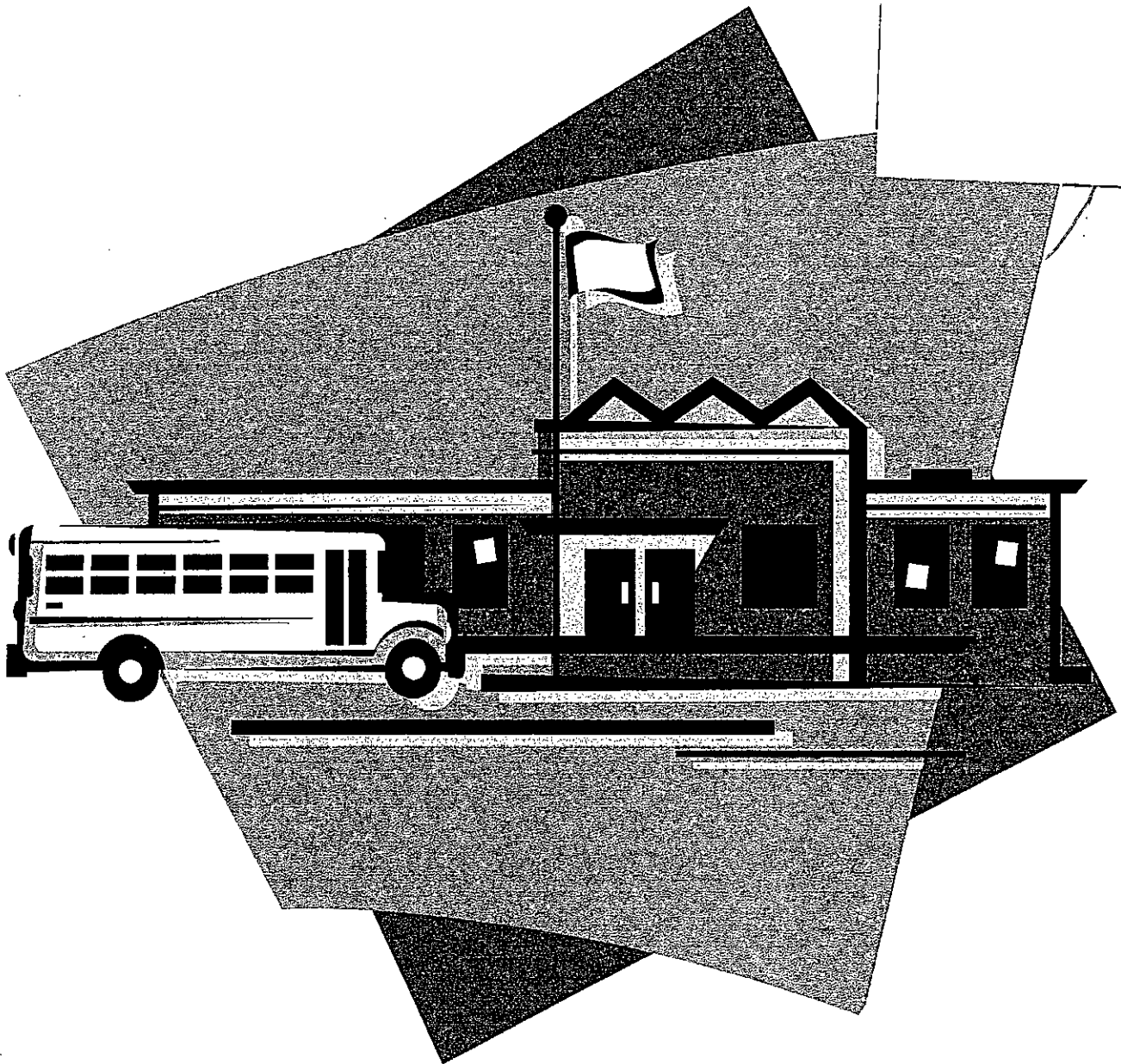


Vernon Parish School Board

Leesville, Louisiana



Comprehensive Annual Financial Report

FOR THE 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 1-26-05

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

Philip L. Gunn
President

Cynthia A. Gillespie
Superintendent

William L. Endris, Jr.
Director of Finance

Prepared by the Department of Finance

Vernon Parish School Board
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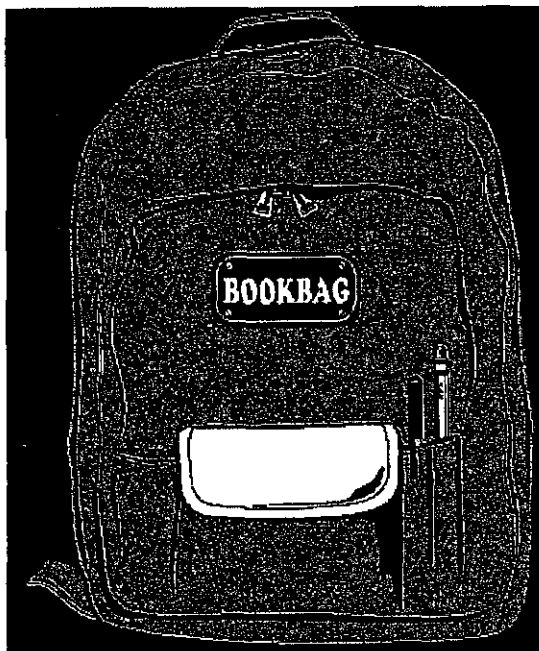
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INTRODUCTORY SECTION

President
Philip L. Gunn

Superintendent
Dr. Cynthia A. Gillespie

Vice-President
M. Gene Haymon

Vernon Parish School Board

201 Belview Road
LEESVILLE, LOUISIANA 71446
(337) 239-3401
Fax (337) 238-5777

BOARD MEMBERS:

Transmittal Letter

District One
James K. Armes
Mel Harris
Robert Pynes, Jr.
Mark H. Smith
Betty Westerschll

November 19, 2004

District Two
Ricky Reese

Mr. Phillip L. Gunn, President
and Members of the Board
Vernon Parish School Board
Leesville, Louisiana

District Three
Willis A. Farris

Dear President and Members of the Board:

District Four
W.R. "Randy" Martin

The Comprehensive Annual Financial Report of the Vernon Parish School Board (School Board) for the year ended June 30, 2004, is submitted herewith. Finance Department personnel following the guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada have prepared this report.

District Five
B.R. Harvey

District Six
Phillip L. Gunn

A. Management Responsibility Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

District Seven
Gaye McKee

District Eight
M. Gene Haymon

B. CAFR The Comprehensive Annual Financial Report (CAFR) consists of three parts:

(1) **The Introductory Section.** This section includes a transmittal letter, the financial reporting awards, the School Board's organizational chart, recognition of the elected officials of the School Board and a list of selected administrative officials.

(2) **The Financial Section.** The financial section consists of Management's Discussion and Analysis (MD&A), basic financial statements, budgetary comparison schedules, and combining non-major and individual fund statements and schedules. The basic financial statements present both an overview and a broad long-term perspective of the School Board as a whole in the government-wide financial statements. The user of this report should read the MD&A in conjunction with the basic financial statements.

Combining statements are presented when a School Board has at least one nonmajor fund of a given fund category. Various statements are also used to demonstrate finance-related legal and contractual compliance, present other information deemed useful, and provide details of data summarized in the financial statements.

(3) **The Statistical Section.** Included in this section are a number of tables of unaudited data depicting the financial history, demographics and other miscellaneous information of the Vernon Parish School Board for the past ten years.

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U. S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditors' reports on internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

The School Board provides a full range of educational services appropriate to grade levels K through 12. These include providing instructional personnel, instructional materials, instructional facilities, child nutrition, administrative support, business services, systems operations, and plant maintenance and bus transportation. These basic services are supplemented by a wide variety of offerings in the fine arts and athletics.

C. Reporting Entity The report includes all entities or organizations that are required to be included in the School Board's reporting entity. The basic criteria for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the Vernon Parish School Board (the primary government). Based on the above criteria there are no component units included in the School Board's reporting entity.

D. Internal Control Management of the School Board is responsible for establishing and maintaining internal control designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

We believe the School Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the School Board also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs.

As a part of the School Board's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the School Board has complied with applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 2004, provided no instances of material weaknesses in internal control or significant violations of applicable laws and regulations.

E. Major Initiatives

- ★ All schools have developed comprehensive improvement plans to provide direction for future curriculum, staff development, assessment, and technology improvements. To support these comprehensive school plans, our central office staff developed district improvement plans. Our School Board supported all the plans by developing its own strategic goals. Much progress has been made in meeting the objectives addressed in these plans. Staff development in our schools is targeted to help schools meet these goals.
- ★ All new teachers to our system were given one day of intensive induction. The teachers received training in classroom management, parish and state policies, and special programs appropriate for their grade levels and/or their subject area. Most of our new teachers also go through the Louisiana Teacher Assistance and Assessment Program. New teachers are paired with a mentor and given two years of support.

- ★ The State of Louisiana has implemented "Reading for Results," a high-stakes testing policy. Teachers are working to prepare students for tests, which are rigorous, standards-driven, and high stakes for students.
- ★ Vernon Parish cares about education and has a tradition of pride in its schools. That tradition will be continued through a commitment to innovation in learning programs. We must continue to seek out new methods to ensure success for every student.
- ★ Vernon Parish School Board receives federal Impact Aid funding due to the Fort Polk military installation being located in Vernon Parish. The amount of aid received can fluctuate. This uncertainty provides a challenge in addressing the problems shared by many school systems across America - teachers' salaries and school plant improvement. Effective and decisive leadership will be required to address these problems given the fluctuation in Impact Aid funding.

F. Economic Conditions and Outlook The economy of Vernon Parish is driven primarily by the Fort Polk military installation, the fifth largest such facility in the nation. More than half the work force of Vernon Parish is comprised of active duty military personnel, and the base also employs civilians. Aside from its \$899 million annual direct economic impact on Vernon Parish, Fort Polk indirectly influences the surrounding parishes' economy as well. One-third of the population of Vernon Parish is comprised of military personnel or their families living on- or off-base. This influx of career- and family-age population gives the area a relatively low median age, a factor, which appeals to companies seeking to build industrial and manufacturing establishments. The large military population has also drawn specialists to both Bayne-Jones Army Community Hospital and civilian medical practice, giving the Vernon Parish area substantially better medical and health care technology.

G. Budgetary Controls In addition, the School Board maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the general fund and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function by fund. School Board policy provides that expenditures within a fund may not exceed appropriations by more than five percent. Revisions to the budget enacted require School Board approval.

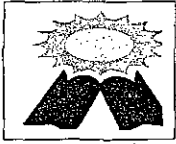
As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

H. Cash Management Cash temporarily idle during the year was invested in demand deposits, a U. S. government security, and the Louisiana Asset Management Pool (LAMP) administered by the state Treasurer. The School Board earned interest revenue of \$178,219 on all investments for the year ended June 30, 2004.

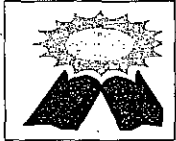
The School Board's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, instruments issued by the United States Government or federal government agencies created by an act of congress or insured by the Federal Deposit Insurance Corporation collateralized deposits in financial institutions.

I. Risk Management The School Board maintains a combination of self-insurance and stop-loss coverage for workers' compensation insurance. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$200,000.

J. Independent Audits The report of our independent certified public accountants, Allen, Green & Williamson, LLP, follows as an integral component of this report. Their audit of the basic financial statements and accompanying combining and individual fund statements and schedules was performed in accordance with auditing standards generally accepted in the United States of America and, accordingly, included a review of the School Board's system of budgetary and accounting controls.



K. Awards The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) issues a Certificate of Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report (CAFR). To be awarded these certificates, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. These certificates are valid for a period of one year only. The School Board was awarded the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the years ended June 30, 1998, 1999, 2000, 2001, 2002, and 2003.



The School Board received the Association of School Business Officials International Certificate of Excellence in Financial Reporting for the fiscal years ended June 30, 1998, 1999, 2000, 2001, 2002, and 2003. The awards certified that the Comprehensive Annual Financial Report for these fiscal years substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004, which will be submitted to GFOA and ASBO for review, continues to conform to the principles and standards of each organization.

L. Acknowledgments The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. We want to express our appreciation to them for their assistance. We also thank the members of the School Board for their interest and support in planning and conducting the financial operations of the school system in a responsible and progressive manner.

Cynthia A. Gillespie
Superintendent

Tim Ward
Assistant Business Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to
Vernon Parish School Board,
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Ziehl
President

Jeffrey R. Enon
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

VERNON PARISH SCHOOL BOARD

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2003

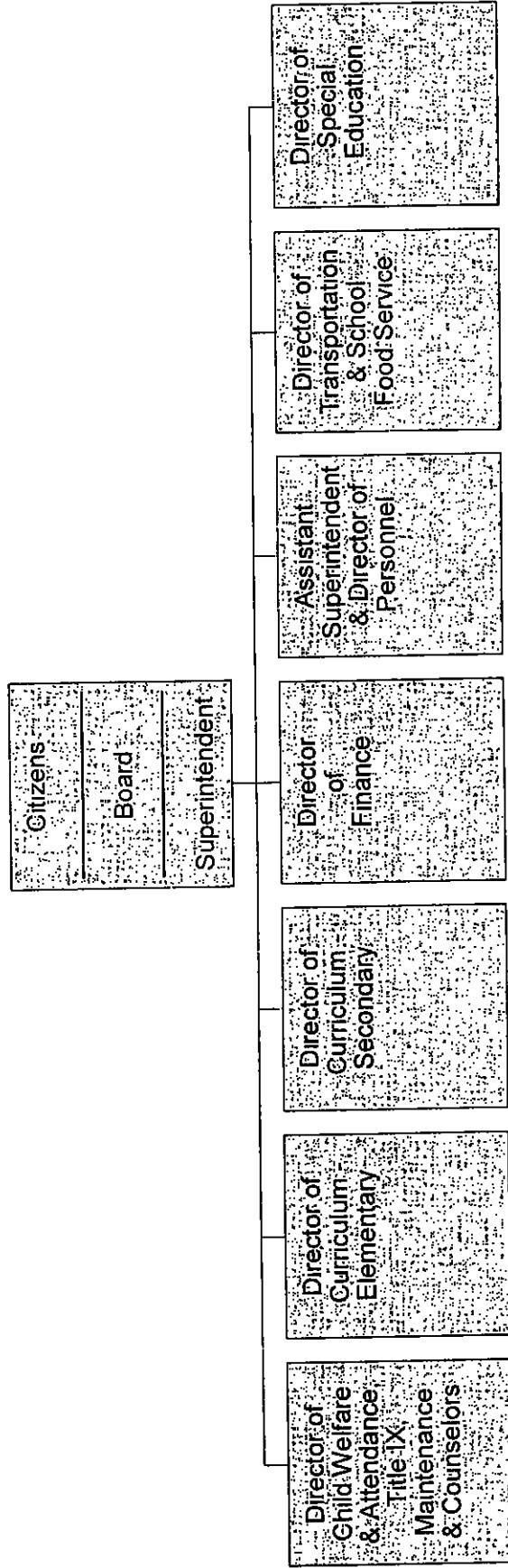
Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

William F. Hill
President

Barbara H. Miller
Executive Director

Vernon Parish School Board

Organization Chart June 30, 2004



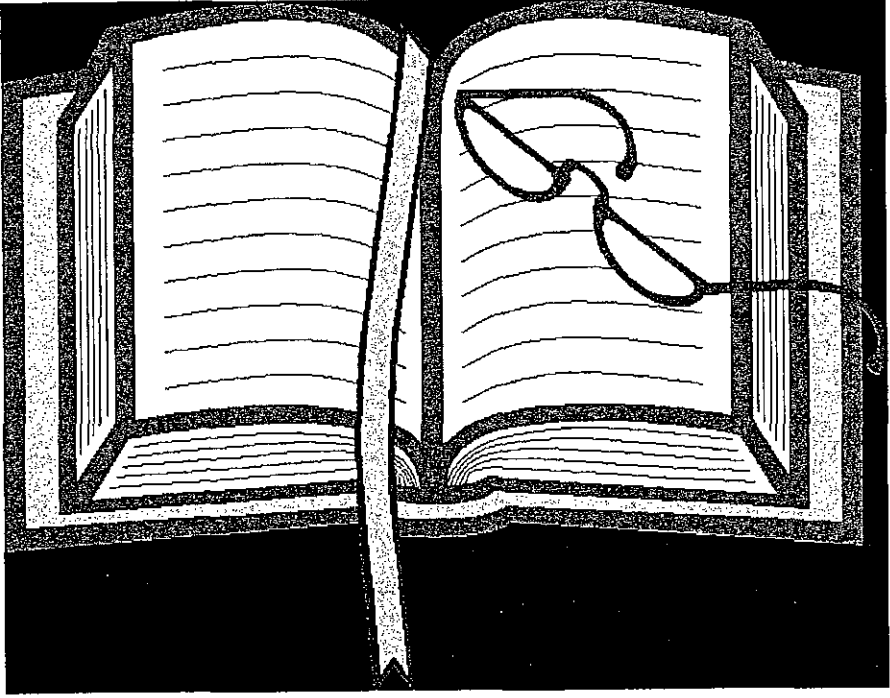
Vernon Parish School Board

**Elected Officials
June 30, 2004**

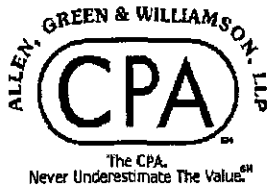
<u>Board Member</u>	<u>District</u>
Philip L. Gunn, President	6
James Armes, III	1
Willis A. Farris	3
Millard "Mel" Harris	1
B. R. Harvey	5
M. Gene Haymon	1
Randy Martin	4
Gaye McKee	7
Robert Pynes, Jr.	1
Ricky Reese	2
Mark H. Smith	1
Betty Westerchil	1

**Selected Administrative Officials
June 30, 2004**

Cynthia A. Gillespie	Superintendent
William L. Endris, Jr.	Director of Finance
Dottie Neugebauer	Director of Special Education
Tom Neubert	Director of Child Welfare and Attendance, Title IX, Maintenance and Counselors
Jackie Self	Assistant Superintendent / Director of Personnel
Jimmie Funderburk	Director of Transportation and School Food Service
Anne Smith	Director of Curriculum - Elementary
John Farris	Director of Curriculum - Secondary



FINANCIAL SECTION



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA

Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired)
1963 - 2000

INDEPENDENT AUDITORS' REPORT

Board Members
Vernon Parish School Board
Leesville, Louisiana

Basic Financial Statements We have audited the accompanying *financial statements* of the governmental activities, each major fund, and the aggregate remaining fund information of Vernon Parish 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 basic financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. 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 opinion.

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 School Board as of June 30, 2004, and the changes in financial position 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 under separate cover, our report dated November 19, 2004, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Required Supplemental Information The Management's Discussion and Analysis and the Budgetary Comparison Schedules as listed in the table of contents, are not a required part of the *basic financial statements* but are supplemental 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 supplemental information. However, we did not audit the information and express no opinion on it.

Supplemental Information Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information identified in the table of contents as supplemental information is presented for purposes of additional analysis 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.

Other Information The information identified in the table of contents as the Introductory and Statistical Sections are presented for purposes of additional analysis and is not a required part of the *basic financial statements* of the School Board. Such information 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.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana
November 19, 2004

Vernon Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

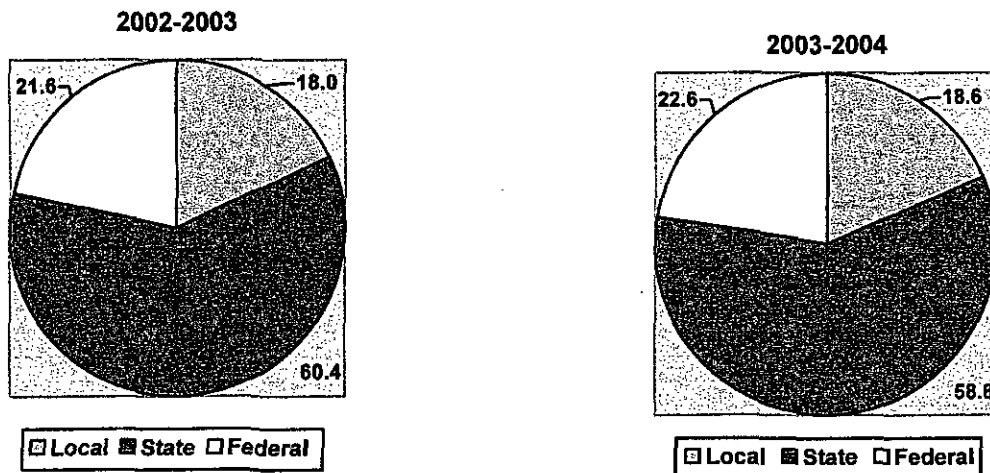
**Vernon Parish School Board
Management's Discussion and Analysis (MD&A)**

Our discussion and analysis of Vernon Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2004. Please read it in conjunction with the transmittal letter included in the introductory section of this report and the School Board's financial statements, which follows this Management's Discussion and Analysis.

FINANCIAL HIGHLIGHTS Our financial statements provide these insights into the results of this year's operations:

This year, the primary resources available to the school system are local revenues, primarily tax receipts, which total \$14.3 million or 18.6% of the total; state revenues, primarily minimum foundation funding (equalization) program and special grants, totaling \$44.7 million or 58.8% of the total; and federal funds, primarily impact aid and special grants totaling \$17.1 million or 22.6%. Last year, local revenues were \$12.8 million or 18.0% of the total, while state revenues were \$43.0 million or 60.4%, and federal revenues were \$15.4 million or 21.6%.

