

OUACHITA PARISH SCHOOL BOARD

SINGLE AUDIT REPORTING PACKAGE
YEAR ENDED JUNE 30, 2004

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

Release Date 1-19-05

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SINGLE AUDIT REPORTING PACKAGE
JUNE 30, 2004**

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**OUACHITA PARISH SCHOOL BOARD
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INDEPENDENT AUDITORS' REPORT

Ouachita Parish School Board Monroe, Louisiana

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2004 on our consideration of the 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.

**Ouachita Parish School Board
Independent Auditors' Report**

The "Management's Discussion and Analysis" presented on pages 5 through 20 and the "Budgetary Comparison Schedules" presented on pages 84 through 96 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ouachita Parish School Board's basic financial statements. The Introductory Section as well as the Supplemental Information included in the Financial Section and the Statistical Section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplemental Information included in the Financial Section has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information identified in the Table of Contents as the Introductory Section and the Statistical Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.



(A Professional Accounting Corporation)

December 17, 2004

**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2004

**REQUIRED SUPPLEMENTAL INFORMATION
(PART A)**

2003-04 Accountability Results

Schools of Exemplary Academic Growth

*Boley Elementary
Calhoun Elementary
Central Elementary
Claiborne Elementary
Drew Elementary
Highland Elementary
Kiroli Elementary
Lakeshore Elementary*

*Pinecrest Elementary
Robinson Elementary
Good Hope Middle
West Ridge Middle
Ouachita Parish High
Sterlington High
West Ouachita High*

Schools of Recognized Academic Growth

*A. L. Smith Elementary
Crosley Elementary
George Welch Elementary
Lenwil Elementary
Riser Elementary*

*Riverbend Elementary
Woodlawn Elementary
Calhoun Middle
Riser Middle
West Monroe High*

OUACHITA PARISH SCHOOL BOARD
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2004

Management's discussion and analysis of the Ouachita Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2004. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the notes to the basic financial statements, and the financial statements, which are all included in this report, to enhance their understanding of the Ouachita Parish School Board's financial performance.



Financial Highlights

- Local ad valorem taxes increased by \$1,251,457 or 8.6 percent due to increased property assessments and new construction.
- Local sales tax revenues decreased by \$1.2 million or 4%.
- State Funding (Minimum Foundation Program – MFP) increased by \$7,313,964 from \$71,156,890 to \$78,470,854.
- Federal sources of revenue increased by \$1,118,461 or 8.7 percent. The increase is due mainly to an increase in Title I funding.
- The General Fund reported an increase in fund balance of \$303,424 for the year.
- Health insurance continued to increase.
- Employer's contribution rate to the retirement system increased substantially.
- Utility costs continued to increase.
- Construction projects over the last 5 years totaling \$163.4 million are nearing completion.
- Student enrollment up by 257 students.



Using this Comprehensive Annual Financial Report (CAFR)

This CAFR consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Ouachita Parish School Board as a whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Also included in the financial statements are the Fund Financial Statements, which report on governmental activities of the School Board. These statements provide more detail than the government-wide financial statements about the services that were financed in the short-term as well as what remains for future spending in the School Board's more significant funds as well as all other nonmajor funds. The General Fund is Ouachita Parish School Board's most significant fund.



Reporting the School Board as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the School Board as a whole and its activities in a way to try to inform the reader as to how the School Board did financially during the 2004 fiscal year. In short, is the School Board better off financially or is it worse off financially than it was this time last year? These statements report all assets and liabilities of the School Board on the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School Board's net assets and the change in those assets. This change in net assets is important because it tells the reader that, for the School Board as a whole, the financial position of the School Board improved or declined. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors affecting the School Board include the parish's sales and property tax bases and the state and federal government's continued funding.

The Statement of Net Assets and the Statement of Activities report the governmental activities of the School Board. Most of the School Board's programs and services are reported here including instruction, support services, operating and maintenance of plant, student transportation, and feeding programs.



Reporting the School Board's Most Significant Funds

Fund Financial Statements

The analysis of the School Board's major funds begins on page 28. Fund Financial Statements provide detailed information about the School Board's major funds. The School Board uses many funds to account for a multitude of financial transactions.

However, these fund financial statements focus on the School Board's most significant funds. The School Board's major governmental funds are the General Fund and the West Ouachita Sales Tax, District #1 Sales Tax, Title I, and Special Education IDEA-B Special Revenue Funds.

The Title I and Special Education IDEA-B Special Revenue Funds changed from nonmajor funds in 2002-03 to nonmajor funds in 2003-04 due to increases in revenue and assets. The Supplemental Salaries Sales Tax 1% and .5% Special Revenue Funds changed to nonmajor funds in 2003-04 as the result of decreases in sales tax revenues of \$387,974 and \$260,557. West Ouachita No. 7 Capital Projects Fund was created during the 2002-03 year to account for the construction costs financed from \$9 million in limited tax certificates of indebtedness. In 2003-04 most of the proceeds for the issue were expended on the construction projects, resulting in the fund no longer being classified as a major fund in 2003-04.

Governmental Funds

Most of the School Board's activities are reported as governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds' statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

The School Board is self-insured for workers' compensation and general liability insurance coverage, and maintains policies with large deductibles for property and fleet vehicle insurance. A summary of the School Board's insurance coverage at June 30, 2004, has been included in the Statistical Section on page 169. Transactions related to meeting the claims incurred in these areas are accounted for in the Internal Service Proprietary Fund. Expenses in the Internal Service Fund are recognized as claims are incurred. Liabilities are recognized for incurred but unpaid claims. The Internal Service Proprietary Fund transactions are reported on pages 40 through 43 in a separate section consisting of a Comparative Statement of Net Assets; a Comparative Statement of Revenues, Expenses, and Changes in Net Assets; and a Comparative Statement of Cash Flows.



The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activity funds and the Migrant Education funds of other parishes. All of the School Board's fiduciary activities are reported in a separate Comparative Statement of Assets and Liabilities on page 45. These activities have been excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School Board as a Whole

The School Board's net assets increased by \$7.2 million from \$105.4 million at June 30, 2003 to \$112.6 at June 30, 2004. Of the \$112.6 million of net assets at June 30, 2004, \$13.3 million were restricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. The following analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Governmental Activities
Net Assets
June 30, 2004 and June 30, 2003
(In Millions)

	Year Ended	
	June 30,	
	2004	2003
Assets		
Current and other assets	\$63.6	\$78.7
Capital assets	187.3	176.0
Total assets	<u>250.9</u>	<u>254.7</u>
Liabilities		
Current and other liabilities	15.0	19.1
Long-term liabilities	123.3	130.2
Total liabilities	<u>138.3</u>	<u>149.3</u>

(Table 1 continued)

Table 1
Governmental Activities
Net Assets (continued)
June 30, 2004 and June 30, 2003
(In Millions)

	Year Ended June 30,	
	2004	2003
Net assets		
Invested in capital assets, net of debt	\$68.9	\$46.8
Restricted	14.9	11.7
Unrestricted	28.8	46.9
Total net assets	\$112.6	\$105.4

The balance of \$28.8 million in unrestricted-undesignated assets represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our noncapital liabilities (compensated absences for example), we would have enough funds to pay them off and have \$28.8 million left.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities on page 25. Table 2 reports the information from the Statement of Activities in a different format so that total revenue for the year can be more easily identifiable.

Table 2
Governmental Activities
Changes in Net Assets
Fiscal Years Ended June 30, 2004 and 2003
(in millions)

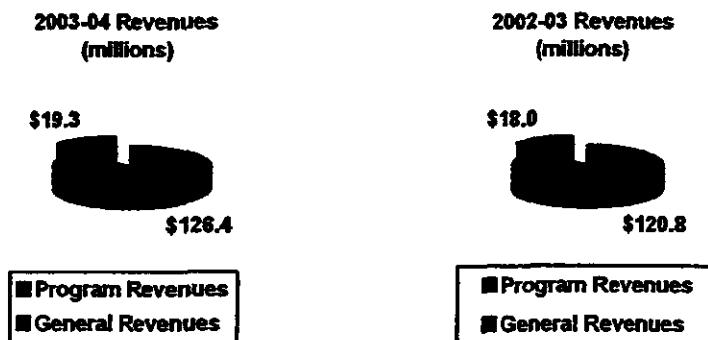
	Year Ended June 30,	
	2004	2003
Revenues:		
Program revenues:		
Charges for services	\$1.7	\$1.7
Local grants	.6	.2
State grants and entitlements	2.6	2.7
Federal grants	14.4	13.4
General revenues:		
Ad valorem taxes	15.7	14.5
Sales taxes	30.1	31.3
State equalization	78.5	71.2
Interest on investments	.5	1.4
Other general revenues	1.6	2.4
Total revenues	145.7	138.8

(Table 2 continued)

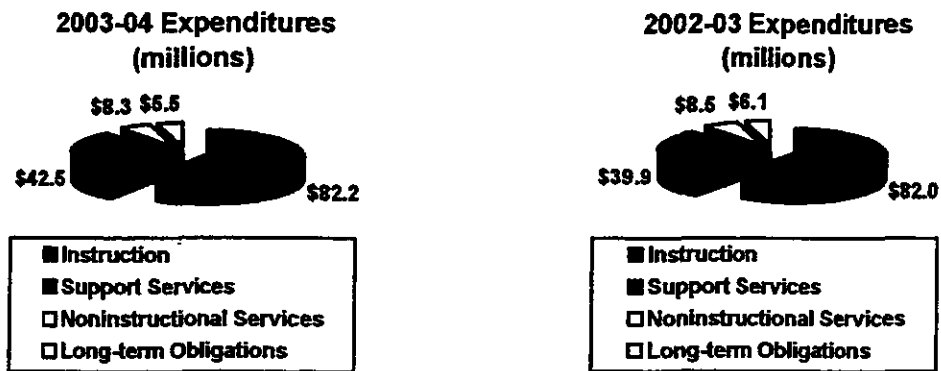
Table 2
Governmental Activities
Changes in Net Assets (continued)
Fiscal Year Ended June 30, 2004
(in millions)

	Year Ended June 30,	
Functions/Program Expenses:		
Instruction:		
Regular programs	\$58.1	\$57.2
Special programs	16.8	17.6
Vocational programs	.9	1.0
Other instructional programs	1.9	1.8
Special programs	4.0	3.9
Adult/continuing education	.5	.5
Support services:		
Pupil support services	4.0	4.2
Instructional staff support services	6.9	5.8
General administration	1.7	1.4
School administration	7.0	6.7
Business services	1.8	2.8
Plant services	13.5	11.9
Student transportation services	6.0	5.6
Central services	1.6	1.5
Noninstructional services:		
Food services operations	8.1	7.7
Community services programs	.1	.1
Facility acquisition and construction	.1	.7
Long-term obligations:		
Interest on long-term obligations	<u>5.5</u>	<u>6.1</u>
Total expenses	<u>138.5</u>	<u>136.5</u>
Increase in net assets	<u>\$7.2</u>	<u>\$2.3</u>

Ouachita Parish School Board's 2003-04 revenues compared to 2002-03 revenues are presented below:



Ouachita Parish School Board's 2003-04 expenditures compared to 2002-03 expenditures are presented below:



Governmental Activities

As reported in the Statement of Activities on page 25, the cost of governmental activities this year was \$138.5 million. The taxpayers in the parish provided \$45.8 million in ad valorem and sales tax revenues to help meet the total cost of governmental activities. Ad valorem tax revenue was up \$1.3 million due to increased property assessments and new housing construction. Sales tax revenue was down by \$1.2 million due to reduced commercial construction in the parish. Several major construction projects were started during the period 1998 through 2001. These projects substantially increased sales tax collections from 1999 through 2002. When the construction projects were completed in 2002, sales tax collections dropped back to approximately what they were in 2000. The state contributed \$78.5 million through the Minimum Foundation Program (MFP), which is the main funding source for the School Board. The funding for this program in fiscal year 2004 increased by \$7.3 million or 10 percent. The MFP funding, which is partially based on student enrollment, increased because our student enrollment increased by 257 students and the State increased the MFP funding amount per student in 2003-04. Investment of idle funds earned \$.5 million in interest as compared to \$1.4 million from the previous year. The decrease in interest earnings was due to the decrease in investment rates. The balance of the cost of governmental activities for the year was provided through state and Federal grants which showed little change from the previous year.

The cost of governmental activities exceeding restricted state and Federal grants and charges for services must be paid by the citizens of Ouachita Parish and unrestricted state grants. The following presentation shows the portion of governmental activities that must be paid by the citizens of Ouachita Parish and unrestricted state grants compared to the 2002-03 fiscal year.

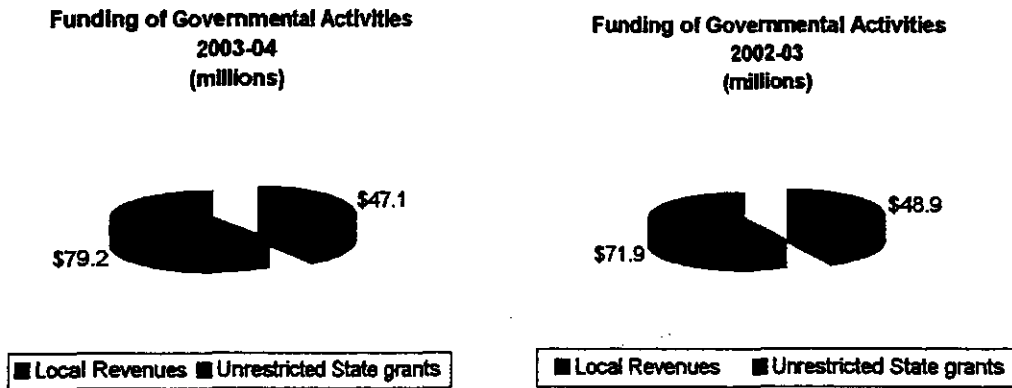


Table 3 presents the total cost of each of the School Board's five largest functions – regular programs, special education programs, school administration, plant services, and food service operations, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Year Ended June 30, 2004
Governmental Activities
(in millions)
(With Comparative Total for June 30, 2003)

	Total Cost of Services		Net Cost of Services	
	2004	2003	2004	2003
Regular programs	\$58.1	\$57.2	\$57.4	\$56.4
Special education programs	16.8	17.6	14.5	15.6
School administration	7.0	6.7	6.9	6.6
Plant services	13.5	11.9	12.9	11.5
Food service operations	8.1	7.7	2.4	2.1
Subtotal	103.5	101.1	94.1	92.2
All others	35.0	35.4	25.0	26.3
Total	\$138.5	\$136.5	\$119.1	\$118.5

The School Board Funds

The School Board uses funds to help it control and manage money for particular purposes. Accounting for money for particular purposes in different funds helps the reader to determine whether the School Board is being accountable for the resources taxpayers and others provide to it and it may also give the reader more insight into the School Board's overall financial health.

