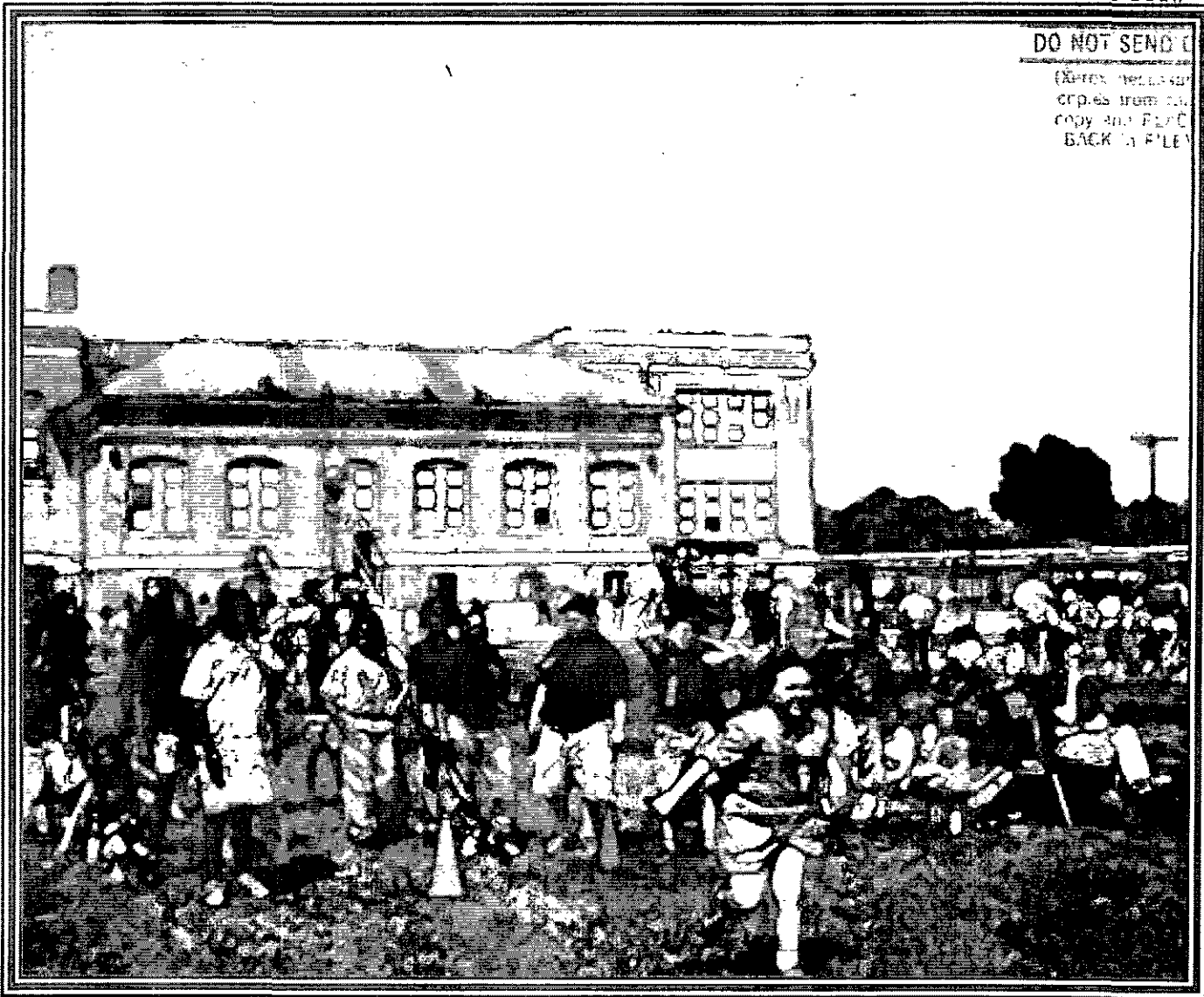


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Lafourche Parish School Board

Comprehensive Annual Financial Report

June 30, 2004

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

Release Date 12-29-04

LAFOURCHE PARISH SCHOOL BOARD



Seated from left: Constance Williams; Rebecca Duet; Stella Lasseigne; Ernest Reed (Superintendent); Dave DeFelice, Jr. (President); Loretta Duplantis; Rhoda Caldwell; Melanie Boulet. Standing from left: Al Archer; Larry Pitre; Gary Foret; Robert Naquin; Louis Thibodaux; Jon Callais; G.A. Rodrigue, Jr.; Roy Landry.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For Fiscal Year Ending
June 30, 2004*

LAFOURCHE PARISH SCHOOL BOARD
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 General Purpose Financial Report
 For the Year Ended June 30, 2004
 With Supplemental Schedules

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LAFOURCHE PARISH SCHOOL BOARD

COMPREHENSIVE ANNUAL FINANCIAL REPORT
General Purpose Financial Statements
For the Year Ended June 30, 2004
With Supplemental Schedules

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DAVE J. DEFELICE, JR., President

Ernest Reed, Jr., Superintendent

Lafourche Parish School Board

BUSINESS DEPARTMENT

P. O. BOX 879
THIBODAUX, LA 70302-0879

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FAX: 985 435-4651
Or 435-4660

EMAIL: dgaudet@lafourche.k12.la.us
HOME PAGE: <http://lafourche.k12.la.us/>

Transmittal Letter

December 2 2004

Members of the Lafourche Parish School Board
805 East Seventh Street
Thibodaux, Louisiana

The Lafourche Parish School Board is required to issue a complete set of financial statements *within six months of the fiscal year end*. These statements have been prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Therefore, we issue this comprehensive annual financial report of the Lafourche Parish School Board for the fiscal year ended June 30, 2004 in fulfillment of all report requirements.

MANAGEMENT REPRESENTATIONS

This report consists of management's representations concerning the finances of the Lafourche Parish School Board. Consequently, management assumes full responsibility for both the completeness and reliability of all of the information presented in this report. A reasonable basis for making these representations is based on a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the Lafourche Parish School Board's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Lafourche Parish School Board's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. We assert, as management, to the best of our knowledge and belief, that the enclosed report is complete and reliable in all material aspects.

AUDITOR'S OPINION

The School Board's financial statements are audited by Stagni & Company, LLC, a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Lafourche Parish School Board for the fiscal year ended June 30, 2004, are free of material misstatement. The independent audit involved examining,

on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a *reasonable basis for rendering an unqualified opinion that the Lafourche Parish School Board's financial statements for the fiscal year ended June 30, 2004, are fairly presented in conformity with GAAP.* The independent audit report is presented as the first component of the Financial Section of this report.

The independent audit of the financial statements of the School Board was part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements *require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.* These reports are available in the Single Audit part of the Financial Section.

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

PROFILE OF THE GOVERNMENT

The School Board is a legislative body authorized by Louisiana Revised Statute 17:51 to govern the public education system of Lafourche Parish, Louisiana. The 15 members on the board are elected and serve four-year concurrent terms. The main function of the School Board is to provide a full range of services appropriate for students in grade levels ranging from pre-school through grade 12. Services are also provided to students whose education experience has been interrupted to assume adult roles and responsibilities. The services provided include regular and enriched academic instruction, special instruction for children with disabilities, as well as vocational instruction. Other services such as assessment, library, transportation and food services are provided to augment the primary services or to promote the welfare of the students. This report includes all funds of the School Board.

This report excludes the financial information for the other units of parish government, such as the parish council and the municipalities, because they have independently elected parish officials or because the School Board has no oversight responsibility. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine the local supplement to their salaries. Accordingly, the School Board is not included in any other governmental reporting entity since the School Board members are elected by

the public and have decision-making power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

PHILOSOPHY, MISSION STATEMENT AND GUIDELINES

Philosophy: The philosophy of the Lafourche Parish School System is based on the belief that education is a cooperative effort among community, school personnel, parents, and students. This unique partnership must work in close harmony as a team. To nurture this ideal, the school system strives to promote a feeling of ownership as well as foster a desire for learning, while providing assistance to parents.

We believe all students can learn the basics of life. This learning best takes place in a safe environment where school personnel serve as positive role models. Such an environment encourages students to develop a sense of responsibility and an understanding of mutual dependence.

Both school and community recognize and respect the dignity and uniqueness of each student. This recognition and respect occur in a positive climate that is innovative, creative, and motivational for learning. As students are taught how to learn, they are encouraged to think critically, reach their potential, and learn to become functioning members of society.

We further believe that the school system shall have purpose and direction with clear goals and objectives in order to produce specific outcomes. The guiding principle in the decision-making process will always be what is in the best interest of the students.

Mission Statement: "To provide all students the opportunity to become fully functioning and contributing members of their society."

Guiding principles:

1. The community must share the responsibility for student learning.
2. All school personnel are teachers.
3. All classroom teachers must share the responsibility for student learning.
4. All parents must share in the responsibility for their children's education.
5. All students can learn.
6. All students must be given equal opportunity to learn.
7. All students must respect the rights of other students to learn.
8. All students must share in the responsibility of their learning.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment with which the School Board operates.

Local Economy: Lafourche Parish is located in South Louisiana approximately 50 miles west of New Orleans, which is the largest metropolitan area of the region. The largest segment of the economy is the oil and natural gas extraction industry but there are other aspects to the economy. LOOP, an offshore port, can offload tankers at a maximum rate of 1.4 million barrels per day. It accommodate large tankers that draught up to 110 feet or ones as small as 55,000 dead weight tons.

The Port Fourchon is located on 3,600 acres at the mouth of Bayou Lafourche. It will handle about 20 million tons of cargo this year. Its Multi-use Dock project is already in operation and other expansions to the Port are under way.

In addition to these segments, the parish has 59 farms operating on approximately 34,000 acres of sugar cane, and 1,600 fishing and 57 aquaculture producers that provide millions of dollars to the economy. The economy also includes agricultural-implement manufacturing, shipbuilding and machine fabrication.

The Lafourche economy suffered a minor set back when the Houma-Thibodaux MSA lost 2,100 jobs in 2004 mostly due to the decline in activity of the local oil field industry. Even considering this job loss, The Louisiana Economic Outlook: 2005 and 2006 authored by Dr. Loren C. Scott, Dr. James A. Richardson and Dr. A. M. M. Jamal is predicting 2,200 new jobs over the next two years. Also, the job loss has not resulted in less revenue for the School Board. Sales and use tax collections increased by \$1.2 million and the total of net assessed property grew by \$13.5 million during the fiscal year. The growth in sales tax has continued into the next fiscal year with the result of a 5% increase for the first two months.

Long-term financial planning: During the 2003 fiscal year, the Transition Team which was impaneled for the 1997 Bond issue worked with the South Central Planning and Development Commission and the architectural firm of Gossen-Gasaway-Holloway, Ltd. to determine the facility needs of the elementary and middle schools. The Team worked to determine the optimum grade configuration and the current state of repair for the buildings currently in use for those grade levels. As a result of these efforts, South Central Planning and Development Commission published the Lafourche Parish School Board: Assessment and Facilities Development Plan while the architectural firm of Gossen-Gasaway-Holloway, Ltd. published the Architectural Needs Assessment Document of the Middle and Elementary Schools for the Lafourche Parish School Board.

These two documents became the basis of a bond election call on July 19, 2003. On that day, the School Board passed a bond referendum of \$50 million by a vote of 3,004 for and 1,009 against. Since the election, School Board was been able to sell \$10 million in December of 2003 with a composite interest rate of 4.32478% and \$20 million in June of 2004 with a composite interest rate of 4.572434%.

Cash Management: The School Board funds available for investment and the methods of investment were as follows:

CATEGORY	2004 (millions)	2003 (millions)
Cash on hand and in demand deposits	\$12.8	\$10.8
LAMP	\$65.8	\$39.4
Time Deposits	\$0.6	\$0.4
Total Cash Equivalents	\$79.2	\$50.6

The School Board has a policy of depositing funds in either interest bearing demand accounts or certificates of deposit in commercial banks secured by pledged securities and federal deposit insurance. The School Board also deposited funds in the Louisiana Asset Management Pool (LAMP), which provided a higher rate than certificates of deposit with a maturity of less than one year and has been safer than directly purchasing securities of the U. S. Treasury.

The 2003 Construction Fund had its cash and cash equivalents balance increase by \$29 million due to the sale of the first \$30 million in general obligation bonds. Also, the cash and cash equivalents balance in the Debt Service Fund increased \$2.8 million, the balance in the Group Insurance Fund increased \$2 million, and the balance in the General Fund declined \$5 million. Because lows interest rates continue to be at record lows interest revenue declined \$174,000.

Risk Management: The School Board provided workers compensation coverage for its employees using a self-insured retention of \$300,000 for each workers compensation claim with an aggregate limit of about \$1.9 million. The School Board used F. A Richard and Associates for third-party administrative services for this program. The restricted net assets for worker's compensation reached \$4 million by June 30.

The School Board's self-funded group health insurance program had a self-insured retention of \$150,000 for each medical claim. The School Board used United Healthcare for third-party administrative and re-insurance services for this program through December of 2003 when it switched to Benefits Management Services for the TPA services and Highmark Life Insurance Company for re-insurance coverage. The restricted net assets total in the Group Health Insurance Fund was \$2 million at June 30.

The Board maintained a \$100,000 deductible for general liability, and automobile fleet losses with a \$1 million limit per occurrence, a \$2 million aggregate and a \$2 million umbrella excess limit. The School Board used F. A Richard and Associates for third-party administrative services for these programs. The School Board also had a building and contents policy that had a \$500,000 (or 2% of loss) deductible for building and content losses due to wind and hail, and a \$250,000 deductible for

building and content losses from other perils. The policy had a \$60 million aggregate limit. These programs have been accounted for in the General Fund, which uses its unreserved fund balance of \$1.9 million at June 30 to serve the same purpose as the restricted net assets balance has served in the Workers Compensation and Group Health Insurance Funds.

ACKNOWLEDGMENTS

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Business Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,

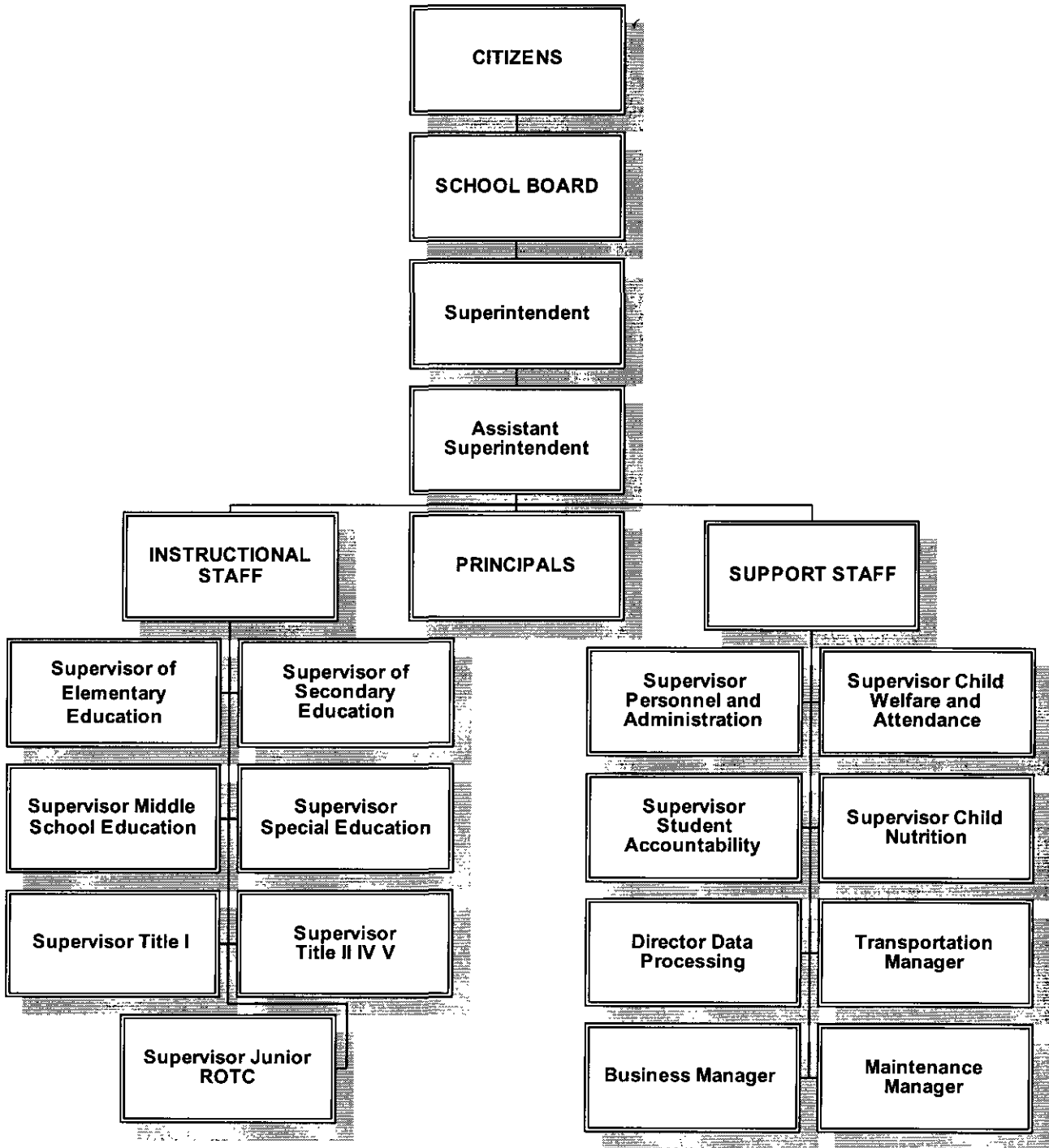


Ernest Reed
Superintendent



Don Gaudet
Business Manager

LAFOURCHE PARISH SCHOOL BOARD
Organizational Structure



LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

Principal Officials

<u>SCHOOL BOARD MEMBERS</u>	<u>DISTRICT</u>
Louis E. Thibodaux, vice president.....	1
Rhoda Caldwell	2
Constance Thompson Williams.....	3
Robert P. Naquin	4
Stella C. Lasseigne.....	5
G. A. Rodrigue, Jr.....	6
Gary Foret	7
Dave J. DeFelice, Jr., president	8
Loretta Duplantis	9
Melanie Boulet.....	10
Roy Landry	11
Jon C. Callais	12
Al Archer.....	13
Larry Pitre	14
Rebecca Duet.....	15

<u>ADMINISTRATORS</u>	<u>POSITION</u>
Ernest Reed, Jr... ..	Superintendent
Gary Babin	Assistant Superintendent
Francis Rodriguez	Supervisor of Elementary Education
Leonard St. Pierre	Supervisor of Secondary Education
Pamela Folse	Supervisor of Middle Schools
Linda Dangerfield	Supervisor of Special Education
Van Cheramie	Supervisor of Title I
John "Chris" Bowman, III.....	Supervisor of Titles II IV & V
Lt. Col. Arthur Rice	Supervisor of Junior ROTC
Joann Matthews	Supervisor of Personnel and Administration
Ray Bernard	Supervisor of Child Welfare and Attendance
Frank Pasqua	Supervisor of Child Welfare and Attendance
Marian Fertitta	Supervisor of Student Accountability
Dr. Faye Robichaux.....	Supervisor of Child Nutrition Programs
Britt Ledet.....	Director of Data Processing
Royce Doucet.....	Transportation Manager
Don Gaudet.....	Business Manager
Aaron Breaux	Maintenance Manager

LAFOURCHE PARISH SCHOOL BOARD
Management's Discussion and Analysis
June 30, 2004

FINANCIAL HIGHLIGHTS

This section contains a narrative overview and analysis of the financial activities of the Lafourche Parish School Board for the fiscal year ended June 30, 2004. You, as the reader of these statements, are encouraged to consider the information presented here along with the information that is furnished in the letter of transmittal. This section is prepared to give you management's perspective of the information contained in the financial statements.

