

**LIVINGSTON PARISH SCHOOL BOARD****REPORT ON AUDIT OF BASIC  
FINANCIAL STATEMENTS****JUNE 30, 2005****LIVINGSTON, LOUISIANA**

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

Release Date 2-1-2006

**LIVINGSTON PARISH SCHOOL BOARD**

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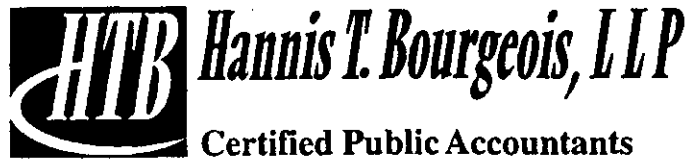
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November 1, 2005

### INDEPENDENT AUDITOR'S REPORT

Livingston Parish School Board  
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish School Board as of and for the year ended June 30, 2005, 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 financing statements and schedules as of and for the year ended June 30, 2005, 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, 2005, 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, 2005, 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.

In accordance with Government Auditing Standards, we have also issued our report dated November 1, 2005, on our consideration of the Livingston Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

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

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

Respectfully submitted,

*Hannu J. Bourgeois, CPA*

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**



**LIVINGSTON PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2005

The Management's Discussion and Analysis (MD&A) of the Livingston Parish School Board provides an overview and overall review of the School Board's financial activities for the fiscal year ended June 30, 2005. The intent of the MD&A is to look in layman's terms at the School Board's financial performance as a whole. It should, therefore, be read in conjunction with the School Board's Annual Financial Statements and the notes thereto.

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

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the 2004-2005 fiscal year include the following:

- ❖ Net assets decreased by \$610,891 for the year ended June 30, 2005. The major reason for the decrease was due to a prior period adjustment in the amount of \$1,033,242 caused by a change in the method of accounting for employee group insurance by the School Board. As discussed below, the decrease in net assets was the result of an increase in total assets of \$13,715,953 coupled with an increase in total liabilities of \$14,326,844. The reason for such a large increase was the issuance of General Obligation Bonds in the amount of \$13,750,000 for the construction of additional facilities. Some of the construction has just begun with other projects in the planning and bidding phases.
- ❖ Total assets increased by \$13,715,953 attributed to the following elements:

	<u>June 30, 2005</u>	<u>June 30, 2004</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Cash and Cash Equivalents	\$ 48,199,025	\$ 37,781,103	\$10,417,922	27.57%
Receivables	7,049,164	7,313,856	(264,692)	(3.62)%
Inventory	651,901	771,009	(119,108)	(15.45)%
Deferred Bond Issuance Costs	721,086	653,267	67,819	10.38%
Capital Assets, Net of Accumulated Depreciation	<u>105,246,564</u>	<u>101,632,552</u>	<u>3,614,012</u>	3.56%
Total Assets	<u>\$161,867,740</u>	<u>\$148,151,787</u>	<u>\$13,715,953</u>	9.26%

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

JUNE 30, 2005

The main reason for the increase in cash was due to the issuance of a \$12,000,000 bond issue in District #4 and a \$1,750,000 bond issue in District #33 for construction projects. Capital outlay in the current year amounted to approximately \$7.5 million. The inventory decrease reflects normal fluctuation of commodity items used by the School Food Service Program, School Supply, Textbooks/Workbooks, Computer Repair Parts and Maintenance Materials. Capital assets increased because of the continued capital outlay and construction with the Districts. At June 30, 2005, major incomplete construction projects in the Districts were as follows:

District #1:	
Denham Springs Elementary	\$ 595,000
District #4:	
South Walker Elementary	181,000
North Corbin	426,000
North Corbin Junior High	355,000
District #22:	
South Live Oak Elementary	222,000
District #24:	
Albany Middle	362,000
District #33:	
Maurepas High	109,000
District #99:	
Warehouse Addition	<u>1,411,000</u>
	<u>\$ 3,661,000</u>

During the current fiscal year, the School System purchased 19 used buses/vehicles at a cost of \$265,960 and completed various other small renovation projects at an approximate cost of \$175,000.

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

	<u>June 30, 2005</u>	<u>June 30, 2004</u>	<u>Amount</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Increase</u> <u>(Decrease)</u>
Accounts, Salaries, and Other				
Payables	\$ 20,295,492	\$ 17,866,543	\$2,428,949	13.59%
Deferred Revenue	551,420	-	551,420	100.00%
Interest Payable	581,732	309,373	272,359	88.04%
Long-Term Liabilities	<u>49,877,231</u>	<u>38,803,115</u>	<u>11,074,116</u>	28.54%
Total Liabilities	<u>\$ 71,305,875</u>	<u>\$ 56,979,031</u>	<u>\$14,326,844</u>	25.14%

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

JUNE 30, 2005

General payables increased primarily due to a large increase of salaries and related benefits payable because of an increase in wages and number of employees at June 30, 2005. The increase in Deferred Revenue was caused by a one-time supplement from the State for the fiscal year ended June 30, 2006. While the increase in Interest Payable and Long-term Liabilities is directly related to the payment schedules of the various bond issues.

- ❖ General revenues increased by \$6,251,306 from fiscal year 2004 to fiscal year 2005. Primary increases and decreases are discussed below.
  - Property tax revenue levied increased by \$716,828 (10.68%) due to increased property value assessment and growth within the parish.
  - Sales and use tax revenue increased \$1,547,744 (7.26%) due to growth of major retail businesses in the Parish.
  - Earnings on Investments increased \$469,708 (86.41%) due to an increase in the Federal Interest Discount rate and earnings on the issuance of a \$12 million bond in District #4.
  - Other Local Revenue decreased \$673,085 (37.94%) due to a judgment payoff of \$470,000 included in the prior year balance.
  - The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$91,692,054. This is an increase of \$4,637,167 (5.33%) from the prior year, caused by an increase in enrollment of approximately 640 students. The School Board is one of several in Louisiana considered to be "POOR" in terms of its ability to generate revenues on its own. Therefore, since 1992-93, when a new MFP formula was implemented, Livingston Parish has seen its MFP funding increasing; (70% of the increase must be spent for classroom cost), and (50% of all new money must go to increase teacher salaries).
  - Other state revenue and grants decreased \$755,506 (51.58%) from the prior year caused primarily from one time grants received in the prior year.
- ❖ Expenditures continue to increase due to the huge influx of students into the parish. The largest expenditure of the School Board continues to be payroll. The next largest expenditure was construction cost; continued construction on various projects and the School System made major additions to several other facilities. Other large increases were in the bus fleet, equipping new facilities, adding staff and increased benefit cost, primarily health insurance and retirement contributions.

## **LIVINGSTON PARISH SCHOOL BOARD**

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

JUNE 30, 2005

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The School Board's Report on the Audit of Basic Financial Statements consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a whole, i.e., an entire operating entity. The "Basic Financial Statements" Section, consisting of the Statement of Net Assets, and the Statement of Activities begin on page 13, provide consolidated financial information, and render a government-wide perspective of the School Board's financial condition. They present an aggregate view of the School Board's finances. These statements seek to answer the question, "How did the School Board do financially during the 2004/2005 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private - sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

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

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

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

The Statement of Fiduciary Net Assets - presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust, and accounted for in the School Activity Fund and Sales Tax Collection Fund. See Schedule 18-1 for school-by-school information on the School Activity Fund and Schedule 18-2 for the receipts and disbursements of sales tax collections for the year ended June 30, 2005.

# LIVINGSTON PARISH SCHOOL BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2005

### GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 14, the cost of the School Board's *governmental* activities for the year ended June 30, 2005 was \$143,386,931. However, not all of this cost was borne by the taxpayers of Livingston Parish. Of this amount, \$3,425,244 was paid by those who used or benefited from the services rendered (e.g., charges for school lunches and summer school tuition) and \$15,312,885 was paid through various federal and state grants. Consequently, the net cost of \$124,648,802, an 8.04% increase over the prior year, after taking into consideration these fees and subsidies, was paid by the taxpayers of the Parish through ad valorem taxes, sales and use taxes, the Minimum Foundation Program (MFP) from the State of Louisiana, and other general revenues.

Table I below shows the total cost of services and the net cost of these services (after charges for services and grants received) for the largest categories of expenses of the School Board for the year ended June 30, 2005. 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, 2005 and 2004

	2005		2004	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
<b>Instruction:</b>				
Regular Education Programs	\$ 59,853,970	\$ 57,876,363	\$ 56,000,773	\$ 54,252,375
Special Education Programs	19,405,414	14,673,732	16,936,860	13,042,704
Other Instructional Programs	6,517,997	4,554,844	6,694,263	4,011,507
<b>Support Services:</b>				
Student Services	4,810,298	4,210,029	4,466,966	3,849,363
Instructional Staff Support	5,130,351	3,716,058	3,980,826	3,066,811
General and School Administration	12,151,050	11,633,747	11,689,473	11,498,349
Business and Central Services	2,976,732	2,637,254	3,132,767	2,883,661
Plant Services	11,804,114	11,779,454	10,605,463	10,602,751
Student Transportation	6,948,296	6,840,636	6,570,876	6,542,997
School Food Services	10,103,989	3,057,409	9,478,521	2,702,598
Community Service Programs	24,395	8,951	55,295	-
Small Equipment	1,472,866	1,472,866	998,716	998,716
Interest on Long-Term Debt	<u>2,187,459</u>	<u>2,187,459</u>	<u>1,923,782</u>	<u>1,923,782</u>
<b>Totals</b>	<b>\$143,386,931</b>	<b>\$124,648,802</b>	<b>\$132,534,581</b>	<b>\$115,375,614</b>

## **LIVINGSTON PARISH SCHOOL BOARD**

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

JUNE 30, 2005

#### **THE SCHOOL BOARD'S FUNDS**

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

As the School Board completed the fiscal year ended June 30, 2005, its combined fund balance was \$35,053,178, as compared to its combined restated fund balance of \$26,966,183 as of June 30, 2004, a difference of \$8,086,995. The General Fund, the main operational arm of the School Board, saw its total fund balance (designated as well as undesignated) decrease by (\$2,228,529). While General Fund Revenues increased by \$6,319,003, General Fund Expenditures increased by \$9,035,302 and Other Financing Uses (Transfers to Other Funds) decreased by \$1,314,068 thereby increasing current year (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses from (\$826,298) to (\$2,228,529).

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less than, and/or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The Original Budget for the School Board was adopted on September 2, 2004, and the Final Budget was adopted June 23, 2005. The budget amendments increased total anticipated revenues by 1.77% and increased projected expenditures by 2.13%.

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 \$352,303 less than had been budgeted.

The fiscal year 2006 General Fund budget, adopted on September 8, 2005, showed anticipated revenues of \$127,481,667, projected expenditures of \$121,519,195, and net transfers out of \$5,620,000 resulting in a projected increase of \$342,472 for the year. Transfers out include \$1,960,000 to the Capital Projects Fund, \$1,235,000 to Maintenance Fund and \$2,425,000 to School Food Service Fund.

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

JUNE 30, 2005

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***CAPITAL ASSETS***

At June 30, 2005, the School Board had \$105,246,564 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, 2005 and 2004.

TABLE II  
Net Capital Assets  
at June 30, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Land	\$ 5,482,756	\$ 5,482,756
Construction in Progress	3,830,301	10,857,513
Buildings and Improvements	88,059,141	77,622,735
Furniture and Equipment	1,695,776	1,270,393
Library Books and Textbooks	4,234,741	4,401,313
Vehicles	<u>1,943,849</u>	<u>1,997,842</u>
Total	<u>\$105,246,564</u>	<u>\$101,632,552</u>

During the current fiscal year, \$8,922,590 of assets were capitalized as additions while \$1,652,017 were deleted, consisting of sold and obsolete items. Depreciation for the year ended June 30, 2005 amounted to a net of \$3,176,540 on buildings and improvements and \$2,093,121 on movables such as furniture, vehicles, and equipment.

During the fiscal year ended June 30, 2005, the following major construction projects were completed and transferred to Buildings and Improvements:

Gray's Creek Elementary School	\$ 5,526,592
South Walker Elementary - Roof Renovation	296,683
North Live Oak Elementary School	6,521,111
Albany High Bleachers	262,481
Central Office - Special Education Center	800,377
Central Office - Parking Lot	<u>59,075</u>
Total	<u>\$13,466,319</u>

## **LIVINGSTON PARISH SCHOOL BOARD**

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

JUNE 30, 2005

At June 30, 2005 the following major projects were included in incomplete construction:

<u>Project</u>	<u>Project Cost to June 30, 2005</u>	<u>Total Estimated Project Cost</u>
Denham Springs Elementary – Additions/Renovation	\$ 595,290	\$ 1,638,381
South Walker Elementary	181,060	243,600
North Corbin Alterations and Additions	425,930	921,883
North Corbin Junior High	355,248	520,000
South Live Oak Elementary	222,021	260,776
Albany Middle – Band Room	361,592	413,946
Holden High – Administration Building	82,411	516,307
French Settlement High - Administration Building	32,998	595,974
Maurepas High – Additions and Renovations	109,396	121,438
Central Office – Warehouse and Technology Addition	1,411,269	1,411,269

All funding is coming from the individual districts except for the Walker School District (District #4) and the Maurepas School District (District #33) in which \$12,000,000 and \$1,750,000, respectively, 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, 2005, the School Board had outstanding bonded indebtedness of \$42,226,000 as compared to \$30,542,712 at June 30, 2004.

