(No Differences Noted)

Public Staff Data (Schedule 5)

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

(No Differences Noted)

8. We recalculated the average salaries and full-time equivalents reported in the schedule.
(No Differences Noted)

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.
(No Differences Noted)

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

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Livingston Parish School Board.
(No Differences Noted)

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

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by Livingston Parish School Board.
(No Differences Noted)

The iLEAP 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,

Hannia J. Bourgeois, CPA

SUPPLEMENTARY INFORMATION

LIVINGSTON PARISH SCHOOL BOARD

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES

FOR THE YEAR ENDED JUNE 30, 2008

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	72,456,383	
Other Instructional Staff Activities	10,356,187	
Employee Benefits	26,999,109	
Purchased Professional and Technical Services	114,188	
Instructional Materials and Supplies	5,878,500	
Instructional Equipment	968,388	
Total Teacher and Student Interaction Activities		116,772,755

Other Instructional Activities		452,595
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Pupil Support Activities	6,326,351	
Less: Equipment for Pupil Support Activities	<u>(3,495)</u>	
Net Pupil Support Activities		6,322,856

Instructional Staff Services	5,341,621	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		5,341,621

School Administration	9,130,898	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		9,130,898

Total General Fund Instructional Expenditures		<u>\$ 138,020,725</u>
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Total General Fund Equipment Expenditures		<u>\$ 2,672,931</u>
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(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2008

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 874,627
Renewable Ad Valorem Tax	5,098,873
Debt Service Ad Valorem Tax	6,453,205
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	375,548
Sales and Use Taxes	32,863,768
Total Local Taxation Revenue	<u>45,666,021</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 8,807
Earnings from Other Real Property	<u>124,211</u>
Total Local Earnings on Investment in Real Property	<u>\$ 133,018</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 134,181
Revenue Sharing - Other Taxes	<u>475,956</u>
Total State Revenue in Lieu of Taxes	<u>\$ 610,137</u>

Nonpublic Textbook Revenue	<u>\$ 2,053</u>
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Nonpublic Transportation Revenue	<u>\$ 30,473</u>
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See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

AS OF OCTOBER 1, 2007

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	4	0%	0	0%	0	0%	0	0%
Bachelor's Degree	1119	73%	0	0%	1	1%	0	0%
Master's Degree	284	19%	0	0%	41	57%	0	0%
Master's Degree + 30	106	7%	0	0%	23	32%	0	0%
Specialist in Education	12	1%	0	0%	7	10%	0	0%
Ph. D. or Ed. D.	4	0%	0	0%	0	0%	0	0%
Total	1,529	100%	0	0%	72	100%	0	0%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2008

Type	Number
Elementary	21
Middle/Jr. High	9
Secondary	7
Combination	3
Total	40

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

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2007

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	4	5	4	4	11	28
Principals	-	-	1	3	4	9	27	44
Classroom Teachers	166	135	456	187	223	153	209	1,529
Total	166	135	461	195	231	166	247	1,601

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

PUBLIC SCHOOL STAFF DATA

FOR THE YEAR ENDED JUNE 30, 2008

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	47,316	47,341
Average Classroom Teachers' Salary Excluding Extra Compensation	46,961	46,982
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,551	1,531

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.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2007

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	54.8%	1,800	41.4%	1,361	3.8%	126	0.0%	-
Elementary Activity Classes	35.0%	181	60.9%	315	4.1%	21	0.0%	-
Middle/Jr. High	40.5%	767	32.4%	615	26.7%	506	0.4%	7
Middle/Jr. High Activity Classes	45.1%	141	13.7%	43	22.0%	69	19.2%	60
High	65.3%	1,734	24.0%	639	10.5%	278	0.2%	5
High Activity Classes	82.1%	339	8.2%	34	7.5%	31	2.2%	9
Combination	77.5%	419	17.7%	96	4.1%	22	0.7%	4
Combination Activity Classes	74.4%	67	10.0%	9	10.0%	9	5.6%	5

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.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2008

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	84	4%	88	5%	61	3%	117	6%	81	5%	82	4%
Mastery	519	27%	471	27%	384	21%	456	23%	343	19%	418	23%
Basic	906	46%	852	48%	923	50%	990	51%	923	52%	821	44%
Approaching Basic	320	16%	238	13%	303	16%	272	14%	288	16%	354	19%
Unsatisfactory	130	7%	125	7%	186	10%	123	6%	139	8%	183	10%
Total	1,959	100%	1,774	100%	1,857	100%	1,958	100%	1,774	100%	1,858	100%

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	22	1%	44	2%	25	1%	11	1%	32	2%	23	1%
Mastery	480	27%	464	26%	329	19%	262	15%	333	18%	238	13%
Basic	792	44%	898	49%	876	49%	984	54%	975	54%	976	55%
Approaching Basic	388	21%	315	17%	427	24%	379	21%	323	18%	341	19%
Unsatisfactory	126	7%	100	6%	129	7%	171	9%	157	8%	205	12%
Total	1,808	100%	1,821	100%	1,786	100%	1,807	100%	1,820	100%	1,783	100%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

FOR THE YEAR ENDED JUNE 30, 2008

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	11	1%	9	1%	8	1%	142	9%	77	5%	94	7%
Mastery	177	11%	145	10%	166	11%	248	16%	254	18%	266	18%
Basic	804	52%	723	51%	768	54%	735	47%	667	47%	665	46%
Approaching Basic	350	22%	368	26%	320	22%	241	15%	240	17%	236	16%
Unsatisfactory	213	14%	173	12%	170	12%	206	13%	179	13%	193	13%
Total	1,555	100%	1,418	100%	1,432	100%	1,572	100%	1,417	100%	1,454	100%

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	18	1%	43	3%	31	2%	6	0%	9	1%	1	0%
Mastery	185	14%	204	17%	180	14%	102	8%	110	9%	86	7%
Basic	612	47%	594	48%	591	48%	744	57%	709	57%	762	61%
Approaching Basic	374	28%	265	22%	348	28%	297	23%	263	21%	270	22%
Unsatisfactory	126	10%	128	10%	94	8%	165	12%	144	12%	124	10%
Total	1,315	100%	1,234	100%	1,244	100%	1,314	100%	1,235	100%	1,243	100%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS

FOR THE YEAR ENDED JUNE 30, 2008

ILEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	79	5%	140	8%	82	5%	60	4%
Mastery	385	23%	489	29%	364	22%	339	20%
Basic	846	50%	755	45%	880	52%	963	57%
Approaching Basic	234	14%	199	12%	278	17%	228	14%
Unsatisfactory	132	8%	94	6%	69	4%	83	5%
Total	1,676	100%	1,677	100%	1,673	100%	1,673	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	61	4%	135	8%	62	4%	62	4%
Mastery	416	25%	306	18%	363	22%	231	14%
Basic	787	48%	925	56%	809	49%	929	56%
Approaching Basic	274	16%	181	11%	346	21%	285	17%
Unsatisfactory	116	7%	108	7%	72	4%	144	9%
Total	1,654	100%	1,655	100%	1,652	100%	1,651	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	75	4%	70	3%	42	2%	148	8%
Mastery	405	23%	264	15%	333	19%	259	14%
Basic	952	53%	1,073	60%	886	49%	926	52%
Approaching Basic	268	15%	246	14%	412	23%	322	18%
Unsatisfactory	96	5%	144	8%	120	7%	138	8%
Total	1,796	100%	1,797	100%	1,793	100%	1,793	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	117	6%	78	4%	47	3%	22	1%
Mastery	352	19%	234	12%	349	19%	284	15%
Basic	962	51%	1,070	57%	909	48%	1,063	57%
Approaching Basic	361	19%	338	18%	436	23%	336	18%
Unsatisfactory	89	5%	161	9%	138	7%	174	9%
Total	1,881	100%	1,881	100%	1,879	100%	1,879	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2006		2006	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	26	2%	68	5%
Mastery	228	14%	180	12%
Basic	855	54%	875	57%
Approaching Basic	366	23%	249	16%
Unsatisfactory	101	7%	170	10%
Total	1,576	100%	1,542	100%