- The total of assets reported in the government-wide statements is \$142.2 million up \$30.8 million from preceding year due to the sale of \$30 million of general obligation bonds. Also, net assets, the amount by which assets exceeded liabilities, is \$53.5 million (up \$2.7 million from preceding year).
- Total governmental fund revenues in 2004 were \$113.4 million compared to \$110.7 million in 2003, an increase of \$2.8 million. Tax revenue grew by \$1.8 million, federal grant revenue increased by \$1.3 million, and the Minimum Foundation program grew by \$727,000
- Total governmental fund expenditures in 2004 were \$115.7 million up by \$201,000 from 2003. Group health insurance expenditures rose by \$1 million and retirement expenditures grew by \$1 million. On the other hand, contract service expenditures declined by \$1.7 million and construction cost declined by \$768,000.
- Governmental fund balances in 2004 were \$59 million compared to \$31.3 million in 2003. Reserved Fund balances were \$57.1 million compared to \$26.4 for the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Lafourche Parish School Board's basic financial statements. The School Board's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS: The government-wide financial statements are designed to provide readers with a broad overview of the Lafourche Parish School Board's finances, in a manner similar to a private-sector business.

The Statement of Net Assets (Statement A) presents information on all of the School Board's assets and liabilities, with the difference between the two

reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Lafourche Parish School Board is improving or deteriorating.

The Statement of Activities (Statement B) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements of the Lafourche Parish School Board present only functions principally supported by taxes and functions of the intergovernmental revenues (governmental activities). The School Board does not have any functions that are intended to recover all or a significant portion of their cost through user fees and charges (business type activities).

The government-wide financial statements include only Lafourche Parish School Board itself (known as the primary government). The School Board does not have any component units that need to be reported separately from the financial information of the primary government.

FUND FINANCIAL STATEMENTS: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Lafourche Parish School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School Board can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet:

Governmental Funds (Statement C) and the Statement Of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds (Statement D) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Lafourche Parish School Board maintains eleven individual governmental funds. Information is presented separately in the Balance Sheet: Governmental Funds (Statement C) and in the Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds (Statement D) for the General, the 1997 Construction, the Air Conditioning Maintenance and the Debt Service Funds, all of which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The School Board adopts an annual appropriated budget for its governmental funds. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual (Statement F) is a budgetary comparison statement that has been provided for the governmental to demonstrate compliance with this budget.

Proprietary funds. The Lafourche Parish School Board maintains two proprietary type funds. The School Board uses these internal service funds as accounting devices to accumulate and allocate costs internally among the School Board's various functions for its self-funded workers compensation and group health insurance programs. Because the services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Statements G, H and I are the proprietary fund financial statements provide separate information for the Workers Compensation and Group Health Insurance Funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Lafourche Parish School Board's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Statements J and K are for the fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes the report also provides additional information. Schedules 1 and 2 are the combining statements referred to earlier in connection with non-major governmental funds. Schedule 3 presents information concerning board member compensation that is required by the state. Finally, Schedule 4 is the schedule federal assistance required as part of the "Single Audit".

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section contains the analysis of the School Board's financial operations using the government-wide perspective. The following table presents key totals from Statement A Statement of Net Assets:

CATEGORY (\$millions)	June 30, 2004	June 30, 2003	Increase (decrease)
Current and other assets	\$81.7	\$51.5	\$30.2
Capital assets	60.5	59.9	0.6
Total assets	\$142.2	\$111.4	\$30.8
Current and other liabilities	\$16.2	\$15.9	\$0.3
Long-term liabilities	72.5	44.6	27.9
Total liabilities	\$88.7	\$60.5	\$28.2
Invested in capital assets, net of related debt	(\$5.5)	\$22.3	(\$27.7)
Restricted	41.7	12.7	29.0
Unrestricted	17.3	15.9	1.4
Total net assets	\$53.5	\$50.9	\$2.7

Cash and cash equivalents was the largest component of current and other assets amounting to \$72.6 million of the total which was about \$28.8 million more than in the prior year. As stated earlier in this report, the cash and cash equivalents balance in the 2003 Construction Fund increased \$29 million due to the sale of the first \$30 million in general obligation bonds of \$50 million in bonds that has been authorized. Also, the cash and cash equivalents balance in Debt Service increased \$2.8 million, the Group Insurance Fund increased \$2 million, and General Fund declined \$5 million.

The largest segment of total liabilities was general obligations bonds payable, which was about \$65.9 million. The general obligation bonds payable balance grew by \$28.3 million mostly due to \$30 million in bond sales that were completed during the 2004 fiscal year. Since there is a lag time between the sale of bonds and the construction of the infrastructure that the bonds fund, the balance of Invested in Capital Assets, Net of Related debt decreased by \$27.7 million. This is because the increase in bonds is netted against this balance, but the unused proceeds are accounted for in the Restricted Net Assets category.

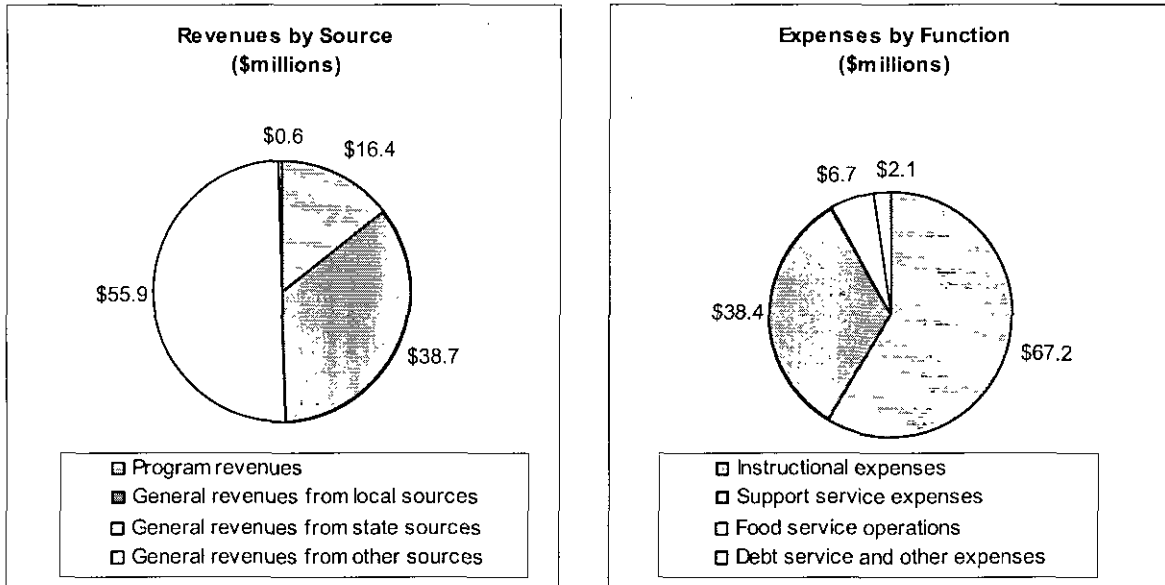
LAFOURCHE PARISH SCHOOL BOARD
Management's Discussion and Analysis
June 30, 2004

Total Net Assets increased by \$2.7 million. The main change in this category due to the activities associated with the 2003 Construction Fund which increased by \$29.9 million. The final major increase in net assets is the result of the activities associated with the self-funded Group Health program which increased net assets by \$2.2.

The following represents a recap of the information presented in Statement B Statement of Activities:

Category (\$millions)	June 30, 2004	June 30, 2003	Increase (decrease)
Program revenues	\$16.4	\$15.4	\$1.0
General revenues from local sources	39.8	38.7	1.1
General revenues from state sources	56.7	55.9	0.7
General revenues from other sources	0.6	0.6	0.0
Total revenues	\$113.4	\$110.7	\$2.8
Instructional expenses	64.8	67.2	(2.4)
Support service expenses	37.1	38.2	(1.1)
Food service operations	6.5	6.7	(0.2)
Debt service and other expenses	2.4	2.1	0.3
Total expenses	\$110.8	\$114.2	(\$3.4)
Changes in net assets	2.7	(3.5)	6.2
Net Assets - beginning	50.9	54.4	(3.5)
Net Assets - ending	\$53.5	\$50.9	\$2.7

The following shows the distribution of governmental revenues and expenses:



In the fiscal year 2004, revenues rose from \$110.7 million to \$113.4 million. The School Board realized an increase in federal funding of \$1.3 million mostly due to the Individuals with Disabilities grants that went up by \$628,000 and the Improving America's Schools Title II grant that went up by \$499,000. Sales and Use Tax revenue increased by \$1.2 million while Ad Valorem Tax revenue increased by \$659,000. The last of the increases came from the State's *Minimum Foundation Program* which went up by about \$727,000. The major decrease came from Earnings on 16th Section Property which fell by \$713,000

Expenses in fiscal year 2004 decreased from \$114.2 million to \$110.8 million. The largest impact on expenses was from employee group insurance expense which decreased by \$2.2 million. The decrease is the net effect of two separate factors. First the School Board had to increase premiums because of excessive claims cost it incurred in the first year of self-funding. The increase cost the system \$1 million in fiscal year 2004. The other change in employee group insurance expenses was from the fact the claims cost in the second year of self-funding improved greatly resulting in \$2.2 million in excess of premiums over cost.

The School Board also realized \$1.7 million in savings by reducing the amount of contract services it used. Most of these services were for substitute and part-time positions. Finally, expenses were increased by \$1 million for retirement payments. The teachers retirement rate changed from 13.1% to 13.8% and school employees retirement rate changed from 0% to 8.5%. The school

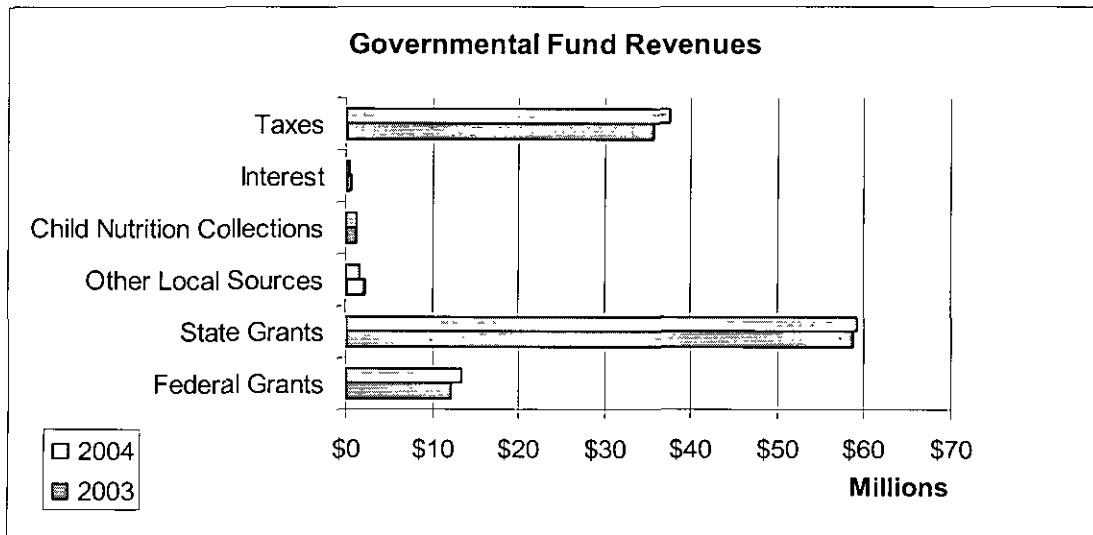
employees rate had been 0% because of an employer credit that had built up for about two years, but which is no longer available.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Lafourche Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

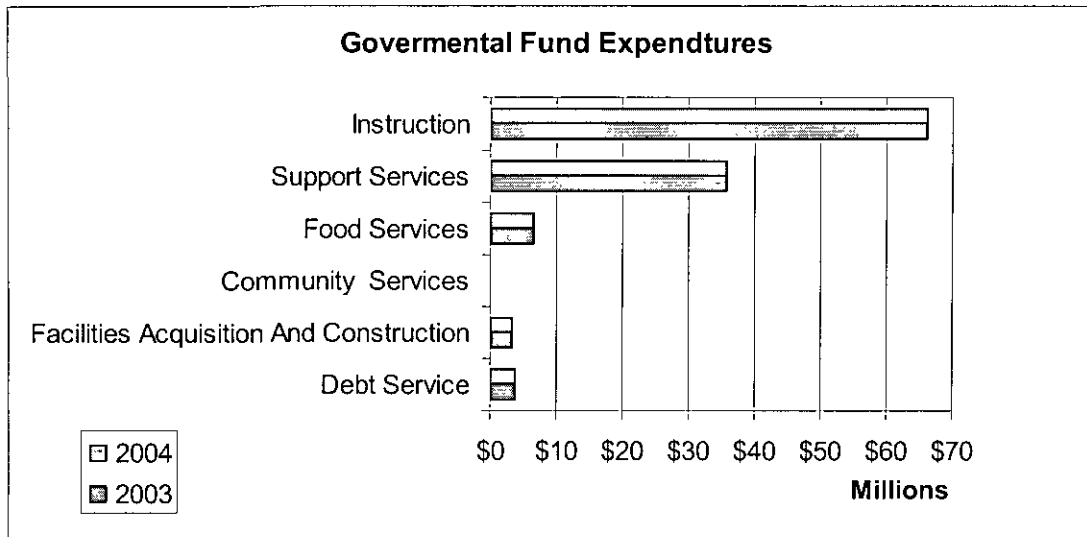
Governmental Funds: The focus of the Lafourche Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The following is a recap and analysis of revenues by source for the 2004 and 2003 fiscal years for all governmental fund types as shown in Table 2 and 2A: Revenues in 2004 are \$113.4 million up from \$110.7 in 2003.



The explanations of the changes in governmental fund revenue are the same as those stated for the changes contained in the government-wide financial analysis.

The following is a recap and analysis of expenditures by program for the 2004 and 2003 fiscal years for all governmental fund types as shown in Table 1:



Governmental fund expenditures were \$115.7 in 2004 million up from \$115.5 million in 2003. The explanations of changes in governmental fund expenditures are the same as those stated for the changes contained in the government-wide financial analysis except for the following. The savings attributed to the self-funded group health program are not recognized in the governmental fund expenditures. However, the reduction of construction expenditures in the amount of \$768,000 are included in governmental fund expenditures but are not included in government-wide expenses.

Proprietary Funds: The Group Health Insurance Fund that ended its third fiscal year with net asset balance of \$2 million. The Fund continues to recover from its rocky start by a combination of factors. Beginning with January 2003, the School Board changed the benefit structure (such as increasing the office co-pay feature from \$30 to \$50). Because of this change and because of better claims experience, claims cost was reduced by \$1.9 million. The School Board also increased the employer and employee share of premiums which resulted in 2004 premium revenue exceeding 2003 by \$1.3 million. These changes combined to produce a remarkable turn around from having expenditures exceed revenues by \$1.2 million to having revenues exceed expenditures by \$2 million.

The Workers Compensation Fund ended with a net asset balance of \$4 million, up \$160,000 from the prior. Interest revenue dropped \$20,700 but premium revenue increased by \$55,300. On the expenditure side, the main change was the reduction in claims expenditures in the amount of \$24,000.

LAFOURCHE PARISH SCHOOL BOARD
 Management's Discussion and Analysis
 June 30, 2004

Fiduciary Funds: The School Board has two fiduciary funds that it uses to account for the assets it holds in trust. The School Activities Fund accounts for the funds that the individual schools handle. At June 30, the schools had assets equaling \$2.8 million, which was slightly up from the previous year level of \$2.7 million.

The School Board also collects sales and use taxes for itself and the tax levying authorities in the parish. At June 30, the fund had total assets amounting to \$8.5 up from the prior year total of \$7.7 million. The total taxes collected for the fiscal year amounted to \$45.4 million which was \$2 million more than was collected in the previous fiscal year.

GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS

Governmental Fund Balance:

The Budget Comparison Statements (Statement F) displays an original and a final budget column. The following tables contains the summary of budgeted revenue changes:

CATEGORY (\$millions)	GENERAL FUND	AIR CONDITIONING MAINTENANCE FUND	DEBT SERVICE FUND
Original Budget Revenues	\$84.9	\$2.9	\$6.5
Increase In Federal Grant Revenue based on current approvals (includes carryover grants)	0.2		
Increased Sales and Use Tax Revenues based on current experience	0.7		
Increased MFP to reflect current award letter	(0.3)		
Increased Ad Valorem Tax Revenue due to increases in assessed values	0.1		0.1
Increased Medicare Revenues based on current experience	0.2		
Decreased Interest Revenue because of lower rates	(0.1)		
Increased Earnings on 16th Section Property based on current oil and gas royalty payments	0.2		
Total revenue amendments	\$0.8		\$0.1
Amended budget revenues	\$85.7	\$2.9	\$6.6

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 Management's Discussion and Analysis
 June 30, 2004

The following tables contains the summary of budgeted expenditure changes:

CATEGORY (\$millions)	GENERAL FUND	AIR CONDITIONING MAINTENANCE FUND	DEBT SERVICE FUND
Original Budget Expenditures	\$89.1	\$2.8	\$3.8
Increase in Salaries due to 13th check, state mandated raises and federal grant changes	.7		
Non-Salary changes due to changes in Federal Grant Revenue	0.2		
Increase in benefit cost associated with salary and rate changes	0.8		
Change in Debt Service schedule			0.2
All other changes	0.2	0.1	
Total expenditure amendments	1.2	0.1	0.2
Amended budget expenditures	\$90.3	\$2.9	\$4.0

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The net balance in capital assets for the School Board at June 30 was \$60.5 million. The following is a recap of the capital asset balances.

CATEGORY (\$millions)	COST	ACCUMULATED DEPRECIATION	NET BALANCE	
			2004	2003
Land	\$1.6		\$1.6	\$1.6
Buildings and Improvements	\$79.3	\$24.9	54.4	52.8
Furniture and Equipment	\$10.6	7.8	2.8	2.9
Construction in Progress	\$1.7		1.7	2.6
Total	\$93.2	\$32.7	\$60.5	\$59.9

The largest increase in net asset value was from building renovation and construction activities accounted for in the 1997 and 2003 Construction Funds.

Long-term Debt: The School Board had \$65.9 million in general obligation bonds payable on June 30, 2004 and it had a Debt Service Fund balance of \$15.1 million.