The School Board's bonds were last rated January 4, 2005, at which time they were given a rating of Baa1 by Moody's Investors Service. The legal debt limit of the School Board fixed by Louisiana Revised Statute 39:562(L) at 35% of the total assessed valuation of property in the Parish, was approximately \$130,000,000 at June 30, 2005.

Other long-term obligations include compensated absences and claims and judgments. At June 30, 2005, these balances were \$7,552,254 and \$850,000, respectively.



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

JUNE 30, 2005

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

Livingston Parish is located in the southeastern portion of Louisiana, approximately 30 miles East of the state capital of Baton Rouge. It is bordered by St. Helena Parish on the North, Tangipahoa Parish on the East, Lake Maurepas, St. John the Baptist Parish and Ascension Parish on the South, and East Baton Rouge Parish on the West. This area contains 655 square miles with a surface relief of fairly flat land that varies from sea level to nearly 50 feet at the northern boundaries. Livingston Parish School System is second in the State in student enrollment increase (approximately 500+ students in each of the past three years); present enrollment is approximately 21,500; 39 schools (pre-K through high school); one new junior high school to be completed next year; an elementary and a junior high on the drawing board for the following year. The Livingston Parish School System District "Accountability Report Card" released by the State reflected a performance score of 106.8 and a District responsibility index of Very Good. This D.P.S. score shows Livingston Parish School Board performing above the 10 year goal established by the State in compliance with the federal "No Child Left Behind" law.

Livingston Parish is primarily described as a rural parish with a population of 105,653 as of the 2004 census. The main population areas compromise the following: one city (western edge of parish - Denham Springs- pop. 9,204), three towns (Walker - pop. 5,317, Livingston - pop. 1,432 and Springfield - pop. 396), and four villages (Albany - pop. 956, Killian - pop. 1,151, French Settlement - pop. 1,009, and Port Vincent - pop. 497). Livingston Parish has been among the three fastest growing parishes in the state for the past decade - increasing its population from 70,526 in 1990 to today's population of 105,653 (an increase of approx. 50%). Our population continues to increase due to the influx of people from adjoining parishes due to good transportation infrastructure, land availability for residents, and a solid/stable school system.

Correspondingly, the school population to be served has increased from approximately 16,100 students in 1990 to approximately 21,500 students currently - an increase of approximately 5,400 students over 15 years or 34%. The 2005-06 school year is expected to be another record year for student growth with an estimated increase of 600+ students and approximately 1,600 student increase over the past 3 years. This highlights that not only is our school population increasing, but also that this increase is on an escalating basis. The number of schools serving these students has increased from 30 sites in 1990 to 39 currently - with one school under construction at June 30, 2005 and two additional schools in the planning stages. Construction on one of the schools planned is expected to begin during 2005/2006 year and projected occupancy by July 2007.

The economic outlook for the recent past and the current term is bright. Due to the population increase over the past three years, two large retail outlets - Wal-Mart Super Store in the Walker School District and a Wal-Mart Super Store in the Denham Springs District has provided a platform for retail trade in our parish. Additionally in the Denham Springs School District, in April, 2003, a Home Depot opened. These retail opportunities keep the domestic dollars from being spent in surrounding parishes as they have been

## **LIVINGSTON PARISH SCHOOL BOARD**

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

JUNE 30, 2005

for the past years. Livingston Parish has very little industry, but is poised to see growth due to the availability of reasonably - priced land and the I-12 interstate traversing the parish (east - west) with its many interchanges. Currently, the primary industry is forestry products. The major employer of Livingston Parish is the Livingston Parish School Board with approximately 2,600 employees and a total budget in excess of \$158 million. *Most of our population finds employment along the Mississippi River,* which is laced with companies in the high-tech oil and chemical industries. A fledgling tourism industry is being developed with the addition of a State Park at Springfield, summer camps/homes on the various rivers, and the antique shopping village in Denham Springs. The Property tax base in Livingston Parish paid by the taxpayer after homestead exemption on the 2005 tax roll is approximately \$221,400,000 which is approximately a 9% increase over the prior year. Increased population and development of rural lands continues to elevate property values.

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

While this report is designed to provide full and complete disclosure of the financial conditions and operations of the Livingston Parish School Board, citizens' groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact 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, 2005

(With Comparative Totals as of June 30, 2004)

## ASSETS

## Governmental Activities

2005	2004
------	------

Cash and Cash Equivalents	\$ 12,676,969	\$ 8,181,103
Investments	35,522,056	29,600,000
Receivables	7,049,164	7,313,856
Inventory	651,901	771,009
Deferred Bond Issuance Costs	721,086	653,267
Capital Assets:		
Land and Construction in Progress	9,313,057	16,340,269
Other Capital Assets (Net of Accumulated Depreciation)	95,933,507	85,292,283
Total Assets	\$ 161,867,740	\$ 148,151,787

## LIABILITIES

Accounts, Salaries, and Other Payables	\$ 20,295,492	\$ 17,866,543
Deferred Revenue	551,420	-
Interest Payable	581,732	309,373
Long-Term Liabilities:		
Due Within One Year	4,183,064	4,076,916
Due in More than One Year	45,694,167	34,726,199
Total Liabilities	71,305,875	56,979,031

## NET ASSETS

Invested in Capital Assets, Net of Related Debt	74,967,632	71,135,865
Restricted for:		
Debt Service Fund	2,310,389	2,818,972
General Fund	13,979,244	14,774,121
Unrestricted (Deficit)	(695,400)	2,443,798
Total Net Assets	90,561,865	91,172,756
Total Liabilities and Net Assets	\$ 161,867,740	\$ 148,151,787

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, 2005

(With Comparative Totals For the Year Ended June 30, 2004)

				Total Governmental	
				Activities -	
				Net (Expense)	
				Revenue and	
				Changes in Net	
				Assets	
				2005	2004

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, 2005  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2004)

ASSETS	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2005	2004
Cash and Cash Equivalents	\$ 11,116,931	\$ 95,757	\$ 1,441,474	\$ 12,654,162	\$ 8,158,296
Cash with Fiscal Agent	22,807	-	-	22,807	22,807
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	20,172,055	13,350,001	2,000,000	35,522,056	29,600,000
Receivables	3,799,244	12,085	3,237,835	7,049,164	7,313,856
Due from Other Funds	2,901,235	-	108,108	3,009,343	5,063,498
Inventory	518,613	-	133,288	651,901	771,009
Total Assets	\$ 38,530,885	\$ 13,457,843	\$ 6,920,705	\$ 58,909,433	\$ 50,929,466
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts, Salaries and Other Payables	\$ 18,897,505	\$ 830,273	\$ 567,714	\$ 20,295,492	\$ 17,866,543
Deferred Revenue	551,420	-	-	551,420	-
Due to Other Funds	-	108,108	2,901,235	3,009,343	5,063,498
Total Liabilities	19,448,925	938,381	3,468,949	23,856,255	22,930,041
<b>Fund Balances:</b>					
<b>Reserved for:</b>					
Incomplete Contracts	-	1,148,509	-	1,148,509	1,216,106
Debt Service	-	-	2,310,389	2,310,389	2,818,972
Inventory	518,613	-	133,288	651,901	771,009
Salaries	2,948,198	-	-	2,948,198	5,161,196
Construction, Utilities and Maintenance	9,577,946	-	-	9,577,946	8,876,768
Classroom Improvements	1,319,525	-	-	1,319,525	579,830
Other	133,575	-	-	133,575	156,327
<b>Unreserved:</b>					
<b>Designated for:</b>					
Property Damage Insurance	218,689	-	-	218,689	713,804
General Liability Insurance	1,797,517	-	-	1,797,517	1,794,694
Computer Equipment	772,085	-	-	772,085	337,852
Alternative School/Career Center	1,598,504	-	-	1,598,504	1,598,504
Undesignated	197,308	11,370,953	1,008,079	12,576,340	3,974,363
Total Fund Balances	19,081,960	12,519,462	3,451,756	35,053,178	27,999,425
Total Liabilities and Fund Balances	\$ 38,530,885	\$ 13,457,843	\$ 6,920,705	\$ 58,909,433	\$ 50,929,466

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, 2005  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2004)

	<u>2005</u>	<u>2004</u>
Total Fund Balances - Governmental Funds	35,053,178	27,999,425
Cost of Capital Assets	175,120,163	167,849,590
Less: Accumulated Depreciation	<u>(69,873,599)</u>	<u>(66,217,038)</u>
	105,246,564	101,632,552
Deferred Bond Issuance Costs	721,086	653,267
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	3,009,343	5,063,498
Due to Other Funds	<u>(3,009,343)</u>	<u>(5,063,498)</u>
	-	-
Long-Term Liabilities:		
Compensated Absences	(7,552,254)	(8,040,817)
Claims and Judgments	(850,000)	(1,100,000)
Bonds Payable	(42,226,000)	(30,496,687)
Deferred Amount on Refunding	751,023	834,389
Accrued Interest Payable	<u>(581,732)</u>	<u>(309,373)</u>
	<u>(50,458,963)</u>	<u>(39,112,488)</u>
Net Assets	<u>\$ 90,561,865</u>	<u>\$ 91,172,756</u>

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



## LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2005  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2005	2004
<b>Revenues:</b>					
Local Sources:					
Taxes:					
Ad Valorem	\$ 2,066,874	\$ 987,048	\$ 4,375,452	\$ 7,429,374	\$ 6,712,546
Sales and Use	22,519,499	-	334,926	22,854,425	21,306,681
Other	254,756	-	-	254,756	216,961
Rentals, Leases and Royalties	120,188	-	-	120,188	112,662
Tuition	127,080	-	-	127,080	121,500
Interest Earnings	687,489	208,156	117,582	1,013,227	543,519
Food Services	-	-	2,461,325	2,461,325	2,418,287
Other	1,832,383	-	5,574	1,837,957	1,773,149
State Sources:					
Unrestricted Grants-in-Aid	91,670,358	166,797	564,242	92,401,397	88,164,395
Restricted Grants-in-Aid	2,507,500	-	-	2,507,500	2,698,533
Federal Sources:					
Unrestricted - Indirect Cost Recoveries	-	-	286,807	286,807	227,540
Restricted Grants-in-Aid - Subgrants	-	-	11,853,508	11,853,508	11,270,463
Other - Commodities	-	-	390,054	390,054	449,345
<b>Total Revenues</b>	<b>121,786,127</b>	<b>1,362,001</b>	<b>20,389,470</b>	<b>143,537,598</b>	<b>136,015,581</b>
<b>Expenditures:</b>					
Instruction:					
Regular Programs	59,881,037	-	1,782	59,882,819	55,878,726
Special Programs	15,299,757	-	4,156,255	19,456,012	16,814,705
Vocational Programs	2,182,227	-	114,529	2,296,756	2,437,247
Adult and Continuing Education Programs	48,914	-	128,342	177,256	151,033
Other Programs	2,979,098	-	1,078,798	4,057,896	4,033,947
Support Services:					
Pupil Support	4,576,419	-	255,277	4,831,696	4,429,909
Instructional Staff Support	3,766,488	-	1,342,831	5,109,319	4,114,598

(CONTINUED)

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

FOR THE YEAR ENDED JUNE 30, 2005  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2005	2004
<b>Expenditures (Continued):</b>					
Support Services (Continued):					
General Administration	1,871,163	41,125	194,326	2,106,614	1,861,072
School Administration	7,054,243	-	-	7,054,243	6,385,113
Business Services	1,681,062	-	46,482	1,727,544	1,842,318
Plant Services	8,861,450	-	2,909,833	11,771,283	10,506,405
Transportation Services	6,700,314	-	-	6,700,314	6,274,723
Central Services	1,237,078	-	-	1,237,078	1,275,878
Food Services	1,638	-	10,098,726	10,100,364	9,418,813
Community Service Programs	9,001	-	15,444	24,445	55,295
Capital Outlay	1,168,175	7,318,808	570,342	9,057,325	14,835,996
Debt Service:					
Principal Retirement	-	-	2,066,712	2,066,712	1,744,959
Interest and Bank Charges	-	-	1,745,420	1,745,420	1,754,300
Cost of Issuance	-	108,108	-	108,108	-
<b>Total Expenditures</b>	<b>117,318,064</b>	<b>7,468,041</b>	<b>24,725,099</b>	<b>149,511,204</b>	<b>143,815,037</b>
Excess (Deficiency) of Revenues Over Expenditures	4,468,063	(6,106,040)	(4,335,629)	(5,973,606)	(7,799,456)
<b>Other Financing Sources (Uses):</b>					
Sale of Capital Assets	310,601	-	-	310,601	-
Issuance of Bonds	-	13,750,000	-	13,750,000	-
Transfers In	286,807	3,585,059	3,819,000	7,690,866	8,465,740
Transfers Out	(7,294,000)	(110,059)	(286,807)	(7,690,866)	(8,465,740)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,696,592)</b>	<b>17,225,000</b>	<b>3,532,193</b>	<b>14,060,601</b>	<b>-</b>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(2,228,529)	11,118,960	(803,436)	8,086,995	(7,799,456)
<b>Fund Balances at Beginning of Year, As Restated</b>	<b>21,310,489</b>	<b>1,400,502</b>	<b>4,255,192</b>	<b>26,966,183</b>	<b>35,798,881</b>
<b>Fund Balances at End of Year</b>	<b>\$ 19,081,960</b>	<b>\$ 12,519,462</b>	<b>\$ 3,451,756</b>	<b>\$ 35,053,178</b>	<b>\$ 27,999,425</b>