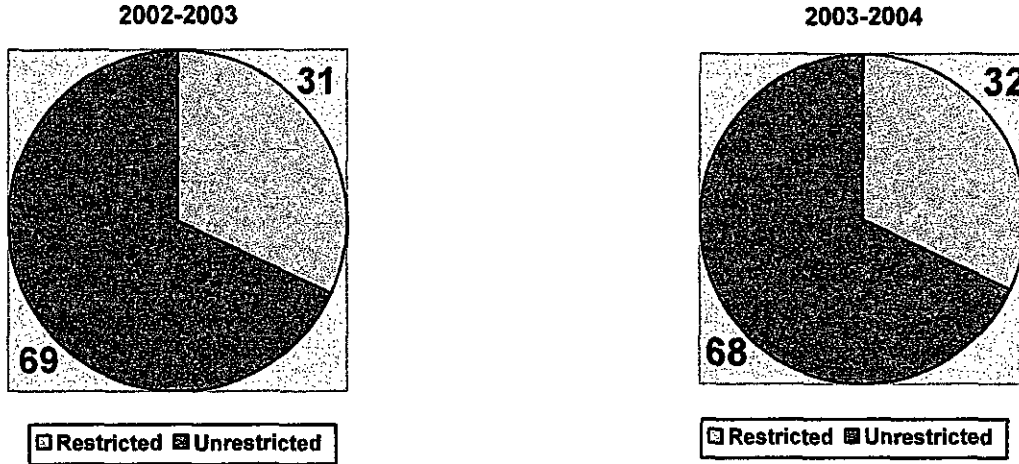
TOTAL REVENUES BY SOURCE



Of the total \$76 million revenues received by the school system this year, \$24.6 million or 32% is restricted. Unrestricted revenues were \$51.4 million or 68%. Last year total revenue was \$71.2 million, of which total \$22.3 million or 31% was restricted revenue and \$48.9 million or 69% was unrestricted revenue.

**Vernon Parish School Board
Management's Discussion and Analysis (MD&A)**

RESTRICTED VS. UNRESTRICTED REVENUES



Of the unrestricted amount of \$51.4 million in 2003-2004, \$32.7 million or 63.6% was spent for salaries; \$11 million or 21.4% was spent for employee benefits; \$7.7 million or 15% for other functions of the school system. Of the unrestricted amount of \$48.9 million in 2002-2003, \$32.7 million or 66.8% was spent for salaries; \$10.3 million or 21% was spent for employee benefits; and \$5.9 million or 12.2% was spent for other functions of the school system.

USES OF UNRESTRICTED REVENUE



**Vernon Parish School Board
Management's Discussion and Analysis (MD&A)**

FUND FINANCIAL STATEMENTS

The fund balances of all governmental funds showed an increase of \$6.5 million. The general fund, a major fund of the School Board, showed an increase of \$1.8 million due primarily to an increase in unrestricted federal revenues of \$.9 million and \$1.8 million increase in state equalization funding. There was an increase in the fund balance for Rosepine Construction, another major fund, of \$4 million. This increase was due to the majority of the proceeds of issuance of Rosepine Construction Bonds of \$4.4 million, occurring early in the fiscal year. The fund balance for Pitkin Constuction, the other major fund, increased \$2.6 million, which was due primarily to the issuance of Pitkin Construction Bonds of 3.8 million early in the fiscal year. The majority of the cost of construction will occur in the next fiscal year. The debt service fund balances decreased by \$102,662, which was a planned decrease to use excess fund balances to pay off current obligations. Fund balances in maintenance funds and other special revenue funds remained fairly constant with last year balances.

Total revenue for all governmental funds for the current year was \$76.2 million, an increase of \$5 million from the prior year. Total expenditures of \$77.9 million for the current year were an increase of \$5.5 million over last year.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Most of the School Boards taxes and State Minimum Foundation Program funds were used to support the net cost (after deducting restricted grants and fees charged to users) of these four areas: instruction \$37 million or 60.6%, plant services \$6.1 million or 9.9%, transportation \$5 million or 8.1% and other functions \$13 million or 21.4%. The changes between these areas and the prior year were: 1.1% increase in instruction, 1.7% increase in the plant services, 8.7% increase in transportation and 4% increase in all other functions.

Our budgeted revenues for the 2003-2004 year include a 6% increase in budgeted revenues and a 7% increase in budgeted expenditures. The increase in budgeted revenues and expenditures is primarily due to increased impact aid funding and mandated teacher pay raises. The School Board is mandated by state law to adopt its budget by September 15 of each year. This original budget is based on a "bare bones" approach that reflects only guaranteed revenues and necessary expenditures since the major sources of revenues, i.e., minimum foundation program and impact aid, are based on October 1 student enrollment figures. The original budget figures are amended when revenues or expenditures exceed 5% of estimate.

**Vernon Parish School Board
Management's Discussion and Analysis (MD&A)**

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. 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. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant fund, the general fund. The remaining statement - the Statement of Fiduciary Net Assets presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

Comprehensive Annual Financial Report
<u>Introductory Section</u> Transmittal Letter Certificates of Excellence in Financial Reporting Organization Chart Elected Officials and Selected Administrative Officers
<u>Financial Section</u> (Details outlined in the next chart)
<u>Statistical Section</u> Ten Years of Historical Financial Operating Data Ten Years of Property Tax Rates, Tax Levies and Collections Bonded Debt Information (including Bonded Debt Per Capita and Computation of Legal Debt Margin) Property Values, Construction and Bank Deposits Principal Employers and Ad Valorem Taxpayers Demographics and Attendance Data
(Refer to the Table of Contents in the front of this report for more details and the specific location of items identified above)

Vernon Parish School Board
Management's Discussion and Analysis (MD&A)

Financial Section

Required Supplemental Information

Management's Discussion & Analysis (MD&A)

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Basic Financial Statements

Required Supplemental Information

Budgetary Information for Major Funds

Supplemental Information

Nonmajor Funds Combining Statements & Budgetary Information
Agency Funds Statements/Schedules
Capital Assets by Source and Function
Schedule of Compensation Paid Board Members

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Vernon Parish School Board
Management's Discussion and Analysis (MD&A)

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Assets and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They 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 fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds, scholarship fund and the sales tax fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Net Assets and Liabilities. We exclude these activities 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.

Vernon Parish School Board
Management's Discussion and Analysis (MD&A)

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$25.4 million at June 30, 2004. Of this amount, \$5.7 million was unrestricted. 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. Our analysis below focuses on the net assets (Table 1) and change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Net Assets
(in millions)
June 30,

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 26.0	\$ 19.4
Capital assets	<u>28.3</u>	<u>25.4</u>
Total assets	<u>54.3</u>	<u>44.8</u>
Current and other liabilities	(7.7)	(7.5)
Long-term liabilities	<u>(21.2)</u>	<u>(14.3)</u>
Total liabilities	<u>(28.9)</u>	<u>(21.8)</u>
Net assets		
Invested in capital assets, net of debt	14.7	15.9
Restricted	5.0	3.3
Unrestricted	<u>5.7</u>	<u>3.8</u>
Total net assets	<u>\$ 25.4</u>	<u>\$ 23.0</u>

The \$5.7 million in unrestricted net assets of governmental activities 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 \$5.7 million left. In regards to the unrestricted net assets, there are no restrictions, commitments or other limitations that significantly affect the availability of fund resources for future use.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2, below, takes the information from that Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Vernon Parish School Board
Management's Discussion and Analysis (MD&A)

Table 2
Changes in Net Assets
(in millions)
For the Years Ended June 30,

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Net Assets – beginning	<u>\$23.0</u>	<u>\$21.8</u>
Revenues:		
Program revenues		
Charges for services	.7	0.7
Federal grants	8.9	8.0
State grants and entitlements	2.5	1.5
General Revenues		
Ad valorem taxes	4.2	3.7
Sales taxes	8.3	7.5
State equalization	42.2	40.4
Other general revenues	<u>8.8</u>	<u>9.3</u>
Total revenues	<u>75.6</u>	<u>71.1</u>
Functions/Program Expenses:		
Instruction		
Regular programs	29.4	28.0
Special programs	12.4	11.9
Other instructional programs	2.8	3.1
Support services		
Student services	2.9	2.7
Instructional staff support	2.5	2.5
General administration	1.5	1.5
School administration	3.6	3.5
Business services	0.6	0.6
Plant services	6.3	6.1
Student transportation services	5.1	4.7
Central services	0.4	0.4
Food Services	4.7	4.3
Community services programs	0.0	0.0
Interest on long-term debt	<u>1.0</u>	<u>0.6</u>
Total expenses	<u>73.2</u>	<u>69.9</u>
Increase (decrease) in net assets	<u>2.4</u>	<u>1.2</u>
Net Assets – ending	<u>\$25.4</u>	<u>\$23.0</u>

Governmental Activities As reported in the Statement of Activities included later in the government-wide financial statements, the cost of all of our governmental activities this year was \$73.2 million. However, the amount that our taxpayers ultimately financed for these activities through School Board taxes was only \$61.1 million because some of the cost was paid by those who benefited from the programs (\$.7 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$11.4 million). We paid for the remaining "public benefit" portion of our governmental activities with \$12.5 million in taxes, \$42.2 million in state Minimum

Vernon Parish School Board
Management's Discussion and Analysis (MD&A)

Foundation Program funds, \$7.8 million in Impact Aid funding, and with our other revenues, like interest and general entitlements.

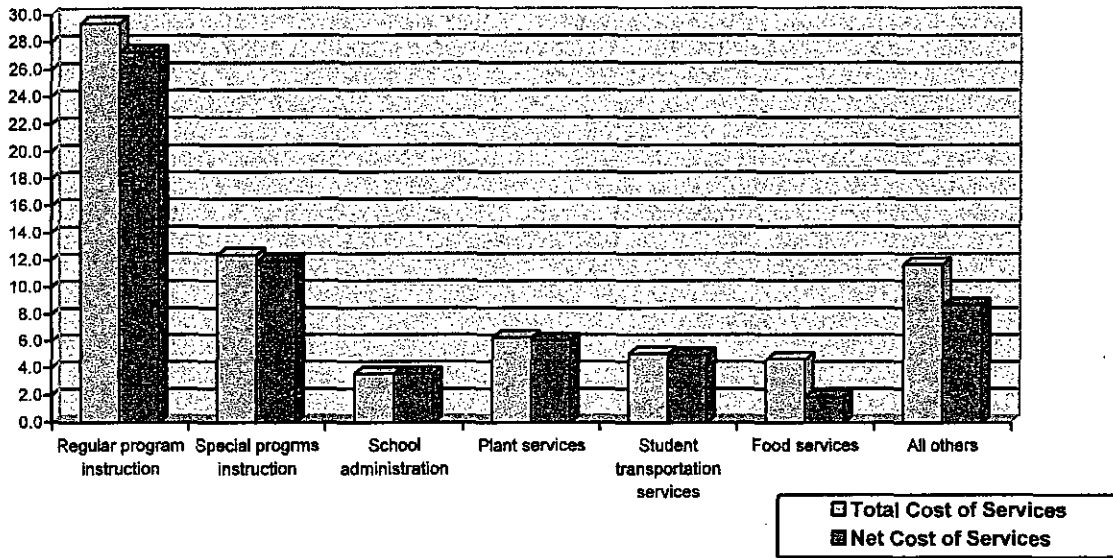
The above table reflects that the School Board was better off financially by \$2.4 million as a result of this year's activities.

In the table below, we have presented the cost of each of the School Board's six largest functions - regular programs instruction, special instruction programs, school administration, plant services, student transportation services, and school food services, as well as each program's net cost (total cost less revenues generated by the activities). As discussed above, 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.

	Years Ended June 30,			
	(in millions)			
	Governmental Activities			
	<u>Total Cost of</u>		<u>Net Cost of Services</u>	
	<u>Services</u>			
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Regular programs instruction	29.4	28.0	27.3	26.1
Special programs instruction	12.4	11.9	8.5	9.6
School administration	3.6	3.5	3.6	3.5
Plant services	6.3	6.1	6.1	6.0
Student transportation services	5.1	4.7	5.0	4.6
Food services	4.7	4.3	1.9	1.5
All others	<u>11.7</u>	<u>11.4</u>	<u>8.7</u>	<u>8.4</u>
Totals	<u>73.2</u>	<u>69.9</u>	<u>61.1</u>	<u>59.7</u>

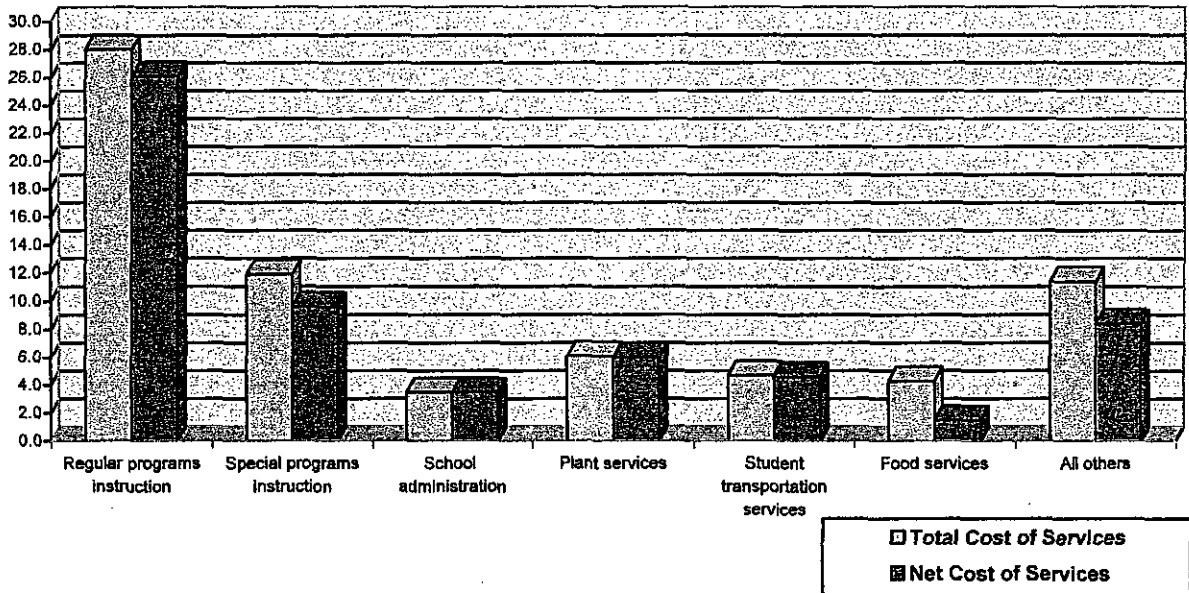
Vernon Parish School Board
Management's Discussion and Analysis (MD&A)

2003-2004
Total Cost of Services
Versus
Net Cost of Services
(Dollars In Millions)



**Vernon Parish School Board
Management's Discussion and Analysis (MD&A)**

**2002-2003
Total Cost of Services
Versus
Net Cost of Services
(Dollars In Millions)**



Revenues increased \$5 million in the current year as compared to the prior year. This increase was due primarily to an increase in the Minimum Foundation Program (the state's primary support source for school funding) of \$1.8 million; and an increase in Impact Aid and Department of Defense revenues (generated to help fund the school system for our large military dependent student population) of \$.9 million. There was also an increase in sales tax collections of \$.8 million, which was offset by a corresponding increase in sales tax salary expenditures. There was also an increase in other federal funds of \$.8 million and an increase in ad valorem taxes of .4 million.

Except as noted earlier, expenses remained relatively constant this year as compared to last year.

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

As the School Board completed this year, our governmental funds reported a combined fund balance of \$18.7 million.

Other significant changes in revenues and expenditures, which affected fund balances, were:

The general fund is our principal operating fund. The fund balance in the general fund increased by \$1.8 million, with the following events occurring in addition to the \$1.8 million, per Table 2 of MD&A, increase in state equalization funding, the \$.8 million increase in sales tax collections, and the impact aid increase of \$.9 million:

**Vernon Parish School Board
Management's Discussion and Analysis (MD&A)**

- a decrease in investment income of \$49,000 due to lower interest rates.
- a decrease in sale of timber revenues of \$79,000, which were unrestricted.
- an increase of \$252,000 in textbook expenses due to a new science curriculum.
- an increase of \$1.6 million in employee benefits due primarily to increased health insurance costs and increased retirement costs.
- an increase of \$.6 million in mandated pay raises.

There was one significant change in special revenue funds:

- award of tobacco settlement of \$1.2 million was received and recognized as revenue in current year. The balance will be recognized as revenue in future years after meeting routine eligibility requirements.

The capital projects funds had two significant changes:

- new bonds were sold for Ward 7 (Rosepine) renovations of \$4.4 million.
- new bonds were sold for Ward 5 (Pitkin) renovations of \$3.8 million.

General Fund Budgetary Highlights As mentioned earlier, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budget amounts compared with actual amounts paid and received is provided later in this report as Required Supplemental Information.)

There were significant revisions made to the 2003-2004 general fund original budget. Budgeted amount available for appropriations increased \$7.2 million primarily due to the following:

An increase of \$.9 million in other federal appropriations;

Impact Aid Funding appropriations were higher than expected of \$.9 million;

Sales tax appropriations were also higher than expected of .9 million;

An increase in state equalization funding of 1.5 million;

Because of the increases in appropriations the ending fund balance was increased 2.5 million.

Budgeted charges to appropriations increased by \$3.3 million due to the following changes;

An increase in salaries of \$.6 million due to an unbudgeted state raise for teachers;

An increase in plant services of \$.9 million;

An additional increase in instruction expenditures of \$1.2 million.

Vernon Parish School Board
Management's Discussion and Analysis (MD&A)

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2004, the School Board had \$28,287,452 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of just over \$2,918,038 or 11.5 percent, from last year.

Capital Assets at Year-end

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Land	\$ 1,335,047	\$ 1,335,047
Buildings	20,562,549	20,378,124
Furniture and equipment	1,643,442	2,000,507
Construction in progress	<u>4,746,414</u>	<u>1,655,736</u>
Totals	<u>\$28,287,452</u>	<u>\$25,369,414</u>

This year's additions of \$5,817,899 included vehicles of \$27,307, Ward 1 building improvements of \$1,223,836, Leesville, Pitkin, and Rosepine schools construction in progress of \$4,298,953, and other equipment of \$267,803.

Major capital projects are planned for the 2004-2005 fiscal year since (as noted earlier) with ongoing construction in Pitkin and Rosepine schools for \$8.2 million in roof repairs, air conditioning, additional classrooms, and other building improvements with completion scheduled to be by June 30, 2006. We anticipate that all other capital additions will be comparable to the 2003-2004 fiscal year. We present more detailed information about our capital assets in the notes to the financial statements.

DEBT ADMINISTRATION At June 30, 2004, the School Board had \$19,935,440 in general obligation bonds outstanding with maturities from 2005 to 2031 with interest rates ranging from 1.00 to 7.75 percent. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2004, the School Board's net bonded debt of \$18,876,572 (total bonded debt of \$19,935,440 less assets in debt service funds of \$1,058,868) was well below the legal limit of \$41,283,939. For more detailed information, please refer to the Notes to the Financial Statement (Note 11).

	<u>Amount</u>	<u>Ratio of Debt to Assessed Value</u>	<u>Debt per Capita</u>
Net direct general obligation bonded debt	<u>\$18,876,572</u>	<u>16.0%</u>	<u>373</u>

The School Board maintained a Baa bond rating from Moody's Investors Service.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES Our elected and appointed officials and citizens consider many factors when setting the School Board's 2004-2005 fiscal year budget and tax rates. One of the most important factors affecting the budget is our student count. The 2004-2005 budget was adopted in September 2004, based on an estimate of students that will be enrolled on October 1. The October 1 student count affects our Minimum Foundation Program (MFP) funding from the state. Approximately 58% of total revenues are from the MFP. Our Impact Aid federal funding is also tied to the number of federally connected students. Impact Aid fluctuates between \$5 to \$7 million per year. The October 1, 2004, student count was above the 2004-2005 budget projection amount but due to a change in the formula for state equalization only a general 2% increase was budgeted.

**Vernon Parish School Board
Management's Discussion and Analysis (MD&A)**

We have projected an increase of \$880,000 for the 2004-2005 fiscal year with no major uncertainties anticipated for the future.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and 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 wish to request additional financial information, contact Tim Ward, Assistant Business Manager, at Vernon Parish School Board, 201 Belview Road, Leesville, Louisiana 71446, telephone number (337) 239-3401.