The School Board's governmental funds had a fund balance of \$47,308,225 at June 30, 2004. This is a decrease of \$10,889,441 over the previous year's fund balance. The primary reasons for the change are:

General Fund – The General Fund, the principal operating fund of the School Board, increased its fund balance by \$303,424 from \$15,490,201 at June 30, 2003 to \$15,793,625 at June 30, 2004. This represents a 2 percent increase in fund balance. In 2002-03 the General Fund had a decrease in fund balance of \$821,799, which was the first decrease in more than 10 years. It was a financial challenge in 2003-04 to once again have an increase in fund balance and not another decrease. Revenue in the General Fund had a net increase of \$6,864,565. Ad valorem taxes and the state MFP funding were up \$767,670 and \$7,198,964, respectively. However, interest earnings decreased by \$296,455 and state and local grants decreased by \$747,143. As previously discussed, the increase in ad valorem taxes was due to increased assessment values and new housing and the MFP funding was up due to a large increase in the number of students and an increase by the Legislature in the per student funding amount. State and local grants were down due to a decrease in E-rate funding and a state appropriation for a support employee one-time salary supplement.

Even though we received help from increased revenues, our expenditures offset most of the increase in revenues. Expenditures for salaries and related benefits and utilities had the largest increase for the year. Due to the prior year excess of expenditures over revenue, we tried to reduce the number of employees. We reduced our instructional staff by approximately 30 positions, which equates to approximately a \$900,000 savings in the General Fund. However, the Legislature requires the School Board to pay one-half of the increase in MFP funding for the year to the instructional employees as a permanent pay raise. As a result of this pay raise, salaries increased by a net of \$1,386,783. Related benefits increased by \$2,790,019. Related benefits increased because of an increased employer contribution rate in the Teachers' Retirement System of .7 percent and an increased rate of 8.5 percent in the School Employees' Retirement System. As a result of these rate increases and the previously discussed pay raise in 2003-04, Teachers' Retirement System costs increased by \$508,801 and School Employees' Retirement System costs increased by \$552,103. The School Board has not had to contribute to the School Employees' Retirement System since June 30, 1999, until this year because the retirement system has been actuarially sound enough not to require the employer contributions. The School Board's share of

health insurance was another related benefit that increased substantially during 2003-04 due to increased premium rates. The School Board's share of health care increased by \$1,687,818 or 19.5 percent. The cost of electricity increased in 2003-04 by \$470,822. The increase was due to increased electrical rates and increased usage due to the opening of the new schools and additions to existing buildings.

West Ouachita Sales Tax Special Revenue Fund - The fund balance of the West Ouachita Sales Tax Special Revenue Fund, a major fund, decreased by \$2,541,909 or 27.5 percent. Sales tax revenues in the fund decreased by \$58,223 from \$8,173,042 in 2002-03 to \$8,114,819 in 2003-04. This was the first decrease in sales tax revenue since the inception of the tax in 1998. The decrease is the result of commercial construction in the parish declining in the last two years. As previously discussed, several large commercial construction projects were in progress from 1998 to 2001. When the projects were completed sales tax revenues started decreasing.

The first priority of this fund is to meet the principal and interest payments of the \$109 million of revenue bonds and \$16 million limited tax certificates of indebtedness issued in the name of the West Ouachita Bond District. The School Board transferred \$6,656,111 to the West Ouachita Bond No. 2 Debt Service Fund to cover these principal and interest payments for the year. Management of the School Board has been saving the revenue in this fund in excess of the amount needed to meet the annual principal and interest requirements to supplement the construction projects when the bond proceeds are expended. In the 2003-04 fiscal year, bond proceeds in six of the seven West Ouachita Capital Projects Funds were depleted. To complete the construction projects, \$3,805,314 was paid on the construction contracts from the West Ouachita Sales Tax Special Revenue Fund.

District #1 Sales Tax Special Revenue Fund - The fund balance of the District #1 Sales Tax Special Revenue Fund decreased by \$1,435,546. The balance decreased from \$11,334,539 at June 30, 2003 to \$9,898,993 at June 30, 2004. The decrease in fund balance is due in part to a decrease in sales tax collections of \$514,757 or 9.2 percent. The decrease in sales tax collections is attributable to a decrease in commercial construction in the parish. The main cause of the decrease in fund balance in the fund is that in 2003-04 management of the School Board decided to pay \$2,578,782 of construction costs from the District #1 Sales Tax Special Revenue Fund when the capital projects funds were depleted. Also, facility maintenance and repair costs increased from \$1,075,619 in 2002-03 to \$1,415,117 in 2003-04. These costs increased due to management using these funds for remodeling projects that are not normally paid from this fund.

Nonmajor Governmental Funds - The nonmajor Other Governmental Funds had a net decrease in their fund balances of \$7,216,026. The decrease in the fund balances is due for the most part to the Capital Projects Funds decreasing their fund balances by a net of \$7,745,116. The decrease is due to expending the bond

proceeds on the construction projects. The nonmajor Special Revenue Funds had a net increase in their fund balance of \$594,920. However, the Air Conditioning Fund and the School Food Service Fund had a decrease in fund balance of \$313,889 and \$418,733, respectively. The Air Conditioning Fund is funded by appropriations from the General Fund on an as needed basis, provided funds are available. In 2003-04 the Air Conditioning Fund was not funded by the General Fund, as funds were not available. The School Food Service Fund had a decrease in fund balance as a result of changing out the computer system software and hardware. The rest of the nonmajor Special Revenue Funds reported an increase in fund balance for the year. The nonmajor Debt Service Funds decreased their fund balance by \$65,830 because management of the School Board decided to decrease the ad valorem tax millage rate in order to decrease the excess funds accumulated in the fund.

General Fund Budgetary Highlights

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds prior to September 15. In accordance with state law the School Board may have variances of 5 percent of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2003-04 original budget on September 9, 2003, and revised the budget on March 2, June 1, and June 15, 2004. The original estimated General Fund revenues increased by 5.5% or \$4,621,910 from \$83,904,270 to \$88,526,180. The major change in budgeted revenue was a increase in state funding (MFP) of \$4,724,356. However, other local revenue decreased by \$235,310. The original estimated charges to appropriations increased from the original budget to the final budget by \$593,350 or .7%. The increase in expenditures from the original budget was due to small increases in most of the functional or departmental areas of the school system. However, there was a decrease in the facility acquisition and construction function of \$1 million from the original budget. This decrease was due to not completing as much of the construction project as originally anticipated by year end.



Capital Assets and Debt Administration

Capital Assets

Capital Assets of the School Board used in performance of general School Board functions are recorded in the Fund Financial Statements as expenditures when purchased. The amount represents the original cost of the assets. Depreciation of capital assets is not recognized in the Fund Financial Statements, as explained in the Notes to the Basic Financial Statements. In the Government-wide Financial Statements the capital assets are recorded as assets at their original cost at the time of purchase or their fair market value,

if donated. Depreciation of capital assets has been recognized in the Government-wide Financial Statements.

At June 30, 2004, as reported on the Statement of Net Assets, the School Board had \$187.3 million invested in land, buildings and improvements, furniture and equipment, and construction in progress, net of depreciation. Net capital assets increased by \$11.3 million or 6.4 percent during the current fiscal year. Capital assets increased by such a large amount due to the major construction and renovation projects in progress. It is presently estimated that the construction projects will cost approximately \$175 million. To date, \$163.4 million has been capitalized on the projects. The projects are expected to be completed within the next 2 years. The only other significant addition to capital assets during the fiscal year was the purchase of 10 buses. For more detail of capital assets, see Note 7 of the Notes to the Basic Financial Statements. Table 4 presents capital assets net of depreciation at June 30, 2004.

Table 4
Capital Assets at Year-end
Net of Depreciation
Governmental Activities

	<u>2004</u>	<u>2003</u>
Land	\$5,660,095	\$5,660,095
Buildings and improvements	157,229,502	137,038,402
Furniture and equipment	12,175,493	12,157,328
Construction in progress – buildings	<u>12,193,800</u>	<u>21,144,825</u>
Total	<u>\$187,258,890</u>	<u>\$176,000,650</u>

Debt

At June 30, 2004, the school board had \$118,385,000 in bonds and limited tax certificates of indebtedness outstanding. Of the \$118,385,000 bonds and limited tax certificates of indebtedness outstanding, \$6,700,000 are due within one year. Table 5 summarizes bonds and limited tax certificates of indebtedness outstanding at June 30, 2004.

**Table 5
Outstanding Debt
June 30, 2004
Governmental Activities**

	<u>2004</u>	<u>2003</u>
General obligation bonds:		
2001 West Ouachita – School improvements (refinanced 1991 bonds)	\$5,010,000	\$7,325,000
1999 East Ouachita – School improvements	25,325,000	26,045,000
2000 East Ouachita – School improvements	14,020,000	14,365,000
Revenue bonds:		
1998 West Ouachita – School improvements	22,195,000	22,815,000
1999 West Ouachita – School improvements	17,990,000	18,525,000
2000 West Ouachita – School improvements	9,400,000	9,610,000
2001 West Ouachita – School improvements	7,485,000	7,665,000
2002 West Ouachita – School improvements	2,920,000	2,960,000
Limited tax certificates of indebtedness:		
2002 West Ouachita – School improvements	5,850,000	6,440,000
2003 West Ouachita – School improvements	8,190,000	9,000,000
Total	<u>\$118,385,000</u>	<u>\$124,750,000</u>

The 1991 West Ouachita general obligation bonds' proceeds were used to construct one high school and make renovations to the other 20 schools in the West Ouachita Bond District. The bonds were refinanced in 2001 and will be paid out in 2006.

The proceeds of the 1999 and 2000 East Ouachita Bond District general obligation bonds were used to construct 2, seventh through twelfth grade high schools and to make renovations the 10 schools in the district. The funds from the bonds were depleted at June 30, 2004.

The proceeds of the West Ouachita Bond District revenue bonds were used to construct 2 elementary schools and 3 middle schools and to make renovations to 16 other schools in the district. The remaining proceeds will be used to finish renovations on West Ouachita High School and West Monroe High School.

The state limits the amount of general obligation debt that school boards can issue to 35 percent of the assessed value of all taxable property within the School Board's corporate limits. At June 30, 2004, East Ouachita Bond District's maximum legal debt limit was \$56,296,642. The District's outstanding general obligation bonded debt of \$39,345,000 is below the maximum debt limit. West Ouachita Bond District's maximum debt limit was \$104,787,614. The District at June 30, 2004, had outstanding general obligation debt of \$5,010,000, which was also well below the maximum debt limit. The School Board does not presently anticipate issuing any general obligation bonds in either district in the near future.

The bond issues are rated as follows:

	Standard & Poor's Rating Service
General Obligation Bonds:	
East Ouachita Bond - 1999	A-
East Ouachita Bond - 2000	A
West Ouachita Bond - 2001(Refinanced)	A
Revenue Bonds:	
West Ouachita Bond - 1998	A-
West Ouachita Bond - 1999	A
West Ouachita Bond - 2000	A
West Ouachita Bond - 2001	A
West Ouachita Bond - 2002	A

Other long-term obligations of the School Board include accrued vacation pay and sick leave. We present more detailed information about our long-term obligations in Notes 1.N. and 12 to the Basic Financial Statements.



For the Future

The Ouachita Parish School Board is strong financially. The General Fund has a fund balance at June 30, 2004, of \$15.8 million or 17.5 percent of current year expenditures. The General Fund did experience a 5 percent or \$821,799 decrease in its fund balance in 2002-03; however, the General Fund increased its fund balance in 2003-04 by \$303,424. The fund balance should increase a small amount in 2004-05. Our funding from state and local sources should increase some in 2004-05. Our 2004-05 student count, which is the main factor for our state funding, has increased. We also expect an increase in the current year ad valorem tax collections due to this being a re-assessment year.

Even though the revenue side of our financial equation appears to be bright, there are some negatives on the expenditure side. Four years ago the School Employees' Retirement System discontinued the School Board's matching portion to the retirement system based on actuarial recommendations. In 2003-04, the retirement system reinstated the employer's matching portion at a rate of 8.5 percent. This increase cost the School Board \$550,000 in 2003-04. In 2004-05, the retirement system increased the rate again to 14.8 percent. We project this increase will cost the school system \$410,000. The Teachers' Retirement System also increased its employer contribution rate from 13.8 percent to 15.5 percent. We anticipate the rate increase will cost the school system \$925,000. The Ouachita Parish School Board participates in the state managed health care program. The School Board's anticipated portion of the premium for 2004-05 to be paid from the General Fund is approximately \$10.7 million. The health care program has

had premium increases on an average of 10% per year for the last 6 consecutive years. We anticipate the employer's contribution rate to increase some in 2004-05 but not as much as in previous years. We are anticipating an increase of approximately \$300,000 in 2004-05. These are the only large expenditure items that management is aware of that will increase significantly in the foreseeable future. Salaries will decrease slightly in 2004-05, as we have tried to decrease the number of teachers by optimizing class sizes.

The Legislature mandated, that starting with the 2002-03 fiscal year, that 50 percent of "new growth" money in the Minimum Foundation Program funding formula shall be used for teacher pay raises. The teachers will receive a small increase in pay during the 2004-05 fiscal year from the "new growth" money, as they did the two previous years.

As discussed previously, the Ouachita Parish School System is currently undertaking the largest construction project in the School Board's history. When this project is complete, we will have some of the best facilities in the state to educate our children; thus, aiding in the reduction of overcrowding in our schools. We feel that a good learning environment is crucial to helping students reach their educational potential. Overall, we feel that the future of Ouachita Parish School Board is good financially, as well as educationally.



Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Richie Garrett, Business Manager of Ouachita Parish School Board, P.O. Box 1642, Monroe, LA 71210-1642 or call at (318) 388-2711 or E-mail to garrett@opsb.net.

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**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2004

BASIC FINANCIAL STATEMENTS

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**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2004

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

**Ouachita Parish School Board
Monroe, Louisiana**

**Statement of Net Assets
Governmental Activities**

June 30, 2004

Assets:

Cash and cash equivalents (Note 3)	\$25,231,946
Investments (Note 4)	24,552,732
Receivables (Note 6):	
Ad valorem taxes	362,786
Sales and use taxes	4,754,068
Earnings on investments	4,869
Federal grants	7,253,009
Other	849,870
Bond issuance costs, net (Note 1.H.)	326,008
Inventory (Note 1.I.)	246,588
Capital assets, net (Note 7):	
Land	5,660,095
Buildings and improvements	157,229,502
Furniture and equipment	12,175,493
Construction in progress	12,193,800
Total assets	250,840,766

Liabilities:

Accounts payable	1,435,105
Salaries and wages payable	10,567,409
Deferred revenues	666,051
Claims liability - self insurance (Note 1.R.)	378,384
Interest payable - bonds	1,944,726
Long-term liabilities:	
Due within one year (Note 12)	7,629,131
Due in more than one year (Note 12)	115,646,281
Total liabilities	138,267,087

Net assets:

Invested in capital assets, net of related debt (Note 7)	68,873,890
Restricted for:	
Capital Projects	1,598,489
Debt service	8,639,492
Salaries and related benefits	3,845,579
Protest taxes	855,218
Unrestricted	28,761,011
Total net assets	\$112,573,679

See accompanying notes to the basic financial statements.