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	83	5%	207	12%	73	4%	43	2%
Mastery	480	27%	467	26%	412	23%	445	25%
Basic	818	46%	764	43%	852	48%	884	50%
Approaching Basic	256	15%	221	13%	329	19%	256	15%
Unsatisfactory	126	7%	104	6%	97	6%	135	8%
Total	1,763	100%	1,763	100%	1,763	100%	1,763	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	58	3%	128	7%	54	3%	97	5%
Mastery	382	21%	297	17%	333	19%	291	16%
Basic	875	49%	934	52%	926	52%	980	55%
Approaching Basic	313	17%	242	13%	384	21%	279	16%
Unsatisfactory	169	10%	196	11%	99	5%	150	8%
Total	1,797	100%	1,797	100%	1,796	100%	1,797	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	49	3%	108	6%	52	3%	131	7%
Mastery	359	20%	265	15%	405	23%	273	15%
Basic	955	53%	1,026	57%	854	47%	890	50%
Approaching Basic	315	17%	246	14%	361	20%	338	19%
Unsatisfactory	119	7%	151	8%	125	7%	164	9%
Total	1,797	100%	1,796	100%	1,797	100%	1,796	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	85	5%	61	3%	47	3%	28	2%
Mastery	312	18%	226	13%	369	21%	318	18%
Basic	904	51%	1,011	57%	847	48%	992	56%
Approaching Basic	359	20%	315	18%	380	21%	311	17%
Unsatisfactory	112	6%	160	9%	127	7%	121	7%
Total	1,772	100%	1,773	100%	1,770	100%	1,770	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2007		2007	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	17	1%	80	5%
Mastery	222	13%	207	12%
Basic	908	53%	915	54%
Approaching Basic	403	24%	275	16%
Unsatisfactory	147	9%	223	13%
Total	1,697	100%	1,700	100%

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	88	4%	148	7%	64	3%	53	3%
Mastery	447	23%	391	20%	348	18%	377	19%
Basic	966	49%	959	49%	1,003	51%	1,071	55%
Approaching Basic	314	16%	292	15%	417	21%	322	16%
Unsatisfactory	148	8%	173	9%	129	7%	138	7%
Total	1,963	100%	1,963	100%	1,961	100%	1,961	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	75	5%	173	10%	58	3%	67	4%
Mastery	387	23%	314	19%	334	20%	316	19%
Basic	828	49%	865	51%	845	50%	914	54%
Approaching Basic	272	16%	200	12%	366	22%	268	16%
Unsatisfactory	118	7%	129	8%	76	5%	113	7%
Total	1,680	100%	1,681	100%	1,679	100%	1,678	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	46	3%	150	8%	71	4%	96	5%
Mastery	337	18%	254	14%	320	17%	290	15%
Basic	1,015	54%	988	53%	970	52%	928	50%
Approaching Basic	318	17%	265	14%	381	21%	368	20%
Unsatisfactory	148	8%	207	11%	119	6%	179	10%
Total	1,864	100%	1,864	100%	1,861	100%	1,861	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	93	5%	67	4%	43	3%	40	2%
Mastery	365	21%	200	11%	324	18%	296	17%
Basic	900	50%	1,005	56%	896	50%	971	54%
Approaching Basic	344	19%	348	19%	416	23%	306	17%
Unsatisfactory	89	5%	171	10%	108	6%	173	10%
Total	1,791	100%	1,791	100%	1,787	100%	1,786	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	17	1%	67	4%
Mastery	267	16%	153	9%
Basic	954	56%	999	58%
Approaching Basic	365	21%	316	19%
Unsatisfactory	107	6%	177	10%
Total	1,710	100%	1,712	100%

See auditor's report.

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, 2008

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2007)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 3,690,373	\$ 778,295	\$ 108,344	\$ 349,723	\$ 144,756	\$ 109,467
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	22,500,000	-	-	-	-	-
Receivables	21,475	12,718	10,963	5,380	1,807	2,958
Total Assets	\$ 26,211,848	\$ 791,013	\$ 119,307	\$ 355,103	\$ 146,563	\$ 112,425
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and Other Payables	\$ 75,337	\$ 338,426	\$ 500	\$ 53,637	\$ -	\$ 1,632
Total Liabilities	75,337	338,426	500	53,637	-	1,632
Fund Equity:						
Fund Balances:						
Reserved for Incomplete Contracts	15,917,542	452,587	-	301,466	-	110,793
Reserved for Future Construction	10,218,969	-	-	-	-	-
Unreserved - Undesignated	-	-	118,807	-	146,563	-
Total Fund Equity	26,136,511	452,587	118,807	301,466	146,563	110,793
Total Liabilities and Fund Equity	\$ 26,211,848	\$ 791,013	\$ 119,307	\$ 355,103	\$ 146,563	\$ 112,425

See auditor's report.

Schedule 10

SCHOOL DISTRICTS					TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	2008	2007
\$ 135,981	\$ 119,061	\$ 137,130	\$ 10,981	\$ 2,381	\$ 5,586,492	\$ 2,780,626
-	-	-	-	-	22,500,000	-
3,265	1,046	2,529	1,230	23	63,394	6,471
<u>\$ 139,246</u>	<u>\$ 120,107</u>	<u>\$ 139,659</u>	<u>\$ 12,211</u>	<u>\$ 2,404</u>	<u>\$ 28,149,886</u>	<u>\$ 2,787,097</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 469,532	\$ 916,471
-	-	-	-	-	469,532	916,471
-	-	-	-	-	16,782,388	500,146
-	-	-	-	-	10,218,969	-
<u>139,246</u>	<u>120,107</u>	<u>139,659</u>	<u>12,211</u>	<u>2,404</u>	<u>678,997</u>	<u>1,370,480</u>
<u>139,246</u>	<u>120,107</u>	<u>139,659</u>	<u>12,211</u>	<u>2,404</u>	<u>27,680,354</u>	<u>1,870,626</u>
<u>\$ 139,246</u>	<u>\$ 120,107</u>	<u>\$ 139,659</u>	<u>\$ 12,211</u>	<u>\$ 2,404</u>	<u>\$ 28,149,886</u>	<u>\$ 2,787,097</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, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 449,944	\$ 266,509	\$ 229,687	\$ 112,716	\$ 37,884	\$ 61,943
Interest Earnings	363,408	42,166	36,308	17,806	6,004	9,813
State Sources:						
Unrestricted						
Grants-in-Aid	67,095	39,742	34,251	16,808	5,649	9,237
Total Revenues	880,447	348,417	300,246	147,330	49,537	80,993
Expenditures:						
Support Services:						
General Administration	17,760	10,519	9,066	4,449	1,495	2,445
Capital Outlay	1,646,651	1,797,560	360,270	215,015	78	34,478
Total Expenditures	1,664,411	1,808,079	369,336	219,464	1,573	36,923
Excess (Deficiency) of Revenues over Expenditures	(783,964)	(1,459,662)	(69,090)	(72,134)	47,964	44,070
Other Financing Sources (Uses):						
Issuance of Bonds	26,000,000	-	-	-	-	-
Bond Premium	213,845	-	-	-	-	-
Transfers In	-	1,500,000	100,000	200,000	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	26,213,845	1,500,000	100,000	200,000	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	25,429,881	40,338	30,910	127,866	47,964	44,070
Fund Balances at Beginning of Year	706,630	412,249	87,897	173,600	98,599	66,723
Fund Balances at End of Year	\$ 26,136,511	\$ 452,587	\$ 118,807	\$ 301,466	\$ 146,563	\$ 110,793