Vernon Parish School Board

BASIC FINANCIAL STATEMENTS:

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

VERNON PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS
June 30, 2004

Statement A

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 14,096,237
Investments	8,314,018
Receivables (net)	3,507,497
Inventory	83,043
Capital assets:	
Land and construction in progress	6,081,461
Depreciable capital assets	<u>22,205,991</u>
TOTAL ASSETS	<u>54,288,247</u>
LIABILITIES	
Accounts, salaries and other payables	7,278,805
Deferred revenue	34,428
Interest payable	314,219
Workers' compensation payable	35,309
Long-term liabilities	
Due within one year	1,912,998
Due in more than one year	<u>19,275,994</u>
TOTAL LIABILITIES	<u>28,851,753</u>
NET ASSETS	
Invested in capital assets, net of related debt	14,724,829
Restricted for:	
Federal and state funds	1,260,121
School food service	15,614
Maintenance funds	1,204,033
Debt service	1,058,868
Capital projects	852,369
Workers' Compensation	576,798
Unrestricted	<u>5,743,862</u>
TOTAL NET ASSETS	<u>\$ 25,436,494</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 29,434,612		\$ 2,115,903	\$ (27,318,709)
Special programs	12,434,267		3,976,863	(8,457,404)
Other instructional programs	2,820,695		1,622,812	(1,197,883)
Support services:				
Student services	2,919,505		282,545	(2,636,960)
Instructional staff support	2,493,424		685,205	(1,808,219)
General administration	1,467,866		325,760	(1,142,106)
School administration	3,597,609		36,597	(3,561,012)
Business services	519,636		17,610	(502,026)
Plant services	6,276,572		179,740	(6,096,832)
Student transportation services	5,070,014		90,466	(4,979,548)
Central services	443,887		1,026	(442,861)
Food services	4,731,816	\$ 732,474	2,083,036	(1,916,306)
Community service programs	44,510			(44,510)
Interest on long-term debt	965,518			(965,518)
Total Governmental Activities	73,219,931	732,474	11,417,563	(61,069,894)
General revenues:				
Taxes:				
Property taxes, levied for general purposes				2,042,171
Property taxes, levied for debt services				2,150,675
Sales taxes				8,353,516
State revenue sharing				131,073
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				42,172,018
Federal Forest Lands				320,091
Interest and investment earnings				178,219
Impact Aid, Department of Defense, ROTC				7,832,160
Miscellaneous				305,577
Total general revenues				63,485,500
				Changes in net assets
				2,415,606
Net assets - beginning				23,020,888
Net assets - ending				\$ 25,436,494

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Vernon Parish School Board

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

VERNON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2004

Statement C

	<u>GENERAL</u>	<u>ROSEPINE CONSTRUCTION</u>	<u>PITKIN CONSTRUCTION</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
ASSETS					
Cash and cash equivalents	\$ 3,222,570	\$ 3,929,441	\$ 2,914,212	\$ 4,030,014	\$ 14,096,237
Investments	7,620,793	0	0	693,225	8,314,018
Receivables	1,627,411	1,624	1,288	1,877,174	3,507,497
Interfund receivables	1,314,202	0	0	252,353	1,566,555
Inventory	0	0	0	83,043	83,043
TOTAL ASSETS	13,784,976	3,931,065	2,915,500	6,935,809	27,567,350
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	5,624,317	103,106	355,208	1,196,174	7,278,805
Interfund payables	252,353	0	0	1,314,202	1,566,555
Deferred revenues	0	0	0	34,428	34,428
Total Liabilities	5,876,670	103,106	355,208	2,544,804	8,879,788
Fund Balances:					
Reserved for:					
Debt Service	0	0	0	1,058,868	1,058,868
Workers' Compensation	576,798	0	0	0	576,798
Protested taxes	269,522	0	0	0	269,522
Unreserved, reported in:					
General Fund	7,061,986	0	0	0	7,061,986
Special Revenue Funds	0	0	0	2,479,768	2,479,768
Capital Projects Fund	0	3,827,959	2,560,292	852,369	7,240,620
Total Fund Balances	7,908,306	3,827,959	2,560,292	4,391,005	18,687,562
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,784,976	\$ 3,931,065	\$ 2,915,500	\$ 6,935,809	\$ 27,567,350

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD

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

Statement D

Total fund balances - governmental funds \$ 18,687,562

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 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.

Costs of capital assets	\$ 55,930,836	
Depreciation expense to date	<u>(27,643,384)</u>	
		28,287,452

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		
Bonds payable	(19,935,440)	
Compensated absences payable	(1,238,118)	
Leases payable	(15,434)	
Interest payable	(314,219)	
Workers' compensation payable	<u>(35,309)</u>	
		<u>(21,538,520)</u>

Net Assets **\$ 25,436,494**

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

Statement E

	GENERAL	ROSEPINE CONSTRUCTION	PITKIN CONSTRUCTION	OTHER GOVERNMENTAL	TOTAL
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$ 914,305	\$ 0	\$ 0	\$ 3,278,541	\$ 4,192,846
Sales and use	8,353,516	0	0	0	8,353,516
Interest earnings	121,090	14,515	14,308	28,306	178,219
Food services	0	0	0	732,474	732,474
Other	573,974	0	0	300,954	874,928
State sources:					
Equalization	41,712,917	0	0	459,101	42,172,018
Other	367,317	0	0	2,234,726	2,602,043
Federal sources	8,234,998	0	0	8,863,846	17,098,844
Total Revenues	60,278,117	14,515	14,308	15,897,948	76,204,888
EXPENDITURES					
Current:					
Instruction:					
Regular programs	26,576,930	0	0	1,971,009	28,547,939
Special programs	8,519,878	0	0	3,898,428	12,418,306
Other instructional programs	2,056,139	0	0	504,109	2,560,248
Support services:					
Student services	2,635,041	0	0	284,464	2,919,505
Instructional staff support	1,804,286	0	0	685,800	2,490,086
General administration	1,205,404	30,022	10,496	532,079	1,778,001
School administration	3,457,836	0	0	87,572	3,545,408
Business services	487,966	1,315	380	28,380	518,041
Plant services	5,360,731	0	1,800	896,581	6,259,112
Student transportation services	4,789,305	0	0	276,991	5,066,296
Central services	434,118	0	0	9,769	443,887
Food services	258,450	0	0	4,262,351	4,520,801
Community service programs	41,546	0	0	2,964	44,510
Capital outlay	121,604	360,451	1,239,229	2,888,340	4,609,624
Debt service:					
Principal retirement	0	0	0	1,350,419	1,350,419
Interest and bank charges	0	0	0	853,472	853,472
Total Expenditures	57,749,234	391,788	1,251,905	18,532,728	77,925,655
EXCESS (Deficiency) OF REVENUES					
OVER EXPENDITURES	\$ 2,528,883	\$ (377,273)	\$ (1,237,597)	\$ (2,634,780)	\$ (1,720,767)

VERNON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

Statement E

	<u>GENERAL</u>	<u>ROSEPINE CONSTRUCTION</u>	<u>PITKIN CONSTRUCTION</u>	<u>OTHER GOVERNMENTAL</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)					
Transfers in/out	\$ (733,954)	\$ 0	\$ 0	\$ 733,954	\$ 0
Bond	0	4,400,000	3,800,000	0	8,200,000
<i>Total Other Financing Sources (Uses)</i>	<u>(733,954)</u>	<u>4,400,000</u>	<u>3,800,000</u>	<u>733,954</u>	<u>8,200,000</u>
Net Change in Fund Balances	1,794,929	4,022,727	2,562,403	(1,900,826)	6,479,233
FUND BALANCES - BEGINNING	<u>6,113,377</u>	<u>(194,768)</u>	<u>(2,111)</u>	<u>6,291,831</u>	<u>12,208,329</u>
FUND BALANCES - ENDING	<u>\$ 7,908,306</u>	<u>\$ 3,827,959</u>	<u>\$ 2,560,292</u>	<u>\$ 4,391,005</u>	<u>\$ 18,687,562</u>

(CONCLUDED)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD

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

Statement F

Total net change in fund balances - governmental funds \$ 6,479,233

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

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

Depreciation expense	(\$1,451,573)	
Capital outlays	4,609,624	3,158,051

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 1,350,419

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 (\$642,094) exceeded the amounts used (\$591,534) by \$50,560. (50,560)

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

Reduction of incurred but not reported workers' compensation claims		34,618
---	--	--------

In the Statement of Activities, scrapping of assets are reported as a gain or loss net of the book value.

Cost of assets scrapped	\$2,809,518	
Accumulated depreciation	(2,569,505)	
Net loss	240,013	(240,013)

Bond and capital lease proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities.

Bond proceeds		(8,200,000)
---------------	--	-------------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (116,142)

Change in net assets of governmental activities. \$ 2,415,606

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2004

Statement G

AGENCY
FUNDS

ASSETS	
Cash and cash equivalents	\$ 769,550
Investments	<u>115,545</u>
 TOTAL ASSETS	 <u>885,095</u>
 LIABILITIES	
<i>Deposits due others</i>	<u>885,095</u>
 TOTAL LIABILITIES	 <u>\$ 885,095</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Vernon Parish School Board
Notes to the Basic Financial Statements

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Vernon Parish School Board
Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Vernon Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The School Board operates eighteen schools within the parish with a total enrollment of 9,677 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

The School Board is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units* as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. 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 are maintained consistent with legal and managerial requirements.

The funds of the School Board are classified into two categories: governmental and fiduciary.

Governmental Funds Governmental funds are used to 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 general fixed assets, and the servicing of general long-term debt. The School Board reports the following major governmental funds:

General fund – the primary operating fund of the School Board accounts for all financial resources, except those required to be accounted for in other funds.

Rosepine Construction – to make classroom additions, cafeteria additions, replace air conditioning units, repair roofs, and other various building improvements.

Pitkin Construction – to make classroom additions, cafeteria additions, replace air conditioning units, repair roofs, and other various building improvements.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Vernon Parish School Board
Notes to the Basic Financial Statements

Agency funds are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School activities fund – accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Scholarship fund – accounts for voluntary employee contributions and is used to provide an annual scholarship for a graduate from the parish schools.

Sales tax fund – accounts for monies collected on behalf of other taxing authorities within the parish.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays 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 was 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. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

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

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. 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. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due. Compensated absences and claims and judgments are reported in a governmental fund only if the claims are due and payable.

Vernon Parish School Board
Notes to the Basic Financial Statements

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when all applicable eligibility requirements are met and the resources are available.

Sales Taxes are recognized when underlying exchange transaction occurs and the resources are available.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

Other Financing Sources (Uses) Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as needed.

Fiduciary Funds The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVESTMENTS Under state law, the School Board may invest in United States bonds treasury notes or certificates. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Investments in certificates of deposits are stated at amortized cost. Investments in U. S. Treasury securities are stated at amortized cost. Investments in the Louisiana Asset Management Pool (LAMP) are valued at fair value.

**Vernon Parish School Board
Notes to the Basic Financial Statements**

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The School Board reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

The School Board participates in the Louisiana Asset Management Pool, Inc. (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

The investment objective of the LAMP is the preservation of capital and the maintenance of liquidity and, to the extent consistent with such objective, current yield.

The LAMP was established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. This pooling is intended to improve administrative efficiency and increase investment yield. The Board of Directors of LAMP provides certain management and administrative services to LAMP and, through a competitive bidding process, selects a custodial bank and an investment advisor. The custodial bank holds the assets of LAMP and the investment decisions are made by the investment advisor. Both the custodial bank and the investment advisor are subject to the review and oversight of LAMP.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

The LAMP may invest in U. S. Government Securities and is designed to comply with restriction on investments by municipalities, parishes, and other types of political subdivisions imposed under Louisiana Revised Statute 33:2955.

The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that the LAMP will be able to achieve this objective. The LAMP's portfolio securities are valued at fair value. The LAMP operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, as amended, which governs money market funds (although the LAMP is not a money market fund and has no obligation to conform to this rule.) In addition, the LAMP will generally comply with other aspects of that rule, including the requirements that all portfolio securities acquired by the LAMP must have, at the time of purchase, a maximum remaining maturity of 397 days and meet certain additional quality standards and that the LAMP maintain a dollar-weighted average portfolio maturity of not more than 90 days.

The fair value of the position in the pool is the same as the value of the pool shares.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

**Vernon Parish School Board
Notes to the Basic Financial Statements**

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. Short-term interfund loans are classified as interfund receivables/payables.

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. INVENTORY Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used.

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. Unused commodities at June 30 are reported as deferred revenue. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture.

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$2,000. 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. Vehicles and trailers are assigned a salvage value of five percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

Buildings	10 - 40 years
Furniture and equipment	3 - 10 years

J. DEFERRED REVENUES The School Board reports deferred revenues on its Statement of Net Assets and fund balance sheet. Deferred revenues arise when resources are received by the School Board 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 and the revenue is recognized.

K. COMPENSATED ABSENCES All 12-month employees earn ten days of vacation leave each year. Employees cannot accumulate more than 13 days of vacation leave. Upon retirement, unused vacation leave of up to 13 days is paid to employees.

All School Board employees earn ten days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees per Louisiana Revised Statute 17:425 at the employees' current rate of pay and all unused sick leave is used in the retirement computation as earned service.

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

**Vernon Parish School Board
Notes to the Basic Financial Statements**

The School Board's recognition and measurement criteria for compensated absences follows:

Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' right to receive compensation is attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

A liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave which includes salary-related payments.

Sabbatical leave benefits are accrued in the government-wide financial statements if they are based on past service, will be used as unrestricted time off, and are probable of being paid. In the fund financial statements, sabbatical leave benefits are recorded in the governmental fund only if the benefits are due and payable.

L. LONG-TERM LIABILITIES For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

For fund financial reporting, bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as another financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

M. 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.

N. FUND BALANCES OF FUND FINANCIAL STATEMENTS Reservations of fund balance represent amounts that are not appropriable for expenditures or legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

O. INTERFUND ACTIVITY Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon

Vernon Parish School Board
Notes to the Basic Financial Statements

consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. 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 funds are netted as part of the reconciliation to the government-wide financial statements.

P. SALES TAXES The Vernon Parish School Board has the following two sales tax ordinances:

The School Board collects a one cent parish-wide sales and use tax as authorized in a special election held January 12, 1991. In accordance with the proposition approved by the voters of the parish, the "net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the Vernon Parish School System" and for benefits of the retirees of the Vernon Parish School System.

The School Board collects a one cent parish-wide sales and use tax authorized in a special election held March 31, 1973. In accordance with the proposition approved by the voters of the parish, the "net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the Vernon Parish School System."

Q. BUDGETS

General Budget Policies The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund and all special revenue funds. Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and all special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain citizens' comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental or project level. However, when projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. There were significant revisions made to the 2003-2004 general fund original budget. Budgeted revenues were increased \$7.2 million due to an *unexpected increase in federal unrestricted funds (Impact Aid) and an increase in transfers from other funds of \$.6 million*. Budgeted expenditures were also increased \$3.8 million to account for the increase in salaries, related benefits, and purchased professional services.

Encumbrances Encumbrance accounting is employed in governmental funds. Outstanding encumbrances lapse at year end. To the extent the Board intends to honor the purchase orders and commitments, they are disclosed in the notes to the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, with some variations. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must 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. State statutes require the Board to

**Vernon Parish School Board
Notes to the Basic Financial Statements**

amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function. The budget was amended after the close of the year. This is not prohibited by state law.

R. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

NOTE 2 - STEDWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Excess of Expenditures Over Appropriations in individual Funds The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2004:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Ward 2 Hornbeck maintenance	\$ 47,835	\$ 48,026	\$ 191
Ward 4 maintenance	93,686	94,064	378
Other special funds	705,511	708,562	3,051
Adult education	186,655	188,981	2,326
Vocational education	375,550	380,560	5,010
Title II	650,432	680,101	29,669
Head Start	1,611,541	1,618,484	6,943
Preschool	333,173	334,401	1,228

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last budget revision.

B. Deficit Fund Balance

<u>Fund</u>	<u>Deficit amount</u>
Title III	<u>\$ 1,499</u>

This deficit is expected to be eliminated by transfers from the general fund.

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within Vernon Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Vernon Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

**Vernon Parish School Board
Notes to the Basic Financial Statements**

The Vernon Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

	<u>Property Tax Calendar</u>
Assessment date	January 01, 2003
Levy date	January 01, 2003
Tax bills mailed	October 08, 2002
Due date	December 31, 2003
Lien date	May 01, 2004
Tax sale – 2002	May 01, 2004

Assessed values are established by the Vernon Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% industrial improvements
15% machinery	15% commercial improvements
10% residential improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2000. Total assessed value was \$117,954,110 in calendar year 2003. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$34,456,620 of the assessed value in calendar year 2003.

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% 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, special revenue funds and debt service funds on the basis explained in Note 1. 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 tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected with the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year, therefore, the amount of 2004 property taxes to be collected occurs in December and January and February of the next year.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

Vernon Parish School Board
Notes to the Basic Financial Statements

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	<u>Date of Voter Approval</u>	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:				
Constitutional and operations	Statutory	3.70	3.70	Statutory
Maintenance and operations	April 29, 1995	7.17	7.17	2005
District taxes:				
Ward				
1	April 29, 1995	13.03	13.03	2005
2 Hornbeck	April 29, 1995	13.32	13.32	2005
2 Orange	April 29, 1995	13.24	13.24	2005
3	January 18, 1997	13.14	13.14	2006
4 Pickering	March 26, 1994	13.98	13.98	2013
5	March 26, 1994	14.53	14.53	2013
6	March 26, 1994	12.59	12.59	2013
7	April 20, 1996	13.00	13.00	2006
8	March 26, 1994	13.48	13.48	2013
District sinking fund taxes:				
1		Variable	14.00	2013
2 Hornbeck		Variable	98.00	2013
2 Orange		Variable	40.00	2008
3		Variable	8.28	2022
4 Pickering		Variable	31.00	2015
5		Variable	14.22	2012
6		Variable	63.07	2024
7		Variable	57.00	2015
8		Variable	60.00	2008

NOTE 4 - DEPOSITS AND INVESTMENTS Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year end, the School Board's carrying amount of deposits was \$21,500,051 which includes \$885,095 in fiduciary funds, (which includes \$6,634,264 as time deposits) and the bank balance was \$24,445,661. Of the bank balance \$372,045 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). \$24,073,616 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3). The remaining balance, \$0, was not collateralized with securities and is a violation of state law.

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 School Board that the fiscal agent has failed to pay deposited funds upon demand.

Vernon Parish School Board
Notes to the Basic Financial Statements

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the School Board or its agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the counter party's trust department or agent in the School Board's name.
3. Uninsured and unregistered, with securities held by the counter party, or by its trust department or agent but not in the School Board's name.

At year end, the School Board investment balances were as follows:

Type of investment	Category 1	Carrying Amount Fair Value
U. S. Government Security	\$ 576,798	\$ 576,798
Investments not subject to categorization:		
External investment pool (LAMP)	0	1,218,501
Total investments	\$ 576,798	\$ 1,795,299

As discussed later in Note 13, Restricted Net Assets, the U. S. Government Security is pledged to the Louisiana Office of Worker's Compensation. Note 1 E includes additional investment information.

NOTE 5 – RECEIVABLES The receivables at June 30, 2004, are as follows:

Class of Receivables	General	Rosepine Construction	Pitkin Construction	Other Governmental	Total
Taxes:					
Ad Valorem	\$ 14,294	\$ 0	\$ 0	\$ 25,370	\$ 39,664
Sales Tax	838,371	0	0	0	838,371
Intergovernmental - grants:					
Federal	582,855	0	0	1,543,205	2,126,060
State	78,475	0	0	294,638	373,113
Other	113,416	1,624	1,288	13,961	130,289
Total	\$ 1,627,411	\$ 1,624	\$ 1,288	\$ 1,877,174	\$ 3,507,497

No allowance for doubtful accounts has been established as the School Board expects to collect the full balance.

Vernon Parish School Board
Notes to the Basic Financial Statements

NOTE 6 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2004 is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Land	\$ 1,335,047	\$ 0	\$ 0	\$ 1,335,047
Construction in progress	1,655,736	4,298,953	1,208,275	4,746,414
Exhaustible capital assets				
Buildings	41,118,208	1,223,836	234,572	42,107,472
Furniture and equipment	10,021,739	295,110	2,574,946	7,741,903
Total	<u>54,130,730</u>	<u>5,817,899</u>	<u>4,017,793</u>	<u>55,930,836</u>
Less accumulated depreciation				
Buildings	20,740,084	961,349	156,510	21,544,923
Furniture and equipment	8,021,232	490,224	2,412,995	6,098,461
Total	<u>28,761,316</u>	<u>1,451,573</u>	<u>2,569,505</u>	<u>27,643,384</u>
Governmental activities				
Capital assets, net	<u>\$ 25,369,414</u>	<u>\$ 4,366,326</u>	<u>\$ 1,448,288</u>	<u>\$ 28,287,452</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 843,729
Special programs	15,961
Other instructional programs	260,447
Instructional staff support	3,338
General administration	15,107
School administration	52,201
Business services	1,595
Plant services	32,692
Student transportation services	3,718
Food services	222,785
Total depreciation expense	<u>\$ 1,451,573</u>

NOTE 7 - RETIREMENT SYSTEMS

Plan Description As required by state statute, substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature. Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

**Vernon Parish School Board
Notes to the Basic Financial Statements**

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age sixty with ten years of service, or at any age with twenty years of service. The formula for annual maximum retirement benefits is generally two percent (with less than twenty-five years of service) or 2.5 percent (with twenty-five or more years of service) times the years of creditable service times the average salary of the thirty-six highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age fifty-five with at least twenty-five years of creditable service and at age sixty with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the thirty-six highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after thirty years of service, or after twenty-five years of service at age fifty-five or after ten years of service at age sixty. The maximum retirement allowance is computed at 2.5 percent times the highest thirty-six months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
Post Office Box 94123
Baton Rouge, Louisiana 70804-9123
(225) 925-6446

Louisiana School Employees' Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804
(225) 925-6484

Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2004, are as follows:

	Employee	Employer
Louisiana Teachers' Retirement System:		
Regular	8.00%	13.80%
Plan A	9.10%	13.80%
Louisiana School Employees' Retirement System	7.50%	8.50%

Vernon Parish School Board
Notes to the Basic Financial Statements

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2004, amounted to \$38,563,531, \$186,887, and \$4,654,641, respectively. Employer contributions for the year ended June 30, 2004. And each of the two preceding years are as follows:

<u>Fiscal Year Ended</u>	TRS		LSERS	
	Annual Actuarially Required Contribution	Percentage Contributed	Annual Actuarially Required Contribution	Percentage Contributed
June 30, 2002	\$ 5,365,593	100.00%	\$ 0	0.00%
June 30, 2003	5,864,403	80.91%	0	0.00%
June 30, 2004	6,234,105	85.62%	319,766	123.73%

Annual actuarially required contributions for each plan above is based on the plan's annual financial report for that year except for the year ended June 30, 2004. The annual actuarially required contribution for the year ended June 30, 2004, is based upon each plan's annual financial report for the year ended June 30, 2003, which is the latest information available. The above required contributions were made.

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the Foundation Health Plan, whose monthly premiums are paid jointly by the employee and by the School Board. The cost of retiree benefits included in these expenditures was \$1,870,757 for 312 retirees.