Debt service expenditures were only 3.3% of general governmental expenditures (governmental expenditures less 1997 Construction Fund expenditures) and were \$552 per capita. The School Board's net bonded debt was 12.5% of assessed value, which was up from 7.4% in the prior year.

LAFOURCHE PARISH SCHOOL BOARD
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June 30, 2004

The Board's current bond rating from Moody's Investors Service is A3 and from Standard and Poor's is A-. The ratings have remained stable for the past five years.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following table contains the summary for the 2005 Comprehensive Original Budget.

	TOTAL BUDGET	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUND
Local Sources	39.7	25.9	7.1	6.7
State Sources	60.9	59.6	1.3	
Federal Sources	14.1	1.3	12.7	
Total Revenues	114.7	86.8	21.1	6.7
Instructional Services	70.0	62.8	7.2	
Support Services	30.7	26.7	3.8	0.2
Other Services	6.7	0.3	6.4	
Facility Acquisition and Construction	0.8		0.8	
Debt Service	5.4	0.1		5.3
Total Expenditures	113.6	89.9	18.2	5.5
OTHER FINANCING SOURCES (USES):		2.6	(2.6)	
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	1.1	(0.5)	0.4	1.2
BEGINNING FUND BALANCE	30.0	4.8	10.3	14.9
ENDING FUND BALANCE	31.1	4.3	10.7	16.1

Highlights of the changes to the 2005 Comprehensive Original Budget:

	General Fund	Special Revenue Funds	Debt Service Fund	Total Change from Prior Budget
REVENUE CHANGES:				
Decreased Federal Grant Revenue based on current approvals (includes carryover grants)	(\$0.3)	(\$2.1)	\$0.0	(\$2.4)
Removed special assessments from Sales and Use Tax Revenues experience	(0.3)	0.0	0.0	(0.3)
Increased MFP to reflect current award letter	1.0	0.0	0.0	1.0
Increased Ad Valorem Tax Revenue due to increases in assessed values	0.1	0.1	0.1	0.3
Increased State Restricted mainly due to Excellence in Education Funding	0.8	0.0	0.0	0.8
Reduced Earnings on 16th Section Property based on current oil and gas royalty payments	(0.3)	0.0	0.0	(0.3)
Other revenue changes	0.0	0.0	0.0	0.0
Total Revenue Changes	\$1.0	(\$2.0)	\$0.1	(\$0.9)

LAFOURCHE PARISH SCHOOL BOARD
 Management's Discussion and Analysis
 June 30, 2004

	General Fund	Special Revenue Funds	Debt Service Fund	Total Change from Prior Budget
EXPENDITURE CHANGES:				
Removed salaries and benefits associated with 13th check distributed in June 2004	(\$1.5)	\$0.0	\$0.0	(\$1.5)
Reduced salaries and benefits associated with reduction in force actions	(2.6)	0.0	0.0	(2.6)
Changes associated with Federal Grants	(0.3)	(2.1)	0.0	(2.4)
Increase benefits due to rate changes in retirement and employee insurance	1.9	0.0	0.0	1.9
Increase salaries and benefits associated with mandated state salary increases	0.5	0.0	0.0	0.5
Change in Debt Service schedule	0.0	0.0	1.5	1.5
All other changes	(0.1)	0.0	0.0	(0.1)
Total expenditure changes	(\$2.1)	(\$2.0)	\$1.5	(\$2.6)

The tax rates that will be effective in the 2005 fiscal year are as follows:

TYPE	RATE
Constitutional	3.93 Mills
Regular Maintenance	7.49 Mills
Salary Supplement	7.49 Mills
Air Conditioning Maintenance	7.49 Mills
Bond and interest	17.20 Mills
TOTAL	598.5 Mills
Sales and Use Tax	2%

The rates in effect for fiscal year 2005 are the same as they were in fiscal year 2004.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Lafourche Parish School Board's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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 Business Manager
 Lafourche Parish School Board
 P. O. Box 879
 Thibodaux, LA 70302-0879
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STAGNI & COMPANY, LLC

INDEPENDENT AUDITOR'S REPORT

To the Lafourche Parish School Board
Thibodaux, Louisiana

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

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

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

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the *Lafourche Parish School Board's basic financial statements*. The Supplemental Information Section and Statistical Section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the Statistical Section as marked Unaudited in the table of contents on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements; and, in our opinion, the information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, *Audits of 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 accompanying financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the accompanying financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 2, 2004 on our consideration of the Lafourche Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Stagni & Company

Thibodaux, Louisiana
December 2, 2004



LAFOURCHE PARISH SCHOOL BOARD
Statement of Net Assets
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

Statement A

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	
	6/30/04	6/30/03
ASSETS		
Cash and cash equivalents	\$72,617,276	\$43,786,914
Cash with fiscal agents	127,420	65,537
Receivables (net of allowance for uncollectibles)	4,289,635	3,544,989
Due from agency fund	3,522,527	2,872,443
Prepaid Insurance	922,079	990,638
Inventory, at cost	263,269	243,496
Capital assets (net of accumulated depreciation)		
Land	1,569,887	1,569,887
Buildings and improvements	54,390,995	52,804,215
Equipment	2,776,621	2,897,899
Construction in progress	1,742,955	2,610,850
	\$142,222,664	\$111,386,868
LIABILITIES		
Accounts payable	\$1,041,706	\$1,052,590
Salaries and wages payable	12,387,759	11,873,938
Accrued employee benefits - estimated liability for claims outstanding	2,444,162	2,640,569
Intergovernmental payable		
Deposits subject to refund	386,878	329,649
Non-current Liabilities		
Due within one year	2,816,291	2,023,626
Due in more than one year	69,667,879	42,600,468
Total Liabilities	88,744,675	60,520,840
NET ASSETS		
Invested in capital assets, net of related debt	(5,464,542)	22,267,851
Restricted for:		
Debt service	15,123,203	12,239,197
Capital projects	26,550,793	422,829
Unrestricted	17,268,535	15,936,151
Total net assets	53,477,989	50,866,028
	\$142,222,664	\$111,386,868
TOTAL LIABILITIES AND NET ASSETS	\$142,222,664	\$111,386,868

See notes to the financial statements.

LAFOURCHE PARISH SCHOOL BOARD
Statement of Activities
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

Statement B

	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT TOTAL GOVERNMENTAL ACTIVITIES	
				6/30/04	6/30/03
Instruction:					
Regular programs	\$40,434,737		\$1,867,038	\$(38,567,699)	\$(41,561,499)
Special programs	15,783,895		2,177,066	(13,606,829)	(14,139,870)
Other programs	8,544,924		5,429,738	(3,115,186)	(3,104,963)
Support services:					
Pupil support	5,220,075		503,101	(4,716,974)	(4,632,607)
Instructional staff support	5,662,807		1,192,229	(4,470,578)	(5,104,406)
General administration	4,132,211		2,621	(4,129,590)	(3,842,374)
School administration	5,351,246		38,446	(5,312,800)	(5,384,261)
Business services	1,303,749		2,620	(1,301,129)	(1,177,586)
Operation and maintenance	8,754,979		82,749	(8,672,230)	(9,352,203)
Pupil transportation	5,721,887		469,306	(5,252,581)	(4,954,056)
Central services	1,009,889		30,491	(979,398)	(1,339,042)
Food service operations	6,468,308	\$1,244,868	3,367,971	(1,855,469)	(2,068,729)
Community service operations	6,423			(6,423)	(10,705)
Facilities acquisition and construction	355,460			(355,460)	240
Debt service:					
Interest and bank charges	2,065,969			(2,065,969)	(2,046,463)
Total governmental activities	110,816,559	1,244,868	15,163,376	(94,408,315)	(98,718,524)

General revenues:

Local sources:

Ad valorem taxes	16,974,543	16,341,368
Sales and use	20,057,900	18,868,897
Other	518,921	489,974
Rentals, leases, royalties	767,688	1,480,750
Earnings on investments	489,505	664,308
Other local	964,645	866,114

State sources:

Grants not specific to programs	56,232,560	55,504,648
Revenue in lieu of taxes	401,923	400,025
Revenue for or on behalf of LEA	24,671	24,343

Federal sources:

Grants not specific to programs	338,354	348,692
Revenue for/on behalf of LEA	308,697	317,429

Other:

Gain (loss) on disposal of capital assets	(59,131)	(88,163)
Total general revenues	97,020,276	95,218,385
Changes in net assets	2,611,961	(3,500,139)
Prior period adjustment		739,235
Net Assets - beginning	50,866,028	53,626,932
Net Assets - ending	\$53,477,989	\$50,866,028

See notes to the financial statement.

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LAFOURCHE PARISH SCHOOL BOARD
 Balance Sheet: Governmental Funds
 For the Year Ended June 30, 2004
 (With comparative totals for the year ended June 30, 2003)

	GENERAL	CONSTRUCTION FUNDS	AIR CONDITIONING MAINTENANCE
Cash and cash equivalents	\$9,968,744	\$29,011,181	\$5,490,970
Cash with fiscal agents	23,982		
Receivables	2,034,316		13,231
Interfund receivable	4,903,268	165,940	
Inventory, at cost			
TOTAL ASSETS AND OTHER DEBITS	\$16,930,310	\$29,177,121	\$5,504,201
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$600,499	\$219,664	\$150,847
Salaries and wages payable	11,314,762	337	2,067
Interfund payable	165,940		
Intergovernmental payable			
Deferred Revenues	89,362		58,610
Total Liabilities	12,170,563	220,001	211,524
Fund Balances			
Reserved for encumbrances	729,348	2,406,327	365,997
Reserved for salaries	2,035,090		
Reserved for textbooks			
Reserved for technology	47,187		
Reserved for air-conditioning maintenance			\$4,926,680
Reserved for school food service			
Reserved for debt service			
Reserved for capital projects		26,550,793	
Unreserved - reported in General Fund	1,948,122		
Total Equity and Other Credits	4,759,747	28,957,120	5,292,677
TOTAL LIABILITIES AND FUND EQUITY	\$16,930,310	\$29,177,121	\$5,504,201

Amounts reported for governmental activities in the statement of net assets are different because:

The unexpired portion of insurance is reported as an asset in governmental activities but the entire amount paid is included as an expenditure in the funds.

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Internal Service funds are used by management to charge the cost of worker's compensation and group health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Net assets of governmental activities (Statement A)

See notes to the financial statement.

DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
		6/30/04	6/30/03
\$15,232,494	\$4,971,854	\$64,675,243	\$37,880,163
		23,982	2,867
30,383	2,211,705	4,289,635	3,544,989
		5,069,208	4,545,087
	263,269	263,269	243,496
\$15,262,877	\$7,446,828	\$74,321,337	\$46,216,602

	\$47,578	\$1,018,588	\$1,012,779
	1,069,665	12,386,831	11,872,631
	1,380,741	1,546,681	1,674,495
139,674	99,232	386,878	329,649
139,674	2,597,216	15,338,978	14,889,554

		3,501,672	1,098,924
	1,636,412	3,671,502	3,709,096
			1,077
		47,187	32,003
		4,926,680	5,718,565
	3,213,200	3,213,200	3,176,663
15,123,203		15,123,203	12,239,197
		26,550,793	422,829
		1,948,122	4,928,694
15,123,203	4,849,612	58,982,359	31,327,048
\$15,262,877	\$7,446,828		

	818,877	\$990,638
	60,480,458	59,882,851
	6,164,143	3,879,061
	(72,967,848)	(45,213,570)
	\$53,477,989	\$50,866,028

LAFOURCHE PARISH SCHOOL BOARD
Statement of Revenues, Expenditures, and Changes in
Fund Balances: Governmental Funds
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

	GENERAL	CONSTRUCTION FUNDS	AIR CONDITIONING MAINTENANCE
REVENUES			
<u>Local sources:</u>			
Taxes:			
Ad valorem	\$4,446,083		\$2,916,040
Sales and use	20,057,900		
Other	516,661		
Rentals, leases, royalties	767,688		
Earnings on investments	128,778	\$74,548	\$54,124
Food service collections			
Other local	964,645		
<u>State sources:</u>			
Unrestricted grants-in-aid	54,946,060		
Restricted grants-in-aid	2,375,698		
Revenue in lieu of taxes	401,923		
Revenue for or on behalf of LEA	24,671		
<u>Federal sources:</u>			
Unrestricted grants-in-aid - direct	1,192		
Restricted grants-in-aid - direct	166,299		
Restricted grants-in-aid - subgrants	1,152,787		
Revenue for/on behalf of LEA			
Total revenues	85,950,385	74,548	2,970,164
 EXPENDITURES			
<u>Instruction:</u>			
Regular programs	41,177,620	51,862	
Special programs	14,004,635		
Other programs	4,523,796		
<u>Support services:</u>			
Pupil support	4,875,102		
Instructional staff support	4,952,643		
General administration	1,425,422	49,646	93,203
School administration	5,528,459		11
Business services	1,329,782		
Operation and maintenance	7,031,271	6,654	1,819,148
Pupil transportation	5,850,254		
Central services	996,232		
Food service operations	293,809		
Community service operations	6,423		
Facilities acquisition and construction	11,862	1,719,656	1,483,690

See notes to the financial statements.

DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
		6/30/04	6/30/03
\$6,696,380	\$2,916,040	\$16,974,543	\$16,341,368
		20,057,900	18,868,897
		516,661	489,974
		767,688	1,480,750
\$128,593	40,327	426,370	589,460
	1,244,868	1,244,868	1,248,274
	2,260	966,905	866,114
	1,286,500	56,232,560	55,504,648
		2,375,698	2,708,935
		401,923	400,025
		24,671	24,343
		1,192	32,154
	116,040	282,339	285,676
	11,689,714	12,842,501	11,505,836
	308,697	308,697	317,429
6,824,973	17,604,446	113,424,516	110,663,883
	266,342	41,495,824	42,358,577
	2,133,196	16,137,831	15,416,442
	4,190,572	8,714,368	8,394,897
	467,000	5,342,102	5,000,536
	847,718	5,800,361	6,342,137
214,031	93,793	1,876,095	2,123,735
		5,528,470	5,337,259
	1,425	1,331,207	1,198,678
	62,265	8,919,338	9,152,207
	101,022	5,951,276	5,279,028
	30,491	1,026,723	1,361,846
	6,323,244	6,617,053	6,579,007
		6,423	10,705
		3,215,208	3,226,680

LAFOURCHE PARISH SCHOOL BOARD
Statement of Revenues, Expenditures, and Changes in
Fund Balances: Governmental Funds
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

	GENERAL FUND	1997 CONSTRUCTION FUND	AIR CONDITIONING MAINTENANCE
<u>Debt service:</u>			
Principal retirement	75,000		
Interest and bank charges	9,033		
Total expenditures	92,091,343	1,827,818	3,396,052
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	\$(6,140,958)	\$(1,753,270)	\$(425,888)
<u>OTHER FINANCING SOURCES (Uses)</u>			
<u>REVENUES</u>			
Transfers in (out)	2,488,129		
Sales of fixed assets			
Proceeds of bond sale		30,000,000	
Total other financing sources (uses)	2,488,129	30,000,000	NONE
<u>NET CHANGES IN FUND BALANCES</u>	(3,652,829)	28,246,730	(425,888)
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	8,412,576	710,390	5,718,565
<u>FUND BALANCES AT END OF YEAR</u>	\$4,759,747	\$28,957,120	\$5,292,677

See notes to the financial statement

DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
		6/30/04	6/30/03
1,670,000		1,745,000	1,674,663
2,056,936		2,065,969	2,046,463
3,940,967	14,517,068	115,773,248	115,502,860
\$2,884,006	\$3,087,378	\$(2,348,732)	\$(4,838,977)
	(2,488,129)		
	4,043	4,043	2,100
		30,000,000	400,000
NONE	(2,484,086)	30,004,043	402,100
2,884,006	603,292	27,655,311	(4,436,877)
12,239,197	4,246,320	31,327,048	35,763,925
\$15,123,203	\$4,849,612	\$58,982,359	\$31,327,048

LAFOURCHE PARISH SCHOOL BOARD
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the Year Ended June 30, 2004
 (With comparative totals for the year ended June 30, 2003)

Statement E

	6/30/04	6/30/03
Amounts reported for governmental activities in the statement of activities (Statement B) are different because:		
Net change in fund balances - total governmental funds (Statement D)	\$27,655,311	(\$4,436,877)
The unexpired portion of insurance is reported as an asset in governmental activities but the entire amount paid is included as an expenditure in the funds.	(171,761)	\$221,403
Governmental funds report capital outlays as expenditures, However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	597,607	1,202,718
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 cost, premiums, discounts, and similar item when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(27,754,278)	648,385
Internal service funds are used by management to charge the costs of worker's compensation and group health insurance to individual funds. The revenues, and expenditures of the internal service funds are included in governmental activities in the statement activities.	2,285,082	(1,135,768)
Changes in net assets of governmental activities (Statement B)	\$2,611,961	\$(3,500,139)

See notes to the financial statement.

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LAFOURCHE PARISH SCHOOL BOARD
Budget Comparison Statements - Major Funds
For the Year Ended June 30, 2004

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
REVENUES			
<u>Local sources:</u>			
Taxes:			
Ad valorem	\$4,245,400	\$4,316,900	\$4,446,083
Sales and use	19,000,000	19,711,300	20,057,900
Other	489,900	502,700	516,661
Rentals, leases, royalties	600,000	764,600	767,688
Earnings on investments	270,000	127,500	128,778
Food service collections			
Other local	894,400	1,027,700	964,645
<u>State sources:</u>			
Unrestricted grants-in-aid	55,275,800	54,946,100	54,946,060
Restricted grants-in-aid	2,327,800	2,426,700	2,375,698
Revenue in lieu of taxes	400,000	401,900	401,923
Revenue for or on behalf of LEA	41,800	23,100	24,671
<u>Federal sources:</u>			
Unrestricted grants-in-aid - direct	15,800	15,800	1,192
Restricted grants-in-aid - direct	160,300	166,200	166,299
Restricted grants-in-aid - subgrants	1,192,542	1,411,000	1,152,787
Revenue for/on behalf of LEA			
Total revenues	84,913,742	85,841,500	85,950,385
EXPENDITURES			
<u>Instruction:</u>			
Regular programs	39,036,700	41,546,200	41,177,620
Special programs	13,759,900	14,004,200	14,004,635
Other programs	4,543,122	4,276,422	4,523,796
<u>Support services:</u>			
Pupil support	4,537,000	4,883,100	4,875,102
Instructional staff support	5,196,300	4,863,250	4,952,643
General administration	1,478,800	1,499,800	1,425,422
School administration	5,663,800	5,359,800	5,528,459

See notes to the financial statement.