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

## LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2005  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004)

	<u>2005</u>	<u>2004</u>
Total Net Change in Fund Balances - Governmental Funds	\$ 8,086,995	\$ (7,799,456)
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital Outlays	7,584,459	13,837,280
Library Books and Textbooks Purchased	1,338,131	2,090,141
Depreciation Expense	(5,269,661)	(5,067,191)
Add accumulated depreciation on capital assets retired during the year	1,613,100	2,785,407
Less cost basis of capital assets retired during the year	(1,652,017)	(2,822,174)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Issuance of General Obligation Bonds	(13,750,000)	-
General Obligation Bond Principal Repayments	2,066,712	1,744,959
Cost of Issuance of General Obligation Bonds	108,108	-
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	488,563	(882,251)
(Increase) Decrease in Claims and Judgments Payable	250,000	(273,000)
Amortization of Bond Discounts	(46,025)	(90,242)
Amortization of Cost of Issuance	(40,289)	(39,871)
Amortization of Deferred Amounts on Refunding	(83,366)	(83,366)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	<u>(272,359)</u>	<u>43,997</u>
Change in Net Assets of Governmental Activities	<u>\$ 422,351</u>	<u>\$ 3,444,233</u>

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

**LIVINGSTON PARISH SCHOOL BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -**  
**GENERAL FUND**

FOR THE YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>Revenues:</b>				
Local Sources:				
Taxes:				
Ad Valorem	\$ 1,875,000	\$ 2,037,000	\$ 2,066,874	\$ 29,874
Sales and Use	21,710,000	22,331,000	22,519,499	188,499
Other	225,000	220,000	254,756	34,756
Rentals, Leases and Royalties	110,000	133,100	120,188	(12,912)
Tuition	115,000	120,000	127,080	7,080
Interest Earnings	461,500	630,000	687,489	57,489
Other	1,551,600	1,854,200	1,832,383	(21,817)
State Sources:				
Unrestricted Grants-in-Aid	90,622,026	91,836,953	91,670,358	(166,595)
Restricted Grants-in-Aid	2,950,440	2,619,134	2,507,500	(111,634)
Total Revenues	119,620,566	121,781,387	121,786,127	4,740
<b>Expenditures:</b>				
Instruction:				
Regular Programs	59,664,746	60,591,738	59,881,037	710,701
Special Programs	14,404,164	14,839,066	15,299,757	(460,691)
Vocational Programs	2,318,908	2,331,300	2,182,227	149,073
Other Programs	2,631,467	3,135,882	2,979,098	156,784
Adult and Continuing Education Programs	53,537	52,168	48,914	3,254
Support Services:				
Pupil Support	4,324,519	4,765,200	4,576,419	188,781
Instructional Staff Support	3,254,836	3,572,625	3,766,488	(193,863)
General Administration	1,716,948	1,844,355	1,871,163	(26,808)
School Administration	6,645,429	7,021,050	7,054,243	(33,193)
Business Services	1,886,503	1,551,229	1,681,062	(129,833)
Plant Services	8,451,040	8,873,411	8,861,450	11,961
Transportation Services	6,572,014	6,123,496	6,700,314	(576,818)
Central Services	1,615,000	1,208,010	1,237,078	(29,068)

(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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Expenditures (Continued):</b>				
Support Services (Continued):				
Food Services	-	-	1,638	(1,638)
Community Service Programs	9,000	9,000	9,001	(1)
Capital Outlay	962,241	1,080,025	1,168,175	(88,150)
Total Expenditures	<u>114,510,352</u>	<u>116,998,555</u>	<u>117,318,064</u>	<u>(319,509)</u>
Excess (Deficiency) of Revenues Over Expenditures	5,110,214	4,782,832	4,468,063	(314,769)
<b>Other Financing Sources (Uses):</b>				
Sale of Capital Assets	3,000	-	310,601	310,601
Transfers In	480,000	577,012	286,807	(290,205)
Transfers Out	<u>(5,719,118)</u>	<u>(7,236,070)</u>	<u>(7,294,000)</u>	<u>(57,930)</u>
Total Other Financing Sources (Uses)	<u>(5,236,118)</u>	<u>(6,659,058)</u>	<u>(6,696,592)</u>	<u>(37,534)</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	(125,904)	(1,876,226)	(2,228,529)	(352,303)
<b>Fund Balance at Beginning of Year,   As Restated</b>	<u>22,253,284</u>	<u>22,253,284</u>	<u>21,310,489</u>	<u>(942,795)</u>
<b>Fund Balance at End of Year</b>	<u>\$ 22,127,380</u>	<u>\$ 20,377,058</u>	<u>\$ 19,081,960</u>	<u>\$ (1,295,098)</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, 2005  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2004)**

<b>ASSETS</b>			
		<u>2005</u>	<u>2004</u>
Cash and Cash Equivalents	\$	<u>4,757,462</u>	\$ <u>4,336,937</u>
Total Assets	\$	<u><u>4,757,462</u></u>	\$ <u><u>4,336,937</u></u>
<b>LIABILITIES</b>			
Amounts Held for School Activities	\$	2,852,860	\$ 2,526,446
Deposits Due to Others		<u>1,904,602</u>	<u>1,810,491</u>
Total Liabilities	\$	<u><u>4,757,462</u></u>	\$ <u><u>4,336,937</u></u>

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

## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS**

JUNE 30, 2005

#### **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-eight schools and a special education center within the parish with a total enrollment of approximately 21,500 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

##### **A. Basis of Presentation**

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

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

##### **B. Reporting Entity**

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

## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2005**

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

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

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

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

Based on the previous criteria, the School Board's management has determined the following entity to be a discretely presented component unit in the financial reporting entity. At June 30, 2005, no financial transactions have occurred by the entity that would require it to be included in the current year financial statements.

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



## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

land to the Foundation. In addition, the Foundation is required to construct and operate the Livingston Parish Literacy and Technology Center in accordance with a court order issued in the matter of *"In Re Combustion, Inc."* Civil Action 94-MDL-4000, United States District Court, Western District of Louisiana. Once the facility is completed, the cooperative endeavor agreement authorizes the Corporation to lease a portion of the completed facility from the Foundation. The initial rent of \$1,000,000 is due by the School Board upon receipt of evidence of substantial completion of the facility. The School Board is required to make an additional five rental payments of \$210,333 annually due on January 1 each year. The total rental payments of \$2,051,665 is subject to adjustment based on the final cost of constructing the facilities. At June 30, 2005, the Corporation had no assets or liabilities to report.

#### **C. Funds**

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

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

#### **Governmental Funds**

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

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

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

## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

*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, 2005

#### **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, 2005*

#### **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, 2005

**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, 2005, 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, 2005. At this meeting, the proposed budgets were legally adopted by the School Board.

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

**F. Encumbrances**

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

**G. Cash and Cash Equivalents**

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

## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

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

#### **H. Inventory**

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

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

#### **I. Capital Assets**

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

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

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

## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

#### **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, 2005

**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, 2005**

**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**

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

**O. Use of Estimates**

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

**(2) Cash and Cash Equivalents -**

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

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

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

## LIVINGSTON PARISH SCHOOL BOARD

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2005

At June 30, 2005, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$52,956,487 and the confirmed bank balances were \$52,429,855. 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, 2005, classified by credit risk:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheets:			
Cash and Cash Equivalents	\$12,676,969	\$ 4,757,462	\$17,434,431
Certificates of Deposits	<u>35,522,056</u>	<u>-</u>	<u>35,522,056</u>
 Total	 <u>\$48,199,025</u>	 <u>\$ 4,757,462</u>	 <u>\$52,956,487</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, 2005, \$51,793,938 of the School Board's bank balances of \$52,429,855, was exposed to custodial credit risk because it was uninsured 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, 2005

(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 Millage</u>		<u>Levied Millage</u>	
Parishwide Taxes:				
Constitutional		3.29		3.29
Additional Support		7.18		7.18
Maintenance		7.00		7.00
Construction		5.00		5.00
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
District Taxes -				
Bond and Interest	-	69.25	-	69.25

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

JUNE 30, 2005

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	\$7,647,240
Less: Amounts Deemed Uncollectible	<u>(222,992)</u>
	7,424,248
Add: Prior Year Taxes Collected in Current Year	<u>5,126</u>
Net Ad Valorem Taxes Collectible	<u>\$7,429,374</u>

Ad Valorem taxes receivable at June 30, 2005, totaled \$69,278 and is included under the caption "Receivables" in these financial statements.

(4) Receivables -

The receivables at June 30, 2005, are as follows:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Sales Taxes</u>	<u>Ad Valorem Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ -	\$1,624,320	\$2,028,563	\$ 19,347	\$ 5,959	\$ 121,055	\$3,799,244
Capital Projects Fund	-	-	-	9,239	2,846	-	12,085
Nonmajor Funds	<u>3,130,603</u>	<u>-</u>	<u>30,183</u>	<u>40,692</u>	<u>13,190</u>	<u>23,167</u>	<u>3,237,835</u>
Totals	<u>\$3,130,603</u>	<u>\$1,624,320</u>	<u>\$2,058,746</u>	<u>\$ 69,278</u>	<u>\$ 21,995</u>	<u>\$144,222</u>	<u>\$7,049,164</u>

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$2,901,235	\$ -
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Chapter 1	-	466,883
Chapter 2	-	53,024
Special Education Fund	-	1,543,521
Special Federal Fund	-	240,215
Other Federal ESEA Fund	<u>-</u>	<u>597,592</u>
Total Special Revenue Funds	-	2,901,235

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<b>Debt Service Funds:</b>		
District No. 4	84,300	(41,616)
District No. 31	-	41,616
District No. 33	<u>23,808</u>	<u>-</u>
Total Debt Service Funds	108,108	-
<b>Capital Projects Funds:</b>		
District No. 1	-	-
District No. 4	-	84,300
District No. 22	-	-
District No. 24	-	-
District No. 25	-	-
District No. 26	-	-
District No. 27	-	-
District No. 31	-	-
District No. 32	-	-
District No. 33	-	23,808
District No. 90	-	-
District No. 99	<u>-</u>	<u>-</u>
Total Capital Projects Fund	-	108,108
Total	<u>\$3,009,343</u>	<u>\$3,009,343</u>

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 286,807	\$7,294,000
Special Revenue Funds:		
Elementary and		
Secondary Education Act:		
Chapter 1	-	120,628
Special Education	-	111,644
Maintenance of Schools	1,355,000	-
School Lunch	2,464,000	-
Special Federal	-	15,562
Other Federal ESEA	-	38,973
Total Special Revenue Funds	3,819,000	286,807
Capital Projects Fund:		
District No. 1	2,000,000	2,443
District No. 4	-	91,747
District No. 22	1,000,000	682
District No. 24	420,000	132
District No. 25	35,000	88
District No. 26	-	66
District No. 27	20,000	121
District No. 31	-	473
District No. 32	-	286
District No. 33	-	13,328
District No. 90	-	693
District No. 99	110,059	-
Total Capital Projects Fund	3,585,059	110,059
Total	\$7,690,866	\$7,690,866

**LIVINGSTON PARISH SCHOOL BOARD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2005 is as follows:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets not being Depreciated:				
Land	\$ 5,482,756	\$ -	\$ -	\$ 5,482,756
Construction in Progress	<u>10,857,513</u>	<u>3,571,272</u>	<u>(10,598,484)</u>	<u>3,830,301</u>
Total Capital Assets not being Depreciated	16,340,269	3,571,272	(10,598,484)	9,313,057
Capital Assets being Depreciated:				
Buildings and Improvements	133,616,923	13,612,946	(1,079,750)	146,150,119
Furniture and Equipment	3,541,502	732,765	(203,786)	4,070,481
Library Books and Textbooks	11,283,951	1,338,131	(368,481)	12,253,601
Vehicles	<u>3,066,945</u>	<u>265,960</u>	<u>-</u>	<u>3,332,905</u>
Total Capital Assets being Depreciated	151,509,321	15,949,802	(1,652,017)	165,807,106
Less: Accumulated Depreciation for:				
Buildings and Improvements	55,994,188	3,176,540	(1,079,750)	58,090,978
Furniture and Equipment	2,271,109	268,465	(164,869)	2,374,705
Library Books and Textbooks	6,882,638	1,504,703	(368,481)	8,018,860
Vehicles	<u>1,069,103</u>	<u>319,953</u>	<u>-</u>	<u>1,389,056</u>
Total Accumulated Depreciation	66,217,038	5,269,661	(1,613,100)	69,873,599
Total Capital Assets being Depreciated, Net	<u>85,292,283</u>	<u>10,680,141</u>	<u>(38,917)</u>	<u>95,933,507</u>
Total Governmental Activities Capital Assets, Net	<u>\$101,632,552</u>	<u>\$14,251,413</u>	<u>\$(10,637,401)</u>	<u>\$105,246,564</u>

(CONTINUED)

# **LIVINGSTON PARISH SCHOOL BOARD**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

Depreciation expense of \$5,269,661 for the year ended June 30, 2005 was charged to the following governmental functions:

**Instruction:**

Regular Education	\$1,218,043
Special Education	16,172
Vocational Education	4,086
Other Education Programs	13,367

**Support Services:**

Instructional Staff Support	376,176
General Administration (Including all Buildings)	3,275,278
School Administration	559
Business Services	19,979
Plant Services	55,608
Student Transportation Services	266,281
School Food Services	<u>24,112</u>
Total	<u>\$5,269,661</u>