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2004, are as follows:

	General	Rosepine Construction	Pitkin Construction	Other Governmental	Total
Salaries	\$ 5,446,294	\$ 0	\$ 0	\$ 767,123	\$ 6,213,417
Accounts	178,023	103,106	355,208	429,051	1,065,388
Total	\$ 5,624,317	\$ 103,106	\$ 355,208	\$ 1,196,174	\$ 7,278,805

NOTE 10 - AGENCY FUND DEPOSITS DUE OTHERS (FFS LEVEL ONLY) A summary of changes in agency fund deposit due others follows:

	Balance at Beginning of year	Additions	Deletions	Balance at Ending of year
School activities agency	\$ 829,292	\$ 2,869,956	\$ 2,816,567	\$ 882,681
Scholarship	3,111	1,487	2,184	2,414
Sales tax agency	0	17,353,716	17,353,716	0
Total	\$ 832,403	\$20,225,159	\$20,172,467	\$ 885,095

Vernon Parish School Board
Notes to the Basic Financial Statements

NOTE 11- LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2004:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One year</u>
Governmental Activities					
Bonds payable:					
General Obligation debt	\$ 13,071,332	\$ 8,200,000	\$ 1,335,892	19,935,440	\$ 1,306,030
Other liabilities:					
Compensated absences	1,187,558	642,094	591,534	1,238,118	591,534
Capital Leases	29,961	0	14,527	15,434	15,434
Governmental activities					
Long-term liabilities	<u>\$ 14,288,851</u>	<u>\$ 8,842,094</u>	<u>\$ 1,941,953</u>	<u>\$21,188,992</u>	<u>\$ 1,912,998</u>

Vernon Parish School Board
Notes to the Basic Financial Statements

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. The compensated absences liability attributable to the governmental activities will be liquidated by several of the School Board's governmental funds. In the past, approximately 88 % was paid by the general fund, 2 % by Title I fund, 5 % by the school food service fund and the remaining 5 % by other governmental funds.

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
WARD I					
October 01, 2002	\$ 5,500,000	4.375 - 5.000	2022	\$ 2,472,525	\$ 5,165,000
WARD II - ORANGE					
February 03, 1994	1,470,000	3.75 - 5.20	2008	79,630	605,000
WARD II - HORNBECK					
February 03, 1994	550,000	3.75 - 4.90	2005	3,675	75,000
December 01, 1997	532,000	1.00 - 7.75	2011	108,437	345,000
June 01, 2001	600,000	4.70 - 5.25	2021	280,526	555,000
WARD III					
April 30, 1982	1,438,000	5.00	2022	547,500	1,010,000
WARD IV					
February 03, 1994	995,000	3.75 - 5.00	2006	19,125	255,000
December 01, 1997	1,230,000	4.10 - 5.00	2010	102,640	630,000
WARD V					
December 01, 1997	616,000	1.00 - 7.75	2009	68,050	305,000
August 01, 2003	3,800,000	3.85 - 5.50	2023	1,953,330	3,700,000
WARD VI					
November 16, 1993	1,500,000	5.126	2024	758,535	1,221,163
April 25, 2002	406,500	5.00	2031	367,188	399,277
WARD VII					
February 03, 1994	1,805,000	3.75 - 5.60	2015	322,961	925,000
September 01, 2003	4,400,000	5.00	2023	2,120,448	4,270,000
WARD VIII					
February 03, 1994	1,150,000	3.75 - 5.20	2008	63,000	475,000
Total general obligation bonds				<u>\$ 9,267,570</u>	<u>\$19,935,440</u>

**Vernon Parish School Board
Notes to the Basic Financial Statements**

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At year end, the School Board has accumulated \$1,058,868 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Bonds		Total
	Principal Payments	Interest Payments	
2005	\$ 1,306,030	\$ 950,600	\$ 2,256,630
2006	1,216,277	883,704	2,099,981
2007	1,167,638	820,351	1,987,989
2008	1,235,121	758,415	1,993,536
2009	954,730	692,288	1,647,018
2010-2014	4,411,688	2,799,696	7,211,384
2015-2019	5,056,051	1,768,672	6,824,723
2020-2024	4,439,389	557,812	4,997,201
2025-2029	111,185	31,869	143,054
2030 and thereafter	37,331	4,163	41,494
Total	<u>\$ 19,935,440</u>	<u>\$ 9,267,570</u>	<u>\$ 29,203,010</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At year end, the statutory limit is \$41,283,939 and outstanding net bonded debt totals \$18,876,572.

The school board records items under capital leases as an asset and an obligation in the accompanying financial statements. The following is an analysis of capital leases:

Type:	Lease date
	Nov. 13, 2000
School Bus	<u>\$ 81,984</u>

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2004:

	School Bus
Fiscal year:	
2004	\$ 16,397
Less amounts representing executory costs	0
Net minimum lease payments	16,397
Less amounts representing interest	963
Present value of net minimum lease payments	<u>\$ 15,434</u>

Vernon Parish School Board
Notes to the Basic Financial Statements

NOTE 12 - INTERFUND ASSETS / LIABILITIES (FFS LEVEL ONLY)

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 1,314,202	Other governmental	\$ 1,314,202
Other governmental	252,353	General	252,353
	<hr/>		<hr/>
Total	<u>\$ 1,566,555</u>		<u>\$ 1,566,555</u>

The purpose of the interfund assets/liabilities were to cover current-year expenditures on cost reimbursement programs until the reimbursement requisitions are deposited.

NOTE 13 - RESTRICTED NET ASSETS The School Board entered into a security agreement with the State of Louisiana Office of Workers' Compensation (OWC) Department of Employment and Training that grants to OWC a security interest in the School Board's \$576,798 U.S. Government Security. The security interest is to secure the prompt payment of all present and future obligations, including, but not limited to, prompt payment of workers' compensation payments, the furnishing of medical treatment, and or any other requirement under the provisions of the Louisiana Workers' Compensation Act and Rules of the OWC Fiscal Responsibility Unit. The following is a summary of transactions relating to the restricted net assets for the year ended June 30, 2004:

	<u>Restricted for Workers' Compensation Security Deposit</u>
Balance, beginning	\$ 574,465
Additions	2,333
Deletions	0
Balance, ending	<u>\$ 576,798</u>

NOTE 14 - INTERFUND TRANSFERS (FFA LEVEL ONLY)

<u>Fund</u>	<u>Transfer In</u>	<u>Transfers Out</u>
General	\$ 0	\$ 733,954
Other Governmental	733,954	0
Totals	<u>\$ 733,954</u>	<u>\$ 733,954</u>

The purpose of interfund transfers were due mainly to the school food service as a result of the food service's expenditures exceeding the current-year revenues.

Vernon Parish School Board
Notes to the Basic Financial Statements

NOTE 15 - ENCUMBRANCES (FFS LEVEL ONLY) Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are reappropriated in the next year. At June 30, 2004, the School Board had entered into purchase orders and commitments as follows:

<u>Fund</u>	<u>General</u>	<u>Other Governmental</u>	<u>Total</u>
Totals	\$ 266,440	\$ 166,692	\$ 433,132

NOTE 16 - RISK MANAGEMENT The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. A risk management program for workers' compensation insurance was established by the School Board several years ago. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. As of June 30, 2004, such interfund premiums did not exceed reimbursable expenditures. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

An insurance policy covers individual claims in excess of \$200,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information and does not include incremental costs. The liability does not include incremental costs, if any.

Changes in the claims amount in previous fiscal years were as follows:

<u>Years Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payment and Claims</u>	<u>Ending of Fiscal Year Liability</u>
2002	\$ 4,948	\$ 688,625	\$ 539,434	\$ 154,139
2003	154,139	648,123	732,335	69,927
2004	69,927	652,301	686,919	35,309

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 17 - LITIGATION AND CLAIMS

Litigation At June 30, 2004, the School Board is involved in various litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

Self-Insurance The School Board is partially self-insured for workers' compensation. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$200,000 per occurrence for each employee.

Vernon Parish School Board
Notes to the Basic Financial Statements

Construction Projects *There are certain major construction projects in progress at June 30, 2004. The projects include air conditioning, roof repairs, additional classrooms and other building improvements at Pitkin and Rosepine. These projects are funded by bond proceeds which will total approximately \$8,200,000. The expected completion date is before June 30, 2006. The outstanding construction commitment was approximately \$3,800,000 as of June 30, 2004.*

Grant Disallowances *The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.*

Tax Arbitrage Rebate *Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.*

Protested Taxes *Throughout the year, the School Board receives sales taxes that are paid in protest. The School Board reserved all protested taxes until the issue is resolved.*

NOTE 18 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES *On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.*

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$23,679. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 19 - ECONOMIC DEPENDENCY *Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities' revenue. Approximately one-half of the student population consists of students from military families at Fort Polk. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$42,172,018 to the School Board, which represents approximately 56% of the School Board's total revenues for the year. Potentially up to approximately one-half of this Minimum Foundation funding is attributable to the students of military personnel. Additionally, the federal government provided \$7,832,160 in direct funding (Impact Aid) to the School Board.*

The financial impact of students from military personnel associated with Fort Polk could be as much as 40% of the total revenues of the School Board.

NOTE 20 - CHANGES IN PRESENTATION *The general fund and the Ward 1 construction fund were major funds for the year ended June 30, 2003. For the fiscal year end June 30, 2004, the general fund, Rosepine construction fund and Pitkin construction fund are major funds.*

Vernon Parish School Board

**REQUIRED SUPPLEMENTAL
INFORMATION**

Vernon Parish School Board

Budgetary Comparison Schedule

General Fund With a Legally Adopted Annual Budget

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

VERNON PARISH SCHOOL BOARD

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

Exhibit 1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
			(Budgetary Basis)	POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 3,536,949	\$ 6,113,377	\$ 6,113,377	0
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	964,392	914,306	914,305	(1)
Sales and use	7,400,000	8,353,516	8,353,516	0
Interest earnings	191,321	106,673	121,090	14,417
Other	109,460	389,706	573,974	184,268
State sources:				
Equalization	40,183,905	41,712,917	41,712,917	0
Other	837,066	366,998	367,317	319
Federal sources	6,383,226	8,234,911	8,234,998	87
Transfers from other funds	275,000	927,276	0	(927,276)
Amounts available for appropriations	59,881,319	67,119,680	66,391,494	(728,186)
Charges to appropriations (outflows)				
General government:				
Instruction:				
Regular programs	25,788,098	26,646,343	26,576,930	69,413
Special programs	7,796,364	8,527,236	8,519,878	7,358
Other instructional programs	1,914,718	2,116,534	2,056,139	60,395
Support services:				
Student services	2,432,889	2,635,655	2,635,041	614
Instructional staff support	1,711,793	1,803,581	1,804,286	(705)
General administration	1,302,416	1,306,590	1,205,404	101,186
School administration	3,428,637	3,469,867	3,457,836	12,031
Business services	465,917	489,975	487,966	2,009
Plant services	4,527,215	5,387,689	5,360,731	26,958
Student transportation services	4,154,485	4,792,645	4,789,305	3,340
Central services	631,040	433,679	434,118	(439)
Food services	27,507	260,694	258,450	2,244
Community service programs	10,113	75,167	41,546	33,621
Capital Outlay	0	0	121,604	(121,604)
Transfers to other funds	1,998,478	1,534,745	733,954	800,791
Total charges to appropriations	56,189,670	59,480,400	58,483,188	997,212
BUDGETARY FUND BALANCES, ENDING	\$ 3,691,649	\$ 7,639,280	\$ 7,908,306	269,026

Vernon Parish School Board

**Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2004**

A. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental or project level. However, when projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. There were significant revisions made to the 2003-2004 general fund original budget. Budgeted revenues were increased \$7.2 million due to an unexpected increase in federal unrestricted funds (Impact Aid) and an increase in transfers from other funds of \$.6 million. Budgeted expenditures were also increased \$3.8 million to account for the increase in salaries, related benefits, and purchased professional services.

The general fund budget is prepared on the modified accrual basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must 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. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function. The budget was amended after the close of the year. This is not prohibited by state law.

VERNON PARISH SCHOOL BOARD

Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2004

Note B - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>GENERAL FUND</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 66,391,494
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	<u>(6,113,377)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 60,278,117</u>
<u>Uses/outflows of resources:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	\$ 58,483,188
Transfer to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(733,954)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 57,749,234</u>

Vernon Parish School Board

**SUPPLEMENTAL INFORMATION
COMBINING
NONMAJOR GOVERNMENTAL FUNDS**

VERNON PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2004

Exhibit 2

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL
ASSETS				
Cash and cash equivalents	\$ 2,254,544	\$ 887,130	\$ 888,340	\$ 4,030,014
Investments	528,442	164,783	0	693,225
Receivables	1,869,803	6,982	389	1,877,174
Interfund receivables	252,353	0	0	252,353
Inventory	83,043	0	0	83,043
TOTAL ASSETS	<u>4,988,185</u>	<u>1,058,895</u>	<u>888,729</u>	<u>6,935,809</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	1,159,814	0	36,360	1,196,174
Interfund payables	1,314,175	27	0	1,314,202
Deferred revenue	34,428	0	0	34,428
Total Liabilities	<u>2,508,417</u>	<u>27</u>	<u>36,360</u>	<u>2,544,804</u>
Fund Balances:				
Reserved for debt service	0	1,058,868	0	1,058,868
Unreserved, reported in				
Special revenue	2,479,768	0	0	2,479,768
Capital projects	0	0	852,369	852,369
Total Fund Balances	<u>2,479,768</u>	<u>1,058,868</u>	<u>852,369</u>	<u>4,391,005</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,988,185</u>	<u>\$ 1,058,895</u>	<u>\$ 888,729</u>	<u>\$ 6,935,809</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2004

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECT	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 1,127,866	\$ 2,150,675	\$ 0	\$ 3,278,541
Interest earnings	9,961	8,568	9,777	28,306
Food services	732,474	0	0	732,474
Other	279,969	20,985	0	300,954
State sources:				
Equalization	459,101	0	0	459,101
Other	2,234,726	0	0	2,234,726
Federal sources				
	8,863,846	0	0	8,863,846
Total Revenues	13,707,943	2,180,228	9,777	15,897,948
EXPENDITURES				
Current:				
Instruction:				
Regular programs	1,971,009	0	0	1,971,009
Special programs	3,898,428	0	0	3,898,428
Other instructional programs	496,335	0	7,774	504,109
Support services:				
Student services	284,464	0	0	284,464
Instructional staff support	685,800	0	0	685,800
General administration	435,152	95,396	1,531	532,079
School administration	87,572	0	0	87,572
Business services	28,380	0	0	28,380
Plant services	896,581	0	0	896,581
Student transportation services	276,991	0	0	276,991
Central services	9,769	0	0	9,769
Food services	4,243,412	0	18,939	4,262,351
Community service programs	2,964	0	0	2,964
Capital outlay	150,026	0	2,738,314	2,888,340
Debt service:				
Principal retirement	14,527	1,335,892	0	1,350,419
Interest and bank charges	1,870	851,602	0	853,472
Total Expenditures	13,483,280	2,282,890	2,766,558	18,532,728
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	\$ 224,663	\$ (102,662)	\$ (2,756,781)	\$ (2,634,780)

(CONTINUED)

VERNON PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances- By Fund Type
For the Year Ended June 30, 2004

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 924,651	\$ 0	\$ 0	\$ 924,651
Transfers out	<u>(190,697)</u>	<u>0</u>	<u>0</u>	<u>(190,697)</u>
Total Other Financing Sources (Uses)	<u>733,954</u>	<u>0</u>	<u>0</u>	<u>733,954</u>
Net Change in Fund Balances	958,617	(102,662)	(2,756,781)	(1,900,826)
FUND BALANCES - BEGINNING	<u>1,521,151</u>	<u>1,161,530</u>	<u>3,609,150</u>	<u>6,291,831</u>
FUND BALANCES - ENDING	<u>\$ 2,479,768</u>	<u>\$ 1,058,868</u>	<u>\$ 852,369</u>	<u>\$ 4,391,005</u>

(CONCLUDED)

Vernon Parish School Board

Nonmajor Special Revenue Funds

MAINTENANCE FUNDS

- Ward 1
- Ward 2 - Orange
- Ward 2 - Hornbeck
- Ward 3
- Ward 4
- Ward 5
- Ward 6
- Ward 7
- Ward 8

The maintenance funds for the various school districts are used to account for the proceeds of ad valorem taxes levied for the purpose of maintaining and improving schools within each school district.

OTHER SPECIAL FUNDS This fund represents various small state and federally funded programs for advancement of education in Vernon Parish.

8G STATE FUNDS The 8G State Fund is a program to provide enhancement to elementary, secondary and vocational programs funded through the State Minimum Foundation Program.

DRUG FREE SCHOOLS To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

ADULT EDUCATION To improve educational opportunities for adults and to encourage the establishment of adult education programs that will enable all adults to acquire basic educational skills necessary to function in a literate society, enable adults who so desire to complete secondary school, and enable adults to benefit from job training and retraining programs and obtain productive employment to more fully enjoy the benefits and responsibilities of citizenship.

Special emphasis is given to programs of instruction in computational skills and in speaking, reading, or writing English for those adults who are educationally disadvantaged.

VOCATIONAL EDUCATION

BASIC GRANTS TO STATES To make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

TECH-PREP EDUCATION To distribute funds to states to enable them to provide planning and demonstration grants to consortia of local educational agencies and post-secondary educational agencies, for the development and operation of four-year programs designed to provide a tech-prep education program leading to a two-year associate degree or a two-year certificate and to provide, in a systematic manner, strong, comprehensive links between secondary schools and post-secondary educational institutions.

(continued)

Vernon Parish School Board

Nonmajor Special Revenue Funds

SPECIAL EDUCATION To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

SCHOOL FOOD SERVICE To assist through grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

FOOD PROCESSING CENTERS The food processing centers receive revenues from sales and services for the purpose of operating the food processing centers.

TITLE I To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

TITLE VI To assist state and local educational agencies to improve elementary and secondary education.

Funds may be used for: innovative assistance in the acquisition and use of instructional materials; technology related to the implementation of school bus reforms; promising education reform projects; promoting higher order thinking skills of disadvantaged students; and reform activities associated with Goals 2000.

TITLE II To ensure that teachers, staff and administrators have access to sustained and intensive high-quality professional development. To challenge state content standards in core academic subjects.

TITLE III To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same challenging state academic content and student academic achievement standards as all children and youth are expected to meet.

SALES TAX Vernon Parish School Board is the centralized sales tax collection agency for all taxing authorities in Vernon Parish. As a result, Vernon Parish School Board receives a fee of 1.5 percent of collections for performing the duties of collection agency. Expenditures are the cost of operating the sales tax department.

HEAD START To provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, including Indian children on federally-recognized reservations, and children of migratory workers and their families; and to involve parents in activities with their children so that the children will attain overall social competence.

PRESCHOOL To provide grants to states to assist them in providing a free appropriate public education to preschool disabled children aged three through five years.

EDUCATION EXCELLENCE To enhance instructional programs approved by the legislature for students of pre-kindergarten through twelfth grade with proceeds received from tobacco settlement monies.