Statement F
(continued)

AIR CONDITIONING MAINTENANCE			DEBT SERVICE		
ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
\$2,784,400	\$2,831,300	\$2,916,040	\$6,394,100	\$6,501,800	\$6,696,380
79,000	53,000	54,124	150,000	120,000	128,593
2,863,400	2,884,300	2,970,164	6,544,100	6,621,800	6,824,973
89,900	93,700	93,203 11	206,100	214,900	214,031

LAFOURCHE PARISH SCHOOL BOARD
Budget Comparison Statements - Major Funds
For the Year Ended June 30, 2004

	GENERAL FUND		
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
Business services	1,117,900	1,250,300	1,329,782
Operation and maintenance	6,904,000	6,918,200	7,031,271
Pupil transportation	5,606,000	6,004,700	5,850,254
Central services	900,400	977,100	996,232
Food service operations	231,600	304,200	293,809
Community service operations	15,100	15,100	6,423
Facilities acquisition and construction		12,000	11,862
<u>Debt service:</u>			
Principal retirement	75,700	75,000	75,000
Interest and bank charges	8,700	9,000	9,033
Total expenditures	89,075,022	91,998,372	92,091,343
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(4,161,280)	(6,156,872)	(6,140,958)
<u>OTHER FINANCING SOURCES (Uses)</u>			
Transfers in (out)	2,250,442	2,565,453	2,488,129
Sales of fixed assets			
Proceeds of certificates of indebtedness			
Total other financing sources (uses)	2,250,442	2,565,453	2,488,129
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	(1,910,838)	(3,591,419)	(3,652,829)
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	8,241,606	8,412,576	8,412,576
<u>FUND BALANCES AT END OF YEAR</u>	\$6,330,768	\$4,821,157	\$4,759,747

See notes to the financial statement.

AIR CONDITIONING MAINTENANCE			DEBT SERVICE		
ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL
500	500				
1,893,600	2,012,800	1,819,148			
843,000	843,000	1,483,690			
			1,670,000	1,670,000	1,670,000
			1,920,355	2,101,570	2,056,936
2,827,000	2,950,000	3,396,052	3,796,455	3,986,470	3,940,967
36,400	(65,700)	(425,888)	2,747,645	2,635,330	2,884,006
\$NONE	\$NONE		\$NONE	\$NONE	\$NONE
36,400	(65,700)	(425,888)	2,747,645	2,635,330	2,884,006
4,952,345	5,718,565	5,718,565	12,345,729	12,239,197	12,239,197
\$4,988,745	\$5,652,865	\$5,292,677	\$15,093,374	\$14,874,527	\$15,123,203

LAFOURCHE PARISH SCHOOL BOARD
Statement of Net Assets: Proprietary Fund Type
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

Statement G

	GROUP HEALTH INSURANCE	WORKER'S COMPENSATION	TOTAL PROPRIETARY FUNDS	
			06/30/04	06/30/03
ASSETS				
Cash and cash equivalents	\$3,272,246	\$4,669,787	\$7,942,033	\$5,906,751
Cash with fiscal agents	71,006	32,432	103,438	62,670
Interfund receivable				1,851
Prepaid Insurance	103,202		103,202	
TOTAL CURRENT ASSETS	\$3,446,454	\$4,702,219	\$8,148,673	\$5,971,272
LIABILITIES				
Current Liabilities:				
Accounts payable	\$22,532	\$586	\$23,118	\$39,811
Salaries and wages payable		928	928	\$1,307
Accrued employee benefits - estimated liability for claims outstanding	1,261,138	699,346	1,960,484	2,051,093
Total Liabilities	1,283,670	700,860	1,984,530	2,092,211
NET ASSETS				
Restricted for group health insurance	2,162,784		2,162,784	38,056
Restricted for worker's compensation		4,001,359	4,001,359	3,841,005
Total Equity and Other Credits	2,162,784	4,001,359	6,164,143	3,879,061
TOTAL LIABILITIES AND NET ASSETS	\$3,446,454	\$4,702,219	\$8,148,673	\$5,971,272

See notes to the financial statement.

LAFOURCHE PARISH SCHOOL BOARD
Statement of Revenues, Expenses, and Changes in
Net Assets: Proprietary Fund Type
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

Statement H

	GROUP HEALTH INSURANCE	WORKER'S COMPENSATION	TOTAL PROPRIETARY FUNDS	
			06/30/04	06/30/03
<u>OPERATING REVENUES</u>				
Intergovernmental: Insurance premium billings	\$11,493,962	\$805,102	\$12,299,064	\$11,041,243
Pharmacy Rebates	161,851		161,851	
Total Non-operating Revenues	11,655,813	805,102	12,460,915	11,041,243
<u>OPERATING EXPENSES</u>				
Claims expense	7,675,874	510,170	8,186,044	12,251,859
Reinsurance and administrative fees	1,875,042	177,882	2,052,924	
Claims expense	9,550,916	688,052	10,238,968	12,251,859
<u>NON-OPERATING REVENUES</u>				
Interest	19,831	43,304	63,135	74,848
CHANGES IN NET ASSETS	2,124,728	160,354	2,285,082	(1,135,768)
NET ASSETS AT BEGINNING OF YEAR	38,056	3,841,005	3,879,061	5,014,829
NET ASSETS AT END OF YEAR	\$2,162,784	\$4,001,359	\$6,164,143	\$3,879,061

See notes to the financial statement.

LAFOURCHE PARISH SCHOOL BOARD
Statement of Cash Flows: Proprietary Fund Type
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

Statement I

	GROUP HEALTH INSURANCE	WORKER'S COMPENSATION	TOTAL PROPRIETARY FUNDS	
			06/30/04	06/30/03
<u>CASH FLOWS NON-CAPITAL</u>				
<u>FINANCING ACTIVITIES</u>				
Premiums collected, received or recovered	\$11,493,962	\$806,953	\$12,300,915	\$11,179,152
Pharmacy Rebates	161,851		161,851	\$72,021
Claim expenses paid	(9,702,965)	(746,886)	(10,449,851)	(11,564,276)
Cash provided (used) by non-capital financing activities	1,952,848	60,067	2,012,915	(313,103)
<u>CASH FLOWS FROM INVESTING</u>				
<u>ACTIVITIES</u>				
Interest Income	19,831	43,304	63,135	74,848
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	1,972,679	103,371	2,076,050	(238,255)
CASH BALANCE AT BEGINNING OF YEAR	1,370,573	4,598,848	5,969,421	6,207,676
CASH BALANCE AT END OF YEAR	\$3,343,252	\$4,702,219	\$8,045,471	\$5,969,421

See notes to the financial statement.

LAFOURCHE PARISH SCHOOL BOARD
Statement of Net Assets: Fiduciary Fund Type
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

Statement J

	SCHOOL ACTIVITY	SALES TAX	TOTAL FIDUCIARY FUNDS	
			06/30/04	06/30/03
ASSETS				
Cash and cash equivalents	\$2,952,182	\$3,580,445	\$6,532,627	\$6,783,755
Receivables (net of allowances for uncollectibles)	10,849	4,909,924	4,920,773	3,702,535
TOTAL ASSETS	\$2,963,031	\$8,490,369	\$11,453,400	\$10,486,290
LIABILITIES				
Accounts payable	\$144	\$17,527	\$17,671	\$46,431
Salaries and wages payable		1,695	1,695	
Held in trust for other funds		3,522,527	3,522,527	2,872,443
Held in trust for others	2,962,887	4,690,131	7,653,018	6,982,135
Deposits subject to refund		258,489	258,489	585,281
TOTAL LIABILITIES	\$2,963,031	\$8,490,369	\$11,453,400	\$10,486,290

See notes to the financial statement.

LAFOURCHE PARISH SCHOOL BOARD
Statement of Changes Net Assets: Fiduciary Fund Type
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

Statement K

	FIDUCIARY FUND SALES TAX FUND	
	06/30/04	06/30/03
<u>ADDITIONS</u>		
Collections of sales tax	\$45,402,391	\$43,398,320
Fees received for tax collection	180,874	163,684
Interest on Investments	3,629	2,915
TOTAL ADDITIONS	\$45,586,894	\$43,564,919
<u>DEDUCTIONS</u>		
Remittance of taxes collected	43,426,054	42,633,127
Refunds of taxes collected	612,442	414,744
Fees paid for tax collection	180,874	163,684
Expenses of tax collection	275,185	281,270
TOTAL DEDUCTIONS	\$44,494,555	\$43,492,825
CHANGE IN NET ASSETS HELD IN TRUST	1,092,339	72,094
Net Assets Held in Trust - beginning	7,120,319	7,048,225
Net Assets Held in Trust - ending	\$8,212,658	\$7,120,319

See notes to the financial statement.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements
June 30, 2004

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafourche Parish School Board was created under Louisiana Revised Statute (LRS) 17:51 for the purpose of providing free public education for the children within Lafourche Parish. The School Board has been authorized by (LRS) 17:81 to establish policies and regulations for its own government that are 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 15 members who have been elected from 15 districts for a term of four years.

The School Board operates 27 schools within the parish with a total enrollment of 14,964 pupils for the year. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

A. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. The School Board includes all funds, activities, et cetera, that are within the oversight responsibility of the School Board.

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net assets and the statement activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues.

Direct expenses are those that are clearly identifiable with a specific function. Program revenues includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The accompanying financial statements of the Lafourche Parish School Board have been prepared in conformity with generally accepted accounting principles (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.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales and use tax revenues are recognized in the month that the tax is due. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

Other financing sources (uses) are shown in the fund financial statements and represent non-revenue inflows and non-expenditure outflows that affect fund balance. This section includes items such as transfers between funds that are not expected to be repaid, capital lease transactions, insurance proceeds, debt extinguishments, long-term debt proceeds, et cetera. These other financing sources (uses) are recognized at the time the underlying events occur.

The Lafourche Parish School Board reports the following governmental funds:

MAJOR

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

Capital Projects Funds -- account for the financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other government funds.

Special Revenue Fund (Air Conditioning Maintenance Fund) -- is a special revenue fund that accounts for the proceeds of a special property tax, which is to be used to maintain the air conditioning systems of the schools in the parish. The tax is authorized for a ten-year period.

Debt Service Fund -- accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

NON-MAJOR

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

Additionally the Lafourche Parish School Board reports the following other fund types:

PROPRIETARY FUNDS: Internal service fund accounts for the workers compensation and group health insurance services provided to other departments on a cost-reimbursement basis. Internal service funds are proprietary fund types that differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

FIDUCIARY FUNDS: Agency funds are used to account for the activities of the individual schools and for the collection of sales and use taxes, which are held for several other governmental agencies and

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

the General Fund. Agency funds are a fiduciary fund type, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The School Board has elected not to follow subsequent private-sector guidance.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues included 1) charges to students or adults for food services 2) operating grants and contributions and 3) capital grants. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service funds are charges to the other funds for workers compensation and group health insurance. The operating cost of the internal service fund includes the claims and reinsurance expenses of the program. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. ASSETS, LIABILITIES, AND NET ASSETS

1. Deposits and investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and bank money market accounts. Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits within state banks organized under the laws of the state of Louisiana, and national banks having their principal offices in Louisiana.

2. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

3. Inventories and Prepaid Items

Inventories of the Special Revenue - Child Nutrition Fund consist of food and supplies purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Education. The commodities are recorded as revenue when received (issued); however, all inventory is recorded as an expenditure when consumed. All purchased inventory items are valued at cost determined by specific identification and commodity inventory items are assigned values based on information provided by the United States Department of Agriculture.

The unexpired portion of insurance represents costs applicable to future accounting periods and is recorded as a prepaid item in the government-wide statements. All other prepaid items are shown as expenditures in the year they are paid.

4. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, and furniture and equipment are reported in the governmental activity column in the government-wide financial statements. The board includes all land and buildings in its capital asset inventory. Furniture and equipment must meet all of the following criteria to be included:

- The item will last more than one year.
- It is nonexpendable; that is, if damaged or worn out, it can be repaired without being replaced.
- It does not lose its identity through fabrication or incorporation into a different or more complex unit.
- Its unit cost exceeds \$1000.

The land, buildings and improvements, and furniture and equipment are valued at historical cost. Donated items are valued at approximate fair market value at the time of donation. For all buildings and improvements that were acquired prior to June 30, 1998, an independent appraisal company has supplied the estimated dates of acquisition and estimated original costs that were developed from information provided by inspection of the property, and accepted appraisal costing techniques relating current cost of reproduction to historical cost of reproduction.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Buildings, other improvements and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Years
Buildings	25 to 45
Improvements other than buildings	10 to 25
Furniture and Equipment	5 to 20

5. Compensated Absences

Sick Leave has been earned based on policy GBRIB and it both accumulates and vests. Twenty-five of the vested days are paid to the employee upon retirement. The remainder is used by the retirement systems in the calculation of benefits earned.

Annual (vacation) Leave has been earned based on policy GBRI of the Lafourche Parish School Board Policy Manual. It accumulates, and it vests. All 12-month full-time employees earn 5-20 days of annual leave depending on date of employment and length of service with the School Board. In the fiscal year ending June 2004, Annual Leave could be accumulated without limit. The policy was amended in July 2004 to limit the accumulation to 25 days.

The cost of current sick leave and annual leave privileges, has been computed in accordance with GASB Codification Section C60, has been recognized as current year expenditure in the governmental funds when leave was taken. The liability for these sick leave and annual leave privileges not requiring current resources has been recorded as long-term debt in the government-wide statements.

Sabbatical leave may 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 in which paid.

6. Long-term Obligations

Long-term obligations expected to be financed from governmental funds are accounted for as liabilities in the government-wide

statements. Expenditures for principal and interest payments for long-term debt are recognized in the governmental funds when due.

7. Equity Classifications

Equity is classified as net assets and displayed in three components on the Government-wide Statements:

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

Equity in the fund financial statements is classified as fund balance. Fund balances are further classified as reserved and unreserved.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds."

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

The details of this difference are as follows:

	June 30, 2004	June 30, 2003
General obligation bonds payable	\$65,945,000	\$37,615,000
Certificates of Indebtedness	250,000	325,000
Capital lease payable		337
Compensated absences	6,289,170	6,683,757
Accrued employee benefits - estimated liability for claims outstanding	483,678	589,476
Total long-term liabilities	<u>\$72,967,848</u>	<u>\$45,213,570</u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

The details of this difference are as follows:

	June 30, 2004	June 30, 2003
Capital outlay	\$2,189,865	\$3,033,279
Depreciation Expense	1,592,258	1,830,561
Net adjustment to increase net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$597,607</u>	<u>\$1,202,718</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

At the August meeting of the School Board, the superintendent submits a consolidated budget prepared on the modified accrual basis of accounting to the School Board, so they can review it before public inspection. The budget contains the estimate of revenues and proposed expenditures for the General, Special Revenue, and Debt Service funds.

A public hearing is conducted at the School Board office to obtain taxpayer comments. After this public hearing, the budget is enacted by the board.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

This process has to be completed by September 15 of the applicable budget year.

State law requires budget amendments if revenues will be short of estimates or if expenditures will exceed estimates by 5%. The superintendent is authorized to make changes within the various budget classifications provided that any reallocation of funds affecting more than five percent (5%) of the projected revenue collections must be approved in advance by action of the School Board. The results are compared monthly starting in September.

B. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General, Air Conditioning Maintenance, and 1997 Construction Funds. Encumbrances and incomplete construction contracts outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

The balance of outstanding encumbrances at year-end is incorporated into the next year's budget. The same applies for those budget items, which have unexpended balances that can be carried forward. These balances are considered first when determining budget priorities.

C. RESERVED AND DESIGNATED RETAINED EARNINGS/FUND BALANCES

The School Board reserves all of the retained earnings of the Workers' Compensation and the Group Health Insurance Funds which must be at least equal to the deductible on its excess policy and the amount of incurred unpaid claims as determined by F. A. Richard and Associates (for workers' compensation) or by Benefit Management Services (for group health insurance).

The balance of the outstanding purchase orders is reserved for *encumbrances in the General Fund, the 2003 Construction Fund and the Air Conditioning Maintenance Fund.*

The unexpended portion of the 1995 1¢ sales tax devoted to salaries is recorded in the reserve for salaries in the General Fund. The unexpended proceeds of the property tax dedicated to salaries is recorded in the reserve for salaries in the Special Revenue Funds.

The unexpended portion of the 1995 1¢ sales tax devoted to textbooks is recorded in the reserve for textbooks in the General Fund.

The unexpended portion of the 1995 1¢ sales tax devoted to technology is recorded in the reserve for technology in the General Fund.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

The unexpended proceeds of the property tax dedicated to maintaining the air conditioning systems of the schools are recorded as reserve for air conditioning maintenance in the Air Conditioning Maintenance Fund.

All of the unexpended funds used in the school food service program, which have not been encumbered, are recorded as reserve for school food service in the Special Revenue Funds.

All of the unexpended funds dedicated for debt service, which have not been encumbered, are recorded as reserve for debt service in the Debt Service Fund.

All of the unexpended proceeds for general obligation debt dedicated for the 1997 and 2003 construction projects, which have not been encumbered, are recorded as reserve for capital projects in the 1997 and 2003 Construction Funds.

D. SALES AND USE TAXES

On March 6, 1965, the voters of Lafourche Parish approved a one-percent sales and use tax to be levied and collected by the Lafourche Parish School Board. The proceeds of the tax are dedicated for the purpose of payment of salaries of teachers and other personnel employed by the School Board and/or for the general operations of the schools, excluding expenditures for capital improvements and purchases of automotive equipment.

The voters approved an additional one-percent sales and use tax for the School Board on April 29, 1995 to provide for salary increases (including related benefits) to all personnel except central office administrators. The tax also provides funding for textbook and technology upgrades.

The School Board also acts as the central collection agency for all sales taxes levied within the parish. The following table summarizes the sales tax rates and fees collected for other agencies:

AGENCY	TAX RATE	FEE	WHERE
Lafourche Parish Sheriff	1.0¢	.7%	unincorporated areas of the parish
Lafourche Parish Council	.7¢	.7%	unincorporated areas of the parish
Lafourche Parish Council Road District #2	1.0¢	.7%	within boundaries of Special Road District #2
Lafourche Parish Council Road District #3	1.0¢	.7%	within boundaries of Special Road District #3
Lafourche Parish Council Road District #5	1.0¢	.7%	within boundaries of Special Road District #5
Lafourche Parish Council Road District #6	1.0¢	.7%	within boundaries of Special Road District #6
Town of Golden Meadow	1.0¢	.7%	corporate limits
Lafourche Parish Tourist Commission	3.0¢	.7%	all hotels/motels
Town of Lockport	1.3¢	.7%	corporate limits
City of Thibodaux	2.0¢	.7%	corporate limits

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

E. LEVIED TAXES

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. 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. State revenue sharing is included in unrestricted state grants.