See auditor's report.

Schedule 11

SCHOOL DISTRICTS					TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	2008	2007
\$ 68,454	\$ 21,931	\$ 53,035	\$ 25,786	\$ 1,329	\$ 1,329,218	\$ 1,186,085
10,818	3,449	8,378	4,069	173	502,392	209,346
10,208	3,270	7,909	3,845	199	198,213	171,936
89,480	28,650	69,322	33,700	1,701	2,029,823	1,567,367
2,702	866	2,093	1,018	52	52,465	48,111
97,212	45	110	53	3	4,151,475	7,330,656
99,914	911	2,203	1,071	55	4,203,940	7,378,767
(10,434)	27,739	67,119	32,629	1,646	(2,174,117)	(5,811,400)
-	-	-	-	-	26,000,000	-
-	-	-	-	-	213,845	-
-	-	-	-	-	1,800,000	2,257,500
-	-	-	(30,000)	-	(30,000)	(19,000)
-	-	-	(30,000)	-	27,983,845	2,238,500
(10,434)	27,739	67,119	2,629	1,646	25,809,728	(3,572,900)
149,680	92,368	72,540	9,582	758	1,870,626	5,443,526
\$ <u>139,246</u>	\$ <u>120,107</u>	\$ <u>139,659</u>	\$ <u>12,211</u>	\$ <u>2,404</u>	\$ <u>27,680,354</u>	\$ <u>1,870,626</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, 2008
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2007)

ASSETS	SPECIAL REVENUE FUNDS			
	Elementary and Secondary		Special Education	Maintenance of Schools
	Chapter 1	Chapter 2		
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,332,111
Receivables	3,675,337	19,978	1,497,117	116,423
Inventory	-	-	-	-
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	-	-	-	-
Total Assets	\$ 3,675,337	\$ 19,978	\$ 1,497,117	\$ 1,448,534
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, Salaries and Other Payables	\$ 54,971	\$ -	\$ 5,492	\$ 246,106
Due to Other Funds	3,620,366	19,978	1,491,625	-
Total Liabilities	3,675,337	19,978	1,497,117	246,106
Fund Equity:				
Fund Balances -				
Reserved for Inventory	-	-	-	-
Reserved for Debt Service	-	-	-	-
Unreserved - Undesignated	-	-	-	1,202,428
Total Fund Balances	-	-	-	1,202,428
Total Liabilities and Fund Equity	\$ 3,675,337	\$ 19,978	\$ 1,497,117	\$ 1,448,534

See auditor's report.

Schedule 12

SPECIAL REVENUE FUNDS

School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
				2008	2007
\$ 14,949	\$ -	\$ -	\$ 3,223,039	\$ 4,570,099	\$ 2,820,752
13,968	521,509	231,460	227,410	6,303,202	4,726,481
222,511	-	-	-	222,511	177,377
-	-	-	1,500,000	1,500,000	1,500,000
<u>\$ 251,428</u>	<u>\$ 521,509</u>	<u>\$ 231,460</u>	<u>\$ 4,950,449</u>	<u>\$ 12,595,812</u>	<u>\$ 9,224,610</u>
\$ 85,341	\$ 19,697	\$ 7,118	\$ -	\$ 418,725	\$ 352,213
-	501,812	224,342	-	5,858,123	4,300,008
85,341	521,509	231,460	-	6,276,848	4,652,221
166,087	-	-	-	166,087	177,377
-	-	-	4,950,449	4,950,449	3,039,272
-	-	-	-	1,202,428	1,355,740
166,087	-	-	4,950,449	6,318,964	4,572,389
<u>\$ 251,428</u>	<u>\$ 521,509</u>	<u>\$ 231,460</u>	<u>\$ 4,950,449</u>	<u>\$ 12,595,812</u>	<u>\$ 9,224,610</u>

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

	SPECIAL REVENUE FUNDS			
	Elementary and Secondary Education Act		Special Education	Maintenance of Schools
	Chapter 1	Chapter 2		
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 1,860,904
Sales Taxes	-	-	-	-
Interest Earnings	-	-	-	53,020
Food Services	-	-	-	-
Other	-	-	-	-
State Sources - Unrestricted:				
Grants-in-Aid	-	-	-	192,504
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	159,041	881	175,476	-
Restricted Grants-in-Aid - Subgrants	3,516,296	19,097	3,974,122	-
Other - Commodities	-	-	-	-
Total Revenues	3,675,337	19,978	4,149,598	2,106,428
Expenditures:				
Instruction:				
Regular Programs	-	-	-	10,261
Special Programs	-	-	2,023,412	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	3,064,845	-	-	-
Support Services:				
Pupil Support	-	-	578,605	-
Instructional Staff Support	321,593	19,097	1,193,232	-
General Administration	-	-	-	73,449
Business Services	-	-	3,239	-
Plant Services	-	-	2,425	3,893,666
Transportation Services	-	-	1,861	-
Food Services	-	-	-	-

(CONTINUED)

SPECIAL REVENUE FUNDS

School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
				2008	2007
\$ -	\$ -	\$ -	\$ 6,453,205	\$ 8,314,109	\$ 6,011,928
-	-	-	926,709	926,709	504,368
5,158	-	-	179,879	238,057	205,215
2,967,463	-	-	-	2,967,463	2,886,928
28,298	-	-	-	28,298	14,229
402,250	-	-	-	594,754	569,233
-	18,688	40,951	-	395,037	422,665
4,960,256	703,086	983,602	-	14,156,459	15,034,859
743,435	-	-	-	743,435	534,588
9,106,860	721,774	1,024,553	7,559,793	28,364,321	26,184,013
-	-	-	-	10,261	-
-	16,481	-	-	2,039,893	2,393,877
-	141,555	-	-	141,555	101,305
-	123,535	-	-	123,535	108,518
-	169,195	738,508	-	3,972,548	4,733,179
-	45,887	96,203	-	720,695	575,723
-	131,970	129,776	-	1,795,668	1,929,101
-	-	-	300,394	373,843	266,843
-	2,164	19,115	-	24,518	35,349
-	1,179	-	-	3,897,270	2,720,921
-	235	-	-	2,096	4,152
13,305,666	-	-	-	13,305,666	11,937,622

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

	SPECIAL REVENUE FUNDS			
	Elementary and Secondary		Special Education	Maintenance of Schools
	Chapter 1	Chapter 2		
Expenditures (Continued):				
Community Service Programs	60,169	-	-	-
Capital Outlay	69,689	-	171,348	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Cost of Issuance	-	-	-	-
Total Expenditures	3,516,296	19,097	3,974,122	3,977,376
Excess (Deficiency) of Revenues Over Expenditures	159,041	881	175,476	(1,870,948)
Other Financing Sources (Uses):				
Bond Proceeds	-	-	-	-
Transfers In	-	-	-	1,970,000
Transfers Out	(159,041)	(881)	(175,476)	-
Payment to Refund Bonds	-	-	-	-
Total Other Financing Sources (Uses)	(159,041)	(881)	(175,476)	1,970,000
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	99,052
Fund Balances at Beginning of Year	-	-	-	1,103,376
Fund Balances at End of Year	\$ -	\$ -	\$ -	\$ 1,202,428

See auditor's report.