(Concluded)

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2004

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
ASSETS				
Cash and cash equivalents	\$ 288,508	\$ 32,136	\$ 11,475	\$ 41,048
Investments	136,781	613	39	154,282
Receivables	592	70	77	195
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
TOTAL ASSETS	<u>425,881</u>	<u>32,819</u>	<u>11,591</u>	<u>195,525</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	70,520	41	1,910	1,355
Interfund payables	0	0	0	0
Deferred revenue	0	0	0	0
Total Liabilities	<u>70,520</u>	<u>41</u>	<u>1,910</u>	<u>1,355</u>
Fund Balances:				
Unreserved - undesignated	<u>355,361</u>	<u>32,778</u>	<u>9,681</u>	<u>194,170</u>
Total Fund Balances	<u>355,361</u>	<u>32,778</u>	<u>9,681</u>	<u>194,170</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 425,881</u>	<u>\$ 32,819</u>	<u>\$ 11,591</u>	<u>\$ 195,525</u>

Exhibit 4

	<u>WARD 4</u>	<u>WARD 5</u>	<u>WARD 6</u>	<u>WARD 7</u>	<u>WARD 8</u>
\$	106,332 \$	191,995 \$	6,064 \$	68,835 \$	9,626
	25,574	210,434	7	59	94
	201	18,124	26	379	20
	0	0	0	0	0
	0	0	0	0	0
	<u>132,107</u>	<u>420,553</u>	<u>6,097</u>	<u>69,273</u>	<u>9,740</u>
	1,831	11,567	738	10,385	1,206
	0	0	0	0	0
	0	0	0	0	0
	<u>1,831</u>	<u>11,567</u>	<u>738</u>	<u>10,385</u>	<u>1,206</u>
	<u>130,276</u>	<u>408,986</u>	<u>5,359</u>	<u>58,888</u>	<u>8,534</u>
	<u>130,276</u>	<u>408,986</u>	<u>5,359</u>	<u>58,888</u>	<u>8,534</u>
\$	<u>132,107 \$</u>	<u>420,553 \$</u>	<u>6,097 \$</u>	<u>69,273 \$</u>	<u>9,740</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2004

	OTHER SPECIAL FUNDS	8G STATE FUNDS	DRUG FREE SCHOOLS
ASSETS			
Cash and cash equivalents	\$ 6,519	\$ 258	\$ 0
Investments	0	0	0
Receivables	197,356	54,392	32,349
Interfund receivables	2,064	896	0
Inventory	0	0	0
TOTAL ASSETS	205,939	55,546	32,349
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	68,975	37,612	5,218
Interfund payables	136,964	17,934	27,131
Deferred revenue	0	0	0
Total Liabilities	205,939	55,546	32,349
 Fund Balances:			
Unreserved - undesignated	0	0	0
Total Fund Balances	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 205,939	\$ 55,546	\$ 32,349

Exhibit 4

ADULT EDUCATION	VOCATIONAL EDUCATION	SPECIAL EDUCATION	SCHOOL FOOD SERVICE	FOOD PROCESSING CENTERS
\$ 0	\$ 0	\$ 0	86,391	\$ 1,382
0	0	0	559	0
38,953	55,350	170,368	269	0
0	52,616	0	188,157	0
0	0	0	83,043	0
<u>38,953</u>	<u>107,966</u>	<u>170,368</u>	<u>358,419</u>	<u>1,382</u>
15,431	60,488	67,461	308,377	426
23,522	47,478	102,907	0	0
0	0	0	34,428	0
<u>38,953</u>	<u>107,966</u>	<u>170,368</u>	<u>342,805</u>	<u>426</u>
0	0	0	15,614	956
0	0	0	15,614	956
<u>\$ 38,953</u>	<u>\$ 107,966</u>	<u>\$ 170,368</u>	<u>\$ 358,419</u>	<u>\$ 1,382</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2004

	TITLE I	TITLE VI	TITLE II	TITLE III
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	\$ 0
Investments	0	0	0	0
Receivables	414,891	0	181,903	7,452
Interfund receivables	0	0	0	0
Inventory	0	0	0	0
TOTAL ASSETS	414,891	0	181,903	7,452
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	144,541	0	96,184	1,499
Interfund payables	270,350	0	85,719	7,452
Deferred revenue	0	0	0	0
Total Liabilities	414,891	0	181,903	8,951
 Fund Balances:				
Unreserved - undesignated	0	0	0	(1,499)
Total Fund Balances	0	0	0	(1,499)
TOTAL LIABILITIES AND FUND BALANCES	\$ 414,891	\$ 0	\$ 181,903	\$ 7,452

Exhibit 4

	SALES TAX	HEAD START	PRESCHOOL	EDUCATION EXCELLENCE	TOTAL
\$	104,617	\$ 6,740	\$ 0	\$ 1,292,618	\$ 2,254,544
	0	0	0	0	528,442
	11,811	607,736	77,289	0	1,869,803
	0	0	8,620	0	252,353
	0	0	0	0	83,043
	<u>116,428</u>	<u>614,476</u>	<u>85,909</u>	<u>1,292,618</u>	<u>4,988,185</u>
	144	193,286	28,567	32,052	1,159,814
	116,186	421,190	57,342	0	1,314,175
	0	0	0	0	34,428
	<u>116,330</u>	<u>614,476</u>	<u>85,909</u>	<u>32,052</u>	<u>2,508,417</u>
	98	0	0	1,260,566	2,479,768
	98	0	0	1,260,566	2,479,768
\$	<u>116,428</u>	<u>\$ 614,476</u>	<u>\$ 85,909</u>	<u>\$ 1,292,618</u>	<u>\$ 4,988,185</u>

(CONCLUDED)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2004

	WARD I	WARD 2 - ORANGE	WARD 2 - HORNBECK	WARD 3
REVENUES				
Local sources:				
Ad valorem taxes	\$ 426,773	\$ 52,157	\$ 27,529	\$ 91,500
Interest earnings	2,891	151	57	1,735
Food services	0	0	0	0
Other	0	0	5,000	0
State sources:				
Equalization	0	0	0	0
Other	55,580	20,790	10,624	9,155
Federal sources	0	0	0	0
Total Revenues	485,244	73,098	43,210	102,390
EXPENDITURES				
Current:				
Instruction:				
Regular programs	16,629	2,646	0	162
Special programs	0	0	0	0
Other instructional programs	64,862	3,510	4,886	9,957
Support services:				
Student services	765	210	195	120
Instructional staff support	0	0	0	0
General administration	14,353	1,873	991	3,048
School administration	12,491	2,809	1,311	24,135
Business services	7	0	0	0
Plant services	348,948	41,463	31,625	48,040
Student transportation services	77,394	16,232	5,607	3,102
Central services	0	0	0	0
Food services	0	0	0	0
Community service programs	0	0	0	0
Capital Outlay	30,524	5,618	3,411	7,859
Debt service:				
Principal retirement	14,527	0	0	0
Interest and bank charges	1,870	0	0	0
Total Expenditures	582,370	74,361	48,026	96,423
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (97,126)	\$ (1,263)	\$ (4,816)	\$ 5,967

Exhibit 5

	WARD 4	WARD 5	WARD 6	WARD 7	WARD 8
\$	124,677	\$ 230,759	\$ 33,749	\$ 110,831	\$ 29,891
	632	2,578	44	255	51
	0	0	0	0	0
	0	0	0	0	5,000
	0	0	0	0	0
	11,586	9,450	5,883	21,688	7,353
	0	0	0	0	0
	<u>136,895</u>	<u>242,787</u>	<u>39,676</u>	<u>132,774</u>	<u>42,295</u>
	3,449	1,852	204	2,258	0
	0	0	0	0	0
	3,979	2,599	2,541	11,718	3,614
	420	180	180	210	195
	0	0	0	0	0
	4,756	7,023	1,728	3,197	1,442
	0	9,095	0	500	0
	0	0	14	0	0
	66,621	51,446	27,774	52,014	36,632
	12,094	2,982	4,994	58,092	6,028
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	2,745	5,795	0	2,366	0
	0	0	0	0	0
	0	0	0	0	0
	<u>94,064</u>	<u>80,972</u>	<u>37,435</u>	<u>130,355</u>	<u>47,911</u>
\$	<u>42,831</u>	<u>161,815</u>	<u>2,241</u>	<u>2,419</u>	<u>(5,616)</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2004

	WARD 1	WARD 2 - ORANGE	WARD 2 - HORNBECK	WARD 3
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 0	\$ 0	\$ 0	\$ 0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(16,600)</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(16,600)</u>
Net Change in Fund Balances	(97,126)	(1,263)	(4,816)	(10,633)
FUND BALANCES - BEGINNING	<u>452,487</u>	<u>34,041</u>	<u>14,497</u>	<u>204,803</u>
FUND BALANCES - ENDING	<u>\$ 355,361</u>	<u>\$ 32,778</u>	<u>\$ 9,681</u>	<u>\$ 194,170</u>

Exhibit 5

	WARD 4	WARD 5	WARD 6	WARD 7	WARD 8
\$	0	0	0	39,280	0
	0	0	0	0	0
	0	0	0	39,280	0
	42,831	161,815	2,241	41,699	(5,616)
	87,445	247,171	3,118	17,189	14,150
\$	130,276	408,986	5,359	58,888	8,534

(CONTINUED)

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

	OTHER SPECIAL FUNDS	8G STATE FUNDS	DRUG FREE SCHOOLS
REVENUES			
Local sources:			
Ad valorem taxes	\$ 0	\$ 0	\$ 0
Interest earnings	0	0	0
Food services	0	0	0
Other	0	0	0
State sources:			
Equalization	0	0	0
Other	361,473	230,756	0
Federal sources	325,603	0	64,738
Total Revenues	687,076	230,756	64,738
EXPENDITURES			
Current:			
Instruction:			
Regular programs	578,666	71,122	8,243
Special programs	99,639	159,634	1,539
Other instructional programs	10,569	0	0
Support services:			
Student services	7,881	0	53,345
Instructional staff support	11,623	0	0
General administration	0	0	1,240
School administration	0	0	371
Business services	0	0	0
Plant services	1,962	0	0
Student transportation services	629	0	0
Central services	0	0	0
Food services	0	0	0
Community service programs	0	0	0
Capital Outlay	0	0	0
Debt service:			
Principal retirement	0	0	0
Interest and bank charges	0	0	0
Total Expenditures	710,969	230,756	64,738
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (23,893)	\$ 0	\$ 0

Exhibit 5

<u>ADULT</u> <u>EDUCATION</u>	<u>VOCATIONAL</u> <u>EDUCATION</u>	<u>SPECIAL</u> <u>EDUCATION</u>	<u>SCHOOL</u> <u>FOOD</u> <u>SERVICE</u>	<u>FOOD</u> <u>PROCESSING</u> <u>CENTERS</u>
\$ 0	\$ 0	\$ 0	\$ 0	0
0	0	0	1,567	0
0	0	0	732,474	0
0	0	0	0	13,367
0	0	0	459,101	0
91,699	15,024	0	0	0
<u>97,282</u>	<u>361,401</u>	<u>1,480,232</u>	<u>2,083,036</u>	<u>0</u>
<u>188,981</u>	<u>376,425</u>	<u>1,480,232</u>	<u>3,276,178</u>	<u>13,367</u>
0	94,531	85,497	0	0
0	9,143	731,080	0	0
156,906	190,541	284	0	0
0	138	217,167	0	0
30,818	39,650	246,974	0	0
0	1,071	79,507	0	2,023
0	582	35,475	0	0
51	117	14,938	724	0
1,206	1,106	69,310	22,229	9,461
0	43,681	0	0	0
0	0	0	6,943	0
0	0	0	4,228,849	14,563
0	0	0	0	2,964
0	0	0	23,960	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>188,981</u>	<u>380,560</u>	<u>1,480,232</u>	<u>4,282,705</u>	<u>29,011</u>
\$ 0	\$ (4,135)	\$ 0	\$ (1,006,527)	\$ (15,644)

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

	<u>OTHER SPECIAL FUNDS</u>	<u>8G STATE FUNDS</u>	<u>DRUG FREE SCHOOLS</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 0	\$ 0	\$ 0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(23,893)	0	0
FUND BALANCES - BEGINNING	<u>23,893</u>	<u>0</u>	<u>0</u>
FUND BALANCES - ENDING	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Exhibit 5

<u>ADULT</u> <u>EDUCATION</u>	<u>VOCATIONAL</u> <u>EDUCATION</u>	<u>SPECIAL</u> <u>EDUCATION</u>	<u>SCHOOL</u> <u>FOOD</u> <u>SERVICE</u>	<u>FOOD</u> <u>PROCESSING</u> <u>CENTERS</u>
\$ 0	\$ 0	\$ 0	\$ 868,771	\$ 16,600
0	0	0	0	0
0	0	0	868,771	16,600
0	(4,135)	0	(137,756)	956
0	4,135	0	153,370	0
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,614</u>	<u>\$ 956</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2004

	TITLE I	TITLE VI	TITLE II	TITLE III
REVENUES				
Local sources:				
Ad valorem taxes	\$ 0	\$ 0	\$ 0	0
Interest earnings	0	0	0	0
Food services	0	0	0	0
Other	0	0	0	0
State sources:				
Equalization	0	0	0	0
Other	0	0	0	0
Federal sources	1,902,676	87,063	680,101	19,885
Total Revenues	1,902,676	87,063	680,101	19,885
EXPENDITURES				
Current:				
Instruction:				
Regular programs	44,276	53,860	618,331	13,864
Special programs	1,535,411	0	23,080	7,142
Other instructional programs	461	29,469	75	0
Support services:				
Student services	25	0	3,403	0
Instructional staff support	115,918	0	0	0
General administration	108,365	3,734	35,212	378
School administration	169	0	0	0
Business services	1,992	0	0	0
Plant services	63,227	0	0	0
Student transportation services	41	0	0	0
Central services	0	0	0	0
Food services	0	0	0	0
Community service programs	0	0	0	0
Capital Outlay	32,791	0	0	0
Debt service:				
Principal retirement	0	0	0	0
Interest and bank charges	0	0	0	0
Total Expenditures	1,902,676	87,063	680,101	21,384
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 0	\$ 0	\$ 0	(1,499)

Exhibit 5

<u>SALES TAX</u>	<u>HEAD START</u>	<u>PRESCHOOL</u>	<u>EDUCATIONAL EXCELLENCE</u>	<u>TOTAL</u>
\$ 0	\$ 0	\$ 0	\$ 0	1,127,866
0	0	0	0	9,961
0	0	0	0	732,474
256,602	0	0	0	279,969
0	0	0	0	459,101
0	0	183,060	1,200,605	2,234,726
0	1,611,744	150,085	0	8,863,846
<u>256,602</u>	<u>1,611,744</u>	<u>333,145</u>	<u>1,200,605</u>	<u>13,707,943</u>
0	0	182,951	192,468	1,971,009
0	1,216,293	115,369	98	3,898,428
0	0	203	161	496,335
0	30	0	0	284,464
0	219,011	21,767	39	685,800
68,958	92,718	3,535	0	435,152
0	0	0	634	87,572
10,025	0	512	0	28,380
1,624	21,632	261	0	896,581
0	40,726	5,389	0	276,991
1,800	1,026	0	0	9,769
0	0	0	0	4,243,412
0	0	0	0	2,964
0	27,048	4,414	3,495	150,026
0	0	0	0	14,527
0	0	0	0	1,870
<u>82,407</u>	<u>1,618,484</u>	<u>334,401</u>	<u>196,895</u>	<u>13,483,280</u>
\$ 174,195	\$ (6,740)	\$ (1,256)	\$ 1,003,710	\$ 224,663

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2004

	TITLE I	TITLE VI	TITLE II	TITLE III
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 0	\$ 0	\$ 0	0
Transfers out	0	0	0	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balances	0	0	0	(1,499)
FUND BALANCES - BEGINNING	0	0	0	0
FUND BALANCES - ENDING	\$ 0	\$ 0	\$ 0	(1,499)

Exhibit 5

<u>SALES TAX</u>	<u>HEAD START</u>	<u>PRESCHOOL</u>	<u>EDUCATIONAL EXCELLENCE</u>	<u>TOTAL</u>
\$ 0	\$ 0	\$ 0	\$ 0	924,651
<u>(174,097)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(190,697)</u>
(174,097)	0	0	0	733,954
98	(6,740)	(1,256)	1,003,710	958,617
<u>0</u>	<u>6,740</u>	<u>1,256</u>	<u>256,856</u>	<u>1,521,151</u>
<u>\$ 98</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,260,566</u>	<u>\$ 2,479,768</u>

(CONCLUDED)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 6-1

	*****WARD 1 MAINTENANCE*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 426,414	\$ 426,773	\$ 359
Interest earnings	2,658	2,891	233
State sources: Other	55,580	55,580	0
Total Revenues	484,652	485,244	592
EXPENDITURES			
Current:			
Instruction:			
Regular programs	16,629	16,629	0
Other instructional programs	65,266	64,862	404
Support services:			
Student services	765	765	0
General administration	14,353	14,353	0
School administration	12,787	12,491	296
Business services	7	7	0
Plant services	379,236	379,472	(236)
Student transportation services	77,265	77,394	(129)
Debt service:			
Principal retirement	14,527	14,527	0
Interest and bank charges	1,870	1,870	0
Total Expenditures	582,705	582,370	335
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(98,053)	(97,126)	927
FUND BALANCE AT BEGINNING OF YEAR	452,487	452,487	0
FUND BALANCE AT END OF YEAR	\$ 354,434	\$ 355,361	\$ 927

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-2

*****WARD 2 - ORANGE MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 52,157	\$ 52,157	\$ 0
Interest earnings	151	151	0
Other	0	0	0
State sources: Other	20,790	20,790	0
Total Revenues	73,098	73,098	0
EXPENDITURES			
Current:			
Instruction:			
Regular instruction	2,646	2,646	0
Other instructional programs	4,000	3,510	490
Support services:			
Student services	210	210	0
General administration	1,873	1,873	0
School administration	2,809	2,809	0
Plant services	47,349	47,081	268
Student transportation services	16,236	16,232	4
Total Expenditures	75,123	74,361	762
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(2,025)	(1,263)	762
FUND BALANCE AT BEGINNING OF YEAR	34,041	34,041	0
FUND BALANCE AT END OF YEAR	\$ 32,016	\$ 32,778	\$ 762

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-3

*****WARD 2 - HORNBECK MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 27,529	\$ 27,529	\$ 0
Interest earnings	55	57	2
Other	5,000	5,000	0
State sources: Other	10,770	10,624	(146)
<i>Total Revenues</i>	43,354	43,210	(144)
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	4,900	4,886	14
Support services:			
Student services	195	195	0
General administration	991	991	0
School administration	1,312	1,311	1
Plant services	35,036	35,036	0
Student transportation services	5,401	5,607	(206)
<i>Total Expenditures</i>	47,835	48,026	(191)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(4,481)	(4,816)	(335)
OTHER FINANCING SOURCES (USES)			
Transfers in	16,000	16,000	0
Transfers out	(16,000)	(16,000)	0
<i>Total Other Financing Sources (Uses)</i>	0	0	0
<i>Net Change in Fund Balances</i>	(4,481)	(4,816)	(335)
FUND BALANCE AT BEGINNING OF YEAR	14,497	14,497	0
FUND BALANCE AT END OF YEAR	\$ 10,016	\$ 9,681	\$ (335)

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-4

*****WARD 3 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 91,443	\$ 91,500	\$ 57
Interest earnings	1,600	1,735	135
State sources: Other	9,250	9,155	(95)
 Total Revenues	 102,293	 102,390	 97
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	162	162	0
Other instructional programs	10,000	9,957	43
Support services:			
Student services	120	120	0
General administration	3,048	3,048	0
School administration	24,135	24,135	0
Plant services	57,942	55,899	2,043
Student transportation services	3,102	3,102	0
 Total Expenditures	 98,509	 96,423	 2,086
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 3,784	 5,967	 2,183
 OTHER FINANCING SOURCES (USES)			
Transfers out	(16,600)	(16,600)	0
 Total Other Financing Sources (Uses)	 (16,600)	 (16,600)	 0
 Net Change in Fund Balances	 (12,816)	 (10,633)	 2,183
 FUND BALANCE AT BEGINNING OF YEAR	 204,803	 204,803	 0
 FUND BALANCE AT END OF YEAR	 \$ 191,987	 \$ 194,170	 \$ 2,183

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-5

*****WARD 4 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 124,541	\$ 124,677	136
Interest earnings	570	632	62
State sources: Other	11,894	11,586	(308)
Total Revenues	137,005	136,895	(110)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	3,449	3,449	0
Other instructional programs	4,000	3,979	21
Support services:			
Student services	420	420	0
General administration	4,756	4,756	0
Plant services	69,204	69,366	(162)
Student transportation services	11,857	12,094	(237)
Total Expenditures	93,686	94,064	(378)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	43,319	42,831	(488)
FUND BALANCE AT BEGINNING OF YEAR	87,445	87,445	0
FUND BALANCE AT END OF YEAR	\$ 130,764	\$ 130,276	\$ (488)

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-6

*****WARD 5 MAINTENANCE*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 230,759	\$ 230,759	0
Interest earnings	2,579	2,578	(1)
State sources: Other	9,451	9,450	(1)
Total Revenues	242,789	242,787	(2)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	1,853	1,852	1
Other instructional programs	2,600	2,599	1
Support services:			
Student services	180	180	0
General administration	7,023	7,023	0
School administration	9,095	9,095	0
Plant services	57,241	57,241	0
Student transportation services	2,982	2,982	0
Total Expenditures	80,974	80,972	2
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	161,815	161,815	0
FUND BALANCE AT BEGINNING OF YEAR	247,171	247,171	0
FUND BALANCE AT END OF YEAR	\$ 408,986	\$ 408,986	\$ 0

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-7

*****WARD 6 MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 33,726	\$ 33,749	\$ 23
Interest earnings	41	44	3
State sources: Other	<u>5,883</u>	<u>5,883</u>	<u>0</u>
Total Revenues	<u>39,650</u>	<u>39,676</u>	<u>26</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	204	204	0
Other instructional programs	2,541	2,541	0
Support services:			
Student services	180	180	0
General administration	1,728	1,728	0
Business services	14	14	0
Plant services	26,848	26,774	74
Student transportation services	5,001	4,994	7
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>0</u>
Total Expenditures	<u>37,516</u>	<u>37,435</u>	<u>81</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>2,134</u>	<u>2,241</u>	<u>107</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	20,000	0
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	2,134	2,241	107
FUND BALANCE AT BEGINNING OF YEAR	<u>3,118</u>	<u>3,118</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 5,252</u>	<u>\$ 5,359</u>	<u>\$ 107</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-8

*****WARD 7 MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 110,372	\$ 110,831	\$ 459
Interest earnings	225	255	30
State sources: Other	22,323	21,688	(635)
Total Revenues	132,920	132,774	(146)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	2,258	2,258	0
Other instructional programs	12,000	11,718	282
Support services:			
Student services	210	210	0
General administration	3,197	3,197	0
School administration	500	500	0
Plant services	55,094	54,380	714
Student transportation services	57,443	58,092	(649)
Total Expenditures	130,702	130,355	347
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	2,218	2,419	201
OTHER FINANCING SOURCES (USES)			
Transfers in	75,000	39,280	(35,720)
Transfers out	(35,000)	0	35,000
Total Other Financing Sources (Uses)	40,000	39,280	(720)
Net Change in Fund Balances	42,218	41,699	(519)
FUND BALANCE AT BEGINNING OF YEAR	17,189	17,189	0
FUND BALANCE AT END OF YEAR	\$ 59,407	\$ 58,888	(519)

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-9

*****WARD 8 MAINTENANCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 29,875	\$ 29,891	\$ 16
Interest earnings	47	51	4
Other	5,000	5,000	0
State sources: Other	<u>7,586</u>	<u>7,353</u>	<u>(233)</u>
Total Revenues	<u>42,508</u>	<u>42,295</u>	<u>(213)</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	4,000	3,614	386
Support services:			
Student services	195	195	0
General administration	1,442	1,442	0
Plant services	36,851	36,632	219
Student transportation services	<u>5,591</u>	<u>6,028</u>	<u>(437)</u>
Total Expenditures	<u>48,079</u>	<u>47,911</u>	<u>168</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(5,571)	(5,616)	(45)
OTHER FINANCING SOURCES (USES)			
Transfers in	16,000	16,000	0
Transfers out	<u>(16,000)</u>	<u>(16,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	(5,571)	(5,616)	(45)
FUND BALANCE AT BEGINNING OF YEAR	<u>14,150</u>	<u>14,150</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 8,579</u>	<u>\$ 8,534</u>	<u>\$ (45)</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-10