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

TYPE	AUTHORIZED RATE	LEVIED RATE	EXPIRATION DATE
Constitutional	3.93 Mills	3.93 Mills	None
Regular Maintenance	7.49 Mills	7.49 Mills	January 2009
Salary Supplement	7.49 Mills	7.49 Mills	January 2009
Air Condition Maintenance	7.49 Mills	7.49 Mills	January 2010
Bond and interest	17.20 Mills	17.20 Mills	None
TOTAL	43.60 Mills	43.60 Mills	

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

On June 30, 2004, the School Board had cash and cash equivalents as follows:

	6/30/2004	6/30/2003
Cash on hand and in demand deposits	\$12,828,023	\$10,754,264
LAMP	\$65,763,202	39,433,276
Time Deposits	\$558,678	383,129
Total Cash Equivalents	\$79,149,903	\$50,570,669

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2004, the School Board had \$14,481,980 in deposits (collected bank balances). These deposits are secured from risk by \$400,000 in federal deposit insurance and \$16,233,439 in pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Included in cash and cash equivalents is a pooled cash account totaling \$9,779,646.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

The funds and amounts per fund included in the pooled cash account are as follows:

FUNDS	AMOUNTS
General	\$1,430,747
Capital Projects	50,395
Non Major:	
Salary Supplement	1,681,791
Air Conditioning Maintenance	296,495
Internal Service	
Workers Compensation	369,841
Group Health Insurance	2,676,056
Agency:	
Sales Tax	3,274,321
Total	\$9,779,646

The School Board had \$65,763,202 invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP as of June 30, 2004 is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Due to this immediate access feature, investments in LAMP are considered cash equivalents by the School Board.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

B. RECEIVABLES

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

CLASS OF RECEIVABLES	GENERAL FUND	AIR CONDITIONING MAINTENANCE	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL	AGENCY FUNDS
Sales Tax						\$4,909,924
Property Tax	\$20,173	\$13,231	\$30,383	\$13,231	\$77,018	
Oil Royalties	\$62,187				62,187	
E-rate	26,341				26,341	
Medicaid	76,546				76,546	
Intergovernmental - Grants						
Federal	227,471			2,198,474	2,425,945	
State	1,061,569				1,061,569	
Other	560,029				560,029	10,849
TOTAL	\$2,034,316	\$13,231	\$30,383	\$2,211,705	\$4,289,635	\$4,920,773

C. CAPITAL ASSETS

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

	BALANCE AT BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	ACCUMULATED DEPRECIATION	NET BALANCE
Land	\$1,569,887				\$1,569,887
Buildings and Improvements	75,610,141	3,727,643	\$2,154	\$24,944,635	54,390,995
Furniture and Equipment	11,286,557	577,590	1,245,319	7,842,207	2,776,621
Construction in Progress	2,610,850	2,928,730	3,727,643		1,811,937
Total	\$91,077,435	\$7,233,963	\$4,975,116	\$32,786,842	\$60,549,440

Depreciation was charged to general administration services in the statement of activities and recapped as follows:

	PRIOR	CURRENT EXPENSE	REDUCTIONS	ACCUMULATION
Buildings and Improvements	\$22,805,926	\$2,140,610	1,901	\$24,944,635
Furniture and Equipment	8,388,658	635,947	\$1,182,398	7,842,207
Total	\$31,194,584	\$2,776,557	\$1,184,299	\$32,786,842

CONSTRUCTION COMMITMENTS The Lafourche Parish School Board has active construction projects as of June 30, 2004. The projects cover new construction and renovations at the three high schools expended through the 1997 Construction Fund, and other such projects expended through the General and Air Conditioning Maintenance Funds. At year-end, the School Board's commitments to the contractors were as follows:

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

PROJECT	CONTRACT PRICE	COST TO DATE EXPENDED	BALANCE
Replacement of HVAC equipment at various sites	\$1,134,693	\$768,696	\$365,997
Technology Infrastructure- Raceland Lower Elementary	320,743	90,454	230,289
Classroom Additions- Bayou Boeuf Elementary	53,367		53,367
Electrical Renovations-South Thibodaux and Thibodaux Elementary	36,510		36,510
Classroom Additions- Bayou Blue Elementary	333,548		333,548
Classroom Additions- South Thibodaux Elementary	221,476		221,476
Covered Walks at various sites	34,250	488	33,762
Re-roofing Larose Lower Elementary	358,202	79,652	278,550
Drainage Project- Sixth Ward Middle	9,000		9,000
Gym and Band room Additions-Sixth Ward Middle	220,253		220,253
Bayou Blue Middle School	485,795	2,800	482,995
Electrical Renovations-Raceland Lower Elementary	14,787	11,090	3,697
Electrical Renovations-Raceland Upper Elementary	12,940	9,705	3,235
Re-roofing Chackbay Elementary	8,700	500	8,200
Sewer Treatment Plants	349,431	50,281	299,151
Replace Windows-Larose Cut-Off Middle	22,100	17,680	4,420
Roofing at various sites	118,530		118,530
Classroom Additions-Chackbay Elementary	50,000	7,500	42,500
Re-roofing Golden Meadow Middle	20,134	4,027	16,107
Re-roofing Raceland Upper Elementary	13,423	2,685	10,738
Total	\$3,817,882	\$1,045,558	\$2,772,324

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual receivable/payable balances at June 30, 2004 are as follows:

RECEIVABLE FUND	PAYABLE FUND	AMOUNT
General	Child Nutrition	\$31,618
1997 Construction	General	165,940
General	No Child Left Behind Act: Title I	475,619
General	No Child Left Behind Act: Title II	423,666
General	No Child Left Behind Act: Title IV and V	26,824
General	Indian Education Act	38,372
General	Individuals with Disabilities Education Act	384,642
General	Sales Tax	3,522,527
	TOTAL	\$5,069,208

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

Interfund transfers made during the year ended June 30, 2004 are as follows:

TRANSFERRED IN	TRANSFERRED OUT	AMOUNT
General	Salary Supplement	\$2,150,967
Child Nutrition	Salary Supplement	119,766
General	No Child Left Behind Act: Title I	171,279
General	No Child Left Behind Act: Title IV and VI	4,032
General	No Child Left Behind Act: Title II	44,086
General	Individuals with Disabilities Act	113,054
General	Indian Education Act	4,711
	TOTAL	\$2,607,895

E. COMPENSATED ABSENCES

At June 30, 2004, employees of the School Board have accumulated and vested \$6,289,170 of employee leave benefits, which was computed in accordance with GASB Codification C60. The total amount paid during the fiscal year amounted to \$260,966. The liability for leave privileges not requiring current resources is recorded as long-term debt in the government-wide financial statements.

F. LONG-TERM DEBT

The School Board issues general obligation bonds to provide funds for the acquisition, construction or renovation of major capital facilities. The remaining amount issued for the bond issues outstanding at June 30 is \$65,945,000.

The balances of the outstanding issues are as follows:

ISSUE DATE	ORIGINAL ISSUE	INTEREST RATE	FINAL PAYMENT DATE	INTEREST TO MATURITY	PRINCIPAL OUTSTANDING
June 1, 1997	10,000,000	4.10-8.00%	Mar. 1, 2017	3,116,777	7,915,000
February 1, 1998	25,000,000	4.45-8.00%	Feb. 1, 2018	8,352,222	20,120,000
August 1, 1999	9,400,000	4.70-7.00%	Feb. 1, 2018	3,483,830	7,910,000
November 6, 2003	10,000,000	4.00-6.00%	Mar. 1, 2028	6,478,378	10,000,000
June 1, 2004	20,000,000	3.00-5.00%	Mar. 1, 2029	14,100,403	20,000,000
TOTAL	\$74,400,000			\$35,531,610	\$65,945,000

General obligation bonds are direct obligations with the principal and interest requirements funded in accordance with Louisiana law by the annual ad valorem tax assessment on taxable property within the parish. Bond principal and interest payable in the next fiscal year is \$2,365,000 and \$2,935,378, respectively. At June 30, 2004, the School Board had accumulated \$15,123,203 in the debt service fund for future debt requirements.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

The bonds are due, by year as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL
2005	\$2,365,000	\$2,935,378	\$5,300,378
2006	2,500,000	3,041,584	5,541,584
2007	2,640,000	2,908,276	5,548,276
2008	2,790,000	2,770,169	5,560,169
2009	2,950,000	2,624,389	5,574,389
2010-2014	17,390,000	10,760,782	28,150,782
2015-2019	18,870,000	6,146,508	25,016,508
2020-2024	7,475,000	3,114,948	10,589,948
2025-2029	8,965,000	1,229,576	10,194,576
	\$65,945,000	\$35,531,610	\$101,476,610

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2004, the legal debt margin was \$117,990,010 and outstanding bonded debt totaled \$65,945,000.

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

DESCRIPTION	BONDED DEBT	CERTIFICATES OF INDEBTEDNESS	LEASE-PURCHASE AGREEMENTS	COMPENSATED ABSENCES	TOTAL
Long-term obligations at July 1, 2003	\$37,615,000	\$325,000	\$337	\$6,683,757	\$44,624,094
Additions	30,000,000				30,000,000
Deductions	1,670,000	75,000	337	394,587	2,139,924
Long-term obligations at June 30, 2004	\$65,945,000	\$250,000	\$None	\$6,289,170	\$72,484,170
Due within one year	\$2,365,000	\$80,000		\$371,291	\$2,816,291
Due in more than one year	\$63,580,000	\$170,000		\$5,917,879	\$69,667,879

V. OTHER INFORMATION

A. RISK MANAGEMENT

The School Board was also exposed to various risks of loss related to personal injury to students and other individuals (not employees). Under the current program, the General Fund was responsible for a maximum of \$100,000 for each loss. The School Board purchased commercial insurance for claims in excess of \$100,000 that has a \$1 million per occurrence limit and a \$2 million aggregate limit. The School Board has also purchased umbrella excess insurance with a \$2 million limit. Also, the School Board has

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

retained a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services.

The School Board was exposed to various risks of loss related to providing medical and indemnity payments as required by law for on-the-job related injuries. To account for and finance its uninsured risks of loss, the School Board has established a Workers' Compensation Fund (an internal service fund). Under this program, the Workers' Compensation Fund is responsible for \$300,000 of each workers compensation claim and has an aggregate limit of \$1.8 million. The School Board has purchased commercial insurance for claims in excess of the coverage provided by the fund. Also, the School Board has retained a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services. All funds that pay salaries participated in the program and made payments to the fund based on management's estimates of the amounts needed to pay prior and current year claims. These interfund "premiums" are reported as quasi-external transactions.

The School Board has established a Group Health Insurance Fund (an internal service fund) to account various risks of loss related to providing medical payments as required by the group health insurance program. Under this program, the Fund assumed \$150,000 for each claim and the School Board has purchased commercial insurance for claims in excess of the exposure assumed by the Fund. Also, the School Board has retained a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services. All funds that had budgets that included employee positions participated in the program and made payments to the fund based on management's estimates of the amounts needed to pay prior and current year claims. These interfund "premiums" are reported as quasi-external transactions.

At June 30, 2004, the outstanding claims liability accruing to the General, Worker's Compensation and Group Health Insurance Funds was \$2.4 million. The estimated claim liability has been determined by the third-party administrator based on historical information and anticipated payments. These liabilities are based on the requirements of Governmental Accounting Standards Board Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable and the amount of the loss can be reasonably estimated.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements

The following table shows the changes in this liability for June 30, 2004:

	General Fund	Worker's Compensation Fund	Group Insurance Fund	Total
Balance July 1	\$589,476	\$730,330	\$1,320,763	\$2,640,569
Current year claims and estimates	407,041	545,436	7,675,874	8,628,351
Less: Claim payments	235,739	576,421	7,735,499	8,547,659
Specific re-insurance	277,100			277,100
Balance June 30	\$483,678	\$699,345	\$1,261,138	\$2,444,161

The School Board is exposed to various risks of loss related to theft of, damage to and destruction of buildings and related contents. Under the current program, the General Fund provides coverage up to a maximum \$500,000 (or 2% of claim) for each loss to its buildings due to wind and hail, and \$250,000 for all other building perils. The perils for the related contents, except for computer equipment (\$1,000 per occurrence) and band instruments (\$150 per occurrence), are funded in the same manner. The School Board purchases commercial insurance for claims in excess of coverage provided by the General Fund.

The School Board is self-funded for unemployment claims filed with the State. The claims are accounted for on the cash basis in the fund in which the original salary was paid. The School Board paid \$24,300 to the State for benefits claimed during the year ended June 30, 2004. The School Board retains a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services.

B. CONTINGENT LIABILITIES

The Lafourche Parish School Board received funding under grants from various federal and state governmental agencies. These grants specify the purpose for which the grant moneys are to be used and such grants are subject to audit by the granting agency or its representative. If the grant moneys received are not expended, the Lafourche Parish School Board may be required to reimburse the granting agency.

At June 30, 2004, the School Board was involved in several lawsuits. In the opinion of legal counsel for the School Board, the potential claims against the School Board, not covered by insurance, would not materially affect the financial statements.

C. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Lafourche 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 the Group Health Insurance Fund whose monthly premiums are paid jointly by the employee and by the School Board.

The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The cost in 2003 was \$2.2 for retirees. The School Board's group plan enrollment at the end of the year included 914 retirees.

D. EMPLOYEE RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees, such as teachers and principals, are members of the Louisiana Teachers Retirement System; and other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

1. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consists of two membership plans: Regular Plan and Plan A. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy. Plan members are required to contribute 8.0 percent and 9.1 percent of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 13.1 percent of annual covered payroll for the two membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board and employees' contributions to the TRS for the years ending June 30, 2004, 2003, and 2002 were \$12,453,451, \$12,198,276, and \$11,256,621, respectively, equal to the required contributions for each year.

2. Louisiana School Employees Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute 6.35 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 0.00 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employee contribution for the LSERS, is funded by the State of Louisiana through annual appropriations. The LSERS has temporarily suspended employer contribution because past overfunding.

The School Board and employees' contributions to the LSERS for the years ending June 30, 2004, 2003, and 2002 were \$749,288, \$299,804, and \$242,793, respectively, equal to the required contributions for each year.

3. On-behalf Payments for Fringe Benefits and Salaries

The State of Louisiana contributes directly to the Teachers' Retirement System of Louisiana an amount equal to the employer portion of retirement due on the Professional Improvement Program (PIP) salary increments paid to the School Board's personnel. The School Board recognizes the amount contributed as a revenue and expenditure in the General Fund. The amount recognized in 2004 was \$24,671.

LAFOURCHE PARISH SCHOOL BOARD
Supplemental Information Schedules
June 30, 2004

OTHER GOVERNMENTAL FUNDS
(continued next page)

NO CHILD LEFT BEHIND ACT FUNDS

Title I of the Improving America's Schools Act (IASA) is a program for economically and educationally deprived school children, which is federally financed, state-administered, and locally operated by the School Board. The Title I services are provided through various projects which are designed to meet the special needs of educationally deprived children. The activities supplement rather than replace state and local mandated activities.

Title IV and VI of the Improving America's Schools Act (IASA) is a program by which the federal government provides money to the school system based on a per-pupil allocation for audio-visual material and equipment, and library resources, and for drug awareness education.

Title II of the Improving America's Schools Act (IASA) provides funding for additional training of the science and math teachers in the parish.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT FUND

Individuals with Disabilities Education Act 101-476 is a federally financed program of free education in the least restricted environment to children with exceptionalities.

INDIAN EDUCATION ACT FUND

The Indian Education Act is a federally financed program to encourage the preservation of Indian traditions and to develop pride in the Indian heritage among those Indian children located in the southern portion of the parish.

LAFOURCHE PARISH SCHOOL BOARD
Supplemental Information Schedules
June 30, 2004

**OTHER GOVERNMENTAL FUNDS
(concluded)**

SALARY SUPPLEMENT FUND

The Salary Supplement Fund is used to account for the proceeds of the seven-mill property tax levied for a period of ten years. The proceeds are to be used for salary increments.

CHILD NUTRITION FUND

The Child Nutrition Fund is used to account for the moneys received and expended in connection with the School Board's school nutrition program.

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LAFOURCHE PARISH SCHOOL BOARD
 Combining Balance Sheet: Construction Funds
 For the Year Ended June 30, 2004
 (With comparative totals for the year ended June 30, 2003)

Schedule 1

	1997	2003	TOTAL CONSTRUCTION FUNDS	
	CONSTRUCTION	CONSTRUCTION	6/30/04	6/30/03
ASSETS				
Cash and cash equivalents		\$29,011,181	\$29,011,181	\$523,479
Due from other funds	165,940		165,940	419,080
TOTAL ASSETS	\$165,940	\$29,011,181	\$29,177,121	\$942,559
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$37,558	\$182,106	\$219,664	\$231,841
Salaries and wages payable	337		337	328
Total Liabilities	37,895	182,106	220,001	232,169
Fund balances:				
Reserved for encumbrances		2,390,890	2,390,890	287,561
Reserved for capital projects	128,045	26,438,185	26,566,230	422,829
Total Fund Equity	128,045	28,829,075	28,957,120	710,390
TOTAL LIABILITIES AND FUND EQUITY	\$165,940	\$29,011,181	\$29,177,121	\$942,559

LAFOURCHE PARISH SCHOOL BOARD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances:
Construction Funds
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

Schedule 2

	1997	2003	TOTAL CONSTRUCTION FUNDS	
	CONSTRUCTION	CONSTRUCTION	6/30/04	6/30/03
REVENUES				
Local sources:				
Earnings on investments	\$1,021	\$73,527	\$74,548	\$32,883
Total revenues	1,021	73,527	74,548	32,883
EXPENDITURES				
Instruction:				
Regular programs	4,987	46,875	51,862	303,783
Support Services:				
General administration		49,646	49,646	
Operation and maintenance of plant	6,654		6,654	9,181
Facilities acquisition and construction	571,725	1,147,931	1,719,656	2,283,286
Total expenditures	583,366	1,244,452	1,827,818	2,596,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$582,345)	(\$1,170,925)	(\$1,753,270)	(\$2,563,367)
OTHER FINANCING SOURCES (USES)				
Proceeds of bond sale		30,000,000	30,000,000	
Total other financing sources (uses)	NONE	30,000,000	30,000,000	NONE
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(582,345)	28,829,075	28,246,730	(2,563,367)
FUND BALANCES AT BEGINNING OF YEAR	710,390		710,390	3,273,757
FUND BALANCES AT END OF YEAR	\$128,045	\$28,829,075	\$28,957,120	\$710,390

LAFOURCHE PARISH SCHOOL BOARD
 Combining Balance Sheet: Other Governmental Funds
 For the Year Ended June 30, 2004
 (With comparative totals for the year ended June 30, 2003)

	<u>NO CHILD LEFT BEHIND ACT</u>			INDIVIDUALS WITH DISABILITIES EDUCATION ACT
	<u>TITLE I</u>	<u>TITLE IV & VI</u>	<u>TITLE II</u>	
ASSETS				
Cash and cash equivalents				
Receivables (net of allowances for uncollectibles)	\$942,649	\$34,171	\$544,517	\$598,377
Due from other funds				
Inventories				
TOTAL ASSETS	<u>\$942,649</u>	<u>\$34,171</u>	<u>\$544,517</u>	<u>\$598,377</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$1,183	\$NONE	\$NONE	\$32,707
Salaries and wages payable	465,847	\$7,347	\$120,851	140,406
Interfund payable	475,619	26,824	423,666	384,642
Intergovernment payable				
Deposits subject to refund				40,622
Total Liabilities	<u>942,649</u>	<u>34,171</u>	<u>544,517</u>	<u>598,377</u>
Fund balances:				
Reserved for salaries				
Reserved for child nutrition				
Total Fund Equity	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$942,649</u>	<u>\$34,171</u>	<u>\$544,517</u>	<u>\$598,377</u>