Ouachita Parish School Board
Monroe, Louisiana

Statement of Activities
Governmental Activities

Fiscal Year Ended June 30, 2004

	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
Functions/programs:					
Instructional services:					
Regular programs	\$58,112,773	\$ -	\$643,314	\$97,827	(\$57,371,632)
Special education programs	16,853,201	-	2,046,977	307,765	(14,498,459)
Vocational programs	926,181	-	157,832	50,560	(717,789)
Other instructional programs	1,927,274	-	1,058,061	43,198	(826,017)
Special programs	4,056,066	-	3,937,766	94,446	(23,854)
Adult/continuing education	513,468	-	362,845	3,057	(147,566)
Support services:					
Pupil support services	3,987,605	-	429,036	12,037	(3,546,532)
Instructional staff support services	6,897,150	-	3,080,805	-	(3,816,345)
General administration	1,691,352	-	5,892	-	(1,685,460)
School administration	7,026,269	-	129,159	-	(6,897,110)
Business services	1,752,132	-	425,539	-	(1,326,593)
Plant services	13,451,863	-	541,328	39,476	(12,871,059)
Student transportation services	5,938,961	-	155,002	-	(5,783,959)
Central services	1,632,690	-	10,653	-	(1,622,037)
Noninstructional services:					
Food service operations	8,053,241	1,746,555	3,921,908	-	(2,384,778)
Community service programs	45,740	-	31,934	-	(13,806)
Facility acquisition and construction	123,634	-	14,950	-	(108,684)
Long-term obligations:					
Interest on long-term obligations	5,474,470	-	-	-	(5,474,470)
Miscellaneous	8,746	-	-	-	(8,746)
Total Governmental Activities	\$138,472,818	\$1,746,555	\$16,953,001	\$648,364	(119,124,896)
General revenues:					
Taxes:					
Ad valorem taxes levied for:					
General purposes					9,767,102
Debt service purposes					5,952,486
Sales taxes levied for:					
General purposes					16,942,079
Salaries and related benefits					13,174,709
Grants and contributions not restricted to specific programs:					
Minimum Foundation Program					78,470,864
State revenue sharing					760,289
Interest and investment earnings					515,856
Sale of assets					37,822
Bond premium amortization					26,688
Other					664,952
Total general revenues					126,312,837
Changes in net assets					7,187,941
Net assets at beginning of year					105,385,738
Net assets at end of year					\$112,573,679

See accompanying notes to the basic financial statements.

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**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2004

FUND FINANCIAL STATEMENTS (FFS)

Ouachita Parish School Board
Monroe, Louisiana

**GOVERNMENTAL FUNDS
BALANCE SHEET**

June 30, 2004

(With Comparative Totals For June 30, 2003)

	SPECIAL REVENUE FUNDS			
	GENERAL FUND	WEST OUACHITA SALES TAX	DISTRICT #1 SALES TAX	
Assets:				
Cash and cash equivalents (Note 3)	\$9,982,812	\$175,103	\$4,751,306	\$ -
Investments (Note 4)	6,995,453	5,315,793	5,001,016	-
Receivables (Notes 5 and 6):				
Ad valorem taxes	206,385	-	-	-
Sales and use taxes	-	1,257,616	797,079	-
Earnings on investments	-	4,869	-	-
Federal grants	-	-	-	3,863,817
Other	214,742	-	-	660
Due from other funds (Note 13)	6,510,242	-	-	-
Inventory (Note 1.1.)	-	-	-	-
Total assets	<u>\$23,909,634</u>	<u>\$6,753,381</u>	<u>\$10,549,401</u>	<u>\$3,864,477</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$200,559	\$49,596	\$444,924	\$149,150
Salaries and wages payable	7,915,450	-	205,484	328,029
Other liabilities	-	-	-	-
Due to other funds (Note 13)	-	-	-	3,386,682
Deferred revenues	-	-	-	-
Total liabilities	<u>8,116,009</u>	<u>49,596</u>	<u>650,408</u>	<u>3,863,861</u>
Fund balances:				
Reserved for encumbrances	457,530	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Reserved for inventory	-	-	-	-
Reserved for salaries and related benefits	-	-	-	-
Reserved for protest taxes	509,993	-	-	-
Unreserved:				
Designated reported in Special Revenue Funds:				
Designated for instructional costs	-	-	2,911,435	-
Designated for capital improvements and facilities acquisition	-	-	(287,917)	-
Designated for mandated costs	-	-	2,947,915	-
Designated for restoration of salary reductions	-	-	4,204,253	-
Designated for maintenance and operation	-	-	123,307	-
Unreserved/undesignated reported in:				
General Fund	14,826,102	-	-	-
Special Revenue Funds	-	6,703,785	-	616
Total fund balances	<u>15,793,625</u>	<u>6,703,785</u>	<u>9,898,993</u>	<u>616</u>
Total liabilities and fund balances	<u>\$23,909,634</u>	<u>\$6,753,381</u>	<u>\$10,549,401</u>	<u>\$3,864,477</u>

See accompanying notes to the basic financial statements.

	SPECIAL EDUCATION IDEA-B	OTHER GOVERNMENTAL	TOTAL	
			2004	2003
\$	-	\$10,292,400	\$25,201,621	\$33,751,817
	-	3,991,717	21,303,979	34,519,120
	-	156,401	362,786	72,950
	-	2,699,373	4,754,068	4,891,330
	-	-	4,869	69,676
	2,079,419	1,309,773	7,253,009	682,387
	-	634,469	849,871	652,339
	-	-	6,510,242	990,367
	-	246,588	246,588	212,597
	<u>\$2,079,419</u>	<u>\$19,330,721</u>	<u>\$66,487,033</u>	<u>\$75,842,583</u>

	\$54,553	\$536,322	\$1,435,104	\$2,268,242
	25,480	2,092,968	10,567,411	14,161,453
	-	-	-	28,503
	1,999,386	1,124,174	6,510,242	990,367
	-	666,051	666,051	196,354
	<u>2,079,419</u>	<u>4,419,515</u>	<u>19,178,808</u>	<u>17,644,919</u>

	-	-	457,530	372,150
	-	8,639,492	8,639,492	8,882,675
	-	1,598,489	1,598,489	9,343,605
	-	100,885	100,885	114,863
	-	3,845,579	3,845,579	2,618,283
	-	345,225	855,218	418,185
	-	-	2,911,435	4,080,434
	-	-	(287,917)	13,552,819
	-	-	2,947,915	1,586,835
	-	-	4,204,253	1,360,145
	-	-	123,307	313,889
	-	-	14,826,102	14,867,738
	-	381,536	7,085,937	686,043
	-	14,911,206	47,308,225	58,197,664
	<u>\$2,079,419</u>	<u>\$19,330,721</u>	<u>\$66,487,033</u>	<u>\$75,842,583</u>

**Ouachita Parish School Board
Monroe, Louisiana**

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

Total fund balances – governmental funds		\$47,308,225
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in Governmental Funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as Governmental Activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$268,141,553	
Accumulated depreciation	<u>(80,882,663)</u>	187,258,890

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs are not considered financial resources in the Statement of Net Assets; therefore, the costs are reported on the Statement of Net Assets as an asset net of accumulated amortization.

Bond issuance cost	431,965	
Less amortization	<u>(105,957)</u>	326,008

Elimination of interfund assets and liabilities.

Interfund assets		(6,510,242)
Interfund liabilities		6,510,242

See accompanying notes to the basic financial statements.	(continued)
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**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Balance Sheet to the Statement of Net Assets (continued)
Fiscal Year Ended June 30, 2004**

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

Balances at June 30, 2004 are:

Long-term liabilities:

Compensated absences payable	(\$4,086,748)	
General obligation bonds payable	(44,355,000)	
Revenue bonds payable	(59,990,000)	
Tax liability certificates of indebtedness	(14,040,000)	
Arbitrage rebate payable	(121,161)	
Bond premium	<u>(115,450)</u>	(\$122,708,359)

The School Board self-insures for general liability and workers' compensation.

Funds to meet these liabilities are deposited in an Internal Service Fund.

The Internal Service Fund is not reported with the Governmental Funds. The Internal Service Fund is reported in the Statement of Net Assets. The Internal Service Fund's net assets at June 30, 2004, are as follows:

Cash and cash equivalents	30,325	
Investments	3,248,753	
Claims liability	<u>(378,384)</u>	2,900,694

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Balance Sheet to the Statement of Net Assets (continued)
Fiscal Year Ended June 30, 2004**

Retainages due the next 2 to 3 years on construction projects are not reported in the Governmental Funds. Retainages have been reported as a liability in the Statement of Net Assets.

(\$567,053)

Interest on outstanding bonds in the Governmental Funds is recorded as an expenditure when paid. Bond interest in the Statement of Net Assets is recognized as an expense as it accrues.

Accrued interest on outstanding bonds

(1,944,726)

Net Assets

\$112,573,679

See accompanying notes to the basic financial statements.

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Ouachita Parish School Board
Monroe, Louisiana

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

Fiscal Years Ended June 30, 2004 and 2003

	GENERAL FUND	SPECIAL REVENUE FUNDS			SPECIAL EDUCATION IDEA-B
		WEST OUACHITA SALES TAX	DISTRICT #1 SALES TAX	TITLE I	
REVENUES					
Local sources:					
Ad valorem taxes (Note 5)	\$9,767,102	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	8,114,819	5,059,890	-	-
Earnings on investments	199,024	85,438	134,440	-	-
Cash payments for meals	-	-	-	-	-
Other	1,284,343	2,451	-	-	-
State sources:					
State equalization	77,553,666	-	-	-	-
Revenue sharing	760,289	-	-	-	-
Professional Improvement Program	493,849	-	-	-	-
State contribution for teacher retirement (Note 8)	52,957	-	-	-	-
Restricted grants-in-aid	74,105	-	-	-	-
Federal sources:					
Federal programs	139,038	-	-	5,166,099	2,887,257
Other federal support	-	-	-	616	-
Total revenues	<u>90,324,373</u>	<u>8,202,708</u>	<u>5,194,330</u>	<u>5,166,715</u>	<u>2,887,257</u>
EXPENDITURES					
Current:					
Instructional services:					
Regular programs	43,596,506	20,057	1,049,578	-	-
Special education programs	12,036,586	-	85,884	-	2,106,211
Vocational programs	585,752	-	-	-	-
Other instructional programs	745,412	-	129,073	-	-
Special programs	-	-	-	2,964,603	-
Adult/continuing education	121,424	-	-	45,596	-
Support services:					
Pupil support services	2,775,508	-	261,303	72,508	75,891
Instructional staff support services	3,187,750	7,906	157,829	1,611,481	475,286
General administration	1,264,031	-	427	-	-
School administration	6,060,167	-	55,622	1,036	-
Business services	1,163,256	-	12,176	209,781	126,410
Plant services	10,340,096	110,496	1,603,692	198,192	80,259
Student transportation services	4,488,786	-	592,167	64,517	23,200
Central services	1,632,208	-	8,402	-	-
Noninstructional services:					
Food service operations	443,942	-	110,576	-	-
Community service programs	9,411	-	-	385	-
Facility acquisition and construction	1,484,695	3,805,314	2,563,147	-	-
Debt service (Note 12):					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Technical services	96,229	3,332	-	-	-
Miscellaneous	-	141,401	-	-	-
Total expenditures	<u>90,031,759</u>	<u>4,088,506</u>	<u>6,629,876</u>	<u>5,166,099</u>	<u>2,887,257</u>
Excess (deficiency) of revenues over expenditures	<u>292,614</u>	<u>4,114,202</u>	<u>(1,435,546)</u>	<u>616</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	37,822	-	-	-	-
Limited tax certificates of indebtedness issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers in (Note 15)	13,116	-	-	-	-
Transfers out (Note 15)	(40,128)	(6,656,111)	-	-	-
Total other financing sources (uses)	<u>10,810</u>	<u>(6,656,111)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	303,424	(2,541,909)	(1,435,546)	616	-
Fund balances at beginning of year	15,490,201	9,245,694	11,334,539	-	-
Fund balances at end of year	<u>\$15,793,625</u>	<u>\$6,703,785</u>	<u>\$9,898,993</u>	<u>\$616</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

OTHER GOVERNMENTAL	Totals	
	2004	2003
\$5,952,486	\$15,719,588	\$14,468,131
16,942,079	30,116,788	31,312,999
96,954	515,856	1,449,226
1,746,555	1,746,555	1,694,900
97,898	1,384,692	1,758,440
917,188	78,470,854	71,156,890
-	760,289	749,752
-	483,848	548,979
-	52,957	49,464
1,949,995	2,024,100	2,230,601
5,794,297	13,996,691	12,888,342
323,412	324,828	441,650
<u>33,820,864</u>	<u>145,596,247</u>	<u>138,747,374</u>

8,674,180	53,348,321	53,333,267
2,819,112	17,047,793	17,564,072
336,546	922,298	905,637
921,731	1,796,216	1,952,759
1,039,330	4,003,933	3,881,897
309,664	476,684	423,213
813,827	3,988,837	4,185,632
1,422,226	6,862,478	5,736,114
180,543	1,445,001	1,481,240
903,801	7,028,826	6,654,975
203,785	1,715,408	2,849,761
1,291,505	13,622,240	12,156,002
783,617	5,952,287	5,678,213
57,427	1,688,037	1,518,676
7,612,073	8,166,591	7,738,345
35,854	45,650	51,952
7,794,114	15,847,279	23,638,917
6,365,000	6,365,000	5,260,000
6,152,635	6,152,635	8,065,977
3,043	162,684	69,466
-	141,481	5,225
<u>47,720,013</u>	<u>156,523,519</u>	<u>161,151,750</u>
<u>(13,899,149)</u>	<u>(10,827,263)</u>	<u>(22,404,376)</u>

-	37,822	72,622
-	-	9,000,000
-	-	10,800
6,696,239	6,709,355	12,384,705
(13,116)	(6,709,355)	(12,384,705)
<u>6,683,123</u>	<u>37,822</u>	<u>9,083,722</u>
(7,216,026)	(10,889,441)	(13,320,654)
<u>22,127,232</u>	<u>58,197,666</u>	<u>71,518,318</u>
<u>\$14,911,206</u>	<u>\$47,308,225</u>	<u>\$58,197,664</u>

**Ouachita Parish School Board
Monroe, Louisiana**

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

Total net change (decrease) in fund balances – Governmental Funds	(\$10,889,441)
---	----------------

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

Elimination of operating transfers in and out:

Transfers in	6,709,355
Transfers out	(6,709,355)

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

Capital Outlays	\$17,948,979	
Depreciation	<u>(6,639,061)</u>	11,309,918

Capital Assets nor depreciation are reported in the Governmental Funds. In the Statement of Net Assets capital assets and accumulated depreciation are reported. When an asset is disposed of that is not fully depreciated it results in a loss on the disposal of the asset in the Statement of Activities unless sales proceeds are received which are in excess of carrying value. During the current fiscal year the School Board had a loss on disposal of capital assets of \$51,608.