*****OTHER SPECIAL FUNDS*****			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
State sources:			
Other	\$ 361,473	\$ 361,473	\$ 0
Federal sources	320,245	325,603	5,358
Total Revenues	681,718	687,076	5,358
EXPENDITURES			
Current:			
Instruction:			
Regular programs	579,032	582,643	(3,611)
Special programs	94,471	93,447	1,024
Other instructional programs	9,776	10,569	(793)
Support services:	0		
Student services	7,881	7,881	0
Instructional staff support	11,614	11,623	(9)
Plant services	2,108	1,770	338
Student transportation services	629	629	0
Total Expenditures	705,511	708,562	(3,051)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(23,793)	(21,486)	2,307
FUND BALANCE AT BEGINNING OF YEAR	23,893	23,893	0
	\$ 100	\$ 2,407	\$ 2,307

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-11

*****8G STATE FUNDS*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State sources:			
Other	\$ 268,083	\$ 230,756	\$ (37,327)
Total Revenues	<u>268,083</u>	<u>230,756</u>	<u>(37,327)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	75,810	71,122	4,688
Special programs	<u>192,273</u>	<u>159,634</u>	<u>32,639</u>
Total Expenditures	<u>268,083</u>	<u>230,756</u>	<u>37,327</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 6-12

*****DRUG FREE SCHOOLS*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 69,756	\$ 64,738	\$ (5,018)
Total Revenues	<u>69,756</u>	<u>64,738</u>	<u>(5,018)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	8,243	8,243	0
Special programs	1,539	1,539	0
Support services:			
Student services	57,183	53,345	3,838
General administration	1,344	1,240	104
School administration	371	371	0
Plant services	1,076	0	1,076
Total Expenditures	<u>69,756</u>	<u>64,738</u>	<u>5,018</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-13

*****ADULT EDUCATION*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State sources:			
Other	\$ 91,699	\$ 91,699	0
Federal sources	<u>94,956</u>	<u>97,282</u>	<u>2,326</u>
 Total Revenues	 <u>186,655</u>	 <u>188,981</u>	 <u>2,326</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	573	0	573
Other instructional programs	155,666	156,906	(1,240)
Support services:			
Instructional staff support	30,364	30,818	(454)
Business services	52	51	1
Plant services	<u>0</u>	<u>1,206</u>	<u>(1,206)</u>
 Total Expenditures	 <u>186,655</u>	 <u>188,981</u>	 <u>(2,326)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 0	 0	 0
 FUND BALANCE AT BEGINNING OF YEAR	 <u>0</u>	 <u>0</u>	 <u>0</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-14

*****VOCATIONAL EDUCATION*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State sources:			
Other	\$ 15,024	\$ 15,024	\$ 0
Federal sources	<u>362,051</u>	<u>361,401</u>	<u>(650)</u>
Total Revenues	<u>377,075</u>	<u>376,425</u>	<u>(650)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	86,492	94,531	(8,039)
Special programs	21,998	9,143	12,855
Other instructional programs	191,234	190,541	693
Support services:			
Student services	138	138	0
Instructional staff support	39,650	39,650	0
General administration	1,071	1,071	0
School administration	582	582	0
Business services	117	117	0
Plant services	1,106	1,106	0
Student transportation services	<u>33,162</u>	<u>43,681</u>	<u>(10,519)</u>
Total Expenditures	<u>375,550</u>	<u>380,560</u>	<u>(5,010)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	1,525	(4,135)	(5,660)
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>4,135</u>	<u>4,135</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,525</u>	<u>\$ 0</u>	<u>(1,525)</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 6-15

*****SPECIAL EDUCATION*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 1,480,422	\$ 1,480,232	\$ (190)
Total Revenues	<u>1,480,422</u>	<u>1,480,232</u>	<u>(190)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	85,497	85,497	0
Special programs	731,080	731,080	0
Other instructional programs	284	284	0
Support services:			
Student services	217,167	217,167	0
Instructional staff support	246,974	246,974	0
General administration	79,507	79,507	0
School administration	35,475	35,475	0
Business services	14,938	14,938	0
Plant services	69,310	69,310	0
Student transportation services	<u>190</u>	<u>0</u>	<u>190</u>
Total Expenditures	<u>1,480,422</u>	<u>1,480,232</u>	<u>190</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-16

*****SCHOOL FOOD SERVICE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Interest earnings	\$ 1,467	\$ 1,567	\$ 100
Food services	732,474	732,474	0
State sources:			
Equalization	459,101	459,101	0
Federal sources	<u>2,095,302</u>	<u>2,095,343</u>	<u>41</u>
 Total Revenues	 <u>3,288,344</u>	 <u>3,288,485</u>	 <u>141</u>
 EXPENDITURES			
Current:			
Support services:			
Business services	0	724	(724)
Plant services	22,229	22,229	0
Central services	7,000	6,943	57
Food services	<u>4,272,656</u>	<u>4,267,894</u>	<u>4,762</u>
 Total Expenditures	 <u>4,301,885</u>	 <u>4,297,790</u>	 <u>4,095</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>(1,013,541)</u>	 <u>(1,009,305)</u>	 <u>4,236</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	1,673,334	1,673,334	0
Transfers out	<u>(804,563)</u>	<u>(804,563)</u>	<u>0</u>
 Total Other Financing Sources (Uses)	 <u>868,771</u>	 <u>868,771</u>	 <u>0</u>
 Net Change in Fund Balances	 (144,770)	 (140,534)	 4,236
 FUND BALANCE AT BEGINNING OF YEAR	 <u>153,370</u>	 <u>153,370</u>	 <u>0</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 8,600</u>	 <u>\$ 12,836</u>	 <u>\$ 4,236</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-17

*****FOOD PROCESSING CENTERS*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Other	\$ 13,367	\$ 13,367	\$ 0
Total Revenues	13,367	13,367	0
EXPENDITURES			
Current:			
Support services:			
General administration	1,850	2,023	(173)
Plant services	10,158	9,461	697
Food services	14,563	14,563	0
Community service programs	2,985	2,964	21
Total Expenditures	29,556	29,011	545
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(16,189)	(15,644)	545
OTHER FINANCING SOURCES (USES)			
Transfers in	16,600	16,600	0
Total Other Financing Sources (Uses)	16,600	16,600	0
Net Change in Fund Balances	411	956	545
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 411	\$ 956	\$ 545

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-18

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
*****TITLE I*****			
REVENUES			
Federal sources	\$ 2,205,450	\$ 1,902,676	\$ (302,774)
Total Revenues	<u>2,205,450</u>	<u>1,902,676</u>	<u>(302,774)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	44,276	44,276	0
Special programs	1,829,765	1,535,411	294,354
Other instructional programs	461	461	0
Support services:			
Student services	25	25	0
Instructional staff support	140,260	115,918	24,342
General administration	114,252	108,365	5,887
School administration	169	169	0
Business services	1,992	1,992	0
Plant services	74,209	63,227	10,982
Student transportation services	41	41	0
Capital outlay	<u>0</u>	<u>32,791</u>	<u>(32,791)</u>
Total Expenditures	<u>2,205,450</u>	<u>1,902,676</u>	<u>302,774</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-19

*****TITLE VI*****

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 87,063	\$ 87,063	\$ 0
Total Revenues	87,063	87,063	0
EXPENDITURES			
Current			
Instruction:			
Regular programs	53,860	53,860	0
Other instructional programs	29,469	29,469	0
Support services:			
General administration	3,734	3,734	0
Total Expenditures	87,063	87,063	0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	0	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 0	\$ 0	\$ 0

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-20

	*****TITLE II*****		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Federal sources	\$ 679,452	\$ 680,101	\$ 649
Total Revenues	679,452	680,101	649
EXPENDITURES			
Current:			
Instruction:			
Regular programs	589,311	618,331	(29,020)
Special programs	22,505	23,080	(575)
Other instructional programs	1	75	(74)
Support services:			
Student services	3,403	3,403	0
General administration	35,212	35,212	0
Total Expenditures	650,432	680,101	(29,669)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	29,020	0	(29,020)
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 29,020	\$ 0	\$ (29,020)

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-21

*****TITLE III*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 21,384	\$ 19,885	\$ (1,499)
Total Revenues	<u>21,384</u>	<u>19,885</u>	<u>(1,499)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	13,864	13,864	0
Special programs	7,142	7,142	0
Support services:			
General administration	<u>378</u>	<u>378</u>	<u>0</u>
Total Expenditures	<u>21,384</u>	<u>21,384</u>	<u>0</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	(1,499)	(1,499)
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ (1,499)</u>	<u>\$ (1,499)</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-22

*****SALES TAX*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Local sources:			
Other	\$ 256,602	\$ 256,602	\$ 0
Total Revenues	256,602	256,602	0
EXPENDITURES			
Current:			
Support services:			
General administration	68,958	68,958	0
Business services	10,025	10,025	0
Plant services	1,624	1,624	0
Central services	1,800	1,800	0
Total Expenditures	82,407	82,407	0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	174,195	174,195	0
OTHER FINANCING SOURCES (USES)			
Transfers out	(174,097)	(174,097)	0
Total Other Financing Sources (Uses)	(174,097)	(174,097)	0
Net Change in Fund Balances	98	98	0
FUND BALANCE AT BEGINNING OF YEAR	0	0	0
FUND BALANCE AT END OF YEAR	\$ 98	\$ 98	\$ 0

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-23

*****HEAD START*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Federal sources	\$ 1,611,541	\$ 1,611,744	\$ 203
Total Revenues	<u>1,611,541</u>	<u>1,611,744</u>	<u>203</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	1,234,654	1,243,341	(8,687)
Support services:			
Student services	15	30	(15)
Instructional staff support	219,261	219,011	250
General administration	84,274	92,718	(8,444)
Plant services	34,250	21,632	12,618
Student transportation services	38,849	40,726	(1,877)
Central services	<u>238</u>	<u>1,026</u>	<u>(788)</u>
Total Expenditures	<u>1,611,541</u>	<u>1,618,484</u>	<u>(6,943)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	0	(6,740)	(6,740)
FUND BALANCE AT BEGINNING OF YEAR	<u>0</u>	<u>6,740</u>	<u>6,740</u>
FUND BALANCE AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Budget (Non-GAAP Basis) and Actual
 For the Year Ended June 30, 2004

Exhibit 6-24

*****PRESCHOOL*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State sources:			
Other	\$ 183,060	\$ 183,060	\$ 0
Federal sources	<u>150,113</u>	<u>150,085</u>	<u>(28)</u>
 Total Revenues	 <u>333,173</u>	 <u>333,145</u>	 <u>(28)</u>
 EXPENDITURES			
Current:			
Instruction:			
Regular programs	181,698	182,951	(1,253)
Special programs	119,783	119,783	0
Other instructional programs	200	203	(3)
Support services:			
Instructional staff support	21,767	21,767	0
General administration	3,536	3,535	1
Business services	512	512	0
Plant services	261	261	0
Student transportation services	<u>5,416</u>	<u>5,389</u>	<u>27</u>
 Total Expenditures	 <u>333,173</u>	 <u>334,401</u>	 <u>(1,228)</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 0	 (1,256)	 (1,256)
 FUND BALANCE AT BEGINNING OF YEAR	 <u>0</u>	 <u>1,256</u>	 <u>1,256</u>
 FUND BALANCE AT END OF YEAR	 <u>\$ 0</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

VERNON PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual
For the Year Ended June 30, 2004

Exhibit 6-25

*****EDUCATIONAL EXCELLENCE*****

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
State sources:			
Other	\$ 1,200,605	\$ 1,200,605	\$ 0
Total Revenues	1,200,605	1,200,605	0
EXPENDITURES			
Current:			
Instruction:			
Regular programs	195,963	195,963	0
Special programs	98	98	0
Other instructional programs	161	161	0
Support services:			
Instructional staff support	39	39	0
School administration	634	634	0
Total Expenditures	196,895	196,895	0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	1,003,710	1,003,710	0
FUND BALANCE AT BEGINNING OF YEAR	256,856	256,856	0
FUND BALANCE AT END OF YEAR	\$ 1,260,566	\$ 1,260,566	\$ 0

Vernon Parish School Board

Nonmajor Debt Service Funds

Ward No. 1
Ward No. 2 - Orange
Ward No. 2 - Hornbeck
Ward No. 3
Ward No. 4
Ward No. 5
Ward No. 6
Ward No. 7
Ward No. 8

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by an ad valorem tax on property within the territorial boundaries of the respective wards.

VERNON PARISH SCHOOL BOARD
NONMAJOR DEBT SERVICE FUNDS
 Combining Balance Sheet
 June 30, 2004

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
ASSETS				
Cash and cash equivalents	\$ 189,149	\$ 76,228	\$ 28,729	\$ 26,921
Investments	101	3,858	2,279	16,255
Receivables	245	247	393	59
TOTAL ASSETS	<u>189,495</u>	<u>80,333</u>	<u>31,401</u>	<u>43,235</u>
LIABILITIES AND FUND BALANCES				
Interfund payables	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances:				
Reserved for debt service	<u>189,495</u>	<u>80,333</u>	<u>31,401</u>	<u>43,235</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 189,495</u>	<u>\$ 80,333</u>	<u>\$ 31,401</u>	<u>\$ 43,235</u>

Exhibit 7

	WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$	89,291	67,838	115,032	179,967	113,975	887,130
	1,532	30,727	292	106,767	2,972	164,783
	379	5,233	93	196	137	6,982
	<u>91,202</u>	<u>103,798</u>	<u>115,417</u>	<u>286,930</u>	<u>117,084</u>	<u>1,058,895</u>
	0	0	27	0	0	27
	<u>91,202</u>	<u>103,798</u>	<u>115,390</u>	<u>286,930</u>	<u>117,084</u>	<u>1,058,868</u>
\$	<u>91,202</u>	<u>103,798</u>	<u>115,417</u>	<u>286,930</u>	<u>117,084</u>	<u>1,058,895</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2004

	WARD 1	WARD 2 - ORANGE	WARD 2 - HORNBECK	WARD 3
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 458,146	\$ 157,572	\$ 202,262	\$ 57,657
Interest earnings	570	1,051	247	488
Other	0	0	0	0
Total Revenues	458,716	158,623	202,509	58,145
EXPENDITURES				
Current:				
Support services:				
General administration	15,422	5,760	7,289	1,921
Debt service:				
Principal retirement	170,000	135,000	131,000	35,000
Interest and bank charges	239,736	37,537	66,084	52,250
Total Expenditures	425,158	178,297	204,373	89,171
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	33,558	(19,674)	(1,864)	(31,026)
FUND BALANCES - BEGINNING	155,937	100,007	33,265	74,261
FUND BALANCES - ENDING	\$ 189,495	\$ 80,333	\$ 31,401	\$ 43,235

Exhibit 8

WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$ 276,510	\$ 211,218	\$ 168,996	\$ 485,263	\$ 133,051	\$ 2,150,675
717	1,932	454	2,054	1,055	8,568
0	0	20,985	0	0	20,985
<u>277,227</u>	<u>213,150</u>	<u>190,435</u>	<u>487,317</u>	<u>134,106</u>	<u>2,180,228</u>
9,308	6,897	26,844	17,062	4,893	95,396
220,000	253,000	41,892	250,000	100,000	1,335,892
<u>54,057</u>	<u>128,726</u>	<u>87,001</u>	<u>156,810</u>	<u>29,401</u>	<u>851,602</u>
<u>283,365</u>	<u>388,623</u>	<u>155,737</u>	<u>423,872</u>	<u>134,294</u>	<u>2,282,890</u>
<u>(6,138)</u>	<u>(175,473)</u>	<u>34,698</u>	<u>63,445</u>	<u>(188)</u>	<u>(102,662)</u>
<u>97,340</u>	<u>279,271</u>	<u>80,692</u>	<u>223,485</u>	<u>117,272</u>	<u>1,161,530</u>
<u>\$ 91,202</u>	<u>\$ 103,798</u>	<u>\$ 115,390</u>	<u>\$ 286,930</u>	<u>\$ 117,084</u>	<u>\$ 1,058,868</u>

Vernon Parish School Board

Nonmajor Capital Project Funds

Ward 6 Wardwide Construction Fund was set up to make classroom additions, cafeteria additions, replace air conditioning units, repair roofs, and other various building renovations.

Ward 1 Construction School District 16 Fund was established to make classroom additions, replace air conditioning units, repair roofs, and make other building improvements.

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NONMAJOR CAPITAL PROJECT FUNDS
Combining Balance Sheet
June 30, 2004

Exhibit 9

	WARD 6 WARDWIDE CONSTRUCTION	WARD 1 CONSTRUCTION SCHOOL DISTRICT 16	TOTAL
ASSETS			
Cash and cash equivalents	\$ 221	\$ 888,119	\$ 888,340
Receivables	<u>0</u>	<u>389</u>	<u>389</u>
Total Assets	<u>221</u>	<u>888,508</u>	<u>888,729</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts, salaries and other payables	<u>0</u>	<u>36,360</u>	<u>36,360</u>
Total Liabilities	0	36,360	36,360
Fund Equity			
Fund balances:			
Undesignated	<u>221</u>	<u>852,148</u>	<u>852,369</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 221</u>	<u>\$ 888,508</u>	<u>\$ 888,729</u>

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

NONMAJOR CAPITAL PROJECT FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2004

Exhibit 10

	<u>WARD 6 WARDWIDE CONSTRUCTION</u>	<u>WARD 1 CONSTRUCTION SCHOOL DISTRICT 16</u>	<u>TOTAL</u>
REVENUES			
Local sources:			
Interest earnings	\$ 1	\$ 9,776	\$ 9,777
Total Revenues	<u>1</u>	<u>9,776</u>	<u>9,777</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	0	7,774	7,774
Support services:			
General administration	0	1,531	1,531
Food services	0	18,939	18,939
Capital outlay	<u>0</u>	<u>2,738,314</u>	<u>2,738,314</u>
Total Expenditures	<u>0</u>	<u>2,766,558</u>	<u>2,766,558</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	1	(2,756,782)	(2,756,781)
FUND BALANCES AT BEGINNING OF YEAR	<u>220</u>	<u>3,608,930</u>	<u>3,609,150</u>
FUND BALANCES AT END OF YEAR	<u>\$ 221</u>	<u>\$ 852,148</u>	<u>\$ 852,369</u>

Vernon Parish School Board

Agency Funds

SCHOOL ACTIVITIES FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

SCHOLARSHIP FUND This scholarship agency fund is funded by voluntary employee contributions. The proceeds are used to provide an annual scholarship for an outstanding graduate who plans to major in education.

SALES TAX FUND The sales tax fund accounts for monies collected on behalf of the other taxing authorities in Vernon Parish. Upon receipt of sales tax returns and monies, a direct deposit is made into the bank account of the other taxing authorities.