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2005, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Withholdings</u>	<u>Employee Benefits</u>	<u>Total</u>
General Fund	\$ 617,458	\$8,018,211	\$5,922,343	\$4,339,493	\$18,897,505
Capital Projects Fund	820,497	9,776	-	-	830,273
Nonmajor Funds	<u>567,714</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>567,714</u>
Total	<u>\$2,005,669</u>	<u>\$8,027,987</u>	<u>\$5,922,343</u>	<u>\$4,339,493</u>	<u>\$20,295,492</u>



# **LIVINGSTON PARISH SCHOOL BOARD**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2005**

### **(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>
<b>Eligibility to Participate</b>	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.
<b>Authority Establishing Contribution Obligations and Benefits</b>	State Statute	State Statute	State Statute

**(CONTINUED)**

**LIVINGSTON PARISH SCHOOL BOARD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

	<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)	15.50%	15.50%	14.80%
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 requirements:	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following requirements:	At least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60, 2 1/2%

(CONTINUED)

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

JUNE 30, 2005

	<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>	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 compen- sation 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 compen- sation.
	10	60	2.0%	10*	60	3.0%	
		Any		25	55	3.0%	
	20	Age	2.0%		Any		
	25	55	2.5%	30	Age	3.0%	
		Any					
	30	Age	2.5%	*Less than 10 years at age 70 if member entered School Lunch Employees' Retirement System when Parish withdrew from Social Security.			
	20	65	2.5%				
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

(CONTINUED)

# **LIVINGSTON PARISH SCHOOL BOARD**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

### **B. Trend Information -**

Contributions required by State statute:

<u>Fiscal Year</u>	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>		<u>Teachers' Retirement System of Louisiana - Plan A</u>		<u>State of Louisiana School Employees' Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
1996	\$ 6,285,982	100%	\$107,718	100%	\$252,034	100%
1997	\$ 6,859,610	100%	\$ 86,835	100%	\$258,771	100%
1998	\$ 7,816,519	100%	\$ 92,247	100%	\$276,111	100%
1999	\$ 8,718,960	100%	\$ 88,797	100%	\$298,691	100%
2000	\$ 8,349,114	100%	\$ 77,961	100%	\$ -	N/A
2001	\$ 8,067,534	100%	\$ 62,298	100%	\$ -	N/A
2002	\$ 8,032,885	100%	\$ 45,635	100%	\$ -	N/A
2003	\$ 8,580,196	100%	\$ 41,839	100%	\$ -	N/A
2004	\$ 9,493,360	100%	\$ 36,851	100%	\$ -	N/A
2005	\$11,445,128	100%	\$ 37,077	100%	\$953,322	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 \$256,090 which consisted of \$211,870 from the School Board and \$44,220 from the employees.

## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

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, 2005.

(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, 2005, the cost of providing these benefits for 1,857 active employees is \$8,263,569 and for 530 retirees is \$3,060,261.

(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, 2004	\$ 2,526,446	\$ 1,810,491	\$ 4,336,937
Additions	10,045,207	46,340,149	56,385,356
Deductions	<u>(9,718,793)</u>	<u>(46,246,038)</u>	<u>(55,964,831)</u>
Balance - June 30, 2005	<u>\$ 2,852,860</u>	<u>\$ 1,904,602</u>	<u>\$ 4,757,462</u>

**LIVINGSTON PARISH SCHOOL BOARD**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

(11) Long-Term Debt -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2005:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Total</u>
Long-Term Obligations - July 1, 2004	\$ 29,662,298	\$ 8,040,817	\$ 1,100,000	\$ 38,803,115
Additions	13,750,000	1,152,866	316,660	15,219,526
Accretions of Deep Discount	46,025	-	-	46,025
Amortization of Deferred Amounts on Refunding	83,366	-	-	83,366
Deductions	<u>(2,066,712)</u>	<u>(1,641,429)</u>	<u>(566,660)</u>	<u>(4,274,801)</u>
Long-Term Obligations - June 30, 2005	<u>\$ 41,474,977</u>	<u>\$ 7,552,254</u>	<u>\$ 850,000</u>	<u>\$ 49,877,231</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, 2005:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Total</u>
Current Portion	\$ 2,295,000	\$ 1,888,064	\$ -	\$ 4,183,064
Long-Term Portion	<u>39,179,977</u>	<u>5,664,190</u>	<u>850,000</u>	<u>45,694,167</u>
Total	<u>\$ 41,474,977</u>	<u>\$ 7,552,254</u>	<u>\$ 850,000</u>	<u>\$ 49,877,231</u>

**Bonded Debt**

All school board bonds outstanding at June 30, 2005 in the amount of \$42,226,000 consist of general obligation bonds with final maturities from 2005 to 2024 and interest rates from 3.00 percent to 12.00 percent. Bond principal and interest payable in the next fiscal year is \$2,295,000 and \$2,045,009, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

(CONTINUED)

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

JUNE 30, 2005

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
<b>General Obligation</b>					
<b>Bonds - Secured</b>					
<b>by Ad Valorem Taxes:</b>					
School District No. 1:					
03/01/02	\$6,455,000	3.00-4.40%	2014	\$ 1,362,397	\$ 6,190,000
School District No. 4:					
03/01/02	\$2,840,000	3.00-4.40%	2014	599,762	2,720,000
01/01/05	\$12,000,000	3.06-5.00%	2024	6,537,885	12,000,000
School District No. 22:					
12/01/96	\$1,500,000	4.75-10.00%	2016	353,070	1,070,000
01/01/02	\$2,515,000	4.40%	2017	678,508	2,110,000
02/01/03	\$9,000,000	4.00-4.55%	2022	3,685,127	8,640,000
School District No. 24:					
11/01/93	\$2,035,000	6.40-6.60%	2014	543,501	1,615,000
School District No. 25:					
02/27/02	\$ 340,000	4.50%	2009	6,331	145,000
School District No. 26:					
02/27/02	\$ 411,000	3.90%	2008	5,900	166,000
School District No. 27-A:					
11/01/93	\$1,000,000	5.80-6.00%	2014	268,907	945,000
11/01/93	\$1,140,000	6.70%	2014	301,165	850,000
School District No. 31:					
04/01/96	\$ 725,000	5.30-12.00%	2016	173,475	515,000
08/01/01	\$ 450,000	.1%-6.50%	2016	123,920	380,000
School District No. 32-A:					
04/01/96	\$1,790,000	5.25-12.00%	2016	433,450	1,285,000
08/01/01	\$1,400,000	.1%-6.5%	2016	386,790	1,180,000
School District No. 33:					
11/01/93	\$1,045,000	6.70-6.80%	2014	230,775	665,000
01/01/05	\$1,750,000	3.75-5.00%	2024	<u>883,029</u>	<u>1,750,000</u>
Total General Obligation Bonds				<u>16,573,992</u>	<u>42,226,000</u>
Total Bonded Debt				<u>\$ 16,573,992</u>	<u>\$ 42,226,000</u>

# **LIVINGSTON PARISH SCHOOL BOARD**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

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, 2005 the School Board has accumulated \$2,310,389 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>
2006	\$ 2,295,000	\$ 2,045,009	\$ 4,340,009
2007	2,457,000	1,769,769	4,226,769
2008	3,109,000	1,663,026	4,772,026
2009	2,510,000	1,551,125	4,061,125
2010	2,630,000	1,431,285	4,061,285
2011-2015	14,040,000	5,090,225	19,130,225
2016-2020	8,920,000	2,403,050	11,323,050
2021-2024	<u>6,265,000</u>	<u>620,503</u>	<u>6,885,503</u>
	42,226,000	<u>\$16,573,992</u>	<u>\$58,799,992</u>
Unamortized Deferred Amount on Refunding	<u>(751,023)</u>		
	<u>\$41,474,977</u>		

During the fiscal year ended June 30, 1994, voters of Livingston Parish approved the issuance of \$5,220,000 (par value) of 1993 A, B, C and D General Obligation School Improvement Bonds dated November 1, 1993. Each series of Bonds constitute general obligations of the respective School District for which the full faith and credit of the issuing District's are pledged. Each series of Bonds is payable from unlimited ad valorem taxation on all taxable property in the respective issuing District. The Series A, B and C Bonds were issued at a deep discount totaling \$1,618,011. Accretion of this deep discount for the fiscal year ended June 30, 2005 amounted to \$46,025 leaving an amortized deep discount of \$-0- at June 30, 2005.



## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2004

#### **Prior Years Advance Refundings**

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

During the 2002 fiscal year, the School Board issued \$11,810,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$10,810,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from these financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,029,722. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. At June 30, 2005, the unamortized balance is \$751,023. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$957,672 and resulted in an economic gain of \$714,266.

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

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded by ad valorem taxes, in excess of thirty-five percent of the assessed value of taxable property. At June 30, 2005, the statutory limit is approximately \$130,000,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$42,226,000.

## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

#### **Compensated Absences**

At June 30, 2005, employees of the School Board have accumulated and vested \$7,552,254 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

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

##### **Property Damage Insurance**

The School Board continues to carry an excess coverage insurance policy to cover annual losses in excess of \$100,000 and has designated \$218,689 of fund balance of the General Fund at June 30, 2005, 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 \$200,000.

The School Board made disbursements for liability claims of \$95,308 in the fiscal year ended June 30, 2005. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2005, amounted to \$516,321.

Each year the School Board compares the claims paid and the designated fund balance for general liability insurance to determine the amount of funds to be set aside that year. The School Board has designated \$1,797,517 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.

## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2005**

All worker's compensation claims are paid out of the General Fund resources. The School Board made disbursements for worker's compensation claims of \$350,785 in the fiscal year ended June 30, 2005. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2005, amounted to \$333,679.

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

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

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

##### **Computer Equipment**

The School Board established a designation of fund balance in the General Fund to accumulate the projected costs of buying new computer equipment. The amount of this designation is \$772,085 at June 30, 2005.

##### **Alternative School/Career Center**

During a prior fiscal year, the School Board passed a motion to set aside funds in the amount of \$1,000,000 in the General Fund to be used for a proposed alternative school/career center. In the current year and prior years, the board designated annual interest earnings and timber sale revenues for this purpose. At June 30, 2005, the \$1,598,504 remains designated to be used for the proposed alternative school/career center.

# **LIVINGSTON PARISH SCHOOL BOARD**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

**(14) Fund Equity - Capital Projects Fund -**

The Capital Projects Fund shows a total fund equity of \$12,519,462. A summary of commitments under construction contracts for each individual school district at June 30, 2005, follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2005</u>	<u>Unexpended Commitment</u>
District #1	\$ 1,638,381	\$ 595,290	\$ 1,043,091
District #4	1,685,483	962,237	723,246
District #22	483,540	259,007	224,533
District #24	500,635	377,693	122,942
District #25	516,307	82,411	433,896
District #32	595,974	32,998	562,976
District #33	121,438	109,396	12,042
District #99	<u>1,411,269</u>	<u>1,411,269</u>	<u>-</u>
Total	<u>\$ 6,953,027</u>	<u>\$ 3,830,301</u>	<u>\$ 3,122,726</u>

	<u>Actual District Fund Balance at June 30, 2005</u>	<u>Unexpended Commitment June 30, 2005</u>	<u>Fund Balances Less Commitments June 30, 2005</u>
District #1	\$ 279,196	\$ 1,043,091	\$ (763,895)
District #4	10,441,919	723,246	9,718,673
District #22	77,879	224,533	(146,654)
District #24	14,137	122,942	(108,805)
District #25	9,392	433,896	(424,504)
District #26	7,136	-	7,136
District #27	12,923	-	12,923
District #31	53,848	-	53,848
District #32	32,617	562,976	(530,359)
District #33	1,505,149	12,042	1,493,107
District #90	<u>85,266</u>	<u>-</u>	<u>85,266</u>
	<u>\$12,519,462</u>	<u>\$ 3,122,726</u>	<u>\$ 9,396,736</u>

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

JUNE 30, 2005

At June 30, 2005 the unexpended commitments are recorded in the Capital Projects Fund as fund balance reserved for incomplete contracts to the extent of available fund balances of \$1,148,509. The unavailable amount of \$1,974,217 will have to be resolved in future years by anticipated Sales Tax revenues and General Fund Transfers.

(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, 2005, a balance of \$2,948,198 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, 2005, a balance of \$9,577,946 is reserved for utilities and maintenance as a result of these sales tax levies.

Excellence in Education - Classroom Improvements - In the current year and prior years, the School Board received payments from the State of Louisiana in connection with the State's settlement of its lawsuit with the tobacco industry. These funds can only be spent on classroom improvements as required by the State. Accordingly, the unspent monies at June 30, 2005 of \$1,319,525 are reflected as a reservation of fund balance.

(16) **Revenues and Expenditures - Actual and Budget -**

The following fund had actual expenditures and/or other uses over budgeted expenditures and/or other uses by 5% or more for the year ended June 30, 2005:

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Expenditures:			
Maintenance of Schools	\$ 2,694,265	\$ 2,965,383	\$ (271,118)

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

# **LIVINGSTON PARISH SCHOOL BOARD**

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

JUNE 30, 2005

**(17) Prior Period Adjustment -**

The following prior period adjustment is necessary to the fund balance of the General Fund and the Special Revenue Fund - School Lunch to properly account for costs of employee health insurance benefits in the period the expense occurred.