(51,608)

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities (continued)
Fiscal Year Ended June 30, 2004**

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. \$6,365,000

The costs associated with issuing bonds are reported as expenditures in the Governmental Funds. The issuance costs do not require the use of current financial resources; therefore, the costs are amortized over the life of the bond issue in the Statement of Net Activities. For the year ended June 30, 2004, there were no bond issuance costs but the current year amortized bond issuance costs were \$33,457. (33,457)

The School Board self-insures for general liability and workers' compensation. Funds to meet these liabilities are deposited in an Internal Service Fund. The Internal Service Fund is not reported with the Governmental Funds; however, it is reported on the Statement of Net Assets. The net assets in the Internal Service Fund decreased from \$3,143,815 at June 30, 2003 to \$2,900,694 at June 30, 2004 for a net decrease of \$243,121. (243,121)

Interest earned on bond proceeds in capital projects during construction that exceeds the interest paid on the bonds must be rebated to the Federal Government as arbitrage. Long-term arbitrage payable is not reported in the Governmental Funds as it is considered a long-term liability. It is reported in the Statement of Activities. At June 30, 2004, the decrease in long-term arbitrage payable was \$778,178. 778,178

See accompanying notes to the basic financial statements. (continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities (continued)
Fiscal Year Ended June 30, 2004**

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the Governmental Funds; however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$328,238) exceeded the amount used (\$265,728) by \$62,510.

(\$62,510)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the Governmental Funds because accrued interest received from bond sales is recognized as Other Financing Sources when received and interest on outstanding bonds is recognized as an expenditure in the governmental funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities; however, interest expenses are recognized as the interest accrues, regardless of when it is due. Interest expense payable at year end decreased from the previous year as follows:

Interest expense payable at June 30, 2004	(\$1,944,726)	
Interest expense payable at June 30, 2003	<u>2,079,973</u>	135,247

Retainages on construction projects are not reported in the Governmental Funds. Retainages have been reported as an expense in the Statement of Activities. Retainage payable at year end increased from the previous year as follows:

Retainage payable at June 30, 2004	(567,053)	
Retainage payable at June 30, 2003	<u>420,100</u>	(146,953)

See accompanying notes to the basic financial statements.

(continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**Reconciliation of the Governmental Funds'
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities (continued)
Fiscal Year Ended June 30, 2004**

Bond premium from bond sales is reported in the Governmental Funds as Other Financing Sources when received. Bond premium is reported in the Government-wide Financial Statements as a liability and amortized over the life of the bonds. There was no bond premium received in 2003-04 but the current year amortization expense was \$26,688.

\$26,688

Change in net assets of governmental activities

\$7,187,941

See accompanying notes to the basic financial statements.

(concluded)

**Ouachita Parish School Board
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund
Comparative Statement of Net Assets**

June 30, 2004 and 2003

	Total	
	2004	2003
Assets:		
Cash and cash equivalents	\$30,325	\$3,456,999
Investments	3,248,753	-
Total assets	3,279,078	3,456,999
Liabilities:		
Accounts payable	-	25,643
Claims liability	378,384	287,541
Total liabilities	378,384	313,184
Unrestricted net assets	\$2,900,694	\$3,143,815

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund
Comparative Statement of Revenues, Expenses
and Changes in Net Assets**

Fiscal Years Ended June 30, 2004 and 2003

	Total	
	2004	2003
Operating revenue		
Charges for services	\$330,643	\$343,744
Insurance proceeds from losses	221	5,844
Total operating revenue	330,864	349,588
Operating expenses		
Self-insurance claims and insurance premiums	600,991	398,490
Operating loss	(270,127)	(48,902)
Nonoperating revenues		
Earnings on investments	27,006	61,870
Net income (loss)	(243,121)	12,968
Net assets at beginning of year	3,143,815	3,130,847
Net assets at end of year	\$2,900,694	\$3,143,815

See accompanying notes to the basic financial statements.

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**Ouachita Parish School Board
Monroe, Louisiana**

**Proprietary Fund - Internal Service Fund
Comparative Statement of Cash Flows**

Fiscal Years Ended June 30, 2004 and 2003

	Total	
	2004	2003
Cash flows used by operating activities:		
Payments from participants	\$330,643	\$343,744
Insurance proceeds	221	5,844
Claims and premiums paid	(535,791)	(869,114)
Net cash used by operating activities	(204,927)	(519,526)
Cash flows from investing activities:		
Sale (purchase) of investments, net	(3,254,694)	3,798,917
Earnings on investments	32,947	105,370
Net cash provided by investing activities	(3,221,747)	3,904,287
Net increase (decrease) in cash and cash equivalents	(3,426,674)	3,384,761
Cash and cash equivalents at beginning of year	3,456,999	72,238
Cash and cash equivalents at end of year	\$30,325	\$3,456,999
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating loss	(\$270,127)	(\$48,902)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Changes in assets and liabilities:		
Increase (decrease) in payables	(25,643)	(470,624)
Increase (decrease) in claims liability	90,843	-
Net cash used by operating activities	(\$204,927)	(\$519,526)
Noncash investing activities:		
Decrease in fair value of investments	(\$5,941)	\$ -

See accompanying notes to the basic financial statements.

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**Ouachita Parish School Board
Monroe, Louisiana**

**Fiduciary Fund - Agency Funds
Comparative Statement of Assets and Liabilities**

June 30, 2004 and 2003

	Total	
	2004	2003
Assets:		
Cash and cash equivalents	<u>\$3,002,306</u>	<u>\$2,797,346</u>
Liabilities:		
Amounts held for others	<u>\$3,002,306</u>	<u>\$2,797,346</u>

See accompanying notes to the basic financial statements.

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**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2004**

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**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

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(concluded)

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies

The accompanying financial statements of the Ouachita Parish School Board (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.

A. Financial 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. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

Certain units of local government, such as other independently elected officials, the parish police jury and municipalities, are excluded from the accompanying financial statements. These units have their own elected governing authorities and are not financially accountable to the School Board.

B. Fund Accounting

The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

The School Board uses the following fund categories and fund types.

Governmental Funds: Governmental funds account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of general long-term debt. Governmental funds are divided into major and nonmajor funds. Major funds are funds that meet certain dollar tests of their assets, liabilities, revenues, and expenditures/expenses. Major funds are larger, more significant funds. Nonmajor funds are the Governmental Funds that do not meet the dollar tests for major funds. The major and nonmajor funds are described below:

Major Funds:

General Fund - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in another fund and is always a major fund.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessments) that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are major funds: West Ouachita Sales Tax, District #1 Sales Tax, Title I, and Special Education IDEA-B. For a more detailed description of the major Special Revenue Funds see the Required Supplemental Information – Part B, Budgetary Comparison Schedule.

Nonmajor Funds – The School Board has 7 nonmajor Special Revenue Funds, 3 nonmajor Debt Service Funds, and 4 nonmajor Capital Projects Funds. For a description of these funds see the Nonmajor Special Revenue Funds, Debt Service Funds, and Capital Projects Funds tab sections of the report.

Proprietary Fund:

Internal Service Fund - The Internal Service Fund accounts for the financing of services provided by one fund to other funds of the School Board. The Self-Insurance Internal Service Fund, which purchases an insurance policy and accounts for third-party administrative costs and claims, is reported as an internal service fund.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

Fiduciary Fund:

Agency Funds - The Agency Funds account for assets held by the School Board in a trustee capacity or as an agent for individuals, private or school organizations, other governmental units and/or other funds. The School Activity Funds and Migrant Funds of other parishes are reported as Agency Funds.

C. Basis of Accounting/Measurement Focus

Government-wide Financial Statements (GWFS)

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

The Statement of Net Assets and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Non-exchange transactions are recognized when the School Board has an enforceable legal claim to the revenues, expenses, gains, losses, assets, and liabilities.

Program revenues

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

General Revenues

General revenues included in the Statement of Activities derive directly from local property and sales taxes and from unrestricted state grants. General revenues finance the remaining balance of a function not covered by program revenues.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

Allocation of indirect expenses

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses (long-term debt interest) of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds

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

The Proprietary Fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Proprietary Fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. Operating revenues are charges to the General Fund for insurance related costs such as claims liability and insurance premiums. Nonoperating revenues are revenues that are not derived from charges to the General Fund such as earnings on investments. Proprietary Fund Type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net assets.

Governmental funds reported in the fund financial statements are accounted for on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become susceptible to accrual—that is, when they become both measurable and available to pay current period liabilities. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Such revenue items are ad

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

valorem, sales and use taxes and federal and state entitlements. Ad valorem taxes are considered measurable and are recognized in the calendar year of the tax levy. Sales and use taxes are considered measurable and available when collected by the vendors. Revenue from state and federal grants are recorded when the reimbursable expenditures have been incurred.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the Debt Service Funds for payments to be made early in the following year.

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in interest-bearing demand deposits, bank certificates of deposit, as well as short-term investments with a maturity date within three months of the date acquired. Bank certificates of deposit are stated at cost, which is the same as fair value. Short-term investments are stated at cost, which approximates fair value.

Cash balances of all of the School Board's funds, except for the Payroll Account, are pooled into one master bank account with the School Board's fiscal agent bank. The Payroll Account is maintained in a separate account.

Interest earned on balances maintained in the pooled bank account was distributed to the individual funds based on the cash balance maintained by the unrestricted participating fund during the year.

The School Board maintains separate "book" cash accounts for each fund that is pooled within the master bank account. Negative book cash balances appear in the financial statements as a liability, "Due to Other Funds." The balance of these amounts will be paid primarily through collections of grants receivable reimbursements from the Federal and State Departments of Education.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

E. Investments

State statutes govern the investment policies of the School Board. The Ouachita Parish School Board is authorized to invest in U. S. Government securities, certificates of deposit, interest-bearing demand deposits, commercial paper, and other allowable short-term obligations including short-term repurchase agreements. These are classified as investments if their original maturities exceed 90 days. Investments are carried at fair value.

F. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements balance sheet.

G. Elimination and Reclassifications

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

H. Bond Issuance Costs

Costs (bond rating fees, attorney fees, printing, etc.) associated with issuing bonds are capitalized and amortized over the life of the bond issue in the Government-wide Financial Statements. The bond issuance cost is reported as expenditures in the Fund Financial Statements.

I. Inventory

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory when used. Inventory is stated at average cost using the first-in, first-out (FIFO) basis. Inventory consists of commodities and purchased food held for consumption. Purchased food inventory in the governmental funds is equally offset by a fund balance reserve which shows that this inventory does not constitute "available spendable resources" even though it is a component of total assets. Commodities inventory of \$145,703 is reported as deferred revenue, leaving a reserved fund balance of \$100,885 for purchased food.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

J. Capital Assets

Capital assets, which include land, buildings, and equipment, are reported as governmental funds in the Governmental-wide Financial Statements. The School Board considers assets with an initial individual cost of more than \$1,000 and an estimated useful life of 2 years or more as a capital asset.

Capital assets are recorded at historical cost and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is used based on the following estimated useful lives:

Buildings	40 years
Furniture and equipment	5-15 years

Public domain (infrastructure) capital assets (e.g. parking lots, sidewalks, and other assets that are immovable and of value only to the government) were capitalized as part of the construction cost of the buildings.

K. Deferred Revenues

The School Board reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when the School Board receives resources before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the Governmental Fund's balance sheet and the revenue is recognized.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

L. Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or propriety funds are netted as part of the reconciliation to the Government-wide Financial Statements.

M. Compensated Absences

All 12-month employees earn from 10 to 15 days of annual leave each year depending on length of service with the School Board. Annual leave is credited at the beginning of each fiscal year and a maximum of five days can be accumulated and carried forward into a new fiscal year. Upon termination of employment, unused annual leave up to 20 days is paid to employees at the employees' current rates of pay.

All school employees earn ten days of sick leave each year. Sick leave may be accumulated without limitations. Upon retirement, unused accumulated sick leave of up to 25 days is paid to employees at the employees' current rates of pay. The accrual recorded for earned sick leave is based on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination. Upon retirement, accumulated sick leave is used in the retirement benefit computation as earned service.

Sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expenditure in the year claimed. Sick and vacation leave accrued as of the end of the fiscal year is valued using employees' current rates of pay. Neither the School Board nor the employees are required to contribute to the retirement system for sick and annual leave payments. Accrued sick and vacation leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

N. Long-Term Liabilities

Bond premiums and discounts, as well as issuance costs, are recognized in the fund financial statements in the period the bonds are issued. Bond proceeds are reported as an Other Financing Source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

In the Government-wide Financial Statements premiums and issuance costs are reported on the balance sheet net of amortization and amortized over the life of the bonds. Bond proceeds have been reported in the Government-wide Financial Statements as a long-term liability.

O. Restricted Net Assets

For the Government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

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

Imposed by law through constitutional provisions or enabling legislation.

In the Statement of Net Assets the following items are considered restricted:

Debt service is considered restricted because an ad valorem tax has been levied specifically to meet the principal and interest payments of various bond issues.

Salaries and related benefits are considered restricted as it represents undistributed salaries and related benefits from sales taxes restricted exclusively for this purpose.

Protest taxes are considered restricted because the taxpayer has filed suit protesting the ad valorem tax assessment and the amount of the tax. Distribution of the tax is pending settlement of the suit.

P. Reserves and Designations of Fund Financial Statements

Portions of fund equity reported in the Fund Financial Statements are reserved for future use and are; therefore, not available for future appropriation or expenditure. Designations of unreserved

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

P. Reserves and Designations of Fund Financial Statements (continued)

fund balances indicate the School Board's tentative plans for the use of financial resources in a future period.

Q. Sales and Use Tax

The voters of Ouachita Parish have authorized the collection of four sales and use taxes for the benefit of the School Board. The first of these is a .5% sales and use tax levied and collected jointly by the City of Monroe School Board and the Ouachita Parish School Board. The net proceeds of the tax are to be allocated and prorated between the two school boards annually on the basis of average daily membership for the preceding school year. The tax revenue is to be used exclusively to supplement other revenues available to the School Board for the following purposes:

Eighty-eight percent of the revenues received by the School Board are to be used for the payment of the salaries of teachers, as defined by the Louisiana State Department of Education.

Twelve percent of the revenues received by the School Board are to be used for the payment of salaries to designated personnel, other than teachers.

The second of these taxes is an additional 1% sales and use tax levied and collected by the School Board only, and is to be used exclusively to supplement other revenue available to the School Board for the purpose of teacher and School Board employees' salaries and benefits.

The third of these taxes is an additional .5% sales and use tax levied and collected by the School Board only. The tax revenue is to be used exclusively to supplement other revenues available to the School Board for the following purposes:

Thirty-eight percent of the revenues received by the School Board are to be used for capital improvements and facility and equipment support.

Thirty-six percent of the revenues received by the School Board are to be used for classroom instruction.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

Q. Sales and Use Tax (continued)

Fourteen percent of the revenues received by the School Board are to be used for the payment of mandated costs.

Twelve percent of the revenues received by the School Board are to be used to restore salary reductions.

The fourth of these is an additional 1% sales and use tax levied and collected by the West Ouachita Parish School Bond District for a period of 27 years starting in 1998. The tax proceeds are to be used for constructing, acquiring, improving, equipping, furnishing, maintaining, and/or operating schools and school related facilities in the district, with the proceeds of the tax being subject to funding into bonds for capital improvements.

R. Self-Insurance

The School Board is self-insured for workers' compensation and general liability insurance coverage, and maintains policies with large deductibles for property and fleet vehicle insurance. The School Board has an excess insurance policy which covers individual workers' compensation claims and occurrences in excess of \$350,000. The School Board self-insures for the retention. The School Board has not had claims to exceed its insurance coverage for each of the past three fiscal years.