VERNON PARISH SCHOOL BOARD

AGENCY FUNDS

Combining Statement of Fiduciary Assets and Liabilities
June 30, 2004

Exhibit 11

	<u>SCHOOL ACTIVITIES FUND</u>	<u>SCHOLARSHIP FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ 767,136	\$ 2,414	\$ 769,550
Investments	<u>115,545</u>	<u>0</u>	<u>115,545</u>
Total assets	<u>882,681</u>	<u>2,414</u>	<u>885,095</u>
LIABILITIES			
Deposits due others	<u>882,681</u>	<u>2,414</u>	<u>885,095</u>
Total liabilities	<u>\$ 882,681</u>	<u>\$ 2,414</u>	<u>\$ 885,095</u>

VERNON PARISH SCHOOL BOARD

AGENCY FUNDS

Combining Statement of Changes In Assets and Liabilities
For the Year Ended June 30, 2004

Exhibit 12

	Balance, Beginning	Additions	Deductions	Balance, Ending
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 744,292	\$ 2,839,411	\$ 2,816,567	\$ 767,136
Investments	<u>85,000</u>	<u>30,545</u>	<u>0</u>	<u>115,545</u>
Total Assets	<u>\$ 829,292</u>	<u>\$ 2,869,956</u>	<u>\$ 2,816,567</u>	<u>\$ 882,681</u>
LIABILITIES				
Deposits due others	<u>\$ 829,292</u>	<u>\$ 2,869,956</u>	<u>\$ 2,816,567</u>	<u>\$ 882,681</u>
*****SCHOLARSHIP FUND*****				
ASSETS				
Cash and cash equivalents	<u>\$ 3,111</u>	<u>\$ 1,487</u>	<u>\$ 2,184</u>	<u>\$ 2,414</u>
LIABILITIES				
Deposits due others	<u>\$ 3,111</u>	<u>\$ 1,487</u>	<u>\$ 2,184</u>	<u>\$ 2,414</u>
*****SALES TAX FUND*****				
ASSETS				
Cash and cash equivalents	<u>\$ 0</u>	<u>\$ 17,353,716</u>	<u>\$ 17,353,716</u>	<u>\$ 0</u>
LIABILITIES				
Deposits due other taxing authorities	<u>\$ 0</u>	<u>\$ 17,353,716</u>	<u>\$ 17,353,716</u>	<u>\$ 0</u>
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	\$ 747,403	\$ 20,194,614	\$ 20,172,467	\$ 769,550
Investments	<u>85,000</u>	<u>30,545</u>	<u>0</u>	<u>115,545</u>
Total Assets	<u>\$ 832,403</u>	<u>\$ 20,225,159</u>	<u>\$ 20,172,467</u>	<u>\$ 885,095</u>
LIABILITIES				
Deposits due others	\$ 832,403	\$ 2,871,443	\$ 2,818,751	\$ 885,095
Deposits due other taxing authorities	<u>0</u>	<u>17,353,716</u>	<u>17,353,716</u>	<u>0</u>
Total Liabilities	<u>\$ 832,403</u>	<u>\$ 20,225,159</u>	<u>\$ 20,172,467</u>	<u>\$ 885,095</u>

VERNON PARISH SCHOOL BOARD
SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2004

Exhibit 13

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
ANACOCO HIGH	\$ 39,801	\$ 179,497	\$ 181,807	\$ 37,491
ANACOCO ELEMENTARY	18,390	123,662	118,157	23,895
EAST LEESVILLE ELEMENTARY	7,068	57,163	50,906	13,325
EVANS	28,364	101,162	102,022	27,504
HICKS	38,484	128,550	126,861	40,173
HORNBECK	19,284	160,361	156,290	23,355
LEESVILLE HIGH	182,241	611,550	612,071	181,720
LEESVILLE JUNIOR HIGH	27,479	120,570	120,804	27,245
NORTH POLK ELEMENTARY	39,103	101,663	92,521	48,245
OPTIONAL SCHOOL	539	3,681	3,706	514
PICKERING HIGH	94,533	231,176	248,374	77,335
PICKERING ELEMENTARY	22,869	107,747	99,031	31,585
PITKIN HIGH	130,064	164,993	169,705	125,352
ROSEPINE HIGH	45,970	285,085	271,774	59,281
ROSEPINE ELEMENTARY	3,974	101,437	85,738	19,673
SIMPSON	46,106	134,651	135,700	45,057
SOUTH POLK ELEMENTARY	24,351	96,006	82,518	37,839
VERNON ELEMENTARY	40,607	92,985	94,641	38,951
WEST LEESVILLE ELEMENTARY	16,756	56,423	53,036	20,143
WEST LEESVILLE PRESCHOOL	3,309	11,594	10,905	3,998
TOTAL	<u>\$ 829,292</u>	<u>\$ 2,869,956</u>	<u>\$ 2,816,567</u>	<u>\$ 882,681</u>

Vernon Parish School Board

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS
&
SCHEDULE OF COMPENSATION PAID
BOARD MEMBERS**

VERNON PARISH SCHOOL BOARD
SCHEDULE OF CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS -
BY SOURCE
June 30, 2004

Exhibit 14

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$	1,335,047
Buildings		42,107,472
Furniture and Equipment		7,741,903
Construction in progress		<u>4,746,414</u>

TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS \$ 55,930,836

INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS:

Balance, June 30, 1987	\$	32,647,333
Subsequent to June 30, 1987:		
From General Fund		564,206
From <i>Maintenance Funds</i>		11,630,369
From Federal Funds		3,525,290
From School Food Service Fund		498,094
From Capital Project Fund		<u>7,065,544</u>

TOTAL INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS \$ 55,930,836

VERNON PARISH SCHOOL BOARD
SCHEDULE OF CAPITAL ASSETS USED IN THE
OPERATION OF GOVERNMENTAL FUNDS -
BY FUNCTION

Exhibit 15

June 30, 2004

<u>FUNCTION</u>	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>FURNITURE AND EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>
Instruction	\$ 49,088,346	\$ 1,335,047	\$ 38,748,127	\$ 4,258,758	\$ 4,746,414
General Administration	2,161,956	0	1,119,782	1,042,174	0
Plant services	892,237	0	0	892,237	0
Student Transportation	717,313	0	0	717,313	0
School Food Service	<u>3,070,984</u>	<u>0</u>	<u>2,239,563</u>	<u>831,421</u>	<u>0</u>
 TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	 <u>\$ 55,930,836</u>	 <u>\$ 1,335,047</u>	 <u>\$ 42,107,472</u>	 <u>\$ 7,741,903</u>	 <u>\$ 4,746,414</u>

VERNON PARISH SCHOOL BOARD
SCHEDULE OF CHANGES IN CAPITAL ASSETS
USED IN THE OPERATION OF GOVERNMENTAL FUNDS -
BY FUNCTION

Exhibit 16

For the Year Ended June 30, 2004

<u>FUNCTION</u>	<u>BALANCE,</u> <u>BEGINNING</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE,</u> <u>ENDING</u>
Instruction	\$ 47,288,240	\$ 5,817,899	\$ 4,017,793	\$ 49,088,346
General Administration	2,161,956	0	0	2,161,956
Plant Services	892,237	0	0	892,237
Student Transportation	717,313	0	0	717,313
School Food Service	<u>3,070,984</u>	<u>0</u>	<u>0</u>	<u>3,070,984</u>
 TOTAL GOVERNMENTAL FUNDS CAPITAL ASSETS	 <u>\$ 54,130,730</u>	 <u>\$ 5,817,899</u>	 <u>\$ 4,017,793</u>	 <u>\$ 55,930,836</u>

Vernon Parish School Board

General

Exhibit 17

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2004**

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month, and the president receives \$900 per month for performing the duties of his office.

Philip L. Gunn, President	\$10,200
James Armes, III	9,600
Willis A. Farris	10,200
Millard "Mel" Harris	9,600
B. R. Harvey	9,600
M. Gene Haymon	9,600
William R. Martin	9,600
Gaye McKee	9,600
Robert Pynes, Jr.	9,600
Ricky Reese	9,600
Mark H. Smith	9,600
Betty Westerchil	<u>9,600</u>
TOTAL	<u>\$116,400</u>

Vernon Parish School Board

**COMPARATIVE INFORMATION
&
OTHER DATA REQUIRED BY
BOND CONVENANT
WITH THE
U. S. DEPARTMENT OF AGRICULTURE**

VERNON PARISH SCHOOL BOARD
NONMAJOR DEBT SERVICE FUND - WARD 6
Comparative Balance Sheet
June 30, 2003 and 2004

Exhibit 18

	<u>2003</u>	<u>2004</u>
ASSETS		
Cash and cash equivalents	\$ 80,403	\$ 115,032
Investments	289	292
Receivables	0	93
TOTAL ASSETS	80,692	115,417
LIABILITIES AND FUND BALANCES		
Interfund payables	0	27
Fund Balances:		
Reserved for debt service	80,692	115,390
TOTAL LIABILITIES AND FUND BALANCES	\$ 80,692	\$ 115,417

VERNON PARISH SCHOOL BOARD
NONMAJOR DEBT SERVICE FUND - WARD 6
Comparative Statements of Revenues, Expenditures,
and Changes in Fund Balances
For the Years Ended June 30, 2003 and 2004

Exhibit 19

	2003	2004
REVENUES		
Local sources:		
Taxes:		
Ad valorem	\$ 86,083	\$ 168,996
Interest earnings	738	454
Other	0	20,985
Total Revenues	86,821	190,435
EXPENDITURES		
Current:		
Support services:		
General administration	2,988	26,844
Debt service:		
Principal retirement	32,979	41,892
Interest and bank charges	79,553	87,001
Total Expenditures	115,520	155,737
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(28,699)	34,698
FUND BALANCES - BEGINNING	109,391	80,692
FUND BALANCES - ENDING	\$ 80,692	\$ 115,390

Vernon Parish School Board

**Schedule of Insurance
For the Year Ended June 30, 2004**

The School Board has insurance coverage for the following major types of coverage:

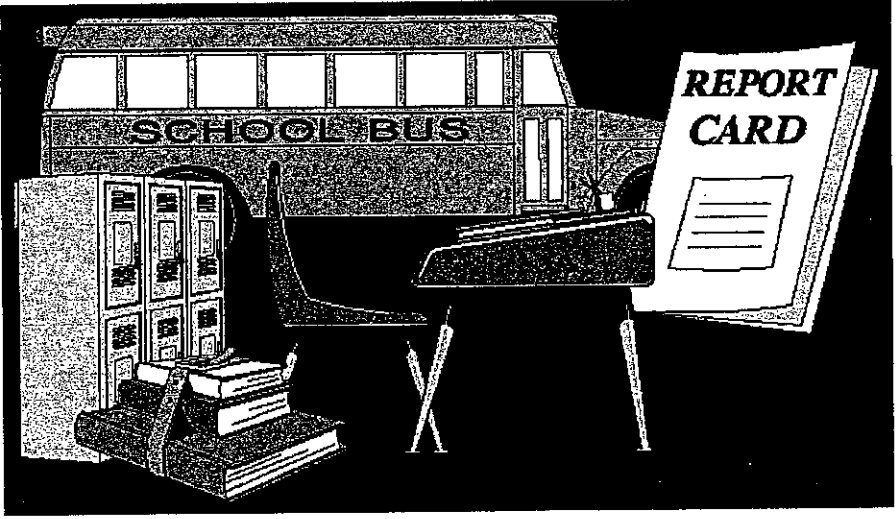
<u>Type of Coverage</u>	<u>Policy Effective Date</u>	<u>Expiration Date</u>	<u>Amount of Deductible</u>	<u>Amount of Policy Coverage</u>
Fire & Extended Coverage	8/1/2003	7/31/2004	\$100,000	
General Liability	8/1/2003	7/31/2004	25,000	
Workers' Compensation	8/1/2003	7/31/2004	25,000	
Employee Fidelity	8/1/2003	7/31/2004	25,000	\$1,000,000
Vehicle Collision & Liability	8/1/2003	7/31/2004	500	
Board Members' Officers Liability	8/1/2003	7/31/2004	25,000	

Vernon Parish School Board
Reserve Account
For the Year Ended June 30, 2004

The Vernon Parish School Board maintains a sinking fund bank account for Ward VI Wardwide School District #161. This account is used to fund annual debt service payments for the two bond issuances in Ward VI from the United States Department of Agriculture Rural Development.

The following is the detail of the two bond issuances :

<u>Date of Issuance</u>	<u>Original Amount</u>	<u>Amount Drawn to Date</u>	<u>June 30, 2004 Principal Outstanding</u>
November 16, 1993	\$1,500,000	\$1,500,000	\$1,221,163
April 25, 2002	450,000	406,500	399,277



STATISTICAL SECTION

Table 1

VERNON PARISH SCHOOL BOARD

Government-wide Expenses by Function
Fiscal Years Ended June 30, 1999-2004
(amounts expressed in thousands)

	1999	2000	2001	2002	2003	2004
Governmental Activities:						
Instruction						
Regular programs	\$ 24,103	\$ 25,006	\$ 25,342	\$ 27,048	\$ 28,051	\$ 29,434
Special programs	8,552	8,814	10,749	11,220	11,859	12,434
Other instructional programs	4,227	4,003	2,405	2,584	3,072	2,821
Support services						
Student services	2,288	2,432	2,363	2,609	2,709	2,920
Instructional staff support	2,378	2,383	2,427	2,439	2,497	2,493
General administration	1,256	1,400	1,355	1,403	1,529	1,468
School administration	2,802	3,157	3,683	3,553	3,506	3,597
Business services	462	529	524	467	558	520
Plant services	5,338	5,473	5,582	5,766	6,073	6,277
Student transportation services	4,208	4,110	4,046	4,304	4,665	5,070
Central services	228	385	520	631	460	444
Food services	4,063	4,072	4,145	4,262	4,315	4,732
Community service programs	1	5	7	10	34	44
Interest on Long-Term Debt	561	416	589	480	622	966
Total Expenses	<u>\$ 60,467</u>	<u>\$ 62,185</u>	<u>\$ 63,737</u>	<u>\$ 66,776</u>	<u>\$ 69,950</u>	<u>\$ 73,220</u>

Source: Comprehensive Annual Financial Report

Note: The School Board adopted GASB 34 for the year ended June 30, 1999.

Table 2

VERNON PARISH SCHOOL BOARD

Government-wide Revenues
 Fiscal Years Ended June 30, 1999-2004
 (amounts expressed in thousands)

Year Ended June 30,	Program Revenues				General Revenues							Total	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Property Taxes	Sales Taxes	State Revenue Sharing	Minimum Foundation	Impact Aid	Restricted to Specific Programs	Unrestricted Investment Earnings	Special Items		Miscellaneous
2004	\$ 732	\$ 11,418	\$ 0	\$ 4,193	\$ 8,354	\$ 131	\$ 42,172	\$ 7,832	\$ 320	\$ 178	\$ 0	\$ 306	\$ 75,636
2003	725	9,549	0	3,745	7,470	280	40,447	6,904	460	231	0	1,361	71,172
2002	752	8,481	0	3,174	7,260	293	39,662	6,039	348	307	0	1,383	67,699
2001	749	8,444	0	3,310	7,957	306	38,164	5,070	194	473	0	767	65,434
2000	728	8,217	0	3,663	7,081	296	36,134	5,233	301	485	0	743	62,881
1999	740	8,378	227	3,151	6,931	355	35,914	3,471	202	420	3	362	60,154

Source: Comprehensive Annual Financial Statements
 Note: The School Board adopted GASB 34 for the year ended June 30, 1999.

Table 3

VERNON PARISH SCHOOL BOARD

General Expenditures By Function - All Governmental Funds
Fiscal Year Ended June 30, 1995 through June 30, 2004

Current:	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Instruction										
Regular programs										
Special programs	\$ 21,419,880	\$ 19,879,963	\$ 20,326,278	\$ 22,591,690	\$ 23,156,460	\$ 23,900,755	\$ 24,289,895	\$ 26,234,663	\$ 27,214,061	\$ 28,547,939
Other instructional programs	8,426,359	8,281,757	7,118,602	7,010,231	8,530,402	8,735,778	10,707,116	11,177,412	11,809,876	12,418,306
	1,222,926	2,074,205	3,300,499	4,621,013	3,944,395	3,717,206	2,027,702	2,221,787	2,705,865	2,560,248
Support services										
Student services	1,845,810	1,759,578	1,765,352	1,980,586	2,287,819	2,432,470	2,362,617	2,609,415	2,708,577	2,919,505
Instructional staff support	2,251,219	2,212,921	2,187,309	2,371,153	2,356,556	2,358,776	2,402,753	2,417,277	2,476,692	2,490,086
General administration	1,199,673	1,547,055	1,145,272	1,470,942	1,225,003	1,377,629	1,390,717	1,499,325	1,550,176	1,778,001
School administration	2,675,738	2,794,075	2,637,416	2,832,716	2,734,292	3,089,327	3,616,658	3,490,961	3,445,814	3,545,408
Business services	429,765	399,657	398,683	476,634	434,782	524,833	519,508	461,615	552,250	518,041
Plant services	4,912,181	4,641,655	4,679,651	4,939,685	5,299,717	5,424,293	5,531,014	5,633,988	6,060,940	6,259,112
Student transportation services	4,037,535	4,025,802	3,956,429	4,326,081	4,186,257	4,092,734	4,027,086	4,265,679	4,612,661	5,066,296
Central services	161,574	212,461	151,983	194,251	227,943	385,528	519,499	631,498	460,289	443,887
Food services	3,696,347	3,565,957	3,641,239	3,868,241	3,965,158	3,973,686	4,050,098	4,119,817	4,234,825	4,520,801
Community service programs	7,071	3,470	900	900	1,468	5,067	6,839	10,293	33,344	44,510
Capital Outlay	4,668,064	1,366,447	1,048,406	308,170	803,785	1,442,711	443,281	1,210,221	2,759,105	4,609,624
Debt Services:										
Principal retirement	807,583	804,621	705,204	877,331	849,514	870,431	924,239	968,242	1,173,653	1,350,419
Interest and bank charges	784,503	804,566	745,554	701,504	574,364	542,500	505,773	487,832	562,468	853,472
Advance refunding escrow				139,984						
Total Expenditures	\$ 59,776,228	\$ 54,374,190	\$ 53,809,777	\$ 58,711,122	\$ 60,577,913	\$ 62,873,724	\$ 63,324,795	\$ 67,440,025	\$ 72,360,624	\$ 77,925,655

Source: Comprehensive Annual Financial Report

Table 4

VERNON PARISH SCHOOL BOARD

General Revenues By Source - All Governmental Funds
Fiscal Years Ended June 30, 1995 through June 30, 2004

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Revenues from local sources:										
Ad valorem taxes	\$ 3,067,637	\$ 2,970,502	\$ 3,152,582	\$ 3,253,684	\$ 3,150,679	\$ 3,663,007	\$ 3,309,930	\$ 3,173,988	\$ 3,744,962	\$ 4,192,846
Sales and use taxes	5,063,735	5,608,037	6,473,895	7,816,490	6,931,159	7,081,312	7,957,256	7,260,026	7,470,030	8,353,516
Interest earnings	228,654	257,425	375,229	464,775	419,978	484,683	472,620	307,077	230,877	178,219
Food services	705,601	743,812	713,616	738,408	739,704	727,610	748,871	751,751	725,389	732,474
Other	572,057	239,010	281,635	346,783	361,595	816,404	833,696	752,416	675,372	874,928
Total revenues from local sources	9,635,684	9,818,786	10,996,957	12,620,150	11,603,115	12,773,016	13,322,373	12,245,258	12,846,630	14,331,983
Revenues from state sources	32,793,180	33,248,650	35,057,709	36,133,251	38,143,443	37,957,283	40,051,679	41,672,024	42,981,486	44,774,061
Revenues from federal sources	14,151,165	10,521,861	8,724,547	10,925,677	10,404,814	12,224,285	12,241,123	13,925,089	15,415,164	17,088,844
Total Revenues	\$ 56,580,029	\$ 53,589,297	\$ 54,779,213	\$ 59,679,078	\$ 60,151,372	\$ 62,954,584	\$ 65,615,175	\$ 67,842,371	\$ 71,243,280	\$ 76,204,888

Source: Comprehensive Annual Financial Report

Table 5

VERNON PARISH SCHOOL BOARD

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections		Total Tax, Interest and Penalty Collections	Ratio of Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
				Delinquent Taxes	Interest and Penalty				
1994-95	2,937,328	2,918,759	99.4%	13,554	3,190	2,935,503	99.9%	71,460	2.4%
1995-96	2,983,562	2,852,180	95.6%	21,347	8,441	2,881,968	96.6%	110,922	3.7%
1996-97	3,069,674	2,937,551	95.7%	23,348	20,039	2,980,938	97.1%	113,628	3.7%
1997-98	3,164,317	3,135,680	99.1%	26,706	11,438	3,173,824	100.3%	146,201	4.6%
1998-99	3,305,382	3,114,761	94.2%	34,165	1,753	3,150,679	95.3%	152,048	4.6%
1999-00	3,464,787	3,600,378	103.9%	59,083	3,546	3,663,007	105.7%	40,729	1.2%
2000-01	3,214,006	3,222,795	100.3%	72,715	14,420	3,309,930	103.0%	N/A	0.0%
2001-02	3,249,127	3,153,340	97.1%	18,398	2,250	3,173,988	97.7%	N/A	0.0%
2002-03	3,717,648	3,721,819	100.1%	18,577	4,566	3,744,962	100.7%	N/A	0.0%
2003-04	4,945,138	4,139,223	83.7%	49,830	3,793	4,192,846	84.8%	N/A	0.0%

Source: Vernon Parish Tax Assessor
 Note: Does not include Homestead Exemption
 N/A: Information not available

Table 6

VERNON PARISH SCHOOL BOARD

Assessed and Estimated Actual Value of Taxable Property (1), (3)
Last Ten Calendar Years

Year	Real Property		Personal Property		Exemptions (2)		Total		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Real Property		Assessed Value	Estimated Actual Value	
1994	75,415,510	589,912,667	10,122,020	67,480,133	29,002,170		56,535,360	657,392,800	8.6%
1995	77,427,310	605,780,982	10,612,040	70,746,933	29,728,590		58,310,760	676,527,915	8.6%
1996	82,239,710	639,360,580	11,536,890	76,912,600	30,568,150		63,208,450	716,273,180	8.8%
1997	86,989,940	681,434,734	15,953,830	106,358,867	30,720,370		72,223,400	787,793,601	9.2%
1998	94,227,860	769,874,896	12,710,950	58,382,267	30,945,470		75,993,340	828,257,163	9.2%
1999	96,832,240	792,693,282	13,655,560	64,411,267	31,304,880		79,182,920	857,104,549	9.2%
2000	99,638,340	832,338,513	13,885,040	65,350,267	32,699,910		80,823,470	897,688,780	9.0%
2001	101,431,600	842,788,265	14,725,430	73,557,400	33,175,350		82,981,680	916,345,665	9.1%
2002	102,935,140	861,057,500	14,970,980	73,089,400	33,946,550		83,959,570	934,146,900	9.0%
2003	103,536,890	862,935,551	14,417,220	71,212,133	34,456,620		83,497,490	934,147,684	8.9%

Notes:

- (1) Total assessed value is 10% to 25% of estimated actual value.
- (2) Homestead exemption is \$75,000 estimated actual value (\$7,500 assessed value) per household.
- (3) Source: Grand Recapitulation prepared by Vernon Parish Tax Assessor

Table 7

VERNON PARISH SCHOOL BOARD

Property Tax Rates and Tax Levies - All Direct and Overlapping Governments
Last Ten Calendar Years

Year	Tax Rates per \$1,000 of Assessed Value										Tax Levies			
	Parish	Sheriff	School	City of		Water District	Total	Parish	Sheriff	School	City of Leesville	Water District	Total	
				Leesville	Leesville									
1994	101.60	17.94	10.87	25.31	71.00	226.72	2,502,348	1,534,552	4,664,524	609,458	307,625	9,618,507		
1995	102.60	17.94	10.87	26.31	71.00	228.72	2,655,243	1,579,435	4,709,972	640,580	321,528	9,906,788		
1996	102.60	17.94	10.87	26.31	68.00	225.72	2,868,513	1,682,356	4,819,435	657,572	329,012	10,356,888		
1997	119.26	17.94	10.87	27.97	60.00	236.04	3,266,964	1,781,470	4,823,488	699,051	316,637	10,887,610		
1998	119.35	17.94	10.87	28.06	57.25	233.47	3,601,238	1,918,487	4,837,164	695,364	302,378	11,354,631		
1999	119.35	17.94	10.87	28.06	57.25	233.47	3,761,003	1,982,155	4,969,345	724,221	312,365	11,749,089		
2000	119.35	17.94	10.87	28.06	57.25	233.47	3,818,574	2,036,614	4,695,914	741,860	328,367	11,621,329		
2001	119.35	17.94	10.87	28.06	57.25	233.47	3,891,173	2,083,861	4,774,115	768,603	334,157	11,851,909		
2002	119.35	17.94	10.87	28.06	54.25	230.47	3,979,768	2,115,305	5,463,116	759,711	320,127	12,638,028		
2003	62.72	17.94	10.87	84.77	53.25	229.55	3,952,313	2,116,101	6,227,306	839,139	317,236	13,452,095		

Source: Grand Recapitulation prepared by Vernon Parish Tax Assessor

Note: Includes Homestead Exemption

Note: The tax rates noted above for the School Board are only the parish-wide rates. District tax rates are not shown.