Schedule 13
(Continued)

SPECIAL REVENUE FUNDS					
School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
				2008	2007
-	-	-	-	60,169	52,550
64,848	70,885	-	-	376,770	365,796
-	-	-	3,210,304	3,210,304	2,512,032
-	-	-	2,055,568	2,055,568	1,705,166
-	-	-	117,350	117,350	104,547
13,370,514	703,086	983,602	5,683,616	32,227,709	29,546,681
(4,263,654)	18,688	40,951	1,876,177	(3,863,388)	(3,362,668)
-	-	-	-	-	5,075,000
4,000,000	-	-	35,000	6,005,000	4,219,000
-	(18,688)	(40,951)	-	(395,037)	(422,665)
-	-	-	-	-	(4,960,000)
4,000,000	(18,688)	(40,951)	35,000	5,609,963	3,911,335
(263,654)	-	-	1,911,177	1,746,575	548,667
429,741	-	-	3,039,272	4,572,389	4,023,722
\$ 166,087	\$ -	\$ -	\$ 4,950,449	\$ 6,318,964	\$ 4,572,389

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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 3,813,230	\$ 4,553,227	\$ 3,675,337	\$ (877,890)
Total Revenues	3,813,230	4,553,227	3,675,337	(877,890)
Expenditures:				
Instruction - Special Programs	2,997,189	3,592,359	3,064,845	527,514
Support Services:				
Instructional Staff Support	550,039	593,013	321,593	271,420
Community Services Programs	60,000	67,153	60,169	6,984
Capital Outlay	39,550	104,473	69,689	34,784
Total Expenditures	3,646,778	4,356,998	3,516,296	840,702
Excess of Revenues Over Expenditures	166,452	196,229	159,041	(37,188)
Other Financing Sources (Uses):				
Transfers Out	(166,452)	(196,229)	(159,041)	37,188
Total Other Financing Sources (Uses)	(166,452)	(196,229)	(159,041)	37,188
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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 28,626	\$ 29,697	\$ 19,978	\$ (9,719)
Total Revenues	28,626	29,697	19,978	(9,719)
Expenditures:				
Instructional Staff Support	27,363	28,387	19,097	9,290
Total Expenditures	27,363	28,387	19,097	9,290
Excess of Revenues Over Expenditures	1,263	1,310	881	(429)
Other Financing Sources (Uses):				
Transfers Out	(1,263)	(1,310)	(881)	429
Total Other Financing Sources (Uses)	(1,263)	(1,310)	(881)	429
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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 6,614,355	\$ 7,115,350	\$ 4,149,598	\$ (2,965,752)
Total Revenues	6,614,355	7,115,350	4,149,598	(2,965,752)
Expenditures:				
Instruction - Special Programs	4,755,671	6,239,781	2,023,412	4,216,369
Support Services:				
Pupil Support	-	18,841	578,605	(559,764)
Instructional Staff Support	54,663	164,849	1,193,232	(1,028,383)
Business Services	-	-	3,239	(3,239)
Plant Services	-	-	2,425	(2,425)
Transportation Services	-	-	1,861	(1,861)
Capital Outlay	1,593,343	395,474	171,348	224,126
Total Expenditures	6,403,677	6,818,945	3,974,122	2,844,823
Excess of Revenues Over Expenditures	210,678	296,405	175,476	(120,929)
Other Financing Sources (Uses):				
Transfers Out	(210,678)	(296,405)	(175,476)	120,929
Total Other Financing Sources (Uses)	(210,678)	(296,405)	(175,476)	120,929
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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 1,770,000	\$ 1,845,000	\$ 1,860,904	\$ 15,904
Interest Earnings	33,000	33,000	53,020	20,020
State Sources:				
Unrestricted:				
Grants-in-Aid	168,630	192,504	192,504	-
Total Revenues	1,971,630	2,070,504	2,106,428	35,924
Expenditures:				
Instruction:				
Regular Programs	-	5,730	10,261	(4,531)
Support Services:				
General Administration	68,672	73,450	73,449	1
Plant Services	3,052,200	4,402,000	3,893,666	508,334
Total Expenditures	3,120,872	4,481,180	3,977,376	503,804
Excess (Deficiency) of Revenues Over Expenditures	(1,149,242)	(2,410,676)	(1,870,948)	539,728
Other Financing Sources (Uses):				
Transfers In	1,249,000	2,495,000	1,970,000	(525,000)
Total Other Financing Sources (Uses)	1,249,000	2,495,000	1,970,000	(525,000)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	99,758	84,324	99,052	14,728
Fund Balance at Beginning of Year	1,103,376	1,103,376	1,103,376	-
Fund Balance at End of Year	\$ 1,203,134	\$ 1,187,700	\$ 1,202,428	\$ 14,728

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, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Local Sources:				
Interest Earnings	\$ 8,000	\$ 5,000	\$ 5,158	\$ 158
Food Services	3,170,500	3,258,500	2,967,463	(291,037)
Other	6,000	15,300	28,298	12,998
State Sources -				
Unrestricted Grants-in-Aid	402,250	402,250	402,250	-
Federal Sources:				
Restricted Grants-in- Aid-Subgrants	5,441,700	5,326,200	4,960,256	(365,944)
Other - Commodities	500,000	500,000	743,435	243,435
Total Revenues	9,528,450	9,507,250	9,106,860	(400,390)
Expenditures:				
Support Services:				
Food Services	12,517,742	13,379,826	13,305,666	74,160
Capital Outlay	60,000	80,000	64,848	15,152
Total Expenditures	12,577,742	13,459,826	13,370,514	89,312
Deficiency of Revenues Over Expenditures	(3,049,292)	(3,952,576)	(4,263,654)	(311,078)
Other Financing Sources (Uses):				
Transfers In	3,000,000	3,550,000	4,000,000	450,000
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	(49,292)	(402,576)	(263,654)	138,922
Fund Balance at Beginning of Year	429,741	429,741	429,741	-
Fund Balance at End of Year	\$ 380,449	\$ 27,165	\$ 166,087	\$ 138,922