Revenues that finance the operations of the Self-Insurance Internal Service Fund are considered operating revenues and include charges for services and insurance proceeds from losses. Revenues that are not derived directly from the operations of the self-insurance program are considered nonoperating revenues and include earnings on investments.

Expenses related to these plans are recognized in the self-insurance fund as claims are incurred. A liability for unpaid and incurred but not reported claims is based on the School Board's known claims and its previous experience. A third-party administrator, who processes and investigates claims, pays valid claims and estimates the liabilities for unpaid claims, manages the workers' compensation and general liability plans. School Board personnel manage the remaining plans.

During fiscal year 2004, total expenses for claims and insurance premiums related to the self-insurance plans were \$600,991. The School Board's activity in claims liability for fiscal years 2004 and 2003 was:

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

1. Summary of Significant Accounting Policies (continued)

R. Self-Insurance (continued)

	2004	2003
Claims liability at beginning of the year	\$287,541	\$783,809
Incurred claims and provision for incurred but not reported	627,060	(169,739)
Claims payments	(536,217)	(326,529)
Claims liability at the end of the year	\$378,384	\$287,541

S. Use of Estimates

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

2. Expenditures – Budget and Actual

The following individual nonmajor special revenue and debt service funds had actual expenditures over total budgeted expenditures for the year ended June 30, 2004.

Fund	Budget	Actual	Over Budget
Nonmajor Special Revenue			
Funds:			
Air Conditioning Redemption	\$313,889	\$317,814	(\$3,925)
School Food Service	6,850,000	7,025,127	(175,127)
Nonmajor Debt Service			
Fund:			
East Ouachita Bond	3,283,808	3,288,897	(5,089)

Actual expenditures exceeded budgeted expenditures in the Air Conditioning Redemption Fund because we were closing the fund and interest income was more than anticipated; thus providing more funds to spend on air conditioning repairs. The excess of expenditures over budgeted

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

2. Expenditures – Budget and Actual (continued)

expenditures in the School Food Service Fund was the result of underestimating food costs. Actual expenditures exceeded budgeted expenditures in the East Ouachita Bond Fund due to under budgeting the amount of mandatory pension contributions withheld by the tax collector from ad valorem taxes.

3. Cash and Cash Equivalents

At year-end, as reported on the Statement of Net Assets and the Agency Funds' Comparative Statement of Assets and Liabilities, the book balances of the School Board's deposits (including bank certificates of deposit) were \$25,231,946 and \$3,002,306, respectively. The School Board had bank balances totaling \$17,980,678 at June 30, 2004, of which \$1,013,779 was covered by federal depository insurance and \$16,949,881 was covered by collateral held by the trust department of agents of the pledging financial institutions in the School Board's name. The remaining balance of \$17,018 was uninsured or uncollateralized at year end. Securities that may be pledged as collateral are obligations of the United States Government and its agencies, and obligations of the State of Louisiana and its municipalities and school districts. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

At June 30, 2004, the School Board held short-term investments whose market values approximated their recorded costs. These investments (Category 2), all of which are government-backed securities and are held in the School Board's name, are considered to be cash equivalents, and are held as follows:

Securities held in Louisiana Asset Management Pool	\$1,628,707
Securities held by Merrill Lynch	3,002,525
Securities held by U.B.S. Paine Webber	6,013,227
Securities held by Hibernia Investments, LLC	5,955,002
Total	<u>\$16,599,461</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

3. Cash and Cash Equivalents (continued)

Individual funds with significant book cash deficit balances at June 30, 2004 were as follows:

<u>Fund</u>	<u>(Cash Deficit) Balance</u>
Special Revenue Funds:	
Title I	(\$3,281,146)
Special Ed. IDEA -B	(1,829,341)
Other Federal Programs	(1,072,756)
Total	<u>(\$6,183,243)</u>

4. Investments

The School Board's investments are categorized as uninsured and unregistered for which the securities are held by the financial institution trust department or agent in the School Board's name (GASB Category 2). The School Board's investments of \$24,552,732 consist of U.S. Government securities and are carried at fair value.

5. Ad Valorem Taxes

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

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

5. Ad Valorem Taxes (continued)

The 1974 Louisiana Constitution provides that land and residential property are to be assessed at 10% of fair market value; however, agricultural, horticultural, marsh lands, timber lands, and certain historic buildings are to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years.

The School Board is permitted by constitutional and statutory authority of the State to levy taxes up to \$29.26 per \$1,000 of assessed valuation for operations other than the payment of principal and interest on long-term debt. This is the amount which was levied for fiscal 2004.

The School Board was authorized by the citizens of the East Ouachita Bond District and the West Ouachita Bond District to levy taxes sufficient enough to pay the annual principal and interest on the general obligation bonds. The School Board levied 30.5 mills and 11.0 mills in 2004 for the East Ouachita and West Ouachita Bond Districts, respectively. The Sheriff of Ouachita Parish, as provided by State law, is the official tax collector of general property taxes levied by the School Board.

The Sheriff of Ouachita Parish, as provided by State law, is the official tax collector of general property taxes levied by the School Board. The 2003 property tax calendar was as follows:

Millage rates adopted	June 3, 2003
Levy date	November 24, 2003
Tax bills mailed	November 17, 2003
Due date	December 31, 2003
Lien date	January 1, 2004

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

All property taxes are recorded in the General and Debt Service Funds on the basis explained in Note 1.C. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

5. Ad Valorem Taxes (continued)

tax levy. Delinquent taxes considered to be uncollectible are not recorded as revenues. Property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

6. Receivables

The receivables of \$13,224,603 at June 30, 2004, as reported on the Governmental Funds Balance Sheet, were as follows:

	<u>General Fund</u>	<u>Major Special Revenue Funds</u>	<u>Nonmajor Funds - Other Governmental</u>	<u>Total</u>
Taxes:				
Ad valorem	\$206,385	\$ -	\$156,401	\$362,786
Sales and use	-	2,054,695	2,699,373	4,754,068
Earnings on investments	-	4,869	-	4,869
Grants:				
Federal	-	5,943,236	1,309,773	7,253,009
Other	<u>214,742</u>	<u>660</u>	<u>634,469</u>	<u>849,871</u>
Total	<u>\$421,127</u>	<u>\$8,003,460</u>	<u>\$4,800,016</u>	<u>\$13,224,603</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

7. Capital Assets

The changes in capital assets were as follows:

	<u>Balance June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2004</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$5,660,095	\$ -	(\$ -)	\$5,660,095
Construction in progress-				
Buildings	<u>21,144,825</u>	<u>9,800,515</u>	<u>(18,751,540)</u>	<u>12,193,800</u>
Total capital assets, not being				
Depreciated	<u>26,804,920</u>	<u>9,800,515</u>	<u>(18,751,540)</u>	<u>17,853,895</u>
Capital assets, being depreciated:				
Buildings and improvements	195,049,828	24,296,515	-	219,346,343
Furniture and equipment	<u>29,528,953</u>	<u>2,603,488</u>	<u>(1,191,126)</u>	<u>30,941,315</u>
Total capital assets, being				
Depreciated	<u>224,578,781</u>	<u>26,900,003</u>	<u>(1,191,126)</u>	<u>250,287,658</u>
Less accumulated depreciation:				
Buildings and improvements	(58,011,426)	(4,105,415)	-	(62,116,841)
Furniture and Equipment	<u>(17,371,625)</u>	<u>(2,533,646)</u>	<u>1,139,449</u>	<u>(18,765,822)</u>
Total accumulated				
Depreciation	<u>(75,383,051)</u>	<u>(6,639,061)</u>	<u>1,139,449</u>	<u>(80,882,663)</u>
Total capital assets, being				
depreciated, net	<u>149,195,730</u>	<u>20,260,942</u>	<u>(51,677)</u>	<u>169,404,995</u>
Governmental activities				
Capital assets, net	<u>\$176,000,650</u>	<u>\$30,061,457</u>	<u>(\$18,803,217)</u>	<u>\$187,258,890</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

7. Capital Assets (continued)

Depreciation expense was charged to governmental activities as follows:

Instructional services:	
Regular programs	\$5,014,967
Special education programs	111,112
Vocational programs	52,568
Other instructional programs	307,834
Special programs	126,579
Adult/continuing education	39,275
Support services:	
Pupil support services	14,952
Instructional staff support services	36,487
General administration	2,525
School administration	7,201
Business services	48,787
Plant services	235,544
Student transportation services	448,621
Central services	135,750
Non-instructional services -	
Food service operations	<u>56,859</u>
Total depreciation expense	<u>\$6,639,061</u>

During the 2003-04 fiscal year, the School Board entered into contracts totaling \$8,297,978 and in the 5 previous years the School Board entered into contracts totaling \$126,694,321 to construct 8 new schools and to make repairs and renovations to 28 schools. The construction is estimated to take 2 more years to complete. Work started but not completed during the 2004 fiscal year on contracts totaling \$12,193,800, was capitalized as construction in progress - buildings. At June 30, 2004, the School Board had \$567,053 in retainages included in the construction in progress. The retainages will be paid at the completion of the projects in approximately 1 to 3 years. The retainages have not been included on the June 30, 2004, balance sheet of the Fund Financial Statements, as they will not be paid from available spendable resources.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

8. Retirement Systems

In 1996, the School Board adopted Governmental Accounting Standards Board Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The School Board had no pension liability or asset at the effective date of the transition.

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; 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:

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description:

The TRS consists of three membership plans: Regular Plan, Plan A, and Plan B. The School Board participates in two of the membership plans — the 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.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

8. Retirement Systems (continued)

Funding Policy:

Plan members are required to contribute 8.0% and 9.1% 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 School Board's contribution rate of annual covered payroll for the regular membership plan and for Plan A for the years ended June 30, 2004, 2003, and 2002, were 13.8%, 13.1%, and 13.1%, respectively. 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's contributions to the TRS for the years ending June 30, 2004, 2003, and 2002, were \$9,579,578, \$9,180,134, and \$8,592,858, respectively, equal to the required contributions for each year.

B. 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.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

8. Retirement Systems (continued)

Funding Policy:

Plan members are required to contribute 7.50% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The School Board's contribution rate of annual covered payroll for the year ended June 30, 2004 was 8.5%. The School Board had not been actuarially required to contribute to the LASERS since June 30, 1999 until this year. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LASERS is funded by the State of Louisiana through annual appropriations and by remittances from the School Board.

The School Board's contribution to LASERS for the year ended June 30, 2004, was \$687,062, equal to the required contributions for the year.

9. Other Post Employment Benefits

As permitted by Louisiana Revised Statutes, the School Board provides certain continuing health care and life insurance benefits for certain retired employees through the State group insurance plan. Retired School Board employees are eligible for these benefits if they reached normal retirement age, as defined under the applicable retirement system (see Note 8), while working for the School Board. The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as expenditure when the monthly premiums are due. The cost of retiree benefits totaled \$4,151,020 during fiscal 2004; approximately 899 retirees receive benefits under this plan.

10. Deferred Compensation Plan

The School Board offers a deferred compensation plan for employees under the provisions of Internal Revenue Service Code 457 (Deferred Compensation Plan).

Part-time and substitute employees are required to contribute 7.5% of their compensation to the Deferred Compensation Plan. Full-time employees may voluntarily make contributions to the Deferred Compensation Plan. The School Board does not contribute to the Deferred Compensation Plan. At June 30, 2004, the Plan had assets with an approximate market value of \$813,278. The assets in the Plan are held in trust solely for the benefit of participants and their beneficiaries. Therefore, in accordance with GASB Statement No. 32 they are not reported in the School Board's financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

11. Agency Fund Deposits Due Others (FFS level only)

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

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Agency Funds:				
School Activity	\$2,797,346	\$8,917,695	(\$8,712,735)	\$3,002,306
Migrant Funds of Other Parishes	-	47,775	(47,775)	-
Total	<u>\$2,797,346</u>	<u>\$8,965,470</u>	<u>(\$8,760,510)</u>	<u>\$3,002,306</u>

12. General Long-Term Obligations

The general obligation bonds are obligations of East Ouachita Bond and West Ouachita Bond Districts, with maturities from 2004 to 2025 and interest rates from 4.5% to 7.0%. General obligation bonds' principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the respective taxing districts. In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term general obligation bonded debt in excess of 35% of the total assessed value of all property in the taxing district. At June 30, 2004, the statutory limit and debt margins are as follows:

	East Ouachita Bond	West Ouachita Bond	Total
Assessed Value	<u>\$160,847,548</u>	<u>\$299,393,183</u>	<u>\$460,240,731</u>
35% of assessed value	\$56,296,642	\$104,787,614	\$161,084,256
Outstanding General Obligation Bonds	<u>(39,345,000)</u>	<u>(5,010,000)</u>	<u>(44,355,000)</u>
Debt Margin	<u>\$16,951,642</u>	<u>\$99,777,614</u>	<u>\$116,729,256</u>

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

12. General Long-Term Obligations (continued)

The following shows the changes in general obligation bonds, revenue bonds, and limited tax certificates of indebtedness:

Original Issue	Outstanding July 1, 2003	Payments	Outstanding June 30, 2004	Interest Rate On Unpaid Debt	Total Future Interest
General obligation bonds:					
4.5%-5.5% issued 1/1/01; due 2004-2006	\$7,325,000	(\$2,315,000)	\$5,010,000	4.5%- 5.0%	\$366,250
4.5%-6.0% issued 3/1/99; due 2004-2024	26,045,000	(720,000)	25,325,000	4.50%- 6.10%	15,258,103
5.2%-7.0% issued 3/1/00; due 2004-2025	14,365,000	(345,000)	14,020,000	5.20%- 7.0%	10,361,308
Total general obligation Bonds	47,735,000	(3,380,000)	44,355,000		25,985,661
Revenue bonds:					
4.25 %-7.0% issued 9/1/98; due 2004-2023	22,815,000	(620,000)	22,195,000	4.30%- 7.00%	12,439,532
4.5 %-6.0% issued 4/1/99; due 2004-2023	18,525,000	(535,000)	17,990,000	4.50%- 6.00%	10,135,263
4.1%-7.0% issued 3/1/01; due 2004-2024	7,665,000	(180,000)	7,485,000	4.10%- 7.00%	4,776,590
4.9%-5.75% issued 9/1/00; due 2004-2024	9,610,000	(210,000)	9,400,000	4.90%- 5.75%	6,825,636
5.25%-7% issued 3-1-02; due 2004-2024	2,960,000	(40,000)	2,920,000	5.25%- 7.00%	2,629,790
Total revenue bonds	61,575,000	(1,585,000)	59,990,000		36,806,811
Limited Tax Certificates:					
3.5%-4.4% issued 3-1-02; due 2005-2012	6,440,000	(590,000)	5,850,000	4.0%- 4.4%	1,170,556
3.0%-3.7% issued 3-28-03; due 2005-2012	9,000,000	(810,000)	8,190,000	3.0%- 3.7%	1,317,785
Total limited tax certificates of indebtedness	15,440,000	(1,400,000)	14,040,000		2,488,341
Total all bonds and certificates of indebtedness	\$124,750,000	(\$6,365,000)	\$118,385,000		\$65,280,813

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

12. General Long-Term Obligations (continued)

Principal and interest are due in total, to maturity, as follows:

<u>Year Ended June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2005	\$6,700,000	\$5,784,544	\$12,484,544
2006	7,045,000	5,463,419	12,508,419
2007	4,725,000	5,115,563	9,840,563
2008	4,975,000	4,892,911	9,867,911
2009	5,230,000	4,645,205	9,875,205
2010-2014	25,920,000	19,441,696	45,361,696
2015-2019	25,510,000	13,520,733	39,030,733
2020-2024	32,740,000	6,234,585	38,974,585
2025	<u>5,540,000</u>	<u>182,157</u>	<u>5,722,157</u>
Total	<u>\$118,385,000</u>	<u>\$65,280,813</u>	<u>\$183,665,813</u>

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

	<u>Compensated Absences</u>	<u>Bonded Debt/ Limited Tax Certificates</u>	<u>Arbitrage Rebate</u>	<u>Other</u>	<u>Total</u>
Long-term obligations at July 1, 2003	\$4,024,238	\$124,750,000	\$899,339	\$562,306	\$130,235,883
Additions	328,238	-	-	452,691	780,929
Deductions	<u>(265,728)</u>	<u>(6,365,000)</u>	<u>(778,178)</u>	<u>(332,494)</u>	<u>(7,741,400)</u>
Long-term obligations at June 30, 2004	<u>\$4,086,748</u>	<u>\$118,385,000</u>	<u>\$121,161</u>	<u>\$682,503</u>	<u>\$123,275,412</u>
Amounts due within one year	<u>\$300,000</u>	<u>\$6,700,000</u>	<u>\$38,075</u>	<u>\$591,056</u>	<u>\$7,629,131</u>

Other long-term obligations at June 30, 2004, consists of bond premiums of \$115,450 and retainages payable of \$567,053.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

12. General Long-Term Obligations (continued)

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the Debt Service Funds. Payments on the revenue bonds payable and the tax liability certificates of indebtedness that pertain to the School Board's governmental activities are funded by transfers from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond No. 2 Debt Service Fund. The compensated absences liability attributable to the governmental activities will be liquidated by the School Board's General Fund.