INDIAN EDUCATION ACT	SALARY SUPPLEMENT	CHILD NUTRITION	TOTAL OTHER GOVERNMENTAL FUNDS	
			6/30/04	6/30/03
	\$1,681,791	\$3,290,063	\$4,971,854	\$4,398,017
\$49,229	13,231	29,531	2,211,705	1,842,210
		263,269	263,269	159,795
				243,496
\$49,229	\$1,695,022	\$3,582,863	\$7,446,828	\$6,643,518
\$NONE		\$13,688	\$47,578	\$149,142
10,857		324,357	1,069,665	1,011,377
38,372	\$NONE	31,618	1,380,741	1,137,148
	58,610		99,232	99,531
49,229	58,610	369,663	2,597,216	2,397,198
	1,636,412		1,636,412	1,069,657
		3,213,200	3,213,200	3,176,663
NONE	1,636,412	3,213,200	4,849,612	4,246,320
\$49,229	\$1,695,022	\$3,582,863	\$7,446,828	\$6,643,518

LAFOURCHE PARISH SCHOOL BOARD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances:
Other Governmental Funds
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

	NO CHILD LEFT BEHIND ACT			INDIVIDUALS WITH DISABILITIES EDUCATION ACT
	TITLE I	TITLE IV & VI	TITLE II	
REVENUES				
<u>Local sources:</u>				
Ad valorem tax				
Earnings on investments				
Food service collections				
Other local				
<u>State Sources</u>				
Unrestricted grants-in-aid				
Restricted grants-in-aid				
<u>Federal sources:</u>				
Restricted grants-in-aid - direct				
Restricted grants-in-aid - subgrants	\$4,208,840	\$114,367	\$1,075,303	\$2,923,233
Revenue for/on behalf of LEA				
Total revenues	4,208,840	114,367	1,075,303	2,923,233
EXPENDITURES				
<u>Instruction:</u>				
Regular programs		2,560	178,776	
Special programs				2,133,196
Other programs	3,456,940	41,761	691,871	
<u>Support Services:</u>				
Pupil support		44,187		422,813
Instructional staff support	517,413	21,218	160,515	122,657
General administration	510		55	
School administration				
Business services	1,425			
Operation and maintenance of plant	61,273	609		
Pupil transportation				101,022
Central services				30,491
Food service operations				
Total expenditures	4,037,561	110,335	1,031,217	2,810,179
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	\$171,279	\$4,032	\$44,086	\$113,054

INDIAN EDUCATION ACT	SALARY SUPPLEMENT	CHILD NUTRITION	TOTAL OTHER GOVERNMENTAL FUNDS	
			6/30/04	6/30/03
	\$2,916,040		\$2,916,040	\$2,807,267
	14,651	\$25,676	40,327	52,867
		1,244,868	1,244,868	1,248,274
		2,260	2,260	
		1,286,500	1,286,500	1,201,900
				84,612
\$116,040			116,040	117,549
		3,367,971	11,689,714	10,338,163
		308,697	308,697	317,429
116,040	2,930,691	6,235,972	17,604,446	16,168,061
85,006			266,342	198,228
			2,133,196	1,428,163
			4,190,572	3,740,258
			467,000	402,698
25,915			847,718	902,188
25	93,203		93,793	89,363
			1,425	33,568
383			62,265	48,602
			101,022	84,743
			30,491	28,600
		6,323,244	6,323,244	6,312,488
111,329	93,203	6,323,244	14,517,068	13,268,899
\$4,711	\$2,837,488	(\$87,272)	\$3,087,378	\$2,899,162

LAFOURCHE PARISH SCHOOL BOARD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances:
Other Governmental Funds
For the Year Ended June 30, 2004
(With comparative totals for the year ended June 30, 2003)

	<u>NO CHILD LEFT BEHIND ACT</u>			INDIVIDUALS WITH DISABILITIES EDUCATION ACT
	<u>TITLE I</u>	<u>TITLE IV & VI</u>	<u>TITLE II</u>	
<u>OTHER FINANCING</u>				
<u>SOURCES (USES)</u>				
Transfers in (out)	(171,279)	(4,032)	(44,086)	(113,054)
Sales of fixed assets				
Total other financing sources (uses)	(171,279)	(4,032)	(44,086)	(113,054)
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER SOURCES OVER</u>				
<u>EXPENDITURES AND OTHER</u>				
<u>USES</u>	NONE	NONE	NONE	NONE
<u>FUND BALANCES</u>				
<u>AT BEGINNING OF YEAR</u>	NONE	NONE	NONE	NONE
<u>FUND BALANCES</u>				
<u>AT END OF YEAR</u>	\$NONE	\$NONE	\$NONE	\$NONE

INDIAN EDUCATION ACT	SALARY SUPPLEMENT	CHILD NUTRITION	TOTAL OTHER GOVERNMENTAL FUNDS	
			6/30/04	6/30/03
(4,711)	(2,270,733)	119,766 4,043	(2,488,129) 4,043	(2,234,746)
(4,711)	(2,270,733)	123,809	(2,484,086)	(2,234,746)
NONE	566,755	36,537	603,292	664,416
NONE	1,069,657	3,176,663	4,246,320	3,581,904
\$NONE	\$1,636,412	\$3,213,200	\$4,849,612	\$4,246,320

LAFOURCHE PARISH SCHOOL BOARD
Supplemental Information Schedules
June 30, 2004

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the School Board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly method payment of compensation. Under this method, the members of the School Board receive \$600 per month and the president receives \$700 per month.

LAFOURCHE PARISH SCHOOL BOARD
Schedule of Compensation Paid Board Members

Schedule 5

For the Year Ended June 30, 2004

<u>BOARD MEMBER</u>	<u>AMOUNT</u>
Louis E. Thibodaux, vice president	\$9,600
Rhoda Caldwell	9,600
Constance Thompson Williams	9,600
Robert P. Naquin	9,600
Stella Lasseigne	9,600
G. A. Rodrigue, Jr.	9,600
Gary Foret	9,600
Dave J. DeFelice, Jr., president	10,800
Loretta Duplantis	9,600
Melanie Boulet	9,600
Roy Landry	9,600
Jon C. Callais	9,600
Al Archer	9,600
Larry Pitre	9,600
Rebecca Duet	9,600
Total	<u>\$145,200</u>

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STAGNI & COMPANY, LLC

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

To the Lafourche Parish School Board
Thibodaux, Louisiana

We have audited the basic financial statements of the Lafourche Parish School Board as of and for the year ended June 30, 2004 and have issued our report thereon dated December 2, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Lafourche Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. We noted certain immaterial instances of noncompliance that we have reported to management of the Lafourche Parish School Board in a separate letter dated December 2, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lafourche Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Lafourche Parish School Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 2004-1.

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A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the Lafourche Parish School Board in a separate letter dated December 2, 2004.

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

Stagni & Company

Thibodaux, Louisiana
December 2, 2004



LAFOURCHE PARISH SCHOOL BOARD
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

Schedule 6
(continued)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY
<u>United States Department of Agriculture Nutrition Cluster:</u>			
Passed Through Louisiana			
Department of Education:			
National School Lunch Program		10.555	\$2,675,209
School Breakfast Program		10.553	692,762
Total Nutrition Cluster			3,367,971
Passed through Louisiana			
Department of Agriculture and Forestry:			
Food Distribution Program		10.550	308,697
Total United States Department of Agriculture			3,676,668
<u>United States Department of Defense</u>			
Direct Program:			
R.O.T.C.		12.998	166,299
Passed Through Louisiana			
Department of Education:			
Emergency Rehabilitation of Flood Control Works and Federally Authorized Costal Protection Works Rehabilitation Act		12.102	1,192
Federal Emergency Management Act		83.516	
Total United States Department of Defense			167,491
<u>United States Department of Education</u>			
Direct Programs:			
Indian Education - Formula			
Grants to Local Educational Agencies and Tribal Schools			
2003 Grant	S060A60511	84.060	6,135
2043 Grant	S060A60511	84.060	109,905
Passed Through Louisiana			
Department of Education:			
Vocational Education Act:			
Basic Grants			
2003 Grant Carryover	280402-29	84.048	4,516
2004 Grant	280402-29	84.048	206,039

LAFOURCHE PARISH SCHOOL BOARD
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2004

Schedule 6
 (continued on next page)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY
Adult Education -			
State Administered Program	0344-29	84.002A	38,692
State Administered Program	0244-29-c	84.002A	9,263
State Administered Program	0444-29	84.002A	127,989
Adult Education - One-Stop Centers	0413-29	84.002A	4,199
N. C. L. B. Title I - Special Education needs of Disadvantaged: Educationally Deprived Children			
2003 Grant	03-T1-29	84.010	520,177
2004 Grant	04-T1-29-1	84.010	2,949,987
2004 Grant Carryover	03-T1-29-1 C/O	84.010	475,044
Migrant Education			
2003 Grant Carryover	03-M1-29-C	84.011	38,826
2003 Grant	03-M1-29	84.011	21,454
2004 Grant Carryover	04-M1-29-C	84.011	4,617
2004 Grant	04-M1-29	84.011	160,741
N. C. L. B. Title II Teacher/Principal Training			
2002 Grant Carryover	02-50-29 C/O	84.367	10,126
2003 Grant	03-50-29	84.367	183,401
2003 Grant Carryover	03-50-29 C/O	84.367	195,955
2004 Grant	04-50-29	84.367	685,821
N. C. L. B. Title III - English as a Second Language			
2003 Grant	28-03-60-29	84.365A	9,767
2004 Grant	28-04-60-29	84.365A	27,501
2004 Grant Influx	28-04-53-29	84.365A	726
N. C. L. B. Title IV - Drug Free Schools and Communities State Grant			
2003 Grant	03-70-29	84.186A	9,944
2004 Grant	04-70-29	84.186A	15,147
N. C. L. B. Title V - Innovative Education Program Strategies			
2003 Grant	03-80-29	84.298A	7,305
2004 Grant	04-80-29	84.298A	79,289

LAFOURCHE PARISH SCHOOL BOARD
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2004

Schedule 6
 (continued on next page)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY
Educational Technology State Grants 2003 Grant	0349-29	84.318X	104,937
Even Start-State Educational Agencies 2003 Grant Carryover	02-F1-29-C	84.213C	13,629
2003 Grant	03-F1-29	84.213C	43,288
2004 Grant	04-F1-29	84.213C	265,192
I. D. E. A. - Assistance for Education of Handicapped 2003 Grant	03-B1-29	84.027	218,817
2004 Grant	04-B1-29	84.027	2,477,734
2003 Additional Flow-Through	28-03-B8-29	84.027	11,784
t I. D. E. A. - Preschool 2002 Set Asside	02-P2-29	84.173A	79,015
2003 Set Asside	03-P2-29	84.173A	8,154
2003 Grant	03-P1-29	84.173A	3,058
2004 Grant	04-P1-29	84.173A	124,671
Total Special Education Cluster			2,923,233
Class Size Reduction Program 2002 Grant Carryover	02-01-29-C	84.340A	2,682
Total United States Department of Education			9,255,527
<u>United States Department of Health and Human Resources</u>			
Passed Through Louisiana Department of Social Services:			
Temporary Assistance for Needy Families			
Pre-GED/Skills Option Program	0336-29	93.558	156,844
Find Work	4304	93.558	148,272

LAFOURCHE PARISH SCHOOL BOARD
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2004

Schedule 6
 (concluded)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY
Passed Through Louisiana Department of Education: Strategies to Empower People		93.558	29,927
Total United States Department of Health and Human Resources			335,043
Total Program Activity			\$13,434,729

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2004

1. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting, which is consistent with the general purpose financial statements.

2. DEFINITION OF CLUSTER

A cluster of programs means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development, student financial aid, and other clusters. "Other clusters" are defined by the Office of Management and Budget (OMB) in the compliance supplement or as designated by a State for Federal Awards the State provides to a subrecipient that meet the definition of a cluster of programs.

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STAGNI & COMPANY, LLC

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

To the Lafourche Parish School
Thibodaux, Louisiana

Compliance

We have audited the compliance of the Lafourche 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 each of its major federal programs for the year ended June 30, 2004. The Lafourche 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 each of its major federal programs is the responsibility of the Lafourche Parish School Board's management. Our responsibility is to express an opinion on the Lafourche Parish 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 Lafourche Parish 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 legal determination on the Lafourche Parish School Board's compliance with those requirements.

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

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Internal Control over Compliance

The management of the Lafourche 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 Lafourche Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

Stagni & Company

Thibodaux, Louisiana
December 2, 2004



LAFOURCHE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2004

We have audited the basic financial statements of the Lafourche Parish School Board as of and for the year ended June 30, 2004, and have issued our report thereon dated December 2, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. Our audit of the financial statements as of June 30, 2004 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Type of Opinion On Compliance Unqualified Qualified

For Major Programs Disclaimer Adverse

Are their findings required to be reported in accordance with Circular A-133, Section .510(a)? Yes No

c. Identification of Major Programs:

IDEA Cluster:

I.D.E.A.- Assistance for Education of the Handicapped, Part B		
	CFDA # 84.027	Total \$2,708,335
I.D.E.A. – Preschool		
	CFDA # 84.173A	Total \$ 214,898
Total IDEA Cluster		\$2,923,233

Even Start – State Educational Agencies

CFDA # 84.213C Total \$ 322,109



LAFOURCHE PARISH SCHOOL BOARD

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2004**

Page 2

FIND Work

CFDA # 93.558 Total \$ 148,272

Strategies to Empower People (STEP)

CFDA # 93.558 Total \$ 29,927

Dollar threshold used to distinguish between Type A and Type B Programs: \$403,042
Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? Yes No

Section II Financial Statement Findings

2004-1 **CONTROLS OVER HEALTH INSURANCE CLAIMS PAID**

Criteria or specific requirement: The management of the Lafourche Parish School Board has the responsibility for administration of the payment of health insurance claims – even with a third party administrator service. The detail support for health insurance claims to be paid by the third party administrator should be reviewed by an employee of the Lafourche Parish School Board prior to transferring the funds to pay the claims. Also, a report on internal controls over the third party servicer's administration of claims should be requested and reviewed annually.

Condition found: United Health Care was the third party servicer for half of the fiscal year and Benefits Management Services was the third party servicer for the other half of this fiscal year audited. While United Health Care was the administrator there was no detail accompanying the request for funds and transfer to cover claims; therefore, it was not possible to review any support – there was none. Benefits Management Services does provide supporting detail accompanying request for funds to be transferred to cover claims, but no one is reviewing these reports prior to transferring the amounts needed to cover claims being paid by the servicer.

The client did not request reports on internal controls over either of the third party servicer's administration of claims. We requested these reports, United Health had a report, but Benefits Management Service does not have this type of report.

Effect: There is a lack of controls over the review of supporting documentation for the transfer of funds to cover claims being paid by the third party servicers.

Cause: The Lafourche Parish School Board relied solely on the third party administrator's controls for group health care claims paid.



LAFOURCHE PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2004

Page 3

Questioned Costs: NONE

Recommendations: We recommend that an employee of the Lafourche Parish School Board be responsible for reviewing the supporting documentation for funds to be transferred to the third party administrator for claims to be paid for group health insurance before the transfer of funds occurs. We also recommend that someone from the Lafourche Parish School Board annually request a report on controls over the third party's administrator's processing and payment of claims. If this report can not be obtained, we recommend that the Lafourche Parish School Board's internal auditor test a sample of claims each year prior to the external audit to verify that the claims being paid are properly administered.

Section III Federal Award Findings and Questioned Costs

NO FINDINGS NOTED



LAFOURCHE PARISH SCHOOL BOARD
 General Governmental Expenditures by Program
 Last Ten Fiscal Years (1)
UNAUDITED

FISCAL YEAR	INSTRUCTION	SUPPORT SERVICES	FOOD SERVICES	COMMUNITY SERVICES
1995	\$39,851,359	\$20,814,625	\$5,565,610	\$13,437
1996	44,304,784	21,847,127	5,714,203	49,228
1997	50,243,838	24,996,933	5,980,669	11,300
1998	56,351,152	27,114,064	6,455,071	13,787
1999	56,257,376	26,700,208	6,273,618	8,698
2000	58,231,285	27,603,700	6,121,824	8,746
2001	57,175,281	29,068,890	6,254,568	10,705
2002	60,116,768	33,119,539	6,520,716	6,423
2003	66,169,916	35,795,426	6,579,007	10,705
2004	66,348,023	35,775,572	6,617,053	6,423

(1) Includes general, special revenue, debt service and construction funds.

Table 1

FACILITIES ACQUISITION AND CONSTRUCTION	DEBT SERVICE	TOTAL
\$626,335	\$2,771,141	\$69,642,507
472,687	2,783,775	75,171,804
1,420,702	2,823,188	85,476,630
4,625,692	2,766,955	97,326,721
3,762,557	3,056,638	96,059,095
11,395,726	3,513,672	106,874,953
18,747,157	3,815,036	115,071,637
10,479,482	3,705,609	113,948,537
3,226,680	3,721,126	115,502,860
3,146,226	3,810,969	115,704,266

LAFOURCHE PARISH SCHOOL BOARD
 General Governmental Revenues by Source
 Last Ten Fiscal Years (1)
UNAUDITED

FISCAL YEAR	TAXES	INTEREST	CHILD NUTRITION COLLECTIONS	OTHER LOCAL
1995	\$14,985,461	\$662,007	\$1,013,614	\$938,902
1996	23,355,564	971,713	1,054,648	746,658
1997	25,073,588	818,668	1,144,892	1,939,281
1998	27,917,045	1,663,149	1,176,985	1,540,293
1999	28,211,305	3,290,585	1,216,763	2,111,044
2000	29,535,011	3,755,734	1,379,062	2,950,100
2001	31,272,058	3,407,209	1,279,323	2,413,380
2002	33,840,525	1,188,343	1,294,443	1,362,888
2003	35,700,239	589,460	1,248,274	2,346,864
2004	37,549,104	426,370	1,244,868	1,734,593

(1) Includes general, special revenue, debt service and construction funds.