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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 975,466	\$ 872,157	\$ 721,774	\$ (150,383)
Total Revenues	975,466	872,157	721,774	(150,383)
Expenditures:				
Instruction:				
Special Programs	38,746	20,762	16,481	4,281
Vocational Programs	104,284	139,110	141,555	(2,445)
Adult and Continuing Education Program	118,139	116,721	123,535	(6,814)
Other Programs	304,341	181,186	169,195	11,991
Support Services:				
Pupil Support	24,218	41,997	45,887	(3,890)
Instructional Staff Support	184,131	261,300	131,970	129,330
Business Services	3,115	2,300	2,164	136
Plant Services	-	-	1,179	(1,179)
Transportation Services	286	778	235	543
Capital Outlay	175,081	83,651	70,885	12,766
Total Expenditures	952,341	847,805	703,086	144,719
Excess of Revenues Over Expenditures	23,125	24,352	18,688	(5,664)
Other Financing Sources (Uses):				
Transfers Out	(23,125)	(24,352)	(18,688)	5,664
Total Other Financing Sources (Uses)	(23,125)	(24,352)	(18,688)	5,664
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, 2008

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,280,238	\$ 1,334,891	\$ 1,024,553	\$ (310,338)
Total Revenues	1,280,238	1,334,891	1,024,553	(310,338)
Expenditures:				
Instruction:				
Other Programs	830,595	903,495	738,508	164,987
Support Services:				
Pupil Support	106,105	118,171	96,203	21,968
Instructional Staff Support	268,486	234,340	129,776	104,564
Business Services	23,127	25,127	19,115	6,012
Total Expenditures	1,228,313	1,281,133	983,602	297,531
Excess of Revenues Over Expenditures	51,925	53,758	40,951	(12,807)
Other Financing Sources (Uses):				
Transfers Out	(51,926)	(53,758)	(40,951)	12,807
Total Other Financing Sources (Uses)	(51,925)	(53,758)	(40,951)	12,807
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, 2008

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2007)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 1,099,119	\$ 548,439	\$ 725,652	\$ 256,548	\$ 23,679	\$ 15,321
Investments	509,886	247,303	358,087	116,152	10,396	6,726
Sales Tax Receivable	-	-	78,660	-	-	-
Interest Receivable	11,454	6,784	5,847	2,870	963	1,578
Due from Other Government	62,281	14,860	11,326	8,019	-	-
Total Assets	<u>\$ 1,682,740</u>	<u>\$ 817,386</u>	<u>\$ 1,179,572</u>	<u>\$ 383,589</u>	<u>\$ 35,038</u>	<u>\$ 23,625</u>
LIABILITIES AND FUND EQUITY						
Accounts, Salaries and Other Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-
Fund Equity -						
Fund Balances:						
Reserved for Debt Service	<u>1,682,740</u>	<u>817,386</u>	<u>1,179,572</u>	<u>383,589</u>	<u>35,038</u>	<u>23,625</u>
Total Fund Equity	<u>1,682,740</u>	<u>817,386</u>	<u>1,179,572</u>	<u>383,589</u>	<u>35,038</u>	<u>23,625</u>
Total Liabilities and Fund Equity	<u>\$ 1,682,740</u>	<u>\$ 817,386</u>	<u>\$ 1,179,572</u>	<u>\$ 383,589</u>	<u>\$ 35,038</u>	<u>\$ 23,625</u>

See auditor's report.

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2008	2007
\$ 271,469	\$ 26,367	\$ 108,342	\$ 148,103	\$ 3,223,039	\$ 1,469,059
121,980	12,174	48,866	68,430	1,500,000	1,500,000
-	-	-	-	78,660	46,874
1,741	558	1,349	656	33,800	-
6,372	1,364	2,964	7,764	114,950	23,776
<u>\$ 401,562</u>	<u>\$ 40,463</u>	<u>\$ 161,521</u>	<u>\$ 224,953</u>	<u>\$ 4,950,449</u>	<u>\$ 3,039,709</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 437
-	-	-	-	-	437
<u>401,562</u>	<u>40,463</u>	<u>161,521</u>	<u>224,953</u>	<u>4,950,449</u>	<u>3,039,272</u>
<u>401,562</u>	<u>40,463</u>	<u>161,521</u>	<u>224,953</u>	<u>4,950,449</u>	<u>3,039,272</u>
<u>\$ 401,562</u>	<u>\$ 40,463</u>	<u>\$ 161,521</u>	<u>\$ 224,953</u>	<u>\$ 4,950,449</u>	<u>\$ 3,039,709</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, 2008

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 3,609,153	\$ 915,549	\$ 802,891	\$ 237,662	\$ -	\$ 2,600
Sales Taxes	-	-	926,709	-	-	-
Interest Earnings	68,565	32,623	27,775	15,842	3,845	7,042
Total Revenues	3,677,718	948,172	1,757,375	253,504	3,845	9,642
Expenditures:						
Support Service:						
General Administration	156,400	41,619	47,888	11,386	368	-
Debt Service:						
Principal Retirement	1,330,000	520,000	590,000	186,304	5,000	4,000
Interest and Bank Charges	677,423	574,355	451,447	62,096	283	73
Cost of Issuance	117,350	-	-	-	-	-
Total Expenditures	2,281,173	1,135,974	1,089,335	259,786	5,651	4,073
Excess (Deficiency) of Revenues over Expenditures	1,396,545	(187,802)	668,040	(6,282)	(1,806)	5,569
Other Financing Sources (Uses):						
Bond Proceeds	-	-	-	-	-	-
Transfers In	-	-	-	35,000	-	-
Payment to Refund Bonds	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	35,000	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	1,396,545	(187,802)	668,040	28,718	(1,806)	5,569
Fund Balances at Beginning of Year	286,195	1,005,188	511,532	354,871	36,844	18,056
Fund Balances at End of Year	\$ 1,682,740	\$ 817,386	\$ 1,179,572	\$ 383,589	\$ 35,038	\$ 23,625

See auditor's report

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2008	2007
\$ 280,591	\$ 125,932	\$ 260,637	\$ 218,190	\$ 6,453,205	\$ 4,351,402
-	-	-	-	926,709	504,368
8,852	3,027	8,222	4,086	179,879	156,285
289,443	128,959	268,859	222,276,000	7,559,793	5,012,055
12,775	7,032	12,659	10,267	300,394	199,489
185,000	70,000	190,000	130,000	3,210,304	2,512,032
58,179	39,215	99,361	93,136	2,055,568	1,705,166
-	-	-	-	117,350	104,547
255,954	116,247	302,020	233,403	5,683,616	4,521,234
33,489	12,712	(33,161)	(11,127)	1,876,177	490,821
-	-	-	-	-	5,075,000
-	-	-	-	35,000	235,000
-	-	-	-	-	(4,960,000)
-	-	-	-	35,000	350,000
33,489	12,712	(33,161)	(11,127)	1,911,177	840,821
368,073	27,751	194,682	236,080	3,039,272	2,198,451
\$ 401,562	\$ 40,463	\$ 161,521	\$ 224,953	\$ 4,950,449	\$ 3,039,272

FIDUCIARY 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, the Livingston Parish Council, and School Board Sales Tax District No 33, 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, 2008

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2007)