The Ouachita Parish School Board has issued \$125 million in bonds and limited tax certificates of indebtedness to construct 8 new schools and remodel all schools in the system. The bonds and limited tax certificates were issued from 1998 through 2003. At June 30, 2004, the arbitrage rebate was estimated to be \$121,161 as follows:

West Ouachita Bond, \$20 million, issued 1999	\$38,075
West Ouachita Bond, \$10 million, issued 2000	<u>83,086</u>
Total	<u>\$121,161</u>

The arbitrage rebate liability is subject to change as interest rates have dropped considerably since the inception of the construction projects. The arbitrage rebate, if applicable, will be funded by the West Ouachita Sales Tax Special Revenue Fund.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (continued)
Fiscal Year Ended June 30, 2004**

13. Interfund Assets/Liabilities (FFS level only)

Individual balances due from/to other funds at June 30, 2004 were as follows:

		Due From Other Funds
<hr/>		
Major Funds:		
General Fund:		
Deficit cash balances:		
Title I	\$3,281,146	
Special Education IDEA-B	1,829,341	
Other Federal Programs	<u>1,072,756</u>	\$6,183,243
Indirect cost:		
Title I	105,536	
Special Education IDEA-B	70,971	
Other Federal Programs	47,017	
State Grants	<u>4,401</u>	227,925
Unreimbursed expenditures:		
Special Education IDEA-B		<u>99,074</u>
Total General Fund		<u>\$6,510,242</u>

14. Litigation and Contingencies

The School Board is a defendant in several lawsuits. Management for the School Board believes that the potential claims against the School Board not covered by insurance have been adequately accrued at June 30, 2004, and therefore, would not materially affect the School Board's financial position. See Note 2.R. for discussion of the School Board's accounting policy for its self-insurance plans.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to the Basic Financial Statements (concluded)
Fiscal Year Ended June 30, 2004**

15. Interfund Transfers (FFS level only)

Transfers to/from other Governmental Funds for the year ended June 30, 2004 were as follows:

	Transfers In	Transfers Out
Major Funds:		
General Fund	\$13,116	\$40,128
Special Revenue Funds:		
West Ouachita Sales Tax	-	6,656,111
Nonmajor Funds:		
Special Revenue Funds:		
State Grants	40,128	13,116
Debt Service Funds:		
West Ouachita Bond No. 2	6,656,111	-
 Total	\$6,709,355	\$6,709,355

Transfers totaling \$6,656,111 were made from the West Ouachita Sales Tax Special Revenue Fund to the West Ouachita Bond No. 2 Debt Service Fund as principal and interest payments became due. Transfers were made from the General Fund to supplement State Grants totaling \$40,128. Transfers were made from State Grants totaling \$13,116 to the General Fund for unrestricted grant revenue.

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**Ouachita Parish School Board
Monroe, Louisiana**

Fiscal Year Ended June 30, 2004

**REQUIRED SUPPLEMENTAL
INFORMATION
(PART B)**

**Ouachita Parish School Board
Monroe, Louisiana**

**Budgetary Comparison Schedule
Fiscal Year Ended June 30, 2004**

**General Fund and Major Special Revenue Funds
With Legally Adopted Budgets**

General Fund

The General Fund accounts for all activities of the School Board except those that are accounted for in other funds.

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes. These funds, for the most part, are established for specific educational purposes and funded through the U. S. Department of Education or the Louisiana State Department of Education. The School Board is centrally located in Northeast Louisiana and acts as a regional fiscal agent for the State Department of Education for many educational programs.

West Ouachita Sales Tax Fund

The West Ouachita Sales Tax Fund accounts for the collection and disbursement of a 1% sales tax in the West Ouachita Parish Bond District. The tax is for a 27 year period starting in January 1998 and going through December 2025. The tax can be used for constructing, maintaining, and operating schools in the West Ouachita Parish Bond District.

District #1 Sales Tax Fund

The District #1 Sales Tax Fund is used to collect, record and disburse funds related to the .5% sales tax renewed in October 2001 for 10 years to provide additional support for the school system. The School Board designated the tax for capital improvements and facility and equipment support—38%, classroom instruction—36%, mandated costs—14%, and salary restoration—12%.

Title I Fund

Title I 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 designated to meet the special needs of educationally deprived children. The activities supplement, rather than replace, State and local mandated activities.

**Ouachita Parish School Board
Monroe, Louisiana**

**Budgetary Comparison Schedule (continued)
Fiscal Year Ended June 30, 2004**

**General Fund and Major Special Revenue Funds
With Legally Adopted Budgets (continued)**

Special Revenue Funds (continued)

Special Education IDEA-B Fund

Special Education IDEA-B (formerly P. L. 94-142) is a federally financed program for a free appropriate education for all identified handicapped individuals from 3 to 21 years of age in the least restrictive environment.

**Ouachita Parish School Board
Monroe, Louisiana**

**General Fund
Budgetary Comparison Schedule (Non-GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Budgetary fund balance at beginning of year	<u>\$14,159,099</u>	<u>\$15,490,201</u>	<u>\$15,490,201</u>	<u>\$ -</u>
Resources (inflows)				
Local sources:				
Ad valorem taxes:				
Constitutional tax	1,525,000	1,529,000	1,725,387	196,387
Renewable tax	7,100,000	7,125,000	8,041,715	916,715
Other than school taxes	391,000	391,000	412,251	21,251
Earnings on investments	250,000	200,000	199,024	(976)
Other local revenue	<u>682,400</u>	<u>447,090</u>	<u>872,092</u>	<u>425,002</u>
Total local sources	<u>9,948,400</u>	<u>9,692,090</u>	<u>11,250,469</u>	<u>1,558,379</u>
State and federal sources:				
State equalization	72,589,516	77,313,872	77,553,666	239,794
State revenue sharing	749,000	755,004	760,289	5,285
Professional Improvement Program	529,321	498,526	493,849	(4,777)
Restricted grants-in-aid	88,033	221,688	213,143	(8,545)
State contribution for teacher retirement	-	44,900	52,957	8,057
Total state and federal sources	<u>73,955,870</u>	<u>78,834,090</u>	<u>79,073,904</u>	<u>239,814</u>
Other sources:				
Proceeds from sale of assets	1,000	37,500	37,822	322
Transfers in	<u>3,873,080</u>	<u>981,200</u>	<u>13,116</u>	<u>(968,084)</u>
Total other sources	<u>3,874,080</u>	<u>1,018,700</u>	<u>50,938</u>	<u>(967,762)</u>
Amounts available for appropriations	<u>101,937,449</u>	<u>105,035,081</u>	<u>105,865,512</u>	<u>830,431</u>

(Continued)

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**General Fund
Budgetary Comparison Schedule (Non-GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs:				
Salaries:				
Kindergarten teachers	\$1,845,726	\$1,975,103	\$1,957,113	\$17,990
Elementary teachers	17,372,900	15,609,644	17,125,098	(1,515,454)
Secondary teachers	7,910,847	9,462,600	9,320,599	142,001
Aides	135,500	120,620	122,568	(1,948)
Substitute teachers	575,000	575,000	544,032	30,968
Sabbatical leave	442,171	612,171	605,770	6,401
Instructional supplies	1,422,391	908,009	739,343	168,666
Textbooks	1,021,870	1,027,370	1,017,835	9,535
Employee benefits	8,597,127	8,951,439	11,981,044	(3,029,605)
Other expenditures	193,600	241,510	258,312	(16,802)
Total regular programs	<u>39,517,132</u>	<u>39,483,466</u>	<u>43,671,714</u>	<u>(4,188,248)</u>
Special education programs				
Salaries:				
Teachers	7,550,362	7,751,897	7,570,538	181,359
Aides	1,583,000	1,641,300	1,622,391	18,909
Sabbatical leave	-	-	-	-
Employee benefits	2,745,559	2,819,135	2,781,421	37,714
Other expenditures	91,250	77,350	62,236	15,114
Total special education programs	<u>11,970,171</u>	<u>12,289,682</u>	<u>12,036,586</u>	<u>253,096</u>
Vocational programs:				
Salaries	421,186	639,091	468,159	170,932
Materials and supplies	5,000	6,000	-	6,000
Employee benefits	116,900	118,950	116,597	2,353
Other expenditures	-	-	996	(996)
Total vocational programs	<u>543,086</u>	<u>764,041</u>	<u>585,752</u>	<u>178,289</u>

(Continued)

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**General Fund
Budgetary Comparison Schedule (Non-GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Charges to appropriations (outflows) (Continued)				
Current (continued):				
Instructional services (continued):				
Other instructional programs (e.g., ROTC, band, etc.):				
Salaries	\$871,150	\$502,850	\$520,716	(\$17,866)
Equipment	95,000	98,880	83,511	15,369
Employee benefits	128,750	129,440	133,154	(3,714)
Other expenditures	39,550	35,050	33,247	1,803
Total other instructional programs	<u>1,134,450</u>	<u>766,220</u>	<u>770,628</u>	<u>(4,408)</u>
Adult/continuing education programs:				
Salaries	21,660	25,770	84,813	(59,043)
Materials and supplies	8,500	8,500	9,379	(879)
Employee benefits	2,985	3,155	26,213	(23,058)
Other expenditures	-	300	1,019	(719)
Total adult/continuing education programs	<u>33,145</u>	<u>37,725</u>	<u>121,424</u>	<u>(83,699)</u>
Total instructional services	<u>53,197,984</u>	<u>53,341,134</u>	<u>57,186,104</u>	<u>(3,844,970)</u>
Support services:				
Pupil support services:				
Salaries	2,225,316	2,260,827	2,179,805	81,022
Materials and supplies	59,500	57,900	37,416	20,484
Employee benefits	509,564	531,100	516,790	14,310
Other expenditures	45,400	55,000	42,170	12,830
Total student support services	<u>2,839,780</u>	<u>2,904,827</u>	<u>2,776,181</u>	<u>128,648</u>
Instructional staff services:				
Salaries	2,121,706	2,448,998	2,319,202	129,796
Materials and supplies	213,750	215,250	87,996	127,254
Employee benefits	370,651	346,110	392,116	(46,006)
Other expenditures	166,950	466,870	389,908	76,962
Total instructional staff services	<u>2,873,057</u>	<u>3,477,228</u>	<u>3,189,222</u>	<u>288,006</u>

(Continued)

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**General Fund
Budgetary Comparison Schedule (Non-GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Charges to appropriations (outflows)				
(Continued)				
Current (continued):				
Support services (continued):				
General administration:				
Salaries	\$201,475	\$198,778	\$198,170	\$608
Legal services	120,000	215,000	192,748	22,252
Audit services	40,000	40,000	38,920	1,080
Insurance - liability, etc.	136,725	129,160	130,969	(1,809)
Tax assessment and collection services	227,500	282,360	306,543	(24,183)
Employee benefits	48,270	38,620	37,573	1,047
Other expenditures	401,300	400,000	359,108	40,892
Total general administration	<u>1,175,270</u>	<u>1,303,918</u>	<u>1,264,031</u>	<u>39,887</u>
School administration:				
Salaries:				
Principals	3,340,892	3,596,999	3,601,578	(4,579)
School secretaries and clerks	1,191,500	1,229,500	1,233,016	(3,516)
Sabbatical leave	-	4,370	4,351	19
Employee benefits	1,164,983	1,240,753	1,205,259	35,494
Other expenditures	24,500	13,200	15,963	(2,763)
Total school administration	<u>5,721,875</u>	<u>6,084,822</u>	<u>6,060,167</u>	<u>24,655</u>
Business services:				
Salaries:				
Fiscal services	551,654	242,860	180,902	61,958
Purchasing services	79,248	80,650	80,083	567
Warehousing and distribution services	211,200	215,700	216,020	(320)
Printing and graphic art services	221,294	207,847	205,844	2,003
Materials and supplies	196,000	156,000	141,367	14,633
Employee benefits	230,410	266,210	260,014	6,196
Other expenditures	358,500	399,500	92,409	307,091
Total business services	<u>1,848,306</u>	<u>1,568,767</u>	<u>1,176,639</u>	<u>392,128</u>

(Continued)

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**General Fund
Budgetary Comparison Schedule (Non-GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Charges to appropriations (outflows)				
(Continued)				
Current (continued):				
Support services (continued):				
Plant services:				
Salaries	\$4,208,800	\$4,354,550	\$4,330,296	\$24,254
Materials and supplies	415,500	461,500	479,036	(17,536)
Equipment	400,000	425,200	489,672	(64,472)
Telephone	304,650	279,650	230,494	49,156
Utilities	3,081,985	3,295,259	3,234,151	61,108
Energy management	59,500	9,600	7,765	1,835
Insurance - property	365,000	356,000	351,736	4,264
Employee benefits	883,850	820,400	828,003	(7,603)
Other expenditures	378,150	461,125	453,802	7,323
Total plant services	<u>10,097,435</u>	<u>10,463,284</u>	<u>10,404,955</u>	<u>58,329</u>
Student transportation services:				
Salaries:				
Transportation supervision	100,208	103,036	103,550	(514)
Bus drivers	2,144,500	2,200,000	2,172,311	27,689
Bus aides	248,702	248,750	248,115	635
Mechanics	296,000	281,000	280,550	450
Substitute bus driver	115,000	111,800	106,733	5,067
Fleet insurance	240,000	280,000	259,670	20,330
Buses	53,000	37,000	-	37,000
Materials and supplies	366,200	348,000	310,120	37,880
Gasoline and diesel	370,000	359,000	303,883	55,117
Employee benefits	623,543	659,930	652,761	7,169
Other expenditures	27,000	27,600	51,466	(23,866)
Total student transportation services	<u>4,584,153</u>	<u>4,656,116</u>	<u>4,489,159</u>	<u>166,957</u>
Central services:				
Salaries	694,800	740,729	720,923	19,806
Materials and supplies	167,417	163,417	98,746	64,671
Equipment	305,550	321,000	475,950	(154,950)
Equipment maintenance	50,000	50,000	1,635	48,365
Employee benefits	162,855	181,775	177,253	4,522
Other expenditures	531,480	540,500	409,373	131,127
Total central services	<u>1,912,102</u>	<u>1,997,421</u>	<u>1,883,880</u>	<u>113,541</u>
Total support services	<u>31,051,978</u>	<u>32,456,383</u>	<u>31,244,234</u>	<u>1,212,149</u>

See accompanying notes to the basic financial statements.