LAFOURCHE PARISH SCHOOL BOARD
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years (1)
UNAUDITED

Table 2A

FISCAL YEAR	PROPERTY TAX	SALES TAX	1% OF COLLECTIONS BY SHERIFF	TOTAL
1995	\$8,177,490	\$6,576,397	\$231,574	\$14,985,461
1996	8,314,198	14,796,355	245,011	23,355,564
1997	8,749,727	16,071,176	252,685	25,073,588
1998	9,623,520	18,010,299	283,226	27,917,045
1999	10,350,021	17,542,016	319,268	28,211,305
2000	11,463,446	17,710,680	360,885	29,535,011
2001	12,644,130	18,235,375	392,553	31,272,058
2002	13,870,677	19,545,497	424,351	33,840,525
2003	16,341,368	18,868,897	489,974	35,700,239
2004	16,974,543	20,057,900	516,661	37,549,104

Table 2

STATE GRANTS	FEDERAL GRANTS	TOTAL
\$42,916,560	\$8,731,193	\$69,247,737
42,571,272	9,940,757	78,640,612
47,955,731	9,941,538	86,873,698
51,962,971	9,411,609	93,672,052
53,609,602	10,326,335	98,765,634
52,691,175	10,734,995	101,046,077
53,930,077	11,319,593	103,621,640
57,500,423	12,340,107	107,526,729
58,637,951	12,141,095	110,663,883
59,034,852	13,434,729	113,424,516

LAFOURCHE PARISH SCHOOL BOARD
Property Tax Levies and Collections
Last Ten Fiscal Years
UNAUDITED

Table 3

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAX COLLECTED TO LEVY	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTED TO LEVY
1995	\$8,055,221	\$7,775,801	96.53%	\$401,689	\$8,177,490	101.52%
1996	8,233,674	8,114,645	98.55	199,553	8,314,198	100.98
1997	8,703,345	8,560,956	98.36	188,771	8,749,727	100.53
1998	9,766,631	9,584,216	98.13	39,304	9,623,520	98.53
1999	10,566,932	10,277,511	97.26	72,510	10,350,021	97.95
2000	11,664,400	11,369,509	97.47	93,937	11,463,446	98.28
2001	12,937,693	12,439,034	96.15	205,096	12,644,130	97.73
2002	14,322,860	13,855,166	96.73	15,511	13,870,677	96.84
2003	16,552,136	16,208,281	97.92	133,087	16,341,368	98.73
2004	17,139,016	16,785,701	97.94	188,842	16,974,543	99.04

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LAFOURCHE PARISH SCHOOL BOARD
Assessed Value of Property
 Last Ten Fiscal Years
UNAUDITED

Classification	2003	2002	2001	2000
Land	\$42,446,530	\$41,372,810	\$40,685,420	\$39,396,510
Improvements	178,495,220	172,008,500	167,759,200	158,497,800
Inventories	21,852,680	20,829,490	19,717,170	16,706,810
Machinery & Equipment	21,766,650	20,933,380	17,713,580	17,224,340
Business Furniture & Fixtures	3,661,900	3,945,760	3,751,950	3,818,120
Miscellaneous Personal Property	7,570,800	7,711,910	7,986,190	8,317,920
Credits (Insurance & Finance Co.)	73,850	68,510	71,110	69,280
Leased Equipment	2,932,910	2,501,810	2,161,520	2,088,940
Pipelines	8,341,230	9,044,610	8,742,000	7,972,560
Oil & Gas Surface Equipment	4,054,220	4,041,690	3,256,590	3,180,000
Watercraft	112,029,220	103,482,870	68,093,230	59,365,250
Aircraft	2,598,070	1,958,190	2,206,460	1,911,050
Financial Institutions	20,223,870	18,084,270	15,303,750	17,796,780
Drilling Rigs	1,696,090	3,560,250	2,889,880	1,779,820
Oil & Gas Wells	28,502,490	29,612,420	25,602,170	20,311,290
Public Service Corporations	69,282,870	69,786,040	69,758,050	64,438,570
Total Grossed Assessed Value	\$525,528,600	\$508,942,510	\$455,698,270	\$422,875,040
 Homestead Exemption	 132,431,900	 129,306,360	 127,192,300	 122,835,770
 Net Assessed Value	 \$393,096,700	 \$379,636,150	 \$328,505,970	 \$300,039,270

The assessor adds property to the ad valorem tax rolls by first determining the fair market value of property as it becomes subject to ad valorem tax. The assessor then applies the appropriate assessed valuation percentage to property's fair market value to determine gross taxable value. The percentages are:

- 10% for land, and improvements for residential purposes
- 15% for electric cooperative properties, excluding land, and other property
- 25% for public service properties, excluding land

The homestead exemption of \$7,500 is then deducted from property subject to the exemption in determining the net assessed value.

Under the laws of the State of Louisiana the assessor is required to re-appraise all property subject to the ad valorem tax every four years. The reassessment of the 2004 roll will be completed during the 2005 fiscal year.

Source: Lafourche Parish Assessor's Office

Table 4

1999	1998	1997	1996	1995	1994
\$38,674,840	\$37,542,710	\$37,526,210	\$37,161,670	\$33,451,520	\$32,910,790
138,026,780	124,289,500	121,441,900	116,067,820	106,171,240	103,455,280
15,734,660	14,146,730	14,318,230	12,129,550	10,910,240	10,553,370
14,332,000	13,422,980	11,436,930	9,510,930	8,520,850	7,606,200
3,250,110	3,013,520	2,992,190	2,806,940	2,380,990.00	2,416,560
8,882,110	9,619,620	10,791,760	10,280,990	10,302,090	12,089,090
93,450	96,580	77,650	90,390	75,850	10,390
2,128,410	1,686,010	1,741,660	1,132,330	974,660	909,160
8,169,150	7,820,690	9,034,980	9,040,760	9,186,810	9,651,370
3,188,220	3,229,270	4,395,420	4,346,610	4,383,080	4,649,110
43,796,630	35,177,550	16,891,530	9,639,160	9,723,570	7,922,620
2,121,960	1,952,640	1,254,600	1,065,130	1,044,970	1,181,210
17,796,780	13,388,590	13,407,980	11,606,260	9,686,850	9,187,180
787,350	1,033,300	291,250	295,950	368,340	402,990
21,568,340	26,858,610	27,640,920	25,292,740	23,299,320	21,947,880
62,392,050	58,915,450	55,708,760	51,386,210	50,278,940	49,512,760
\$380,942,840	\$352,193,750	\$328,951,970	\$301,853,440	\$280,759,320	\$274,405,960
111,743,650	108,322,720	103,550,840	100,991,570	94,012,390	91,799,460
\$269,199,190	\$243,871,030	\$225,401,130	\$200,861,870	\$186,746,930	\$182,606,500

LAFOURCHE PARISH SCHOOL BOARD
Property Tax Levies Direct and Overlapping Governments
Last Ten Fiscal Years
UNAUDITED

(Tax Rates Per \$1,000 of Assessed Value for Parishwide Taxes Only)

	2003	2002	2001	2000	1999
Lafourche Parish Schools:					
Constitutional Tax	\$3.93	\$3.93	\$3.93	\$3.93	\$4.11
Parishwide Maintenance	7.49	7.49	7.49	7.49	7.34
Consolidated School District No. I Maintenance	7.49	7.49	7.49	7.49	7.34
Consolidated School District No. I Air Conditioning Maintenance	7.49	7.49	7.49	7.01	7.34
Consolidated School District No. I Bonds	17.20	17.20	17.20	17.20	17.20
	<u>\$43.60</u>	<u>\$43.60</u>	<u>\$43.60</u>	<u>\$43.12</u>	<u>\$43.33</u>
Overlapping, Parishwide Taxes:					
Law Enforcement District	\$10.37	\$10.37	\$10.37	\$10.37	\$10.37
Health Unit	0.90	0.90	0.90	0.90	0.94
Library	8.50	8.50	8.50	8.50	8.91
Recreation	1.82	1.82	1.82	1.82	1.91
Public Buildings	2.75	2.75	2.75	2.75	2.88
Juvenile Justice	3.20	3.20	3.20	3.20	3.20
Drainage	3.68	3.68	3.68	3.68	3.85
Drainage, Health, Library	5.17	5.17	5.17	5.17	5.41
Assessment District	2.50	2.50	2.39	2.39	2.09
	<u>\$38.89</u>	<u>\$38.89</u>	<u>\$38.78</u>	<u>\$38.78</u>	<u>\$39.56</u>
Total Direct and Overlapping	<u>\$82.49</u>	<u>\$82.49</u>	<u>\$82.38</u>	<u>\$81.90</u>	<u>\$82.89</u>

Source: Lafourche Parish Assessor's Office

Table 5

1998	1997	1996	1995	1994
\$4.11	\$4.11	\$4.11	\$4.18	\$4.18
7.34	7.34	7.34	7.47	7.47
7.34	7.34	7.34	7.47	7.47
7.34	7.34	7.34	7.47	7.47
17.20	17.20	17.20	17.50	17.50
<u>\$43.33</u>	<u>\$43.33</u>	<u>\$43.33</u>	<u>\$44.09</u>	<u>\$44.09</u>
\$10.37	\$10.37	\$10.37	\$10.37	\$10.37
0.94	0.94	0.94	0.96	0.96
8.91	8.91	1.92	1.91	1.91
1.91	1.88	1.88	1.91	1.91
2.88	2.83	2.83	2.88	2.88
3.20	3.20	3.20	3.14	3.14
3.85	3.78	3.78	3.85	3.85
5.41	5.30	5.30	5.39	5.39
2.50	2.16	2.50	2.20	2.50
<u>\$39.97</u>	<u>\$39.37</u>	<u>\$32.72</u>	<u>\$32.61</u>	<u>\$32.91</u>
<u>\$83.30</u>	<u>\$82.70</u>	<u>\$76.05</u>	<u>\$76.70</u>	<u>\$77.00</u>

LAFOURCHE PARISH SCHOOL BOARD
Principal Property Tax Payers
June 30, 2004
UNAUDITED

Table 6

COMPANY	TYPE OF BUSINESS	2003 ASSESSMENT	% OF ASSESSMENT
Edison Chouses Offshore, Inc.	Marine Contractors	\$25,172,070	4.8%
Hornbeck Offshore Services	Marine Contractors	11,889,700	2.3%
Mars Oil Pipeline Company	Pipeline	11,036,550	2.1%
Chouest Offshore Services	Marine Contractors	10,739,010	2.0%
Hibernia National Bank	Bank	10,107,690	1.9%
Loop, Inc.	Pipeline	9,929,950	1.9%
Entergy Louisiana, Inc.	Electric Utility	8,593,420	1.6%
Locap Inc.	Pipeline	8,417,190	1.6%
Alpha Marine Services LLC	Marine Contractors	8,143,470	1.5%
Discovery Gas Distribution LLC	Pipeline	6,912,750	1.3%
		<u>\$110,941,800</u>	<u>21.1%</u>

Source: Lafourche Parish Assessor's Office

LAFOURCHE PARISH SCHOOL BOARD
Computation of Legal Debt Margin
June 30, 2004
UNAUDITED

Table 7

Gross Assessed Value	<u>\$525,528,600</u>
Debt Limitation 35% of Gross Assessed Value	\$183,935,010
Less Bonded Debt Issued and Outstanding	<u>65,945,000</u>
Legal Debt Margin	<u>\$117,990,010</u>

LAFOURCHE PARISH SCHOOL BOARD
 Ratio of Net General Obligation Debt to Assessed Value
 and Net General Obligation Debt Per Capita

Table 8

Last Ten Fiscal Years
UNAUDITED

FISCAL YEAR	(1) POPULATION	NET ASSESSED VALUE	GROSS BONDED DEBT	LESS DEBT SERVICE	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1995	87,362	\$182,699,500	\$6,845,000	\$972,508	\$5,872,492	3.21	\$67
1996	87,497	186,746,930	4,555,000	1,566,984	2,988,016	1.60	34
1997	88,032	200,861,870	12,150,000	2,339,514	9,810,486	4.88	111
1998	88,230	225,401,130	35,020,000	3,487,474	31,532,526	13.99	357
1999	88,422	243,871,030	34,010,000	4,713,564	29,296,436	12.01	331
2000	88,614	269,199,190	42,110,000	6,074,979	36,035,021	13.39	407
2001	90,236	300,039,270	40,690,000	7,590,162	33,099,838	11.03	367
2002	90,573	328,505,970	39,195,000	9,467,234	29,727,766	9.05	328
2003	91,068	379,636,150	37,615,000	12,239,197	25,375,803	6.68	279
2004	92,071	393,096,700	65,945,000	15,123,203	50,821,797	12.93	552

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LAFOURCHE PARISH SCHOOL BOARD
Ratio of Annual Debt Service Expenditures For General Obligation Bonded
Debt to Total General Governmental Expenditures
Last Ten Fiscal Years
UNAUDITED

Table 9

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	(1) TOTAL GENERAL GOVERNMENTAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
1995	\$2,165,000	\$505,771	\$2,670,771	\$69,642,507	3.55
1996	2,290,000	385,717	2,675,717	75,171,804	3.16
1997	2,405,000	261,241	2,666,241	84,675,350	2.87
1998	2,130,000	523,765	2,653,765	93,046,776	2.86
1999	1,010,000	1,919,501	2,929,501	92,791,430	3.04
2000	1,300,000	2,086,841	3,386,841	96,249,475	3.52
2001	1,420,000	2,267,480	3,687,480	96,218,408	3.83
2002	1,495,000	2,156,905	3,651,905	103,567,202	3.53
2003	1,580,000	2,040,480	3,620,480	112,906,610	3.21
2004	1,670,000	2,056,936	3,726,936	113,876,448	3.27

(1) Includes general, special revenue and debt service funds

LAFOURCHE PARISH SCHOOL BOARD
Statement of Direct, Overlapping and Underlying Bonded Debt
UNAUDITED

Table 10

Name of Government Unit	Outstanding Balance	% Attributable	School Board's Share of Debt
Direct			
Lafourche Parish School Board	\$65,945,000	100%	\$65,945,000
Overlapping and Underlying (1)			
Hospital Service District No. 1	3,250,000	100%	3,250,000
Recreation District No. 2	970,000	100%	970,000
Recreation District No. 11	173,000	100%	173,000
Fire Protection District No. 1	495,000	100%	495,000
Fire Protection District No. 6	540,000	100%	580,000
	<u>\$71,373,000</u>		<u>\$71,413,000</u>

(1) Source: Fiscal Services, Inc. Balances through March 2, 2004

LAFOURCHE PARISH SCHOOL BOARD
Demographic Statistics
UNAUDITED

Table 11

Form of Government:	Parish School Board
Geographic Area:	1,472 Square Miles
Population: (1)	92,071
Membership:	14,964
Number of Schools:	28
Total Full Time Employees: (2)	2,317
Teachers Only:	1,167

FISCAL YEAR	(1) POPULATION	(1) (3) PER CAPITA INCOME	SCHOOL ENROLLMENT	(1) TOTAL EMPLOYMENT
1995	87,611	\$16,715	16,443	35,430
1996	87,805	17,983	16,251	36,872
1997	88,650	19,661	16,076	39,032
1998	89,454	21,147	15,782	41,228
1999	90,062	21,377	15,612	43,569
2000	89,962	22,704	15,453	44,946
2001	90,350	24,838	15,229	47,005
2002	91,222	25,445	15,178	47,569
2003	91,739	26,208	15,162	48,134
2004	92,071	27,057	14,964	48,688

(1) © Woods and Poole Economics, Inc. 2004. Woods and Poole Economics, Inc. does not guarantee the accuracy of the information and that the use of the Information, and any conclusions drawn therefrom, are solely the responsibility of the Lafourche Parish School Board.

(2) 2004 PEP Actual Report

(3) In current dollars.

LAFOURCHE PARISH SCHOOL BOARD

Status of Prior Audit Findings
For the Year Ended June 30, 2004

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Section I - Internal Control and Compliance Material to the Financial Statements:

NONE

Section II - Internal Control and Compliance Material to Federal Awards:

NONE

Section III - Management Letter:

NONE

LAFOURCHE PARISH SCHOOL BOARD
CURRENT YEAR FINDINGS, RECOMMENDATIONS
AND CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2004

SECTION I – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS:

Reference #: 2004-1

CONTROLS OVER HEALTH INSURANCE CLAIMS PAID

Description of Finding:

United Health Care was the third party servicer for half of the fiscal year and Benefits Management Services was the third party servicer for the other half of this fiscal year audited. While United Health Care was the administrator there was no detail accompanying the request for funds and transfer to cover claims; therefore, it was not possible to review any support – there was none. Benefits Management Services does provide supporting detail accompanying request for funds to be transferred to cover claims, but no one is reviewing these reports prior to transferring the amounts needed to cover claims being paid by the servicer. The client did not request reports on internal controls over either of the third party servicer's administration of claims.

Corrective Action Planned:

The Internal Auditor will be responsible for certain test procedures to be conducted on the payments made on a monthly basis. The nature of the procedures will be determined by through consultation between the Internal Auditor and the staff of Stagni and Company.

In addition, the Business Manager will discuss this situation with Byron Landry of Gallagher Benefit Services, Jim Stentz of Stentz and Associates and Vickie Steib of Benefit Management Services to see what auditing is done by BMS on its claims accounts.

Name of Contact Person:

Don Gaudet, Business Manager

Anticipated Completion Date:

Audit work should be started by February of 2005. Meeting with BMS should be conducted in January of 2005.

SECTION II – INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS:

NO FINDINGS TO REPORT

SECTION III – MANAGEMENT LETTER COMMENTS:

Reference #: **2004-2**

Personnel Records

Description of Finding:

While performing payroll testing and agreed upon procedures testing, supporting documentation in the personnel records could not be located after five attempts. Supporting documents such as the current year contracts with the related employee questionnaires, deductions for payroll withholdings, and direct deposit authorizations. Of a sample of 29 items pulled for payroll testing, 1 current year contracts with the related employee questionnaires, 11 direct deposit authorization forms, 4 insurance deduction forms and 1 Association Dues authorization could not be located.

Corrective Action Planned:

The Lafourche Parish School Board Personnel Department maintains records in two distinct ways. First, individual school employee records are maintained in the personnel office for approximately one year. Prior to this school year these individual employee files were separated into four parts: Sick Leave, Payroll, General, and Contracts as was suggested in a previous audit. After the one-year period, files are sent to Imagemax to be scanned and placed on CD's. Imagemax is located in Monroe, Louisiana. At the time of this audit, some 2003 – 2004 documents were not available. Mr. Rodney Clark, our Imagemax representative, was contacted and asked to submit the appropriate CD's necessary for the audit. We were unable to submit the actual copies because they are maintained in Imagemax's warehouse in Monroe. Upon communication with the auditor, the department's understanding was that we were to submit contracts, etc. that were dated closest to the requested dates. However, it was the auditor's understanding that these documents would be submitted once the CD's were received. Through miscommunication the actual documents were not submitted once the CD's were received. Since we have received clarification, additional documents have been submitted to Stagni. However, we have noted that there are still a few files that have not been scanned and submitted back to the personnel department.

Due to our process of filing in a four-part manner, we noted that after scanning, some documents were scanned into wrong files. We met with Mr. Clark from Imagemax to determine if a more appropriate means of maintaining our files would help in the scanning process. Beginning with the 2004-2005 school year, the personnel department embarked upon a new filing system to maintain employee records. Rather than separating an employee's information into four separate files, we changed to maintaining one complete file for each employee. Yearly, each complete individual folder will be sent to Imagemax for scanning. We anticipate that this process will decrease the amount of time Imagemax needs to update personnel records as well as ensuring that all parts of an individual's past year information is scanned appropriately.

In past years, direct deposit forms were stored in a warehouse at our Sales Tax Office after being processed by the payroll department. These direct deposit forms were not

sent to Personnel to be filed. It is our understanding that after the required number of years, this information was destroyed. In an effort to update this type of information for personnel purposes, we will review files of individuals to ensure that those on direct deposit have the appropriate request form on file in our office. Those who do not will be sent a new form for completion.

Name of Contact Person:

Joann Matthews, Supervisor of Personnel and Administration

Anticipated Completion Date:

Tuesday, December 14th

Reference #: **2004-3**
Equipment Additions

Description of Finding:

In the last couple of years, a large reconciling item has been on the equipment roll forward amounts for items purchased in the prior year but not added until the current year. When you compare the items coded to the equipment capital outlay accounts for the year ending June 30, 2004 to the additions in the fixed asset inventory system for equipment there is approximately \$230,000 in assets that were not added to the fixed asset inventory system.