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total Fiduciary Funds</u>	
			<u>2008</u>	<u>2007</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,464,504	\$ 2,785,940	\$ 7,250,444	\$ 6,890,174
Total Assets	<u>\$ 4,464,504</u>	<u>\$ 2,785,940</u>	<u>\$ 7,250,444</u>	<u>\$ 6,890,174</u>
LIABILITIES				
Amounts Held for School Activities	\$ 4,464,504	\$ -	\$ 4,464,504	\$ 4,141,457
Deposits Due to Others	<u>-</u>	<u>2,785,940</u>	<u>2,785,940</u>	<u>2,748,717</u>
Total Liabilities	<u>\$ 4,464,504</u>	<u>\$ 2,785,940</u>	<u>\$ 7,250,444</u>	<u>\$ 6,890,174</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, 2008

School	Balance			Balance June 30, 2008
	July 1, 2007	Additions	Deductions	
Albany High	\$ 116,948	\$ 485,934	\$ 508,440	\$ 94,442
Albany Middle School	112,619	235,325	208,048	139,896
Albany Upper Elementary	57,419	159,251	155,924	60,746
Albany Lower Elementary	79,033	171,462	164,245	86,250
Denham Springs High	35,828	1,019,632	915,968	139,492
Denham Springs Junior High	78,041	369,532	342,884	104,689
Denham Springs Freshman High	113,455	126,261	120,219	119,497
Denham Springs Elementary	76,044	177,912	180,674	73,282
Doyle High	125,604	229,228	243,398	111,434
Doyle Elementary	117,861	157,332	156,599	118,594
Eastside Elementary	127,625	116,223	123,544	120,304
French Settlement High	118,750	232,868	241,389	110,229
French Settlement Elementary	119,068	150,878	139,683	130,263
Freshwater Elementary	98,173	126,779	143,606	81,346
Frost Elementary	41,381	137,663	138,391	40,653
Gray's Creek Elementary	58,184	216,038	192,334	81,888
Holden High	181,354	316,049	286,901	210,502
Levi Milton Elementary	60,606	196,540	183,532	73,614
Lewis Vincent Elementary	100,771	247,076	228,794	119,053
Live Oak High	202,328	771,543	733,271	240,600
Live Oak Middle School	204,481	727,984	646,916	285,549
Live Oak Elementary	167,929	288,285	234,095	222,119
Livingston Parish Literary & Tech Center	4,036	43,938	36,714	11,260
Maurepas High	87,692	257,601	264,175	81,118
North Corbin Junior High	-	342,853	261,052	81,801
North Corbin Elementary	139,500	199,191	182,108	156,583
North Live Oak Elementary	121,758	384,299	383,977	122,080
Northside Elementary	114,264	148,453	179,786	82,931
Option III	840	15,294	12,906	3,228
Pine Ridge School	9,411	24,337	24,217	9,531
Seventh Ward Elementary	66,884	163,144	138,510	91,518
South Live Oak Elementary	177,881	259,980	309,324	128,537
South Walker Elementary	148,281	191,894	187,372	152,803
Southside Junior High	168,871	300,454	306,163	163,162
Southside Elementary	98,331	105,794	77,017	127,108
Springfield High	84,870	302,759	301,957	85,672
Springfield Middle School	36,772	131,731	113,613	54,890
Springfield Elementary	59,749	128,663	124,691	63,721
Walker High	194,435	575,156	623,844	145,747
Walker Freshman High	-	163,397	150,378	13,019
Walker Junior High	108,346	-	108,346	-
Walker Elementary School	47,252	164,221	153,342	58,131
Westside Junior High School	78,782	245,659	257,219	67,222
Total	\$ 4,141,457	\$ 10,808,613	\$ 10,485,566	\$ 4,464,504

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SALES TAX FUND

SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS

FOR THE YEARS ENDED JUNE 30, 2008
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)

	<u>Sales Tax Fund</u>	
	<u>2008</u>	<u>2007</u>
Deposits Due Others at Beginning of Year	\$ 2,748,717	\$ 2,474,670
Additions:		
Sales Tax Collections	67,207,549	62,432,850
Deductions:		
Transfers to:		
General Fund:		
Sales Tax	31,929,424	30,377,780
District No. 33	83,839	66,362
Sales Tax Collection Fee	579,177	511,430
Debt Service - District No. 22	894,923	502,368
Livingston Parish Sheriff	6,411,235	6,027,699
Livingston Parish Council	12,827,481	12,062,741
Livingston Parish Tourist Commission	210,016	177,116
Livingston Parish Drainage Districts:		
No. 1	875,058	762,429
No. 2	528,530	515,294
No. 5	1,291,817	1,134,934
City of Denham Springs	6,747,975	6,392,784
Denham Springs Economic Development District	799,952	4,860
Town of Walker	2,922,246	2,697,859
Town of Livingston	331,223	327,270
Town of Springfield	373,793	356,028
Village of Albany	271,904	207,951
Refunds to Vendors	91,733	33,898
Total Reductions	<u>67,170,326</u>	<u>62,158,803</u>
Deposits Due Others at End of Year	\$ <u>2,785,940</u>	\$ <u>2,748,717</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Louis Carlisle	\$ 9,600	\$ 9,600
Claire Corburn (Term Expired 12/31/06)	-	4,800
Jeffrey Cox	9,600	9,600
Milton Hughes	9,600	9,600
Sidney L. Kinchen (Term Began 1/1/07)	9,600	4,800
Norman Alton Leggette (Term Expired 12/31/06)	-	4,800
Keith Martin	10,800	10,200
Albert C. Mincey, Jr. (Term Began 1/1/07)	9,600	4,800
Clinton D. Mitchell (Term Began 1/1/07)	9,600	4,800
Julius J. Prokop (Term Expired 12/31/06)	-	4,800
Malcolm Sibley (Term Expired 12/31/06)	-	5,400
David Tate	9,600	9,600
James V. Watson (Term Began 1/1/07)	<u>9,600</u>	<u>4,800</u>
Total	<u>\$ 87,600</u>	<u>\$ 87,600</u>

Term of Current Board Expires December 31, 2010.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2008

<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	\$ 743,435
Passed Through Louisiana Department of Education:			
National Breakfast Program	10.553	N/A	1,109,033
National School Lunch Program	10.555	N/A	<u>3,851,223</u>
Total United States Department of Agriculture			5,703,691
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	130,494
Educationally Deprived Children - Local Educational Agencies:			
IASA Title I	84.010	05-IASA-32-1	3,675,337
Handicapped State Grants:			
Special Education IDEA	84.027	05-FT-32	4,149,598

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

<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	230,694
Learn and Serve - Outdoor Odyssey	84.298	N/A	20,689
Children with Disabilities	84.323A	N/A	80,936
Handicapped - Preschool Grants:			
Preschool Flow-thru	84.173	05-PI-32-S	82,725
Innovative Education Program	84.298	N/A	19,978
Drug-Free Schools and Communities - State Grants	84.186	05-7032	137,207
Title II - Improving Teacher Quality - State Grants	84.367	N/A	851,561
Math and Science Partnership - Math and Science	84.366B	N/A	131,422
Enhancing Education Through Technology	84.318X	N/A	32,137
Other NCLB Programs	84.365A		<u>35,785</u>
Total Passed Through Louisiana Department of Education			9,578,563
Passed Through East Baton Rouge School Board:			
Tech - Prep Education	84.243	N/A	<u>1,796</u>
Total United States Department of Education			1,796
<u>James Madison Memorial Fellowship Foundation</u>			
Passed Through Tangipahoa School Board:			
Teaching American History	85.500	N/A	<u>7,317</u>
Total Scholarship Foundations			7,317
<u>United States Department of Health and Human Services</u>			
Passed Through Louisiana Department of Education:			
T.A.N.F. - Strategies to Empower People	93.558	N/A	<u>3,564</u>
Total United States Department of Health and Human Services			3,564

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

FOR THE YEAR ENDED JUNE 30, 2008

<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 Homeland Security</u>			
Passed Through State of Louisiana, Military Department Office of Homeland Security and Preparedness			
Disaster Grants - Public Assistance	97.036	N/A	<u>205,878</u>
Total Passed Through State of Louisiana Military Department			<u>205,878</u>
Total Expenditures of Federal Awards			<u>\$15,500,809</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, 2008

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, 2008, the Livingston Parish School Board had food commodities totaling \$72,807 in inventory.