	<u>General Fund</u>	<u>Nonmajor Funds</u>
Fund Balances at Beginning of Year, as Originally Reported	\$22,253,284	\$ 4,345,639
To Correct Employee Health Insurance Benefits Earned in the Prior Year but Paid in the Current Year.	<u>(942,795)</u>	<u>(90,447)</u>
Fund Balances at Beginning of Year, as Restated	<u>\$21,310,489</u>	<u>\$ 4,255,192</u>

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

Net Assets at Beginning of Year, as Originally Reported	\$91,172,756
To Correct Employee Health Insurance Benefits Earned in the Prior Year but Paid in the Current Year.	<u>(1,033,242)</u>
Net Assets at Beginning of Year, as Restated	<u>\$90,139,514</u>

**(18) Litigation and Claims -**

At June 30, 2005, the School Board is involved in several lawsuits. It is the opinion of the legal adviser for the School Board that the ultimate resolution of these lawsuits will not involve any material liability to the School Board in excess of insurance coverage.

## **LIVINGSTON PARISH SCHOOL BOARD**

### **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**JUNE 30, 2005**

**(19) Hurricane Katrina and Rita -**

Subsequent to year end, hurricane Katrina hit the southeast Louisiana coast on August 29, 2005. The path of Katrina took the storm directly over the southeastern area of Louisiana. Then, on September 24, 2005, hurricane Rita hit the southwestern coast of Louisiana. The President of the United States has declared the majority of the State of Louisiana, including Livingston Parish, a disaster area. Initial damages due to the wind and flooding are catastrophic in these areas. At this time we are unable to evaluate the effect, if any, that these events may have on the Livingston Parish School Board.

**(20) Current Accounting Pronouncements -**

In June 2004, the Government Accounting Standards Board issued GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postretirement Benefits and Other Than Pensions." This Statement's objective is to establish uniform standards of financial reporting by state and local government entities for other postemployment benefits (OPEB) including post-employment healthcare benefits. This Statement provides standards for measurement, recognition, and display of the OPEB expenses and related liabilities, note disclosures, and required supplementary information. This statement will require an actuarial valuation of the OPEB liability on at least a biennial basis. This Statement will be required to be adopted by the School Board for the fiscal year ending June 30, 2007.

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





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November 1, 2005

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

Livingston Parish School Board  
Livingston, Louisiana

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

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

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

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

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

(No Differences Noted)

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

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

(No Differences Noted)

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

(No Differences Noted)

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

(No Differences Noted)

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

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

(No Differences Noted)

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

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

(No Differences Noted)

#### Public Staff Data (Schedule 5)

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

(No Differences Noted)

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

(No Differences Noted)

Class Size Characteristics (Schedule 6)

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

Finding

We were not able to reconcile the number of students from the random sample of 10 classes to the October 1 roll books for the classes selected as the School Board did not retain a copy of the teacher class schedule for the school selected. The teacher class schedule reproduced from a backup file maintained by the School Board could not be reconciled with random sample of roll books selected.

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

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

(No Differences Noted)

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

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

(No Differences Noted)

The IOWA Tests (Schedule 9)

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

(No Differences Noted)

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

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

Respectfully submitted,

*Harold T. Bourgeois, CPA*

**LIVINGSTON PARISH SCHOOL BOARD**  
**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES**  
**AND CERTAIN LOCAL REVENUE SOURCES**

FOR THE YEAR ENDED JUNE 30, 2005

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 52,553,392
Other Instructional Staff Activities	6,533,532
Employee Benefits	17,786,472
Purchased Professional and Technical Services	58,580
Instructional Materials and Supplies	3,130,295
Instructional Equipment	498,988

Total Teacher and Student Interaction Activities	80,561,259
--	------------

Other Instructional Activities	328,762
--------------------------------	---------

Pupil Support Activities	4,576,419
--------------------------	-----------

Less: Equipment for Pupil Support Activities	-
--	---

Net Pupil Support Activities	4,576,419
------------------------------	-----------

Instructional Staff Services	3,766,488
------------------------------	-----------

Less: Equipment for Instructional Staff Services	-
--	---

Net Instructional Staff Services	3,766,488
----------------------------------	-----------

Total General Fund Instructional Expenditures	\$ 89,232,928
---	---------------

Total General Fund Equipment Expenditures	\$ 1,168,175
---	--------------

**Certain Local Revenue Sources**

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 649,473
Renewable Ad Valorem Tax	3,786,310
Debt Service Ad Valorem Tax	2,993,591
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	254,756
Sales and Use Taxes	22,854,425

Total Local Taxation Revenue	30,538,555
------------------------------	------------

(CONTINUED)

**LIVINGSTON PARISH SCHOOL BOARD**  
**GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES**  
**AND CERTAIN LOCAL REVENUE SOURCES (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 5,609
Earnings from Other Real Property	<u>91,915</u>
Total Local Earnings on Investment in Real Property	<u>\$ 97,524</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 112,914
Revenue Sharing - Other Taxes	<u>562,511</u>
Total State Revenue in Lieu of Taxes	<u>\$ 675,425</u>

Nonpublic Textbook Revenue	<u>\$ 2,866</u>
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Nonpublic Transportation Revenue	<u>\$ 30,007</u>
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## LIVINGSTON PARISH SCHOOL BOARD

EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

AS OF OCTOBER 1, 2004

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0%	0	0%
Bachelor's Degree	1008	74%	4	100%	0	0%	0	0%
Master's Degree	251	19%	0	0%	33	49%	0	0%
Master's Degree + 30	79	6%	0	0%	26	38%	0	0%
Specialist in Education	9	1%	0	0%	9	13%	0	0%
Ph. D. or Ed. D.	5	0%	0	0%	0	0%	0	0%
<b>Total</b>	<b>1,352</b>	<b>100%</b>	<b>4</b>	<b>100%</b>	<b>68</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

**LIVINGSTON PARISH SCHOOL BOARD**  
**NUMBER AND TYPE OF PUBLIC SCHOOLS**  
**FOR THE YEAR ENDED JUNE 30, 2005**

<u>Type</u>	
Elementary	21
Middle/Jr. High	8
Secondary	7
Combination	<u>3</u>
Total	<u><u>39</u></u>

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

## LIVINGSTON PARISH SCHOOL BOARD

EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2004

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	3	4	6	2	10	25
Principals	-	-	-	6	6	7	24	43
Classroom Teachers	126	121	402	187	176	140	204	1,356
<b>Total</b>	126	121	405	197	188	149	238	1,424



**LIVINGSTON PARISH SCHOOL BOARD****PUBLIC SCHOOL STAFF DATA****FOR THE YEAR ENDED JUNE 30, 2005**

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	38,499	38,503
Average Classroom Teachers' Salary Excluding Extra Compensation	38,073	38,072
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,403	1,392

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

## LIVINGSTON PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2004

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	56.2%	1,354	41.1%	990	2.7%	64	0.0%	-
Elementary Activity Classes	48.2%	199	45.8%	189	5.1%	21	1.0%	4
Middle/Jr. High	21.3%	282	43.2%	572	35.5%	470	0.0%	-
Middle/Jr. High Activity Classes	39.6%	80	13.4%	27	22.8%	46	24.3%	49
High	52.7%	918	32.1%	560	15.2%	265	0.0%	-
High Activity Classes	69.6%	156	11.6%	26	11.2%	25	7.6%	17
Combination	81.0%	282	15.2%	53	3.7%	13	0.0%	-
Combination Activity Classes	84.4%	97	5.2%	6	8.7%	10	1.7%	2

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

## LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2005

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	60	3%	68	4%	33	2%	78	4%	34	2%	68	4%
Proficient	473	26%	434	25%	349	21%	364	20%	335	19%	388	23%
Basic	822	46%	789	45%	894	53%	872	49%	875	50%	837	49%
Approaching Basic	304	17%	299	17%	319	19%	304	17%	332	19%	292	17%
Unsatisfactory	137	8%	162	9%	100	5%	176	10%	176	10%	110	7%
<b>Total</b>	<b>1,796</b>	<b>100%</b>	<b>1,752</b>	<b>100%</b>	<b>1,695</b>	<b>100%</b>	<b>1,794</b>	<b>100%</b>	<b>1,752</b>	<b>100%</b>	<b>1,695</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	20	1%	16	1%	9	1%	11	1%	12	1%	-	0%
Proficient	374	23%	418	27%	385	25%	245	15%	220	14%	191	13%
Basic	786	48%	689	44%	716	47%	943	58%	898	58%	866	57%
Approaching Basic	361	22%	341	22%	329	22%	280	16%	295	19%	340	22%
Unsatisfactory	98	6%	92	6%	74	5%	159	10%	129	8%	116	8%
<b>Total</b>	<b>1,639</b>	<b>100%</b>	<b>1,556</b>	<b>100%</b>	<b>1,513</b>	<b>100%</b>	<b>1,638</b>	<b>100%</b>	<b>1,554</b>	<b>100%</b>	<b>1,513</b>	<b>100%</b>

## LIVINGSTON PARISH SCHOOL BOARD

## THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

FOR THE YEAR ENDED JUNE 30, 2005

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 10</b>												
Advanced	9	1%	27	2%	4	0%	90	7%	120	9%	83	6%
Mastery	230	17%	290	22%	149	11%	278	21%	229	17%	305	23%
Basic	692	52%	607	47%	672	51%	615	46%	569	43%	570	42%
Approaching Basic	293	22%	240	18%	318	24%	166	12%	192	15%	188	14%
Unsatisfactory	102	8%	139	11%	184	14%	180	14%	213	16%	204	15%
<b>Total</b>	<b>1,326</b>	<b>100%</b>	<b>1,303</b>	<b>100%</b>	<b>1,327</b>	<b>100%</b>	<b>1,329</b>	<b>100%</b>	<b>1,323</b>	<b>100%</b>	<b>1,350</b>	<b>100%</b>

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 11</b>												
Advanced	38	3%	35	3%	16	1%	9	1%	4	0%	12	1%
Mastery	239	21%	215	18%	172	15%	115	10%	138	12%	154	14%
Basic	544	47%	582	50%	593	52%	677	59%	718	61%	630	54%
Approaching Basic	243	21%	241	20%	242	22%	234	20%	226	19%	234	21%
Unsatisfactory	93	8%	104	9%	117	10%	119	10%	91	8%	110	10%
<b>Total</b>	<b>1,157</b>	<b>100%</b>	<b>1,177</b>	<b>100%</b>	<b>1,140</b>	<b>100%</b>	<b>1,154</b>	<b>100%</b>	<b>1,177</b>	<b>100%</b>	<b>1,140</b>	<b>100%</b>

## LIVINGSTON PARISH SCHOOL BOARD

THE IOWA TESTS

FOR THE YEAR ENDED JUNE 30, 2005

	Composite		
	2005	2004	2003
<b>Test of Basic Skills (ITBS)</b>			
Grade 3	69	69	67
Grade 5	69	68	67
Grade 6	59	58	55
Grade 7	62	61	60
<b>Tests of Educational Development (ITED)</b>			
Grade 9	58	59	56

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

## **SUPPLEMENTARY INFORMATION**

#### **MAJOR CAPITAL PROJECTS FUND - BY DISTRICT**

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

**LIVINGSTON PARISH SCHOOL BOARD**

**CAPITAL PROJECTS FUND**

**COMBINING BALANCE SHEET - BY DISTRICT**

JUNE 30, 2005  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2004)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 16,826	\$ 47,023	\$ 5,794	\$ 15,015	\$ 4,477	\$ 257
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	475,662	10,726,942	145,761	200,680	65,149	9,588
Due From Other Funds	-	-	-	-	-	-
Receivables	4,085	2,473	1,978	1,039	360	572
Total Assets	<u>\$ 496,573</u>	<u>\$ 10,776,438</u>	<u>\$ 153,533</u>	<u>\$ 216,734</u>	<u>\$ 69,986</u>	<u>\$ 10,417</u>
<b>LIABILITIES AND FUND EQUITY</b>						
<b>Liabilities:</b>						
Accounts and Other Payables	\$ 217,377	\$ 250,219	\$ 75,654	\$ 202,597	\$ 60,594	\$ 3,281
Due to Other Funds	-	84,300	-	-	-	-
Total Liabilities	217,377	334,519	75,654	202,597	60,594	3,281
<b>Fund Equity:</b>						
<b>Fund Balances:</b>						
Reserved for Incomplete Contracts	279,196	723,246	77,879	14,137	9,392	-
Unreserved - Undesignated (Deficit)	-	9,718,673	-	-	-	7,136
Total Fund Equity (Deficit)	<u>279,196</u>	<u>10,441,919</u>	<u>77,879</u>	<u>14,137</u>	<u>9,392</u>	<u>7,136</u>
Total Liabilities and Fund Equity	<u>\$ 496,573</u>	<u>\$ 10,776,438</u>	<u>\$ 153,533</u>	<u>\$ 216,734</u>	<u>\$ 69,986</u>	<u>\$ 10,417</u>

See auditor's report.