Corrective Action Planned:

Part of the problem is with the assets purchased near the end of the fiscal year. Reminders will be issued by the Central Office Fixed Asset Coordinator in July of 2005 when the School Fixed Asset Coordinators return to school to remind them to look for assets received during the summer and record the purchases with the correct date.

The Business Manager will work with the computer department to make sure that the program that creates the depreciation schedule is making the correct cut-off for the fiscal year. *This has been a problem that has been corrected manually for each of the past two year and can be a source of the problem.*

In addition to this, the Business Manager and the Central Office Fixed Asset Coordinator will meet with the Supervisors that are authorizing the purchase of fixed assets and making sure that their staff is working with the School Fixed Asset Coordinators in making sure that all fixed assets purchased are recorded in the inventory system.

Name of Contact Person:

Don Gaudet, Business Manager

Anticipated Completion Date:

Reference #: 2004-4

Computer Department Security

Description of Finding:

In general observation, persons outside of the computer department could easily access the mainframe computer. Also new deliveries of technology equipment appear to be dropped off in the computer department without personnel receiving the equipment checking the quantities. This equipment is also stored in the hallways of the computer department until it can be placed in location.

Corrective Action Planned:

The Business Manager will meet with the Director of Data Processing and the Plant Facilities Manager to revise the procedures of receiving and storing computer equipment. The discussion will also include fiscal security of the mainframe.

The Plant Facilities Manager has already contacted the Maintenance Department to install a buzzer at the door facing the inside parking lot. This will enable to the door to be closed during office hours and still give access to those who do not have card-swipe access but who need to get into the building.

Name of Contact Person:

Don Gaudet, Business Manager

Anticipated Completion Date:

Discussion will take place in mid January 2005 with new procedures to be in place by February 2005. Door buzzer installation should be complete by Mid-January.

Reference #: 2004-5
Salary Overpayments

Description of Finding:

Five persons who terminated during the year audited were overpaid approximately \$2,000. According to persons in the Payroll Department, these employees were notified of the overpayments but have not responded and no collections have been received.

Corrective Action Planned:

Those ex-employees who have not yet met with the Payroll Accountant and determine a repayment schedule will be referred to the School Board's legal counsel for appropriate legal action.

The Supervisor of Personnel, the Business Manager and the Director of Data Processing will meet to develop reporting procedures so that the Personnel Department and the Payroll Department can be aware of any unexcused absences during a payroll period. Such information may delay the issuance of checks where there is a question as to whether a person is still employed.

The Head Accountant will find out from other school boards about their practices and may recommend to the School Board that it change the payroll date to the end of the month so that 240-day employees will not be paid in advance.

Name of Contact Person:

Don Gaudet, Business Manager and "Bobbie" McDonald, Head Accountant

Anticipated Completion Date:

Contact with legal counsel will be by 2004 Christmas break the meeting concerning unexcused absences should be completed by mid-January 2005 and the change in payroll date decision should be made by March of 2005

Reference #: 2004-6
Sick Leave Estimates

Description of Finding:

Day-by-day substitutes who are were former employees of the school board appeared on the sick leave list with balances due. These amounts were excluded from this year's estimate. A board member who was a former employee appeared on this year's list with a \$1,000 payout balance. That amount was not excluded from this year's estimate. Three fake/test employees appeared on the list. Two of the three did not have/earn sick leave; therefore, they did not have a balance. However, one test employee had a payout balance of \$2,411.88. That amount was not excluded from this year's sick leave estimate. Although not discovered in our audit tests, it appears from conversations with employees, that persons who have already been paid the 25 days of sick leave upon entering DROP are appearing on this list and the amounts are being included in the sick leave estimate

Corrective Action Planned:

The Supervisor of Personnel, the Business Manager and the Director of Data Processing will meet to determine what if any changes need to be made to input screens, to input procedures or to program filtering to make sure that the sick leave listing only includes balances that are properly included.

Name of Contact Person:

Don Gaudet, Business Manager

Anticipated Completion Date:

The meeting should be completed by March 2005, with the changes taking effect by April 2005.



STAGNI & COMPANY, LLC

December 2, 2004

To the Lafourche Parish School Board
Thibodaux, Louisiana

We have audited the basic financial statements of the Lafourche Parish School Board as of and for the year ended June 30, 2004, and have issued our report thereon dated December 2, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and provisions of OMB Circular A-133.

As part of our examination, we have issued our report on the financial statements, dated December 2, 2004 and our report on internal control and compliance with laws, regulations, and contracts, dated December 2, 2004.

During the course of our examination, we became aware of the following matters, which represent immaterial deviations of compliance or suggestions for improved internal controls.

Suggestion 2004-2 Personnel Records

Criteria:	Personnel records should be available upon request.
Condition:	While performing payroll testing and agreed upon procedures testing, supporting documentation in the personnel records could not be located after five attempts, such as the current year contracts with the related employee questionnaires, deductions for payroll withholdings, and direct deposit authorizations. Of a sample of 29 items pulled for payroll testing, 1 current contracts with the related employee questionnaires, 11 direct deposit authorization forms, 4 insurance deduction forms and 1 Association Dues authorization could not be located.
Effect:	Documents needed to support the above testing or other request could not be located.

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- Cause:** Lafourche Parish School Board uses a third party to image personnel file information onto an imaging system. There is a lack of control and communications over where the information is located, whether it is in the imaging system or the paper files.
- Recommendation:** We recommend that the Lafourche Parish School Board implement a better filing system for both the paper files and imaged files. We also recommend improved communications with the third party imaging company to have a progress reporting system in place to know what files are available on the imaging system and what has not been imaged.

Equipment Additions

- Criteria:** All capital outlay items over \$1,000 should be capitalized in the fixed asset system in the year of purchase.
- Condition:** In the last couple of years, a large reconciling item has been on the equipment roll forward amounts for items purchased in the prior year but not added until the current year. When you compare the items coded to the equipment capital outlay accounts for the year ending June 30, 2004 to the additions in the fixed asset inventory system for equipment there is approximately \$230,000 in assets that were not added to the fixed asset inventory system.
- Cause:** Employees handling the property accounting additions are not inputting the capital outlay purchases in a timely manner and no one is reconciling the amounts in the capital outlay accounts to the fixed asset additions for the year to determine that all assets purchased over \$1,000 was added into the fixed asset inventory system.
- Effect:** Each year reconciling entries are required to balance fixed assets and this year approximately \$230,000 of capital outlay purchases did not get recorded in the fixed asset inventory system.
- Recommendation:** We recommend that the Lafourche Parish School Board implement a better tracking system of additions to the fixed asset inventory system by training personnel in charge of additions about the impact that not timely inputting additions is having on the financial statements. We also recommend that the accounting department compare the capital outlay accounts for equipment to the fixed asset additions at year-end to investigate and alleviate any variances.



2004-3 Computer Department Security

Criteria: The mainframe computer should be properly secured so that persons outside the computer department do not have physical access to it. Deliveries of new technology equipment should be properly stored in a secure area until installed at its destined location. Deliveries of new technology equipment should be properly received with approvals as to the quantities received.

Condition: In general observation, persons outside of the computer department could easily gain physical access the mainframe computer. Also new deliveries of technology equipment appear to be dropped off in the computer department without personnel receiving the equipment checking the quantities. This equipment is also stored in the hallways of the computer department until it can be placed in location.

Cause: Inadequate security controls in place for the mainframe and inadequate storage space and controls over new deliveries and installations at proper locations.

Effect: The mainframe computer could easily be accessed and a security breach could occur with minimal effort. Persons delivering items to the computer department could keep items and/or persons coming into or leaving the computer department could easily take items without proper approval or authorization.

Recommendation: We recommend that the Lafourche Parish School Board place stronger security controls over the mainframe. We also recommend that some type of adequate storage space be provided for new technology purchases and controls be put into place over the storage and installation of these new purchases.

2004-4 Salary Overpayments

Criteria: Article 7, Section 14 of the Louisiana Constitution states that "Except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private." This lends itself that no person should be paid for time not worked.

Condition: Five persons who terminated during the year audited were overpaid approximately \$2,000. According to persons in the Payroll Department, these employees were notified of the overpayments but have not responded and no collections have been received.



- Cause:** There appears to be inadequate communication when a person is terminated between the administration at the employee's location (i.e. school), the personnel department and the payroll department. Also, 12-month employees are paid on the 20th of each month for that month, if someone terminates after the 20th or takes time that should be docked from the paycheck; it is not caught until after the person has received their final check.
- Effect:** Employees are being paid for time not worked, which is a direct violation of Article 7, Section 14 of the Louisiana Constitution.
- Recommendation:** We recommend that the Lafourche Parish School Board put increased controls and communications in place for terminated employees. Controls should be implemented to notify all necessary departments when someone has terminated employment, especially 12-month employees, immediately. We also recommend that the Lafourche Parish School Board seek reimbursement from former employees for the amounts overpaid.

2004 – 6 Sick Leave Estimates

- Criteria:** Certain employee types (day by day substitutes, board members who were former employees of the board, test/fake employees, and persons who have been paid their sick leave upon entering DROP) should not appear on the sick leave list that is used to calculate the estimated liability for sick leave.
- Condition:** Day-by-day substitutes who were former employees of the school board appeared on the sick leave list with balances due. These amounts were excluded from this year's estimate.

A board member who was a former employee appeared on this year's list with a \$1,000 payout balance. That amount was not excluded from this year's estimate.

Three fake/test employees appeared on the list. Two of the three did not have/earn sick leave; therefore, they did not have a balance. However, one test employee had a payout balance of \$2,411.88. That amount was not excluded from this year's sick leave estimate.

Although not discovered in our audit tests, it appears from conversations with employees, that persons who have already been paid the 25 days of sick leave upon entering DROP are appearing on this list and the amounts are being included in the sick leave estimate.



- Cause: According to personnel in the computer department the accrual of sick leave program does not contain very many filters and therefore, includes persons that should be excluded. Sick leave balances for persons who retiree or terminate are not adjusted when paid or when the balances may be transferred to another system. It appears that is the reason most of the day-by-day substitutes and the board member still have a remaining balance on the list. When persons who enter DROP are paid for sick leave, the 25 days are deducted from the balance and at that point are paid from the payroll department for the sick leave earned, but the personnel department computer screen only notes they have been paid as an indication that it was a payout for retirement purposes.
- Effect: The Sick Leave estimate is overstated. The known overstatement is \$3,411.88; however, because of the DROP situation, we believe the estimate is probably overstated by a larger amount.
- Recommendation: We recommend that the Lafourche Parish School Board require the computer department to provide additional filters to prevent these situations occurring in the program. We also recommend that a control be put in place for the personnel department to deplete all of the remaining sick leave balance when employees terminate or retiree.

We recommend management address the foregoing issues as an improvement to operations and the administration of the Lafourche Parish School Board's programs. We are available to further explain the suggestions or help implement the recommendation.

Stagni & Company

December 2, 2004
Thibodaux, LA





STAGNI & COMPANY, LLC

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of the Lafourche Parish School Board:

We have performed the procedures included in the *Louisiana Governmental Audit Guide* as enumerated below, which were agreed to by the management of the Lafourche 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 the Lafourche Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the 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 in the proper amounts for each of the following amounts reported on the schedule:

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

We noted no differences.

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Education Levels of Public School Staff (Schedule 2)

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

We noted no differences.

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.

We noted no differences.

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

We noted no differences.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

We noted no differences.

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.

We noted no differences.



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.

We noted no differences.

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

We noted no differences.

Class Size Characteristics (Schedule 6)

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

We noted no differences.

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

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

We noted no differences.

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

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

We noted no differences.

The Iowa Tests (Schedule 9)

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

We noted no differences.



LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

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

Schedule 1

GENERAL FUND INSTRUCTIONAL EQUIPMENT AND EXPENDITURES

General Fund Instructional Expenditures:	
Teacher and Student Interaction Activities:	
Classroom teacher salaries	\$38,092,399
Other instructional staff salaries	5,898,366
Employee benefits	10,655,482
Purchased professional and technical services	217,445
Instructional materials and supplies	3,239,301
Instructional equipment	69,596
Total Teacher and Student Interaction Activities	\$58,172,589
Other Instructional Activities	522,418
Pupil Support Activities	4,875,102
Less Equipment for Pupil Support Activities	—
Net Pupil Support Activities	4,875,102
Instructional staff services	4,823,125
Less Equipment for Instructional staff services	—
Net Instructional staff services	4,823,125
Total General Fund Instructional Expenditures:	\$68,393,234
Total General Fund Equipment Expenditures	\$197,700

CERTAIN LOCAL REVENUE SOURCES

Local taxation sources:	
Constitutional ad valorem tax	\$1,530,045
Renewable ad valorem tax	8,748,119
Debt Service ad valorem tax	6,696,380
Up to 1% of collections by the sheriff on taxes other than school taxes	516,661
Sales and use taxes	20,057,898
Total local taxation revenue	\$37,549,103
Local earnings on investment in real Property:	
Earnings on 16th section property	\$767,688
Earnings from other real property	—
Total local earnings on investment in real property	\$767,688
State revenue in lieu of taxes:	
Revenue Sharing - Constitutional Tax	\$144,209
Revenue Sharing - Other Taxes	257,714
Revenue Sharing - Excess Portion	—
Other Revenue in lieu of taxes	—
Total state revenue in lieu of taxes	\$401,923
Non-public Textbook Revenue	\$69,287
Non-public Transportation Revenue	\$252,311

LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

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

Schedule 2

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree			3	5%				
Bachelor's Degree	901	82%	53	83%				
Master's Degree	119	11%	8	13%	9	14%		
Master's Degree +30	77	7%			54	86%		
Specialist in Education	4							
Ph. D. or Ed. D.	1							
Total	1,102	100%	64	101%	63	100%		

LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

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

Schedule 3

Type	Number
Elementary	17
Middle/Jr. High	7
Secondary	3
Combination	1
Total	28

LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

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

Schedule 4

Type	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Number
Assistant Principals			7	7	6	7	9	36
Principals			2	2	1	3	19	27
Classroom teachers	124	164	364	142	99	91	182	1,166
Total	124	164	373	151	106	101	210	1,229

LAFOURCHE PARISH SCHOOL BOARD
 Thibodaux, Louisiana

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

Schedule 5

	- All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teacher's Salary Including Extra Compensation	\$36,176	\$36,122
Average Classroom Teacher's Salary Excluding Extra Compensation	\$34,871	\$34,839
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,167	1,156

LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

Class Size Characteristics
As of October 1, 2003

Schedule 6

Category	Class Size Range									
	1-20		21-26		27-33		34 or more		Total	
	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number	Per cent	Number
Elementary	26.4%	888	7.6%	255	0.2%	8			34.2%	1,151
Elementary Activity Classes	1.0%	32	0.8%	27	0.1%	4			1.9%	63
Middle/Jr. High	8.9%	299	14.7%	495	5.0%	167			28.6%	961
Middle/Jr. High Activity Classes	0.9%	30	2.1%	72	1.6%	53	0.5%	17	5.1%	172
High	8.8%	297	7.1%	240	6.1%	205			22.1%	742
High Activity Classes	5.4%	180	0.5%	18	0.8%	28	0.3%	9	7.0%	235
Combination	2%	34							1%	34
Combination Activity Classes		6								6
Total	53.4%	1,766	32.8%	1,107	13.8%	465	0.8%	26	100%	3,364

LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

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

Schedule 7

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2004		2003		2002		2004		2003		2002		2004		2003		2002		2004		2003		2002	
	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#
Grade 4																								
Advanced	2	26	1	10	3	40	2	24	2	29	2	28	1	11	1	14	3	38	1	10	1	16	1	8
Proficient	15	185	11	139	16	211	13	162	12	153	9	128	12	147	11	139	9	127	12	146	10	131	6	75
Basic	36	446	41	534	34	462	34	427	40	515	35	467	43	537	41	524	44	592	43	534	46	594	45	607
Approaching Basic	26	322	28	364	32	428	23	286	25	319	27	371	31	389	36	469	31	420	25	309	26	339	28	375
Unsatisfactory	22	271	19	242	15	209	28	351	21	273	26	356	13	162	11	139	13	176	20	246	16	204	21	286
Total	101	1,250	100	1,289	100	1,350	100	1,250	100	1,289	99	1,350	100	1,246	100	1,285	100	1,353	101	1,245	99	1,284	101	1,351

District Achievement Level Results	English Language Arts						Mathematics						Science						Social Studies					
	2004		2003		2002		2004		2003		2002		2004		2003		2002		2004		2003		2002	
	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#
Grade 8																								
Advanced		6		4	1	13	2	20	2	23	1	10	1	6	1	8	1	14	1	8		1	1	7
Proficient	8	104	12	145	15	170	6	72	4	49	3	35	15	173	10	123	14	160	6	73	6	70	7	79
Basic	35	439	37	451	32	371	45	578	38	489	33	411	37	435	34	405	38	431	39	463	41	491	45	508
Approaching Basic	36	453	34	419	39	452	22	278	25	328	29	355	27	320	36	438	30	341	31	365	29	354	26	297
Unsatisfactory	20	258	17	204	13	156	26	337	31	401	35	428	21	253	19	234	17	193	23	277	24	290	22	249
Total	99	1,260	100	1,223	100	1,162	101	1,285	100	1,290	101	1,239	101	1,187	100	1,208	100	1,139	100	1,186	100	1,206	101	1,140

LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

The Graduation Exit Examination for the 21st Century (GEE21)
For the Year Ended June 30, 2004

Schedule 8

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Grade 10												
Advanced	2%	15	1%	6	1%	8	5%	48	4%	46	5%	50
Proficient	19%	167	10%	95	13%	131	15%	131	13%	142	10%	112
Basic	43%	383	42%	413	43%	428	40%	355	33%	373	31%	336
Approaching Basic	20%	181	25%	251	26%	255	18%	164	22%	246	18%	197
Unsatisfactory	16%	146	23%	229	17%	172	22%	199	29%	322	36%	397
Total	100%	892	101%	994	100%	994	100%	897	101%	1,129	100%	1,092

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Grade 11												
Advanced	2%	19	2%	18	2%	13		2	1%	9		2
Proficient	14%	130	9%	89	12%	99	8%	72	7%	68	5%	44
Basic	42%	375	42%	417	32%	270	51%	458	43%	429	35%	300
Approaching Basic	26%	231	27%	266	23%	191	26%	232	25%	250	28%	233
Unsatisfactory	16%	147	21%	205	32%	275	15%	137	24%	237	32%	268
Total	100%	902	101%	995	101%	848	100%	901	100%	993	100%	847

LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

The Iowa Tests
For the Year Ended June 30, 2004

Schedule 9

Type	Composite		
	2004	2003	2002
Test of Basic Skills (ITBS)			
Grade 3	57	54	53
Grade 4	N/A	N/A	N/A
Grade 5	56	52	51
Grade 6	44	40	49
Grade 7	50	46	48
Test of Educational Development (ITED)			
Grade 9	46	40	46
Total			