See auditor's report.

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

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February 16, 2009

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, 2008, which collectively comprise the Livingston Parish School Board's basic financial statements, and have issued our report thereon dated February 16, 2009. We have also audited the financial statements of each of the School Board's nonmajor governmental funds presented in the accompanying combining and individual fund statements and schedules as of and for the year ended June 30, 2008 as listed in the table of contents. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting identified as items 2008-1 through 2008-4.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School Board's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of the School Board in a separate letter dated February 16, 2009.

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,

Harris J. Bouglais, 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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February 16, 2009

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, 2008. 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, 2008.

Internal Control Over Compliance

The management of the Livingston Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Livingston Parish School Board's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. *A significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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,

Harris J. Bourgeois, LLP

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2008

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:

Federal Grantor/ Pass - Through Grantor/ <u>Program Name</u>	<u>CFDA Number</u>
<u>United States Department of Agriculture</u> Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution Program	10.550
Passed Through Louisiana Department of Education: National Breakfast Program National School Lunch Program	10.533 10.555
<u>United States Department of Education</u> Passed Through Louisiana Department of Education: Title II - Improving Teacher Quality State Grant	84.367

- The threshold for distinguishing Types A and B programs was \$465,000.
- 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, 2008

B. Findings - Internal Control Over Financial Reporting

2008-1 - Overtime Accumulation, Monitoring, and Balances:

Finding

During the current year audit, we noted several discrepancies in the manner that overtime is being tracked, accumulated, and being monitored by management for the maintenance department of the School Board.

Employees in the maintenance department either can have the overtime worked paid each month or accumulate the overtime worked and take time off later or request payment for a balance of hours accumulated.

We noted that overtime balances are being accumulated in the Maintenance Department in a manual overtime log that is updated by the department supervisor. The supervisor obtains the hours of overtime worked based on daily location sheets that includes all employees' attendance and hours worked. We selected the five employees who received the highest compensation paid in overtime during the current year to test the balances being recorded in the manual overtime log for three months to the balances being accumulated on the daily location sheets. We noted twelve discrepancies or a net total of an additional 74.5 hours of overtime being recorded in the manual log book. The daily location sheets are maintained by the supervisors in the maintenance department and the employees do not review and are not required to sign the daily sheets agreeing the amount of hours worked.

Overtime paid to the five employees selected was 34% of the total gross salary paid to them and represented a 56% increase over these employees' regular salaries. For one of these five employees, the overtime paid was 55% of the total gross salary and represented a 121% increase over the regular salary. The overtime log for this one employee showed accumulated overtime from July 1, 2007 to June 30, 2008 of 2,388.75 hours which is equal to 1,592.75 hours of regular time or equivalent to working approximately 71 hours per week for the entire year without vacation.

We noted the maintenance department reports the total overtime hours worked and the accumulated balance of overtime hours of each employee to the School Board each month; however, the report did not have the total amount paid in overtime to each employee or the total value of overtime accumulated for each employee.

In addition, we noted the manual overtime log is kept out in the open where anyone has access to review the balances for any employee in the log and has access to change information recorded in the log.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

Recommendation

We recommend for management to review the process of accumulating overtime in the maintenance department and implement an automated system to keep track of the accumulated overtime hours. In addition, we recommend for management to implement an automated time and attendance system for all employees for a more accurate calculation and documentation of hours worked. The employees should be required to review and sign a timesheet of hours worked acknowledging the time is accurate. The employees' supervisor should be required to sign each employee timesheet in approval of the hours worked.

We also recommend for the School Board and management to review a report containing the total overtime hours worked, the overtime hours accumulated in a bank, the year to date total wages paid in overtime for each employee and the total dollar value of the overtime bank. The report should contain information to allow management to stay informed on the total overtime cost and make modification to work schedules to reduce the amount of overtime.

In addition, we recommend for management to review the maintenance employees schedule to determine if a modified schedule can be implemented. In some cases, maintenance work can be disruptive and it has to be performed in schools after hours. A modified flexible work schedule can be implemented where the maintenance employees can be scheduled to work after school is dismissed. This would reduce overtime when the work is required to be completed after school is dismissed.

As described in Finding 2008-3 below, we noted that the School Board adopted a revised overtime policy in April 2008 that allows supervisors the discretion to change work schedules and to implement a flexible work schedule to maintain a forty hour workweek. We recommend for the requirements of the policy changes be implemented.

We also recommend for overtime information on each employee be kept in a manner that can be viewed only by management or authorized personnel.

Management's Response

Management concurs with this finding and will evaluate the idea of changing the overtime policy in regards to the maintenance department in addition to evaluating the idea of implementing an automated time and attendance system for the maintenance department.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

2008 - 2 - Maintenance Work Contracted:

Finding

During the current year, we selected six requisitions for contracted work on public works maintenance projects under \$100,000 and noted discrepancies in the documentation of quotes where the maintenance department employees obtained quotes on maintenance work from contractors.

In four instances, there was no documentation to indicate the time and date the quotes were required to be received for consideration to be awarded the contract. In three instances, the contract was awarded to the one contractor that submitted a proposal. Although there was documentation that other contractors were contacted and refused to provide a quote, the information was obtained by an employee in the maintenance department and the only documentation was notations of making telephone calls. In one instance, the contractor that was awarded the contract submitted the quote seven days after the next lowest quote was received. The quoted difference was \$820 and the total quoted price was \$43,680.

Recommendation

We recommend that the School Board assign the responsibility of obtaining quotes for maintenance work to the purchasing department. The purchasing department staff has the training necessary to make sure all state laws related to obtaining quotes are being followed. In addition, the purchasing department should obtain all the necessary documents from all contractors as of a specified date, compile a listing of quoted values and provide this information to the maintenance supervisor for review and subsequent awarding of the contract to the contractor with the lowest quote. Having the purchasing department perform the duties over obtaining maintenance contract quotes would improve the internal controls over compliance with state laws on compliance with purchasing. In addition, the purchasing department would be responsible to make sure all of the documentation detailing the effort to obtain the necessary quotes are filed appropriately.