## Schedule 10

SCHOOL DISTRICTS						TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	NO. 99	2005	2004
\$ 205	\$ 212	\$ 249	\$ 4,996	\$ 703	\$ -	\$ 95,757	\$ 1,360,624
15,886	54,849	34,794	1,535,310	85,380	-	13,350,001	1,850,000
-	-	-	-	-	-	-	926,435
661	181	474	203	59	-	12,085	11,344
<u>\$ 16,752</u>	<u>\$ 55,242</u>	<u>\$ 35,517</u>	<u>\$ 1,540,509</u>	<u>\$ 86,142</u>	<u>\$ -</u>	<u>\$ 13,457,843</u>	<u>\$ 4,148,403</u>
\$ 3,829	\$ 1,394	\$ 2,900	\$ 11,552	\$ 876	\$ -	\$ 830,273	\$ 1,821,466
-	-	-	23,808	-	-	108,108	926,435
3,829	1,394	2,900	35,360	876	-	938,381	2,747,901
-	-	32,617	12,042	-	-	1,148,509	1,216,106
12,923	53,848	-	1,493,107	85,266	-	11,370,953	184,396
12,923	53,848	32,617	1,505,149	85,266	-	12,519,462	1,400,502
<u>\$ 16,752</u>	<u>\$ 55,242</u>	<u>\$ 35,517</u>	<u>\$ 1,540,509</u>	<u>\$ 86,142</u>	<u>\$ -</u>	<u>\$ 13,457,843</u>	<u>\$ 4,148,403</u>

# LIVINGSTON PARISH SCHOOL BOARD

## CAPITAL PROJECTS FUND

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

FOR THE YEAR ENDED JUNE 30, 2005

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
<b>Revenues:</b>						
Local Sources:						
Ad Valorem Taxes	\$ 330,284	\$ 209,916	\$ 154,980	\$ 85,265	\$ 29,793	\$ 47,825
Interest Earnings	16,439	149,619	9,104	4,182	1,455	2,272
State Sources:						
Unrestricted						
Grants-in-Aid	56,377	34,127	27,305	14,345	4,971	7,889
Miscellaneous	-	-	-	-	-	-
Total Revenues	403,100	393,662	191,389	103,792	36,219	57,986
<b>Expenditures:</b>						
Support Services:						
General Administration	13,649	8,801	6,342	3,539	1,240	1,997
Capital Outlay	2,120,849	1,789,007	2,212,721	654,830	122,184	64,380
Cost of Issuance	-	84,300	-	-	-	-
Total Expenditures	2,134,498	1,882,108	2,219,063	658,369	123,424	66,377
Excess (Deficiency) of Revenues over Expenditures	(1,731,398)	(1,488,446)	(2,027,674)	(554,577)	(87,205)	(8,391)
<b>Other Financing Sources (Uses):</b>						
Issuance of Bonds	-	12,000,000	-	-	-	-
Transfers In	2,000,000	-	1,000,000	420,000	35,000	-
Transfers Out	(2,443)	(91,747)	(682)	(132)	(88)	(66)
Total Other Financing Sources (Uses)	1,997,557	11,908,253	999,318	419,868	34,912	(66)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	266,159	10,419,807	(1,028,356)	(134,709)	(52,293)	(8,457)
<b>Fund Balances (Deficit) at Beginning of Year</b>	13,037	22,112	1,106,235	148,846	61,685	15,593
<b>Fund Balances (Deficit) at End of Year</b>	\$ 279,196	\$ 10,441,919	\$ 77,879	\$ 14,137	\$ 9,392	\$ 7,136

See auditor's report.

## Schedule 11

SCHOOL DISTRICTS						TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	NO. 99	2005	2004
\$ 52,398	\$ 15,413	\$ 40,058	\$ 16,810	\$ 4,306	\$ -	\$ 987,048	\$ 810,419
2,555	754	1,924	19,581	271	-	208,156	96,084
9,124	2,502	6,538	2,802	817	-	166,797	162,783
-	-	-	-	-	-	-	2,500
64,077	18,669	48,520	39,193	5,394	-	1,362,001	1,071,786
2,152	646	1,678	909	172	-	41,125	33,818
85,006	20,021	85,317	157,956	6,537	-	7,318,808	12,114,387
-	-	-	23,808	-	-	108,108	-
87,158	20,667	86,995	182,673	6,709	-	7,468,041	12,148,205
(23,081)	(1,998)	(38,475)	(143,480)	(1,315)	-	(6,106,040)	(11,076,419)
-	-	-	1,750,000	-	-	13,750,000	-
20,000	-	-	-	-	110,059	3,585,059	4,870,000
(121)	(473)	(286)	(13,328)	(693)	-	(110,059)	-
19,879	(473)	(286)	1,736,672	(693)	110,059	17,225,000	4,870,000
(3,202)	(2,471)	(38,761)	1,593,192	(2,008)	110,059	11,118,960	(6,206,419)
16,125	56,319	71,378	(88,043)	87,274	(110,059)	1,400,502	7,606,921
\$ 12,923	\$ 53,848	\$ 32,617	\$ 1,505,149	\$ 85,266	\$ -	\$ 12,519,462	\$ 1,400,502

## **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, 2005  
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2004)

ASSETS	SPECIAL REVENUE FUNDS			
	<u>Elementary and Secondary</u>		Special Education	Maintenance of Schools
	<u>Chapter 1</u>	<u>Chapter 2</u>		
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 617,687
Receivables	469,322	53,024	1,553,430	39,171
Inventory	-	-	-	-
Due From Other Funds	-	-	-	-
Investments (Certificate of Deposit Maturities Greater Than 90 Days)	-	-	-	-
Total Assets	<u>\$ 469,322</u>	<u>\$ 53,024</u>	<u>\$ 1,553,430</u>	<u>\$ 656,858</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts, Salaries and Other Payables	\$ 2,439	\$ -	\$ 9,909	\$ 292,816
Due to Other Funds	466,883	53,024	1,543,521	-
Total Liabilities	469,322	53,024	1,553,430	292,816
<b>Fund Equity:</b>				
Fund Balances -				
Reserved for Inventory	-	-	-	-
Reserved for Debt Service	-	-	-	-
Unreserved - Undesignated	-	-	-	364,042
Total Fund Balances	-	-	-	364,042
Total Liabilities and Fund Equity	<u>\$ 469,322</u>	<u>\$ 53,024</u>	<u>\$ 1,553,430</u>	<u>\$ 656,858</u>

See auditor's report.

Schedule 12

<u>SPECIAL REVENUE FUNDS</u>				<u>Total Nonmajor Governmental Funds</u>	
<u>School Lunch</u>	<u>Special Federal Fund</u>	<u>Other Federal ESEA Fund</u>	<u>Debt Service Fund</u>	<u>2005</u>	<u>2004</u>
\$ 688,350	\$ -	\$ -	\$ 135,437	\$ 1,441,474	\$ 2,306,206
14,301	441,261	600,180	67,146	3,237,835	4,234,901
133,288	-	-	-	133,288	98,194
-	-	-	108,108	108,108	45,381
-	-	-	2,000,000	2,000,000	2,000,000
<u>\$ 835,939</u>	<u>\$ 441,261</u>	<u>\$ 600,180</u>	<u>\$ 2,310,691</u>	<u>\$ 6,920,705</u>	<u>\$ 8,684,682</u>
\$ 58,614	\$ 201,046	\$ 2,588	\$ 302	\$ 567,714	\$ 201,980
-	240,215	597,592	-	2,901,235	4,137,063
58,614	441,261	600,180	302	3,468,949	4,339,043
133,288	-	-	-	133,288	98,194
-	-	-	2,310,389	2,310,389	2,818,972
644,037	-	-	-	1,008,079	1,428,473
<u>777,325</u>	<u>-</u>	<u>-</u>	<u>2,310,389</u>	<u>3,451,756</u>	<u>4,345,639</u>
<u>\$ 835,939</u>	<u>\$ 441,261</u>	<u>\$ 600,180</u>	<u>\$ 2,310,691</u>	<u>\$ 6,920,705</u>	<u>\$ 8,684,682</u>

**LIVINGSTON PARISH SCHOOL BOARD**

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

**NONMAJOR GOVERNMENTAL FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2005  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004)**

	<b><u>SPECIAL REVENUE FUNDS</u></b>			
	<b><u>Elementary and Secondary</u></b>		<b><u>Special</u></b>	<b><u>Maintenance</u></b>
	<b><u>Chapter 1</u></b>	<b><u>Chapter 2</u></b>		
<b>Revenues:</b>				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 1,381,861
Sales Taxes	-	-	-	-
Interest Earnings	-	-	-	8,094
Food Services	-	-	-	-
Other	-	-	-	-
State Sources - Unrestricted:				
Grants-in-Aid	-	-	-	161,992
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	120,628	-	111,644	-
Restricted Grants-in-Aid - Subgrants	2,903,080	69,175	2,853,350	-
Other - Commodities	-	-	-	-
Total Revenues	3,023,708	69,175	2,964,994	1,551,947
<b>Expenditures:</b>				
Instruction:				
Regular Programs	-	-	-	1,782
Special Programs	2,297,200	-	1,849,899	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	-	-	-	-
Support Services:				
Pupil Support	-	-	191,565	-
Instructional Staff Support	536,229	69,175	612,922	-
General Administration	-	-	-	57,281
Business Services	-	-	31,174	-
Plant Services	-	-	1,490	2,906,320
Transportation Services	-	-	-	-
Food Services	-	-	-	-

(CONTINUED)

## SPECIAL REVENUE FUNDS

School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
				2005	2004
\$ -	\$ -	\$ -	\$ 2,993,591	\$ 4,375,452	\$ 4,205,836
-	-	-	334,926	334,926	291,116
2,985	-	-	106,503	117,582	53,741
2,461,325	-	-	-	2,461,325	2,418,287
-	-	-	5,574	5,574	-
402,250	-	-	-	564,242	560,343
-	15,562	38,973	-	286,807	227,540
4,195,102	868,037	964,764	-	11,853,508	11,270,463
390,054	-	-	-	390,054	449,345
7,451,716	883,599	1,003,737	3,440,594	20,389,470	19,476,671
-	-	-	-	1,782	10,762
-	9,156	-	-	4,156,255	3,075,832
-	114,529	-	-	114,529	174,864
-	128,342	-	-	128,342	96,729
-	279,631	799,167	-	1,078,798	1,826,085
-	37,928	25,784	-	255,277	294,889
-	-	124,505	-	1,342,831	914,015
-	-	-	137,045	194,326	191,080
-	-	15,308	-	46,482	21,566
-	2,023	-	-	2,909,833	2,805,903
-	-	-	-	-	200
10,098,726	-	-	-	10,098,726	9,418,813



**LIVINGSTON PARISH SCHOOL BOARD**

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

**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2005  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004)

	SPECIAL REVENUE FUNDS			
	Elementary and Secondary			
	Education Act		Special	Maintenance
	Chapter 1	Chapter 2	Education	of Schools
<b>Expenditures (Continued):</b>				
Community Service Programs	15,444	-	-	-
Capital Outlay	54,207	-	166,300	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	2,903,080	69,175	2,853,350	2,965,383
Excess (Deficiency) of Revenues Over Expenditures	120,628	-	111,644	(1,413,436)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	1,355,000
Transfers Out	(120,628)	-	(111,644)	-
Total Other Financing Sources (Uses)	(120,628)	-	(111,644)	1,355,000
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	(58,436)
Fund Balances at Beginning of Year	-	-	-	422,478
Prior Period Adjustment	-	-	-	-
Fund Balances at Beginning of Year As Restated	-	-	-	422,478
Fund Balances at End of Year	\$ -	\$ -	\$ -	\$ 364,042

See auditor's report.

Schedule 13  
(Continued)

SPECIAL REVENUE FUNDS				Total Nonmajor Governmental Funds	
School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	2005	2004
-	-	-	-	15,444	55,295
53,407	296,428	-	-	570,342	998,778
-	-	-	2,066,712	2,066,712	1,744,959
-	-	-	1,745,420	1,745,420	1,754,300
10,152,133	868,037	964,764	3,949,177	24,725,099	23,384,070
(2,700,417)	15,562	38,973	(508,583)	(4,335,629)	(3,907,399)
2,464,000	-	-	-	3,819,000	3,368,200
-	(15,562)	(38,973)	-	(286,807)	(227,540)
2,464,000	(15,562)	(38,973)	-	3,532,193	3,140,660
(236,417)	-	-	(508,583)	(803,436)	(766,739)
1,104,189	-	-	2,818,972	4,345,639	5,090,934
(90,447)	-	-	-	(90,447)	21,444
1,013,742	-	-	2,818,972	4,255,192	5,112,378
\$ 777,325	\$ -	\$ -	\$ 2,310,389	\$ 3,451,756	\$ 4,345,639

## LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 2,718,640	\$ 3,232,136	\$ 3,023,708	\$ (208,428)
Total Revenues	2,718,640	3,232,136	3,023,708	(208,428)
<b>Expenditures:</b>				
Instruction - Special Programs	2,033,829	2,342,092	2,297,200	44,892
Support Services:				
Instructional Staff Support	524,369	677,839	536,229	141,610
Community Services Programs	22,516	32,524	15,444	17,080
Capital Outlay	27,729	49,341	54,207	(4,866)
Total Expenditures	2,608,443	3,101,796	2,903,080	198,716
Excess of Revenues Over Expenditures	110,197	130,340	120,628	(9,712)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(110,197)	(130,340)	(120,628)	9,712
Total Other Financing Sources (Uses)	(110,197)	(130,340)	(120,628)	9,712
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-	-
<b>Fund Balance at End of Year</b>	\$ -	\$ -	\$ -	\$ -

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - 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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 74,574	\$ 98,131	\$ 69,175	\$ (28,956)
Total Revenues	74,574	98,131	69,175	(28,956)
<b>Expenditures:</b>				
Instructional Staff Support	71,520	94,112	69,175	24,937
Total Expenditures	71,520	94,112	69,175	24,937
Excess of Revenues Over Expenditures	3,054	4,019	-	(4,019)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(3,054)	(4,019)	-	4,019
Total Other Financing Sources (Uses)	(3,054)	(4,019)	-	4,019
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-	-
<b>Fund Balance at End of Year</b>	\$ -	\$ -	\$ -	\$ -