(Continued)

**Ouachita Parish School Board
Monroe, Louisiana**

**General Fund
Budgetary Comparison Schedule (Non-GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Charges to appropriations (outflows)				
(Continued)				
Noninstructional services:				
Food service operations	\$443,015	\$443,175	\$443,942	(\$767)
Community service operations	9,400	9,400	9,411	(11)
Facility acquisition and construction	2,944,808	1,854,000	1,509,368	344,632
Total noninstructional services	<u>3,397,223</u>	<u>2,306,575</u>	<u>1,962,721</u>	<u>343,854</u>
Debt Service:				
Legal services	-	-	-	-
Miscellaneous	-	136,443	96,229	40,214
Total debt service	<u>-</u>	<u>136,443</u>	<u>96,229</u>	<u>40,214</u>
Transfers out	130,000	1,021,328	40,128	981,200
Total charges to appropriations	<u>87,777,185</u>	<u>89,261,863</u>	<u>90,529,417</u>	<u>(1,267,554)</u>
Budgetary fund balance at end of year	<u>\$14,160,264</u>	<u>\$15,773,218</u>	<u>\$15,336,095</u>	<u>(\$437,123)</u>

(Concluded)

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Special Revenue Fund -
West Ouachita Sales Tax
Budgetary Comparison Schedule (GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Under (Over)</u>
Budgetary fund balance at beginning of year	<u>\$8,956,003</u>	<u>\$9,245,694</u>	<u>\$9,245,694</u>	<u>\$ -</u>
Resources (inflows)				
Local sources:				
Sales and use taxes	7,800,000	8,000,000	8,114,819	114,819
Earnings on investments	100,000	60,000	85,438	25,438
Other	-	-	2,451	2,451
Total local sources	<u>7,900,000</u>	<u>8,060,000</u>	<u>8,202,708</u>	<u>142,708</u>
Amounts available for appropriations	<u>16,856,003</u>	<u>17,305,694</u>	<u>17,448,402</u>	<u>142,708</u>
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	50,000	24,500	20,057	4,443
Support services:				
Instructional staff support services	-	8,000	7,908	94
Plant services	-	63,000	110,496	(47,496)
Facility acquisition and construction	3,731,887	4,003,300	3,805,314	197,986
Debt Service	-	-	144,733	(144,733)
Transfers out	<u>6,597,130</u>	<u>6,656,112</u>	<u>6,656,111</u>	<u>1</u>
Total charges to appropriations	<u>10,379,017</u>	<u>10,754,912</u>	<u>10,744,617</u>	<u>10,295</u>
Budgetary fund balance at end of year	<u>\$6,476,986</u>	<u>\$6,550,782</u>	<u>\$6,703,785</u>	<u>\$153,003</u>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Special Revenue Fund -
District #1 Sales Tax
Budgetary Comparison Schedule (GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Under (Over)</u>
Budgetary fund balance at beginning of year	<u>\$11,243,757</u>	<u>\$11,334,539</u>	<u>\$11,334,539</u>	<u>\$ -</u>
Resources (Inflows)				
Local sources:				
Sales and use taxes	4,900,000	5,050,000	5,059,890	9,890
Earnings on investments	150,000	150,000	134,440	(15,560)
Total local sources	<u>5,050,000</u>	<u>5,200,000</u>	<u>5,194,330</u>	<u>(5,670)</u>
Amounts available for appropriations	<u>16,293,757</u>	<u>16,534,539</u>	<u>16,528,869</u>	<u>(5,670)</u>
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Regular programs	4,762,808	4,063,888	1,049,578	3,014,310
Special education programs	-	94,033	85,884	8,149
Other instructional programs	-	343,153	129,073	214,080
Special programs	-	185,500	-	185,500
Support services:				
Pupil support services	-	262,655	261,303	1,352
Instructional staff support services	-	208,885	157,829	51,056
General administration	-	575	427	148
School administration	-	69,325	55,622	13,703
Business services	-	15,670	12,176	3,494
Plant services	1,085,000	1,630,507	1,603,692	26,815
Student transportation services	500,000	640,970	592,167	48,803
Central services	-	9,740	8,402	1,338
Noninstructional services:				
Food service operations	-	121,820	110,576	11,244
Facility acquisition and construction	2,580,192	1,800,200	2,563,147	(762,947)
Transfers out	<u>3,573,080</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>12,481,080</u>	<u>9,446,921</u>	<u>6,629,876</u>	<u>2,817,045</u>
Budgetary fund balance at end of year	<u>\$3,812,677</u>	<u>\$7,087,618</u>	<u>\$9,898,993</u>	<u>\$2,811,375</u>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Special Revenue Fund -
Title I
Budgetary Comparison Schedule (GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Under (Over)</u>
Budgetary fund balance at beginning of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Resources (Inflows)				
Federal sources:				
Federal programs	<u>6,025,538</u>	<u>6,311,738</u>	<u>5,166,715</u>	<u>(1,145,023)</u>
Total federal sources	<u>6,025,538</u>	<u>6,311,738</u>	<u>5,166,715</u>	<u>(1,145,023)</u>
Amounts available for appropriations	<u>6,025,538</u>	<u>6,311,738</u>	<u>5,166,715</u>	<u>(1,145,023)</u>
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Special programs	3,374,853	3,526,694	2,964,603	562,091
Adult/continuing education	-	35,030	45,596	(10,566)
Support services:				
Pupil support services	-	90,344	72,508	17,836
Instructional staff support services	1,946,358	2,131,837	1,611,481	520,356
School administration	-	-	1,036	(1,036)
Business services	359,400	240,853	209,781	31,072
Plant services	328,538	222,664	196,192	26,472
Student transportation services	16,369	64,316	64,517	(201)
Noninstructional services:				
Community service programs	-	-	385	(385)
Total charges to appropriations	<u>6,025,538</u>	<u>6,311,738</u>	<u>5,166,099</u>	<u>1,145,639</u>
Budgetary fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$616</u>	<u>\$616</u>

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Special Revenue Fund -
Special Education IDEA-B
Budgetary Comparison Schedule (GAAP Basis)**

Fiscal Year Ended June 30, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Under (Over)</u>
Budgetary fund balance at beginning of year	\$ -	\$ -	\$ -	\$ -
Resources (Inflows)				
Federal sources:				
Federal programs	809,878	3,052,675	2,887,257	(165,418)
Total federal sources	<u>809,878</u>	<u>3,052,675</u>	<u>2,887,257</u>	<u>(165,418)</u>
Amounts available for appropriations	<u>809,878</u>	<u>3,052,675</u>	<u>2,887,257</u>	<u>(165,418)</u>
Charges to appropriations (outflows)				
Current:				
Instructional services:				
Special educational programs	653,444	2,087,269	2,106,211	(18,942)
Support services:				
Pupil support services	-	58,663	75,891	(17,228)
Instructional staff support services	100,463	862,682	475,286	187,396
Business services	43,114	126,468	126,410	58
Plant services	2,156	99,500	80,259	19,241
Student transportation services	10,701	18,093	23,200	(5,107)
Total charges to appropriations	<u>809,878</u>	<u>3,052,675</u>	<u>2,887,257</u>	<u>165,418</u>
Budgetary fund balance at end of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to the basic financial statements.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to Budgetary Comparison Schedules
Fiscal Year Ended June 30, 2004**

Budget and Budgetary Accounting

The School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

In September, the Superintendent submits to the School Board proposed annual appropriated budgets for the General Fund, the Special Revenue Funds, and the Debt Service Funds for the fiscal year commencing the prior July 1. A public hearing is conducted to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopt a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. The budget is revised periodically throughout the school year, when deemed appropriate, but a balanced budget is always approved.

The General Fund budget is not adopted on a basis consistent with GAAP because encumbrances are budgeted as expenditures of the current year. Unencumbered appropriations in the General Fund lapse at the end of the fiscal year, whereas, encumbered appropriations are carried forward to the following year. Budgeted amounts are as originally adopted or as amended by the School Board.

The Special Revenue Funds' and Debt Service Funds' budgets have annual appropriated budgets adopted on a basis consistent with GAAP. Except for grant-oriented funds, unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are utilized when goods or services are received. Grant-oriented fund budgets are adopted at the time the grant applications are approved by the grantor. Separate annual budgets are adopted for unencumbered appropriations of grant-oriented Special Revenue Funds at the beginning of the following fiscal year.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Debt Service Funds. All budgets are operational at the departmental or project level. The Superintendent of the School Board is authorized to transfer budget amounts between line item activity and between any functions of an individual fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board resolution. The effects of budget revisions passed during the year were insignificant to the budgets as originally approved.

**Ouachita Parish School Board
Monroe, Louisiana**

**Notes to Budgetary Comparison Schedule (continued)
Fiscal Year Ended June 30, 2004**

Reconciliation of the Budgetary Basis and the GAAP Basis

The School Board approves formal budgets for the General Fund, Special Revenue Funds, and Debt Service Funds. With the exception of the General Fund, all budgets are prepared on the GAAP basis. For financial reporting purposes, expenditures are recognized as incurred and encumbrances are not reported as resources used. However, for budgetary reporting purposes in the General Fund, resource uses are recognized when expenditures and encumbrances are incurred. Thus, the General Fund budget is not prepared on the GAAP basis. The following summary reconciles General Fund operations for the year from the budgetary basis to the GAAP basis of reporting.

Revenues	
Revenues on budgetary basis and GAAP basis	\$90,324,373
Expenditures	
Total charges to appropriations on budgetary basis	(90,489,289)
Encumbrances outstanding at June 30, 2004	457,530
Other financing sources (uses)	
Proceeds from sale of assets	37,822
Transfer in	13,116
Transfer out	(40,128)
Net change in fund balances on GAAP basis	303,424
Fund balance—June 30, 2003 on GAAP basis	15,490,201
Fund balance—June 30, 2004 on GAAP basis	<u>\$15,793,625</u>

Ouachita Parish School Board
Monroe, Louisiana

Notes to Budgetary Comparison Schedule (continued)
Fiscal Year Ended June 30, 2004

Expenditures - Budget and Actual

The following individual major fund had actual expenditures over total budgeted appropriations for the year ended June 30, 2004. The variance is disclosed at the legal level of budgetary control as previously described in Notes to Budgetary Comparison Schedule.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major Funds:			
General Fund	\$89,261,863	\$91,296,982	(\$2,035,119)

The General Fund actual expenditures exceeded budgeted expenditures because management decided to pay all of the health care benefits from the General Fund instead of paying part of the cost from another fund, as budgeted.

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

**Ouachita Parish School Board
Monroe, Louisiana**

We have audited the financial statements of the **Ouachita Parish School Board** (the School Board) as of and for the year ended June 30, 2004, and have issued our report thereon dated December 17, 2004. We conducted our audit 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 the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Compliance

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

Internal Control over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

**Ouachita Parish School Board
Monroe, Louisiana**

This report is intended for the information of management of the School Board, Federal awarding agencies and pass-through entities, other entities granting funds to the School Board and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

December 17, 2004



Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA

John L. Luffey, MBA, CPA (1963-2002)

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

**Ouachita Parish School Board
Monroe, Louisiana**

Compliance

We have audited the compliance of the **Ouachita Parish School Board** (the 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 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 School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the 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.

**Ouachita Parish School Board
Monroe, Louisiana**

Internal Control Over Compliance

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

We have audited the basic financial statements of the School Board as of and for the year ended June 30, 2004 and have issued our report thereon dated December 17, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of management of the School Board, Federal awarding agencies and pass-through entities, other entities granting funds to the School Board and the Legislative Auditor for the state of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

December 17, 2004

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	GRANT NUMBER	DISBURSEMENTS	PROGRAM TOTAL
U.S. DEPARTMENT OF AGRICULTURE (USDA)				
Passed through State				
Department of Education:				
School Breakfast Program	10.553	Not Available	\$ 914,569	
National School Lunch Program	10.555	Not Available	2,633,705	
Summer Food Service Program for Children	10.559	Not Available	<u>43,320</u>	<u>\$ 3,591,594</u>
TOTAL USDA				3,591,594
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)				
Direct Program:				
Supportive Housing Program	14.235	LA48B105006	2,047	<u>2,047</u>
TOTAL U.S. DEPT. of HUD				2,047
U.S. DEPARTMENT OF DEFENSE				
Direct Programs:				
Air Force Junior Reserve Office Training Corps	Not Available	LA050061	42,701	42,701
Naval Junior Reserve Office Training Corps	Not Available	N4982303MD	2,362	
Naval Junior Reserve Office Training Corps	Not Available	N9637704MD	71,107	
Naval Junior Reserve Office Training Corps	Not Available	N4982304MD	<u>22,868</u>	<u>96,337</u>
TOTAL DEPARTMENT OF DEFENSE				139,038
U. S. DEPARTMENT OF EDUCATION				
Direct Program:				
Twenty-First Century Community Learning Centers	84.287B	S287B011652	150,479	150,479
Passed through Louisiana				
Department of Education:				
Adult Education--State Grant Program (2001-02 C/O)	84.002A	0244-37-C	3,288	
Adult Education--State Grant Program (2002-03 C/O)	84.002A	280344-37-C	14,175	
Adult Education--State Grant Program (2003-04)	84.002A	0444-37	147,390	
Adult Education--State Grant Program (Language/Civics 2002-03)	84.002A	0307-37	17,159	
Adult Education--State Grant Program (Language/Civics 2003-04)	84.002A	04-07-37	16,618	
Adult Education--State Grant Program (One Stop Centers 2002-03)	84.002A	280333-37	1,939	
Adult Education--State Grant Program (One Stop Centers 2003-04)	84.002A	0413-37	<u>2,951</u>	<u>203,520</u>
Special Education--Grants to States (IDEA B 2001-02 C/O)	84.027A	02-B1-37-C	153,658	
Special Education--Grants to States (IDEA B 2002-03 C/O)	84.027A	03-B1-37-C	319,162	
Special Education--Grants to States (IDEA B 2002-03)	84.027A	03-B1-37	254,209	
Special Education--Grants to States (IDEA B 2003-04)	84.027A	28-04-B1-37	<u>2,076,240</u>	<u>2,803,269</u>
Special Education--Preschool Grants (2001-02 CO)	84.173A	02-P1-37-C	14,007	
Special Education--Preschool Grants (2002-03 CO)	84.173A	03-P1-37-C	5,909	
Special Education--Preschool Grants (2002-03)	84.173A	03-P1-37	5,396	
Special Education--Preschool Grants (2003-04)	84.173A	28-04-P1-37	<u>58,676</u>	<u>83,988</u>
Title I Grants to Local Educational Agencies (2001-02 C/O)	84.010A	02-T1-37-C	28,039	
Title I Grants to Local Educational Agencies (2002-03 C/O)	84.010A	03-T1-37-C	138,009	
Title I Grants to Local Educational Agencies (2002-03)	84.010A	03-T1-37	341,054	
Title I Grants to Local Educational Agencies (2003-04)	84.010A	2803-T1-37	<u>2,835,142</u>	<u>3,342,244</u>
Even Start--State Educational Agencies (2001-02 Reallocation)	84.213C	02-F1-37-C	38,423	
Even Start--State Educational Agencies (2002-03)	84.213C	03-F1-37	24,301	
Even Start--State Educational Agencies (2003-04)	84.213C	04-F1-37	<u>1,488,431</u>	<u>1,551,155</u>