Management's Response

Management concurs with this finding and has implemented a new purchasing procedure. The new procedure requires that all purchases of products or services requiring quotes or sealed bids per State bid laws must be submitted by the purchasing agent and received by the purchasing agent. This will insure that the System stays in compliance with all state purchasing laws.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

2008 - 3 - Overtime Policy:

Finding

During the current fiscal year, we noted the School Board adopted a revised overtime policy in April 2008. One of the purposes of this amended policy was to make the necessary changes to the previous policy to comply with the requirements of the Fair Labor Standards Act (FLSA). The policy divides all employees of the School Board into either exempt or nonexempt classifications for the purpose of determining overtime eligibility as required by the FLSA. We noted several discrepancies where it appears the School Board policy on overtime was not being followed:

- a) The policy contains a section titled "Exclusions from overtime pay requirements". The section states the following: "Executive, administrative, professional and certain computer employees are identified as exempt from overtime pay if their job duties and salary meet the rules for one or more of the categories of exemption provided by the FLSA and implementing regulations. A list of the exempt employees will be maintained by the Human Resources Department." We requested a listing of the employees in the exempt status from the Human Resources Department and the list was not provided as it had not been prepared. We interviewed several employees during the course of the audit and noted two employees classified as accountants were denied overtime pay due to the new policy but there was no formal documentation that these employees were notified as being classified exempt and not subject to overtime. We noted these two employees were required to work overtime after the adoption of the new policy and the School Board compensated the employees at the regular pay rate. We noted these employees were paid at a time and one half rate for overtime work under the previous overtime policy.
- b) The policy contains a section titled "Flexible Time". This section contains the following requirement: "Principals or supervisors may need to adjust daily schedules of nonexempt employees to maintain a consistent forty (40) hour workweek. Accurate and complete time sheets and/or records of the actual hours worked during a workweek shall be signed by each employee and supervisor and submitted to the payroll department. Building principals, department heads and other supervisors are subject to discipline for allowing nonexempt employees under their supervision to work more than forty (40) hours in a workweek without the Superintendent's or his/her designee's advance approval." Per our findings in item 2008-1 above, it does not appear the requirements of the policy are being followed in the maintenance department.

Recommendation

We recommend for the School Board to fully implement the requirements of the overtime policy adopted in April 2008. A list of exempt and nonexempt employees should be compiled by the Human Resources Department and the employees on the list should be notified in writing of their classification status under the new policy and the effects of any classification status change. In addition, we recommend the policy requiring the implementation of flexible work schedules to help

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2008

reduce the amount of overtime work when deemed appropriate and the implementation of the use of timesheets requiring the employee and supervisor to sign. In addition, we recommend for the overtime policy to be clarified including whether the exempt employee classification will be paid overtime at the regular employee rate or the employee is forfeiting any overtime compensation. These changes will help strengthen internal controls over the payroll cycle and clarify confusion by certain employees on payment of overtime.

Management's Response

Management concurs with this finding and is searching for a consultant to assist in identifying which employee classifications are considered exempt and nonexempt. This listing will be noted and all personnel will be notified in writing of all applicable changes. Management will evaluate the idea of revising the overtime policy in regards to the maintenance department in addition to evaluating the idea of implementing an automated time and attendance system for the maintenance department.

2008 - 4 - Petty Cash Fund in the Maintenance Department:

Finding

During the current year audit, we noted the maintenance department maintains a petty cash fund in a desk of one of the employees. We reviewed the contents of the petty cash envelope and noted approximately \$640 in cash. We also noted the cash accumulated in the petty cash fund resulted from the sale of scrap material to a recycling facility during the year. The employee maintaining the fund in the maintenance department indicated the cash is used primarily as a flower fund to purchase flowers and get well gifts for employees who are ill or for funerals when needed. In addition, the cash is used to purchase food for events such as a Christmas party where the meat is purchased from the petty cash fund.

Recommendation

We recommend for the petty cash fund to be turned over to the business department and deposited in the School Board's bank account and any proceeds from future sales of scrap material be deposited to the School Board's bank account. The maintenance department staff needs to pay for flowers or purchase food for an office party from contributions from each employee and not from sales of materials from the School Board.

Management's Response

Management concurs with this finding. These funds have been deposited in the System's bank account. In addition, all future proceeds will also be deposited in the bank account.

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR FINDINGS AND AUDIT FINDINGS

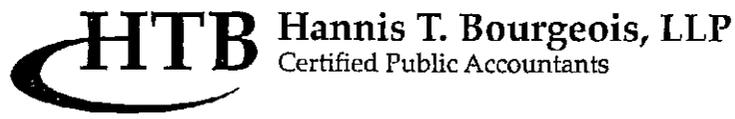
FOR THE YEAR ENDED JUNE 30, 2008

NONE

LIVINGSTON PARISH SCHOOL BOARD
LIVINGSTON, LOUISIANA

MANAGEMENT LETTER

JUNE 30, 2008



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February 16, 2009

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, 2008, 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 February 16, 2009, on the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana.

CURRENT YEAR FINDINGS:

None

PRIOR YEAR FINDINGS:

Internal Auditor

Finding:

In our June 30, 2006 and the June 30, 2007 audit and again in the current year audit we noted the Livingston Parish School Board is over a \$206 million operation. With operations of this size, many policies and procedures can be inadvertently and intentionally omitted and/or completed incorrectly. Some examples of this lack of following procedures were identified in the Louisiana Legislative Auditors compliance report issued on May 24, 2006. The issues in this report principally related to 1) altered leave records, 2) misappropriation of school activity funds at Live Oak High School, 3) improper travel reimbursements, 4) improper credit card usage, 5) controls over supplemental pay, and 6) other business practices. Another example of lack of following procedures was identified as finding 2006 – 1 in the June 30, 2006 audit report schedule of findings and questioned costs in the "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" dated November 17, 2006.

In the current year audit, we identified four additional internal control findings where we noted weaknesses in the manner in which overtime is being accumulated, in the implementation of the adopted overtime policy, in the manner contractors are selected for maintenance work, and the handling of funds received on the sale of scrap material by the maintenance department as identified in findings 2008-1, 2008-2, 2008-3 and 2008-4, in the current year schedule of findings and questioned costs in the "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" dated February 16, 2009.

Recommendation:

We recommended for the School Board to hire an internal auditor whose responsibilities would be to test the Board's policies, procedures, income and expenses on a regular basis throughout the year and report any findings directly to the Board.

Additional Recommendation:

In the prior year the Board agreed to hire an internal auditor and the Business Manager was in the process of developing the positions responsibilities and advertising for that position; however, an internal auditor has not been hired. We again recommend for the School Board to hire an internal auditor whose responsibilities would be to test the Board's policies, procedures, income and expenses on a regular basis throughout the year and report any findings directly to the Board. We believe an internal auditor can identify weaknesses in internal control within the School Board's operations and make recommendations for corrective action so the School Board can immediately correct the deficiencies instead of these matters being identified and reported by external auditors.

Management Response:

Management concurred with the recommendation and still plans to hire an internal auditor.

Independent Information Technology Review

Finding:

During the prior year audit and again in the current year audit, it was noted that an independent Information Technology (I.T.) review has not been conducted for the last several years.

Recommendation:

We again recommend for management to hire an independent I.T. consultant to perform a review of the School Board's computer systems. This is necessary due to the increasing size and complexity of the I.T. computer system of the School Board.

Management Response:

Management concurred with the recommendation and still plans to hire an independent information technology consultant to review the School Board's computer system. Management is in the process of requesting proposals and expects to hire a consultant before June 30, 2009.

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,

Hannu J. Bourgeois, M.A.