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 2,784,234	\$ 4,645,601	\$ 2,964,994	\$ (1,680,607)
Total Revenues	2,784,234	4,645,601	2,964,994	(1,680,607)
<b>Expenditures:</b>				
Instruction - Special Programs	1,518,678	3,396,804	1,849,899	1,546,905
Support Services:				
Pupil Support	206,710	201,710	191,565	10,145
Instructional Staff Support	579,617	579,617	612,922	(33,305)
Business Services	12,670	12,670	31,174	(18,504)
Plant Services	1,200	1,200	1,490	(290)
Capital Outlay	366,557	274,601	166,300	108,301
Total Expenditures	2,685,432	4,466,602	2,853,350	1,613,252
Excess of Revenues Over Expenditures	98,802	178,999	111,644	(67,355)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(98,802)	(178,999)	(111,644)	67,355
Total Other Financing Sources (Uses)	(98,802)	(178,999)	(111,644)	67,355
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-	-
<b>Fund Balance at End of Year</b>	\$ -	\$ -	\$ -	\$ -

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

## SPECIAL REVENUE FUND - MAINTENANCE OF SCHOOLS

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

FOR THE YEAR ENDED JUNE 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Local Sources:				
Ad Valorem Taxes	\$ 1,250,000	\$ 1,365,000	\$ 1,381,861	\$ 16,861
Interest Earnings	5,900	5,000	8,094	3,094
State Sources:				
Unrestricted:				
Grants-in-Aid	160,000	161,992	161,992	-
Other	20,000	-	-	-
Total Revenues	1,435,900	1,531,992	1,551,947	19,955
<b>Expenditures:</b>				
Instruction:				
Regular Programs	8,700	7,432	1,782	5,650
Support Services:				
General Administration	47,900	57,283	57,281	2
Plant Services	2,720,100	2,629,550	2,906,320	(276,770)
Total Expenditures	2,776,700	2,694,265	2,965,383	(271,118)
Excess (Deficiency) of Revenues Over Expenditures	(1,340,800)	(1,162,273)	(1,413,436)	(251,163)
<b>Other Financing Sources (Uses):</b>				
Transfers In	1,510,000	1,240,000	1,355,000	115,000
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	1,510,000	1,240,000	1,355,000	115,000
Excess of Revenues and Other Sources Over Expenditures and Other Uses	169,200	77,727	(58,436)	(136,163)
<b>Fund Balance at Beginning of Year</b>	422,478	422,478	422,478	-
<b>Fund Balance at End of Year</b>	\$ 591,678	\$ 500,205	\$ 364,042	\$ (136,163)

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, 2005**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Local Sources:				
Sales and Use Taxes	\$ 648,200	\$ 864,000	\$ -	\$ (864,000)
Interest Earnings	1,200	2,700	2,985	285
Food Services	2,451,300	2,587,200	2,461,325	(125,875)
State Sources -				
Unrestricted Grants-in-Aid	402,250	402,250	402,250	-
SFS State Reimbursement	97,300	-	-	-
Federal Sources:				
Restricted Grants-in-Aid-Subgrants	3,953,000	4,220,000	4,195,102	(24,898)
Other - Commodities	450,000	450,000	390,054	(59,946)
Total Revenues	8,003,250	8,526,150	7,451,716	(1,074,434)
<b>Expenditures:</b>				
Support Services:				
Food Services	9,932,168	10,132,168	10,098,726	33,442
Capital Outlay	100,000	100,000	53,407	46,593
Total Expenditures	10,032,168	10,232,168	10,152,133	80,035
Deficiency of Revenues Over Expenditures	(2,028,918)	(1,706,018)	(2,700,417)	(994,399)
Other Financing Sources (Uses):				
Transfers In	1,730,918	1,600,000	2,464,000	864,000
Transfers Out	-	-	-	-
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	(298,000)	(106,018)	(236,417)	(130,399)
Fund Balances at Beginning of Year	1,104,189	1,104,189	1,104,189	-
Prior Period Adjustment	-	-	(90,447)	(90,447)
Fund Balances at Beginning of Year As Restated	1,104,189	1,104,189	1,013,742	(90,447)
Fund Balance at End of Year	\$ 806,189	\$ 998,171	\$ 777,325	\$ (220,846)

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, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 598,818	\$ 894,631	\$ 883,599	\$ (11,032)
Total Revenues	598,818	894,631	883,599	(11,032)
<b>Expenditures:</b>				
Instruction:				
Special Programs	10,000	11,815	9,156	2,659
Vocational Programs	87,206	122,875	114,529	8,346
Other Programs	242,559	314,665	279,631	35,034
Adult and Continuing Education Program	115,939	125,926	128,342	(2,416)
Support Services:				
Pupil Support	36,500	37,440	37,928	(488)
Plant Services	500	2,550	2,023	527
Capital Outlay	95,539	264,666	296,428	(31,762)
Total Expenditures	588,243	879,937	868,037	11,900
Excess of Revenues Over Expenditures	10,575	14,694	15,562	868
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(10,575)	(14,694)	(15,562)	(868)
Total Other Financing Sources (Uses)	(10,575)	(14,694)	(15,562)	(868)
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-	-
<b>Fund Balance at End of Year</b>	\$ -	\$ -	\$ -	\$ -

See auditor's report.



**LIVINGSTON PARISH SCHOOL BOARD**  
**SPECIAL REVENUE FUND - OTHER FEDERAL ESEA FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**

FOR THE YEAR ENDED JUNE 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Federal Sources:				
Federal Grants	\$ 1,100,159	\$ 1,105,043	\$ 1,003,737	\$ (101,306)
Total Revenues	1,100,159	1,105,043	1,003,737	(101,306)
<b>Expenditures:</b>				
Instruction:				
Other Programs	843,105	851,572	799,167	52,405
Support Services:				
Pupil Support	30,783	37,714	25,784	11,930
Instructional Staff Support	159,214	148,650	124,505	24,145
Business Services	23,031	23,031	15,308	7,723
Plant Services	1,000	1,000	-	1,000
Total Expenditures	1,057,133	1,061,967	964,764	97,203
Excess of Revenues Over Expenditures	43,026	43,076	38,973	(4,103)
<b>Other Financing Sources (Uses):</b>				
Transfers In	-	-	-	-
Transfers Out	(43,026)	(43,076)	(38,973)	4,103
Total Other Financing Sources (Uses)	(43,026)	(43,076)	(38,973)	4,103
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
<b>Fund Balance at Beginning of Year</b>	-	-	-	-
<b>Fund Balance at End of Year</b>	\$ -	\$ -	\$ -	\$ -

See auditor's report.

**LIVINGSTON PARISH SCHOOL BOARD**

**DEBT SERVICE FUND**

**COMBINING BALANCE SHEET - BY DISTRICT**

**JUNE 30, 2005**

**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2004)**

<b>ASSETS</b>	<b>SCHOOL DISTRICTS</b>					
	<b>NO. 1</b>	<b>NO. 4</b>	<b>NO. 22</b>	<b>NO. 24</b>	<b>NO. 25</b>	<b>NO. 26</b>
Cash and Cash Equivalents	\$ 24,216	\$ 27,900	\$ 20,722	\$ 18,514	\$ 5,161	\$ 3,697
Investments	356,976	419,743	281,051	279,955	77,915	55,726
Sales Tax Receivable	-	-	30,183	-	-	-
Due from Other Government	12,334	5,824	4,763	2,320	743	679
Due from Other Funds	-	84,300	-	-	-	-
<b>Total Assets</b>	<b>\$ 393,526</b>	<b>\$ 537,767</b>	<b>\$ 336,719</b>	<b>\$ 300,789</b>	<b>\$ 83,819</b>	<b>\$ 60,102</b>
<b>LIABILITIES AND FUND EQUITY</b>						
Accounts, Salaries and Other Payables	\$ 45	\$ 79	\$ 175	\$ -	\$ -	\$ -
Due to Other Funds	-	(41,616)	-	-	-	-
<b>Total Liabilities</b>	<b>45</b>	<b>(41,537)</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Equity -</b>						
<b>Fund Balances:</b>						
Reserved for Debt Service	393,481	579,304	336,544	300,789	83,819	60,102
<b>Total Fund Equity</b>	<b>393,481</b>	<b>579,304</b>	<b>336,544</b>	<b>300,789</b>	<b>83,819</b>	<b>60,102</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 393,526</b>	<b>\$ 537,767</b>	<b>\$ 336,719</b>	<b>\$ 300,789</b>	<b>\$ 83,819</b>	<b>\$ 60,102</b>

See auditor's report.

Schedule 15

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2005	2004
\$ 17,729	\$ -	\$ 7,409	\$ 10,089	\$ 135,437	\$ 754,273
266,210	-	109,425	152,999	2,000,000	2,000,000
-	-	-	-	30,183	26,011
4,125	725	3,391	2,059	36,963	44,801
-	-	-	23,808	108,108	45,381
<u>\$ 288,064</u>	<u>\$ 725</u>	<u>\$ 120,225</u>	<u>\$ 188,955</u>	<u>\$ 2,310,691</u>	<u>\$ 2,870,466</u>
\$ -	\$ -	\$ -	\$ 3	\$ 302	\$ 6,113
-	41,616	-	-	-	45,381
-	41,616	-	3	302	51,494
288,064	(40,891)	120,225	188,952	2,310,389	2,818,972
<u>288,064</u>	<u>(40,891)</u>	<u>120,225</u>	<u>188,952</u>	<u>2,310,389</u>	<u>2,818,972</u>
<u>\$ 288,064</u>	<u>\$ 725</u>	<u>\$ 120,225</u>	<u>\$ 188,955</u>	<u>\$ 2,310,691</u>	<u>\$ 2,870,466</u>

**LIVINGSTON PARISH SCHOOL BOARD**

**DEBT SERVICE FUND**

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

**FOR THE YEAR ENDED JUNE 30, 2005  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004)**

	<b>SCHOOL DISTRICTS</b>					
	<b>NO. 1</b>	<b>NO. 4</b>	<b>NO. 22</b>	<b>NO. 24</b>	<b>NO. 25</b>	<b>NO. 26</b>
<b>Revenues:</b>						
Local Sources:						
Ad Valorem Taxes	\$ 916,339	\$ 380,375	\$ 577,043	\$ 162,782	\$ 81,529	\$ 59,357
Sales Taxes	-	-	334,926	-	-	-
Miscellaneous	-	-	-	-	-	-
Other Revenues	-	480	-	-	-	5,094
Interest						
Earnings	32,241	43,403	7,186	5,564	2,006	2,823
Total Revenues	948,580	424,258	919,155	168,346	83,535	67,274
<b>Expenditures:</b>						
Support Service:						
General Administration	40,445	17,865	25,849	7,458	3,669	2,786
Debt Service:						
Principal Retirement	683,316	250,000	505,000	110,000	65,000	87,000
Interest and Bank Charges	527,487	125,563	511,440	109,253	6,709	7,584
Total Expenditures	1,251,248	393,428	1,042,289	226,711	75,378	97,370
Excess (Deficiency) of Revenues over Expenditures	(302,668)	30,830	(123,134)	(58,365)	8,157	(30,096)
<b>Fund Balances at Beginning of Year</b>	696,149	548,474	459,678	359,154	75,662	90,198
<b>Fund Balances at End of Year</b>	\$ 393,481	\$ 579,304	\$ 336,544	\$ 300,789	\$ 83,819	\$ 60,102

See auditor's report

Schedule 16

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2005	2004
\$ 276,509	\$ 114,964	\$ 318,202	\$ 106,491	\$ 2,993,591	\$ 3,071,349
-	-	-	-	334,926	291,116
-	-	-	-	-	-
-	-	-	-	5,574	-
<u>4,128</u>	<u>1,301</u>	<u>3,541</u>	<u>4,310</u>	<u>106,503</u>	<u>45,352</u>
280,637	116,265	321,743	110,801	3,440,594	3,407,817
12,559	6,105	14,770	5,539	137,045	143,734
85,648	60,000	155,000	65,748	2,066,712	1,744,959
<u>214,587</u>	<u>47,047</u>	<u>128,958</u>	<u>66,792</u>	<u>1,745,420</u>	<u>1,754,300</u>
<u>312,794</u>	<u>113,152</u>	<u>298,728</u>	<u>138,079</u>	<u>3,949,177</u>	<u>3,642,993</u>
(32,157)	3,113	23,015	(27,278)	(508,583)	(235,176)
<u>320,221</u>	<u>(44,004)</u>	<u>97,210</u>	<u>216,230</u>	<u>2,818,972</u>	<u>3,054,148</u>
<u>\$ 288,064</u>	<u>\$ (40,891)</u>	<u>\$ 120,225</u>	<u>\$ 188,952</u>	<u>\$ 2,310,389</u>	<u>\$ 2,818,972</u>

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## **FIDICIARY FUNDS**

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

**Sales Tax Fund -** The Sales Tax Fund accounts for the collection and distribution of a two and one-half percent sales and use tax levied by the School Board, a one and one-half percent sales and use tax levied by the City of Denham Springs and the Village of Springfield, a one percent sales and use tax levied by the Village of Albany, the Town of Livingston, the Town of Walker, 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, 2005

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2004)

	School Activity	Sales Tax	Total Fiduciary Funds	
			2005	2004
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,852,860	\$ 1,904,602	\$ 4,757,462	\$ 4,336,937
Total Assets	<u>\$ 2,852,860</u>	<u>\$ 1,904,602</u>	<u>\$ 4,757,462</u>	<u>\$ 4,336,937</u>
<b>LIABILITIES</b>				
Amounts Held for School Activities	\$ 2,852,860	\$ -	\$ 2,852,860	\$ 2,526,446
Deposits Due to Others	<u>-</u>	<u>1,904,602</u>	<u>1,904,602</u>	<u>1,810,491</u>
Total Liabilities	<u>\$ 2,852,860</u>	<u>\$ 1,904,602</u>	<u>\$ 4,757,462</u>	<u>\$ 4,336,937</u>

See auditor's report.