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2004**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	C.F.D.A. NUMBER	GRANT NUMBER	DISBURSEMENTS	PROGRAM TOTAL
Migrant Education—State Grant Program (2001-02 Reallocation)	84.011A	02-M1-37-C	12,383	
Migrant Education—State Grant Program (2002-03 Reallocation)	84.011A	03-M1-37-C	445	
Migrant Education—State Grant Program (2002-03)	84.011A	03-M1-37	27,296	
Migrant Education—State Grant Program (2003-04)	84.011A	04-M1-37	<u>141,448</u>	181,572
Innovative Education Program Strategies (Title V 2002-03 CO)	84.298A	03-80-37-C	8,923	
Innovative Education Program Strategies (Title V 2002-03)	84.298A	03-80-37	2,312	
Innovative Education Program Strategies (Title V 2003-04)	84.298A	04-80-37	<u>95,855</u>	107,090
English Language Acquisition Grants (Title III 2002-03 CO)	84.365A	28-03-60 37-C	9,252	
English Language Acquisition Grants (Title III 2002-03)	84.365A	03-60-37	2,114	
English Language Acquisition Grants (Title III-Student Influx 2002-03)	84.365A	03-S3-37	2,316	
English Language Acquisition Grants (Title III 2003-04)	84.365A	28-04-60-37	8,986	
English Language Acquisition Grants (Title III-Student Influx 2003-04)	84.365A	04-S3-37	<u>7,341</u>	30,009
Safe and Drug-Free Communities—State Grants (Title IV 2002-03)	84.186A	03-70-37	20,037	
Safe and Drug-Free Communities—State Grants (Title IV 2003-04)	84.186A	04-70-37	<u>84,487</u>	104,524
Eisenhower Professional Development State Grants (Title II 2001-02 CO)	84.281A	02-50-37-C	39,608	
Eisenhower Professional Development State Grants (Title II 2002-03)	84.281A	03-50-37	78,458	
Eisenhower Professional Development State Grants (Title II 2003-04)	84.281A	28-04-50-37	<u>948,627</u>	1,066,693
Education for Homeless Children and Youth (2002-03)	84.196A	03-H1-37	20,622	
Education for Homeless Children and Youth (2003-04)	84.196A	04-H1-37	<u>70,506</u>	91,128
Education Technology State Grants (EETT 2002-03 CO)	84.318X	0349-37-C	17,875	
Education Technology State Grants (EETT 2002-03)	84.318X	0349-37	45,064	
Education Technology State Grants (EETT 2003-04)	84.318X	280449-37	<u>1,295</u>	64,234
Passed through Louisiana Technical College System:				
Vocational Education—Basic Grants to States (2002-03 C/O)	84.048	280302-37-C	4,243	
Vocational Education—Basic Grants to States (2003-04)	84.048	280402-37	<u>198,010</u>	202,253
TOTAL U.S. DEPT. OF EDUCATION				9,982,158
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (USDHHS)				
Passed through Louisiana Department of Education:				
Temporary Assistance for Needy Families:				
<i>Family Math & Science</i>	93.558	03MS-37	1,100	
<i>Families Are Making Education First</i>	93.558	CFMS 540490	23,991	
<i>Pre-GED/Skills Option</i>	93.558	280436-37	105,042	
<i>Strategies to Empower People</i>	93.558	2804EP-37	<u>6,391</u>	136,524
Child Care and Development Block Grant:				
<i>Starting Points</i>	93.575	CFMS 601867	78,283	78,283
Passed through Louisiana Department of Social Services:				
Temporary Assistance for Needy Families:				
<i>Community Response Initiative 2002-03</i>	93.558	CFMS 590059	44,061	
<i>Community Response Initiative 2003-04</i>	93.558	CFMS 607262	<u>33,098</u>	77,159
TOTAL USDHHS				291,966
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 14,006,803

See Notes to Schedule of Expenditures of Federal Awards

**OUACHITA PARISH SCHOOL BOARD
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2004**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of the Ouachita Parish School Board (the School Board) for the year ended June 30, 2004 and is presented on the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they become both measurable and available to pay current period liabilities and expenditures when the related liability is incurred. The information on this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements of the School Board. These differences are primarily the result of the timing of recognition of revenues and expenditures.

Note 2 – Noncash Assistance

In addition to the Federal assistance received as listed on the Schedule of Expenditures of Federal Awards, the School Board received \$323,412 and disbursed \$275,443 of commodities provided by the United States Department of Agriculture for the year ended June 30, 2004.

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

Summary of Auditors Results:

- 1) The audit report on the Ouachita Parish School Board (the School Board) as of and for the fiscal year ended June 30, 2004 was unqualified;
- 2) No reportable conditions were noted in the audit of the financial statements of the School Board;
- 3) The audit of the financial statements did not disclose instances of noncompliance which are considered to be material to the basic financial statements of the School Board;
- 4) No reportable conditions in the internal control over major programs were reported in the audit of the School Board;
- 5) The auditors' report on the School Board's compliance with requirements applicable to each major program was unqualified;
- 6) The audit of the School Board's compliance with requirements applicable to each major program did not disclose any findings required to be reported under the provisions of OMB Circular A-133 Section .510(a);
- 7) Major Federal programs for purposes of the report on compliance with the requirements applicable to each major program were Special Education (CFDA No. 84.027A) and Even Start (CFDA No. 84.213C);
- 8) The dollar threshold used to distinguish between Type A and Type B programs was \$429,906; and,
- 9) The School Board qualified as a low-risk auditee under the provisions of OMB Circular A-133 section .530.

There were no findings related to the financial statements which are required to be reported under Government Auditing Standards:

There are no findings or questioned costs for Federal awards, including those specified by OMB Circular A-133.

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA
SUMMARY STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

Findings:

None

Management Letter:

Compliance with Louisiana Local Government Budget Act

Not Applicable

Payroll Account Reconciliation

Resolved

**Ouachita Parish School Board
Monroe, Louisiana**

**Miscellaneous Statistical Data
School Board Members' Compensation**

June 30, 2004

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

The compensation of the School Board members is included in the general administration expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, the members of the School Board received \$800 per month. Additionally, the president received \$100 per month for exercising the duties of his office.

<u>Board Member</u>	<u>Amount</u>
Mr. Jack White, President	\$ 10,800
Mr. Carey Walker, Vice President	9,600
Mr. Jerry R. Hicks	9,600
Mr. Greg Manley	9,600
Mr. Scott Robinson	9,600
Rev. John Russell	9,600
Mr. A. R. "Red" Sims	<u>9,600</u>
Total	\$ <u>68,400</u>

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA**

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2004**

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA**

AGREED-UPON PROCEDURES

JUNE 30, 2004

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES
FOR THE YEAR ENDED JUNE 30, 2004**

**OUACHITA PARISH SCHOOL BOARD
MONROE, LOUISIANA**

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Ouachita Parish School Board (the School Board) and the Legislative Auditor, State of Louisiana (collectively, the Specified Users), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of Ouachita 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 required by state law 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,

**Ouachita Parish School Board
Monroe, Louisiana**

- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and
- Nonpublic Transportation Revenue.

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.
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.
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 determined if the individual's education level was properly classified on the schedule.

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.

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 1st 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.

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

**Ouachita Parish School Board
Monroe, Louisiana**

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.

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

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.

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

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

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

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

The Iowa Tests (Schedule 9)

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

Our twelve procedures enumerated above did not disclose any exceptions.

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

**Ouachita Parish School Board
Monroe, Louisiana**

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

A handwritten signature in black ink that reads "Jeffrey Haffan & Assoc". The signature is written in a cursive, flowing style.

(A Professional Accounting Corporation)

December 17, 2004

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Schedules Required by State Law
Fiscal Year Ended June 30, 2004

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments in real property, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the AFSR.

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

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the AFSR.

Schedule 5 - Public School Staff Data

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the AFSR.

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana**

**Schedules Required by State Law
Fiscal Year Ended June 30, 2004**

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - The Graduation Exit Exam

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 - The IOWA Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

OUACHITA PARISH SCHOOL BOARD
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**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources**
Fiscal Year Ended June 30, 2004

General Fund Instructional and Equipment Expenditures**General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 28,347,194	
Other Instructional Staff Activities	1,272,370	
Employee Benefits	11,974,195	
Purchased Professional and Technical Services	254	
Instructional Materials and Supplies	663,523	
Instructional Equipment	<u>133,457</u>	
Total Teacher and Student Interaction Activities		\$ 42,390,993

Other Instructional Activities 48,831

Pupil Support Activities 2,775,508
Less: Equipment for Pupil Support Activities (8,207)
Net Pupil Support Activities 2,767,301

Instructional Staff Services 2,827,349
Less: Equipment for Instructional Staff Services (8,527)
Net Instructional Staff Services 2,818,822

Total General Fund Instructional Expenditures \$ 48,025,947

Total General Fund Equipment Expenditures \$ 972,440

Certain Local Revenue Sources**Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 1,725,387
Renewable Ad Valorem Tax	8,041,715
Debt Service Ad Valorem Tax	5,952,486
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	412,251
Sales and Use Taxes	<u>30,116,787</u>
Total Local Taxation Revenue	<u><u>\$ 46,248,626</u></u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 15,142
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	<u><u>\$ 15,142</u></u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 174,623
Revenue Sharing - Other Taxes	585,666
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u><u>\$ 760,289</u></u>

Nonpublic Textbook Revenue 33,095
Nonpublic Transportation Revenue -

OUACHITA PARISH SCHOOL BOARD
 Monroe, Louisiana

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	2	0.16%	5	9.43%	-	0.00%	-	-
Bachelor's Degree	736	59.74%	44	83.02%	-	0.00%	-	-
Master's Degree	296	24.03%	4	7.55%	27	39.71%	-	-
Master's Degree + 30	179	14.53%	-	0.00%	36	52.94%	-	-
Specialist in Education	10	0.81%	-	0.00%	3	4.41%	-	-
Ph. D. or Ed. D.	9	0.73%	-	0.00%	2	2.94%	-	-
Total	1,232	100.00%	53	100.00%	68	100.00%	-	-

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

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

<u>Type</u>	<u>Number</u>
Pre K-K	1
Elementary	21
Middle/Jr. High	6
Secondary	3
Combination	2
Expulsion (6-8 only)	1
Alternative (9-12 only)	1
Total	<u><u>35</u></u>

Note: No schools were opened or closed during the year.

**OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana**

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

<u>Years Of Experience</u>	<u>Assistant Principals</u>	<u>Principals</u>	<u>Classroom Teachers</u>	<u>Total</u>
0-1 Yr.	-	-	88	88
2-3 Yrs.	-	-	106	106
4-10 Yrs.	4	2	343	349
11-14 Yrs.	4	1	168	173
15-19 Yrs.	6	5	173	184
20-24 Yrs.	6	9	161	176
25 + Yrs.	12	19	246	277
Total	32	36	1,285	1,353

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Public School Staff Data
Fiscal Year Ended June 30, 2004

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$37,897	\$37,728
Average Classroom Teachers' Salary Excluding Extra Compensation	\$36,725	\$36,553
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	1,282	1,259

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

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Class Size Characteristics
As of October 1, 2003

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	45.9	547	48.8	582	5.3	63	0	0
Elementary Activity Classes	29.9	52	59.8	104	5.2	6	5.2	9
Middle/Jr. High	54.7	489	38.7	346	6.6	59	0	0
Middle/Jr. High Activity Classes	55	127	21.7	50	17.3	40	6.1	14
High	53.6	715	38.5	513	7.9	9	-	0
High Activity Classes	52.7	137	22.3	58	15.0	36	10	26
Combination	-	-	-	-	-	-	-	-
Combination Activity Classes	-	-	-	-	-	-	-	-

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

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
Three Fiscal Years Ended June 30, 2004

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	42	3	18	1	53	4	55	4	71	5	65	5
Proficient	395	29	283	21	321	23	310	23	310	23	231	17
Basic	622	46	686	52	646	46	616	46	633	48	627	45
Approaching Basic	183	14	258	19	290	21	228	17	227	17	291	21
Unsatisfactory	110	8	87	7	81	6	143	10	91	7	175	12
Total	1,352		1,332		1,391		1,352		1,332		1,389	

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	15	1	17	1	30	2	22	2	5	0	15	1
Proficient	328	23	274	21	328	25	228	16	184	14	186	14
Basic	539	38	555	42	531	41	651	45	656	50	691	53
Approaching Basic	328	23	369	28	310	24	328	23	330	25	268	21
Unsatisfactory	225	15	110	8	106	8	206	14	147	11	141	11
Total	1,435		1,325		1,305		1,435		1,322		1,301	

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

The Graduation Exit Exam for the 21st Century
Three Fiscal Years Ended June 30, 2004

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	36	3	8	1	15	1	142	12	141	13	151	12
Proficient	276	24	177	16	221	19	217	19	250	22	201	16
Basic	500	43	566	51	531	46	432	37	436	39	425	35
Approaching Basic	190	17	253	23	244	21	153	13	133	12	163	13
Unsatisfactory	148	13	111	10	146	13	209	18	156	14	288	23
Total	1,150		1,115		1,157		1,153		1,116		1,228	

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	37	4	19	2	18	2	5	-	18	2	8	1
Proficient	227	22	179	18	142	14	138	13	146	14	100	10
Basic	441	43	465	46	398	40	604	59	520	51	456	46
Approaching Basic	215	21	210	21	241	24	191	19	198	20	201	20
Unsatisfactory	104	10	139	14	203	20	86	8	130	13	237	24
Total	1,024		1,012		1,002		1,024		1,012		1,002	

OUACHITA PARISH SCHOOL BOARD
Monroe, Louisiana

The IOWA Tests
Three Fiscal Years Ended June 30, 2004

	Composite		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
Test of Basic Skills (ITBS)			
Grade 3	69	66	64
Grade 5	69	67	63
Grade 6	60	57	64
Grade 7	58	57	57
Tests of Educational Development (ITED)			
Grade 9	55	56	55

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