## LIVINGSTON PARISH SCHOOL BOARD

## SCHOOL ACTIVITY FUND

SCHEDULE OF CHANGES IN AMOUNTS HELD FOR SCHOOL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2005

<u>School</u>	<u>Balance</u> <u>July 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2005</u>
Albany High	\$ 41,926	\$ 436,553	\$ 410,288	\$ 68,191
Albany Middle School	95,221	233,739	228,917	100,043
Albany Upper Elementary	44,285	180,706	168,256	56,735
Albany Lower Elementary	33,693	205,757	178,966	60,484
Denham Springs High	10,581	784,648	760,386	34,843
Denham Springs Junior High	67,960	389,132	381,739	75,353
Denham Springs Freshman High	99,157	151,964	146,328	104,793
Denham Springs Elementary	42,724	187,341	189,701	40,364
Doyle High	81,984	233,043	221,645	93,382
Doyle Elementary	76,448	181,252	174,217	83,483
Eastside Elementary	92,855	140,911	144,708	89,058
French Settlement High	84,190	248,782	252,053	80,919
French Settlement Elementary	91,818	74,547	71,291	95,074
Freshwater Elementary	53,265	184,847	171,084	67,028
Frost Elementary	24,766	156,245	155,892	25,119
Gray's Creek Elementary	-	204,724	140,238	64,486
Holden High	67,693	270,184	242,231	95,646
Levi Milton Elementary	44,328	166,934	172,183	39,079
Lewis Vincent Elementary	35,711	240,613	222,341	53,983
Live Oak High	51,180	487,228	487,427	50,981
Live Oak Middle School	128,617	608,611	582,775	154,453
Live Oak Elementary	164,965	190,872	231,570	124,267
Maurepas High	40,334	240,389	219,035	61,688
North Corbin Elementary	38,553	184,178	153,305	69,426
North Live Oak Elementary	-	407,529	358,748	48,781
Northside Elementary	79,374	179,434	174,052	84,756
Pine Ridge School	21,105	66,837	70,187	17,755
Seventh Ward Elementary	71,453	131,443	169,196	33,700
South Live Oak Elementary	134,723	244,419	253,329	125,813
South Walker Elementary	128,729	156,291	174,822	110,198
Southside Junior High	127,511	380,361	379,037	128,835
Southside Elementary	59,872	121,313	103,913	77,272
Springfield High	44,928	215,241	218,017	42,152
Springfield Middle School	15,932	171,900	173,523	14,309
Springfield Elementary	38,847	176,242	184,259	30,830
Walker High	188,081	724,761	706,613	206,229
Walker Junior High	76,107	200,988	188,938	88,157
Walker Elementary School	24,262	150,955	151,486	23,731
Westside Junior High School	3,268	334,293	306,097	31,464
Total	\$ 2,526,446	\$ 10,045,207	\$ 9,718,793	\$ 2,852,860

See auditor's report.



## LIVINGSTON PARISH SCHOOL BOARD

## SALES TAX FUND

SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS

FOR THE YEAR ENDED JUNE 30, 2005  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2004)

	Sales Tax Fund	
	2005	2004
Deposits Due Others at Beginning of Year	\$ 1,810,491	\$ 1,634,785
<b>Additions:</b>		
Sales Tax Collections	46,340,149	43,063,268
<b>Deductions:</b>		
Transfers to:		
General Fund:		
Sales Tax	22,354,350	20,867,278
District No. 33	15,628	-
Sales Tax Collection Fee	393,067	360,281
Debt Service - District No. 22	330,754	286,549
Livingston Parish Sheriff	4,510,567	4,241,199
Livingston Parish Council	9,016,387	8,469,194
Livingston Parish Tourist Commission	74,660	63,781
Livingston Parish Drainage Districts:		
No. 1	563,370	462,442
No. 2	337,817	318,278
No. 5	861,283	787,854
City of Denham Springs	5,122,280	4,555,701
Town of Walker	2,009,267	1,877,433
Town of Livingston	238,963	207,800
Town of Springfield	265,488	232,120
Village of Albany	123,902	117,649
Refunds to Vendors	28,255	40,003
Total Reductions	46,246,038	42,887,562
Deposits Due Others at End of Year	\$ <u>1,904,602</u>	\$ <u>1,810,491</u>

See auditor's report.

**LIVINGSTON PARISH SCHOOL BOARD**  
**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS**  
**FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
Claire Corburn	\$ 9,600	9,600
Louis Carlisle	9,600	9,600
Jeffrey Cox	9,600	9,600
Milton Hughes	9,600	9,600
Keith Martin	9,600	9,600
Julius J. Prokop	9,600	9,600
David Tate	9,600	9,600
Malcolm Sibley	10,800	10,800
Norman Alton Leggette	<u>9,600</u>	<u>9,600</u>
Total	<u>\$ 87,600</u>	<u>\$ 87,600</u>

Term of Current Board Expires December 31, 2006.

See auditor's report.

**LIVINGSTON PARISH SCHOOL BOARD**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

FOR THE YEAR ENDED JUNE 30, 2005

<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	\$ 390,054
Passed Through Louisiana Department of Education:			
National Breakfast Program	10.533	N/A	959,132
National School Lunch Program	10.555	N/A	<u>3,235,970</u>
Total United States Department of Agriculture			4,585,156
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	135,800
Educationally Deprived Children - Local Educational Agencies:			
IASA Title I	84.010	05-IASA-32-1	2,447,077
IASA Title I	84.010	04-IASA-32 C/O	<u>576,631</u>
			3,023,708
Handicapped State Grants:			
Special Education IDEA	84.027	05-FT-32	1,656,858
Special Education IDEA	84.027	04-FT-32	<u>1,308,136</u>
			2,964,994

(CONTINUED)

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

FOR THE YEAR ENDED JUNE 30, 2005

<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	186,142
Learn and Serve - Outdoor Odyssey	84.298	N/A	14,068
Children with Disabilities	84.323A	N/A	144,170
Handicapped - Preschool Grants:			
Preschool Flow-thru	84.173	05-PI-32-S	88,274
Innovative Education Program	84.298	N/A	69,175
Drug-Free Schools and Communities - State Grants	84.186	05-7032	83,380
Title II - Improving Teacher Quality - State Grants	84.367	N/A	920,357
Math and Science Partnership - Math	84.366B		656
Math and Science Partnership - Science	84.366B		3,151
Enhancing Education Through Technology	84.318X	N/A	91,453
Fund for the Improvement of Education	84.215K		<u>166,579</u>
 Total Passed Through Louisiana Department of Education			 7,891,907
 Passed Through East Baton Rouge School Board:			
Tech - Prep Education	84.243	N/A	<u>16,499</u>
 Total United States Department of Education			 7,908,406
<u>Scholarship Foundations</u>			
Passed Through Tangipahoa School Board:			
Teaching American History	85.500		<u>1,901</u>
 Total Scholarship Foundations			 1,901
<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		<u>34,906</u>
 Total United States Department of Health and Human Services			 <u>34,906</u>
 Total Expenditures of Federal Awards			 <u>\$12,530,369</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, 2005**

**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, 2005, the Livingston Parish School Board had food commodities totaling \$36,905 in inventory.

**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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November 1, 2005

Livingston Parish School Board  
Livingston, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish School Board, Livingston, Louisiana, as of and for the year ended June 30, 2005, which collectively comprise the Livingston Parish School Board's basic financial statements, and have issued our report thereon dated November 1, 2005. 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, 2005 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Livingston Parish School Board in a separate letter dated November 1, 2005.

#### 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 an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying Schedule of Findings and Questioned Costs as item 2005-1.

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

Respectfully submitted,

*Hannu L. Bourgeois, 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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November 1, 2005

Livingston Parish School Board  
Livingston, Louisiana

### Compliance

We have audited the compliance of the Livingston Parish School Board with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2005. 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, 2005.

#### Internal Control Over Compliance

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

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

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

Respectfully submitted,

*Hannu L. Bougeois, CPA*

**LIVINGSTON PARISH SCHOOL BOARD**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**FOR THE YEAR ENDED JUNE 30, 2005**

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

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

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>CFDA Number</u>
<u>United States Department of Agriculture</u> Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution Program	10.550
Passed Through Louisiana Department of Education: National Breakfast Program	10.533
National School Lunch Program	10.555
<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 \$300,000.
- The School Board was determined to be a low-risk auditee.

**LIVINGSTON PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2005**

**B. Findings - Financial Statements Audit**

**2005-1 - Failure to Amend Budget (LSA - R.S. 39:1301):**

**Finding**

During our current year audit, it was noted that actual expenditures exceeded the budgeted expenditures in the Maintenance of Schools Fund by \$271,255, which is greater than a 5% variance. State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more.

**Recommendation**

We recommend that management more closely monitor the expenditures and other financing uses and amend the budget as necessary to stay below the 5% variance as required by state law. This same finding has been noted in the past few years.

**Management's Response**

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

**LIVINGSTON PARISH SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE YEAR ENDED JUNE 30, 2005**

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

**Finding**

During our prior year audit, it was noted that actual expenditures exceeded the budgeted expenditures in the Maintenance of Schools Fund by \$269,153, in the Special Education Fund by \$202,019, and in the other Federal ESEA Fund by \$78,335 which are greater than a 5% variance. A portion of this funding is repeated again in the current year's schedule of findings and questioned costs as 2005-1. State law requires that budgets be amended when actual revenues are less than budgeted revenues or actual expenditures exceed budgeted expenditures and other financing uses exceed budgeted amounts by 5% or more.

**Recommendation**

We again recommend that management more closely monitor the expenditures and other financing uses and amend the budget as necessary to stay below the 5% variance as required by state law. This same finding has been noted in the past few years.

**Management's Response**

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

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

**Finding**

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

**Recommendation**

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

## **LIVINGSTON PARISH SCHOOL BOARD**

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

**FOR THE YEAR ENDED JUNE 30, 2005**

#### **Corrective Action Taken**

In the current year, the School Board has complied with the above revised statute regarding timely completion of their audit report. Capital asset and depreciation schedules were also prepared timely.

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

#### **Finding**

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

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

#### **Recommendation**

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

#### **Corrective Action Taken**

In the current year, there were no exceptions noted for the items we selected for testing of bid law provisions. Management plans to continue to comply with all provisions of the State procurement laws. Adequate documentation for any exemption will be documented and any need for clarifications will be provided by legal counsel.

**LIVINGSTON PARISH SCHOOL BOARD**

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

**FOR THE YEAR ENDED JUNE 30, 2005**

**2004-4 - Failure to Reconcile Payroll Cash Account:**

**Finding**

In the prior year, it was noted that the payroll checking account had not been reconciled since January 2004. Management stated that several attempts had been made to reconcile the account after the payroll module of the computer software conversion took place in January 2004. Subsequent to our fieldwork date, management was able to complete the necessary reconciliations through June 30, 2004.

**Recommendation**

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

**Corrective Action Taken**

In the current year, it was noted that the payroll checking account is now being reconciled in a timely fashion on a monthly basis.



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

**MANAGEMENT LETTER**

**JUNE 30, 2005**



**Hannis T. Bourgeois, LLP**

**Certified Public Accountants**

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November 1, 2005

Livingston Parish School Board  
Livingston, Louisiana

In planning and performing our audit of the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana, for the year ended June 30, 2005, 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 November 1, 2005, on the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana.

**CURRENT YEAR FINDINGS:**

**Finding:**

It was noted in the current year that the required documentation was not available that is necessary to perform agreed upon procedures to Schedule 6 – Class Size Characteristics of the statistical schedules required by R.S. 24:514 to be included in our audit report.

**Recommendation:**

We recommend the required reports on class size characteristics on the October 1<sup>st</sup> counts be produced and maintained so that we are able to perform the required agreed upon procedure test to the documents and statistics.

**Management Response:**

Management concurs with our recommendation and will exercise more care in the future in producing and maintaining the documents necessary for us to perform the required agreed upon procedures to the schedules required by R.S. 24:514.

**PRIOR YEAR FINDINGS:**

Schedules Required by R.S. 24:514

**Finding:**

During the prior year audit that numerous adjustments were necessary by School Board personnel to the various performance and statistical schedules required by R.S. 24:514 to be included in our audit report. As noted in our current year finding, the schedules necessary for us to test Schedule 6, Class Size Characteristics, was not kept on file as we requested, and the required reconciliations from randomly selected roll books to the teacher class schedule report were not able to be performed.

**Recommendation:**

We recommended more care be exercised in the future when these reports are originally prepared. We also recommended for the School Board personnel to prepare these schedules well in advance of the audit fieldwork and not wait until the completion of the audit to prepare these schedules. These schedules are included on a list of items to be prepared by you and are attached to the arrangement agreement. As noted above in our current year finding, we recommend for the required documentation be kept on file so that we can perform the necessary steps to verify the statistics being reported.

**Management Response:**

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

**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 Boards 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.

Athletic Event Tickets:

Finding:

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

Recommendation:

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

Corrective Action Taken:

During the current year, the School Board Management implemented procedures to reconcile ticket sales at athletic events with the cash collections and the deposit slip under the control of two individuals.

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,

*Harold J. Bourgeois, CPA*