Table 8

VERNON PARISH SCHOOL BOARD

Ratio of Net General Obligation Bonded Debt
to Assessed Value and Net General Obligation Bonded Debt per Capita

Fiscal Year	Population (1)	Last Ten Fiscal Years				Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
		Assessed Value (2)	Gross Bonded Debt (3)	Less Debt Service Funds (3)	Net Bonded Debt		
1994-95	56,083	85,537,530	13,530,417	1,306,208	12,224,209	14.3%	218
1995-96	54,303	88,039,350	12,725,795	1,254,110	11,471,685	13.0%	211
1996-97	52,989	93,776,600	12,046,482	1,427,728	10,618,754	11.3%	200
1997-98	47,229	102,943,770	11,195,139	1,289,670	9,905,469	9.6%	210
1998-99	51,894	106,938,810	10,372,752	1,374,349	8,998,403	8.4%	173
1999-00	51,567	110,487,800	9,518,365	1,595,803	7,922,562	7.2%	154
2000-01	52,531	113,523,380	9,280,182	1,499,163	7,781,019	6.9%	148
2001-02	51,273	116,157,030	8,374,811	1,271,903	7,102,908	6.1%	139
2002-03	51,008	117,906,120	13,071,332	1,161,530	11,909,802	10.1%	233
2003-04	50,669	117,954,110	19,935,440	1,058,868	18,876,572	16.0%	373

Notes:

(1) Source: U.S. Census Bureau

(2) From Table 6 - total of real property and personal property assessed value.

(3) Source: Comprehensive Annual Financial Report

Table 9

VERNON PARISH SCHOOL BOARD

Statement of Direct, Overlapping, and Underlying General Obligation Bonded Debt (1), (3)
June 30, 2004

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to This Unit</u>	<u>School Board's Share of Debt (2)</u>
DIRECT:			
Vernon Parish School Board (3)	\$ 18,876,572	100%	\$ 18,876,572
Overlapping:			
Vernon Parish Police Jury (3)	3,471,000	100%	3,471,000
Vernon Parish Sheriff (3)	578,814	100%	578,814
City of Leesville (3)	1,708,047	14%	239,127
Total	\$ 24,634,433		\$ 23,165,513

Notes:

- (1) Various taxing districts exist within Vernon Parish that involve a small percentage of Parish taxpayers. These districts' debt is not included.
- (2) This represents the debt of all the constituents who reside within Vernon Parish.
- (3) Financial information extracted from Annual Financial Report of respective governments.

Table 10

VERNON PARISH SCHOOL BOARD

Computation of Legal Debt Margin
June 30, 2004

Assessed value (1)	\$ <u>117,954,110</u>
Debt limitation - 35 percent of assessed value	41,283,939
Amount of debt applicable to debt limit:	
Total bonded debt	\$ 19,935,440
Less: Assets in debt service funds	<u>1,058,868</u>
Total amount of debt applicable to debt limit	<u>18,876,572</u>
Legal debt margin	\$ <u>22,407,367</u>

Notes:

(1) Vernon Parish Tax Assessor

Table 11

VERNON PARISH SCHOOL BOARD

Ratio of Annual Debt Service Expenditures for
General Bonded Debt to Total General Governmental Expenditures

Last Ten Fiscal Years

Fiscal Year	Principal	Interest and Bank Charges	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures
1994-95	807,583	794,503	1,602,086	58,776,228	2.73%
1995-96	804,621	804,566	1,609,187	54,374,190	2.96%
1996-97	679,313	740,856	1,420,169	53,808,777	2.64%
1997-98	851,003	697,243	1,548,246	58,711,122	2.64%
1998-99	849,514	574,364	1,423,878	60,577,913	2.35%
1999-00	854,387	542,500	1,396,887	62,873,724	2.22%
2000-01	907,842	545,445	1,453,287	63,324,795	2.29%
2001-02	955,371	461,088	1,416,459	67,440,025	2.10%
2002-03	1,159,979	559,466	1,719,445	72,360,624	2.38%
2003-04	1,335,892	851,602	2,187,494	77,925,655	2.81%

Notes:

(1) Includes all governmental funds.

(2) Source: Comprehensive Annual Financial Report

Table 12

VERNON PARISH SCHOOL BOARD

Demographic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Per Capita Income (2)	Median Age	School Enrollment (3)	Unemployment Rate (4)
1994	56,083	13,622	N/A	11,576	8.5%
1995	54,303	14,072	24.7	11,320	9.6%
1996	52,989	14,601	28	10,877	7.4%
1997	47,229	17,213	28	10,291	7.2%
1998	51,894	18,326	N/A	10,637	6.5%
1999	51,567	18,837	N/A	10,029	6.2%
2000	52,531	20,174	N/A	10,247	7.2%
2001	51,273	21,131	28.3	10,215	6.1%
2002	51,008	23,168	N/A	9,980	6.4%
2003	50,669	N/A	N/A	9,677	6.5%

Notes:

(1) Source: U.S. Census Bureau

(2) Source: Bureau of Economic Analysis

(3) Source: Louisiana Department of Education School Directory

(4) Source: U.S. Department of Labor

N/A: Information not available

Table 13

VERNON PARISH SCHOOL BOARD

Property Value, Construction and Bank Deposits
Last Ten Calendar Years

Calendar Year	Property Value			Total	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (2)
	Commercial	Residential	Exemptions		Number of Units	Value	Number of Units	Value	
1994	186,529,533	470,863,267	29,002,170	628,390,630	13	1,710,319	131	1,920,410	153,249,000
1995	277,655,947	398,871,969	29,728,590	646,799,326	79	570,741	45	1,466,505	150,587,000
1996	287,474,767	428,798,414	30,588,150	685,705,031	2	175,000	2	105,000	149,212,000
1997	273,598,147	514,195,454	30,720,370	757,073,231	39	6,437,700	26	90,000	151,000,000
1998	393,623,133	434,634,029	30,945,470	797,311,692	16	3,952,360	46	1,551,505	150,682,000
1999	417,624,147	439,480,402	31,304,880	825,799,669	10	1,411,340	5	190,000	151,148,000
2000	430,637,873	467,050,906	32,699,910	864,988,869	3	477,500	0	0	153,000,000
2001	443,987,087	472,358,579	33,175,350	883,170,316	4	1,235,767	1	127,200	173,269,000
2002	443,987,087	472,358,579	33,175,350	883,170,316	1	1,390,101	4	598,850	182,415,000
2003	200,262,204	733,885,480	34,456,620	719,691,064	N/A	N/A	N/A	N/A	193,624,000

Notes:

(1) Source: City of Leesville

(2) Source: Federal Deposit Insurance Corporation

N/A: Information not available

Table 14

VERNON PARISH SCHOOL BOARD

Principal Ad Valorem Taxpayers
December 31, 2004

Name	Type of Business	Assessed Valuation	Percentage of Total Assessed Valuation
Anadarko E & P Company LP		\$ 4,880,950	5.85%
Swift Energy Co.	Public Utility	5,611,990	6.72%
Cleco Corporation	Public Utility	4,576,430	5.48%
Bell South Telecommunications	Public Utility	4,499,020	5.39%
Merchants & Farmers Bank	Bank	2,600,560	3.11%
Beauregard Electric Co-op, Inc	Public Utility	1,834,680	2.20%
Boise Cascade Corporation	Timber	2,037,340	2.44%
Fuels Acquisition Co.	Oil & Gas	1,774,300	2.12%
Valley Electric Membership Corporation	Public Utility	1,353,830	1.62%
Crosby Land & Resources		1,412,500	1.69%
Totals		\$ 30,581,600	36.63%

Source: Vernon Parish Tax Assessor

Table 15

VERNON PARISH SCHOOL BOARD

Principal Employers
June 30, 2004

Name of Business	Type of Business	Number of Employees
Fort Polk - JRTC	Military Base	5,331 *
Vernon Parish School Board	Education	1,447
Wal-Mart Supercenter	Discount Retailer	500
Byrd Regional Hospital	Medical	260
Vernon Parish Police Jury	Government	210
Vernon Parish Sheriff's Office	Law Enforcement	179
Community Care Center of Leesville	Nursing Home	150
Leesville State School	Education	125
City of Leesville	Government	110
Merchants & Farmers Bank	Banking	100

*Civilian employees

Source: City of Leesville,
Economic Development Office

Table 16

VERNON PARISH SCHOOL BOARD

Attendance Data

Fiscal years ended June 30, 1995 through June 30, 2004

Fiscal Year	Number of Graduates	Average Daily Membership	Average Daily Attendance		Percent of Membership
			Amount	Percent of Change	
1995	518	10,881	10,305	N/A	94.71%
1996	487	10,815	10,155	-1.46%	93.90%
1997	487	9,478	8,948	-11.89%	94.41%
1998	537	10,583	10,034	12.14%	94.81%
1999	484	10,710	10,094	0.60%	94.25%
2000	547	10,029	9,474	-6.14%	94.47%
2001	460	10,247	9,868	4.16%	96.30%
2002	446	9,966	9,411	-4.63%	94.43%
2003	448	9,661	9,090	-3.41%	94.10%
2004	445	9,714	9,141	0.56%	94.10%

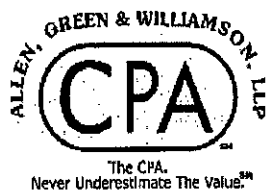
Source: School Board Child Welfare and Attendance Department

**Vernon Parish School Board
Leesville, Louisiana**

**Compliance with Single Audit Act Amendment of 1996
And Other Information
For the Year Ended June 30, 2004**

**Vernon Parish School Board
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ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

www.allengreencpa.com

Tim Green, CPA

Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired)
1963 - 2000

Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members

Vernon Parish School Board
Leesville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish School Board as of and for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated November 19, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

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 financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud 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 to be material weaknesses.

Management Letter Items

We noted certain matters that we reported to management of the School Board in a separate letter dated November 19, 2004, included later in this report.

Compliance and other Matters

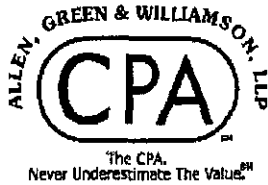
As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material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

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 19, 2004



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4684

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA

Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired)
1963 - 2000

Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular No. A-133

Board Members
Vernon Parish School Board
Leesville, Louisiana

Compliance

We have audited the compliance of Vernon Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular No. 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 auditors' 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 of America; and OMB Circular No. A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular No. 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.

Internal Control Over Compliance

The 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 No. A-133.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2004, and have issued our report thereon dated November 19, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the school boards basic financial statements.. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular No. 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 solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 19, 2004

**Vernon Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>Number</u>	<u>CFDA Grantor No.</u>	<u>Pass-Through Expenditures</u>
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
School Breakfast Program	10.553	N/A	\$ 365,506
National School Lunch Program	10.555	N/A	1,495,451
Passed Through Louisiana Department of Treasury:			
Schools and Roads - Grants to States (National Forest Lands)	10.665	N/A	<u>320,091</u>
Total United States Department of Agriculture			<u>2,181,048</u>
United States Department of Education			
Direct Programs:			
Impact Aid - Maintenance and Operation	84.041	N/A	7,832,160
Passed Through Louisiana Department of Education:			
Adult Education - State-Administered			
Basic Grant Program	84.002	04-AE-58-F	97,282
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	04-IASA-58-I	1,902,676
Special Education:			
State Grants - Part B	84.027	04-FT58	1,480,232
Preschool Grants	84.173	04-PF58	97,547
Vocational Education:			
Basic Grants to States	84.048	28-04-58B/BG2004	111,598
Tech-Prep Education	84.243	TP 28-04-CL-3-PE	149,719
Innovative Education Program			
Strategies - Title VI	84.298	04-IASA-58-VI	74,987
Rural Education Achievement Program	84.358	04-RE-58	200,407
Improving Teacher Quality (Title II)	84.367	04-50-58-I	680,101
English Language Acquisition Grant (Title III)	84.365	N/A	19,885
Technology Literacy Challenge	84.318	04-L1-58	51,539
School Comprehensive Reform	84.332	04-T2-58	48,390
Title IV (Safe and Drug-Free Schools)	84.186	04-IASA-58-IV	64,738
Indian Education	84.060	N/A	4,695
Class Size Reduction	84.340	04-01-58	<u>12,076</u>
Total United States Department of Education			<u>12,828,032</u>
United States Department of Health and Human Services			
Direct program - Head Start	93.600	06CH5622/30	1,611,744
Passed Through the Louisiana Department of Education:			
Temporary Assistance for Needy Families (TANF)	93.558	N/A	<u>166,846</u>
Total United States Department of Health and Human Services			<u>1,778,590</u>

Vernon Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>Number</u>	<u>CFDA Grantor No.</u>	<u>Pass-Through Expenditures</u>
United States Department of Defense			
Direct Programs:			
Department of The Army			
JROTC	12.609	N/A	65,549
Passed Through the Louisiana Department of Education:			
Unisys	12.UKN	N/A	<u>23,546</u>
TOTAL CASH FEDERAL AWARDS			<u>16,876,765</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution Program (Commodities)	10.550	N/A	<u>222,079</u>
TOTAL NONCASH FEDERAL AWARDS			<u>222,079</u>
TOTAL FEDERAL AWARDS			<u>\$17,098,844</u>

Vernon Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2004

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Vernon Parish School Board, Leesville, Louisiana. The Vernon Parish School Board (the "School Board") reporting entity is defined in Note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the School Board's basic financial statements as follows:

Federal Sources

General	\$ 8,234,998
Non-Major Funds:	
Other Special	325,603
Drug Free Schools	64,738
Adult Education	97,282
Vocational Education	361,401
Special Education	1,480,232
School Food Service	2,083,036
Title I	1,902,676
Title VI	87,063
Math and Science - Title II	680,101
Title III	19,885
Head Start	1,611,744
Preschool	<u>150,085</u>
Total	<u>\$ 17,098,844</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

Vernon Parish School Board
Schedule of Findings and Questioned Costs
As of and For the Year Ended June 30, 2004

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was unqualified.
- ii. There were no reportable conditions required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There were no instances of noncompliance considered material to the financial statements, as defined by the Government Auditing Standards.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by OMB Circular No. A-133.
- v. The type of report the auditor issued on compliance of major federal awards was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular No. A-133, Section .510(a).
- vii. The major federal awards are:

CFDA #93.600 Head Start

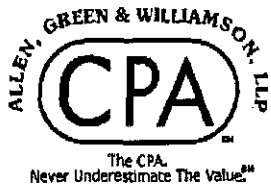
Child Nutrition Cluster

CFDA #10.553 School Breakfast Program
CFDA #10.555 National School Lunch Program

Special Education Cluster

CFDA #84.027 Basic Grants – Part B
CFDA #84.173 Preschool

- viii. The dollar threshold used to distinguish between Type A and Type B programs as defined in OMB Circular No. A-133, Section .520(b) was \$512,965.
- ix. The auditee qualifies as a low-risk auditee under OMB Circular No. A-133, Section .530.



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA

Margie Williamson, CPA

Ernest L. Allen, CPA
(Retired)
1963 - 2000

Management Letter

Board Members
Vernon Parish School Board
Leesville, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish School Board, as of and for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving other operational matters that are presented for your consideration. This letter does not affect our report dated November 19, 2004, on the basic financial statements of the School Board. We will review the status of this comment during our next audit engagement. Our comment and recommendation, all of which have been discussed with appropriate members of management, is intended to result in other operating efficiency. We will be pleased to discuss this comment in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation. Our comment is summarized as follows:

04-M1 **Investment Transactions**

Comment: The School Policy regarding investments states that the Director of Finance will be responsible for investment management. AG&W noted in testing of investment transactions that all transactions were signed by someone in accounts payable and no approval was noted on the transaction by anyone else.

Recommendation: Approval of the Director of Finance or the Assistant Business Manager should be documented on all investment transactions.

Management's response: The Director of Finance or the Assistant Business Manager will sign each investment transaction noting his approval.

04-M2 **Storage of Backup of System**

Comment: The School Board backs up the main server where critical information is stored every day. These back up tapes are placed on top of the server.

Recommendation: The back up tapes should be stored off-site or in a fire proof vault overnight.

Management's response: The School Board will store all backup tapes in a fireproof safe.

* * * * *

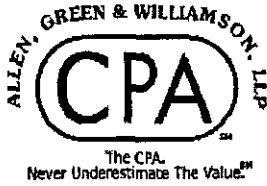
Our audit procedures are designed primarily to enable us to form opinions on the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements, and therefore, may not reveal all weaknesses in policies and procedures that may exist.

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

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 19, 2004



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CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members

Vernon Parish School Board
Leesville, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Vernon Parish School Board, Leesville, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the 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 reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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)

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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

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

Comment: No exceptions were found as a result of applying agreed-upon procedures.

Public Staff Data (Schedule 5)

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

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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 ten classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

Comment: Of the ten classes that we selected for testing, one of the attendance records according to the roll books did not agree to the input sheets used to prepare the Annual School Report. A student in Mrs. Bailey's class at Pickering Elementary dropped on September 12, 2003. This student was still included on the Annual School Report as of October 1, 2003.

Management's response: Personnel and Technology departments will verify teacher roll books match the input sheets for the Annual School Report and the actual Annual School Report.

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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.

Comment: No exceptions were found as a result of applying agreed-upon procedures.

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

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

Allen, Green & Williamson LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
November 19, 2004

Schedule 1

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 24,071,782	
Other Instructional Staff Activities	3,501,877	
Employee Benefits	8,145,795	
Purchased Professional and Technical Services	209,822	
Instructional Materials and Supplies	1,599,333	
Instructional Equipment	168,920	
Total Teacher and Student Interaction Activities	<u>37,697,529</u>	\$ 37,697,529

Other Instructional Activities 491,010

Pupil Support Activities	2,640,041	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	<u>2,640,041</u>	2,640,041

Instructional Staff Services	1,831,148	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u>1,831,148</u>	1,831,148
Total General Fund Instructional Expenditures		<u>\$ 42,659,728</u>

Total General Fund Equipment Expenditures \$ 214,343

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 311,217
Renewable Ad Valorem Tax	1,730,953
Debt Service Ad Valorem Tax	2,150,677
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	99,106
Sales and Use Taxes	8,353,516
Total Local Taxation Revenue	<u>\$ 12,645,469</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ -
Earnings from Other Real Property	4,304
Total Local Earnings on Investment in Real Property	<u>\$ 4,304</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 42,515
Revenue Sharing - Other Taxes	234,500
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 277,015</u>

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

Schedule 2

VERNON PARISH SCHOOL BOARD
Leesville, 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	0	0.00%	14	19.44%	0	0.00%	0	0.00%
Bachelor's Degree	485	77.23%	55	76.39%	0	0.00%	0	0.00%
Master's Degree	93	14.81%	3	4.17%	15	35.71%	0	0.00%
Master's Degree + 30	44	7.01%	0	0.00%	24	57.14%	0	0.00%
Specialist in Education	4	0.64%	0	0.00%	3	7.14%	0	0.00%
Ph. D. or Ed. D.	2	0.32%	0	0.00%	0	0.00%	0	0.00%
Total	628	100.00%	72	100.00%	42	100.00%	0	0.00%

Schedule 3

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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

Type	Number
Elementary	9
Middle/Jr. High	1
Secondary	5
Combination	5
Total	20

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

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	1	3	7	3	7	21
Principals	0	0	0	0	5	7	9	21
Classroom Teachers	64	75	212	98	88	66	97	700
Total	64	75	213	101	100	76	113	742

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$36,426.22	\$36,205.74
Average Classroom Teachers' Salary Excluding Extra Compensation	\$33,514.01	\$34,549.05
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	706.7063	685.5345

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.

VERNON PARISH SCHOOL BOARD
Leesville, 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	23.6	100	48.8	207	27.6	117	0	0
Elementary Activity Classes	28.1	32	47.4	54	3.5	4	21	24
Middle/Jr. High	6.7	8	24.2	29	69.1	83	0	0
Middle/Jr. High Activity Classes	0	0	10	2	30	6	60	12
High	44.6	276	39.9	247	15.5	96	0	0
High Activity Classes	46.6	41	25	22	22.7	20	5.7	5
Combination	70.9	287	20.3	82	8.9	36	0	0
Combination Activity Classes	47.9	33	30.4	21	11.6	8	10.1	7

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

Schedule 7

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

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

District Achievement Level	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	20	2.5	9	1.1	34	4.4	22	2.8	28	3.5	21	2.7
Mastery	188	23.9	149	18.9	181	23.3	167	21.2	175	22.1	122	15.7
Basic	407	51.7	421	53.3	378	48.6	388	49.2	393	49.7	410	52.8
Approaching Basic	131	16.6	152	19.2	148	19	137	17.4	125	15.8	152	19.6
Unsatisfactory	42	5.3	59	7.5	36	4.6	74	9.4	70	8.8	72	9.3
Total	788		790		777		788		791		777	

District Achievement Level	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	16	2	23	2.9	27	3.5	17	2.2	11	1.4	10	1.3
Mastery	173	22	166	21	127	16.3	180	22.8	147	18.6	90	11.6
Basic	449	57	390	49.4	443	57	434	55	439	55.6	486	62.5
Approaching Basic	135	17.1	183	23.2	161	20.7	110	14	142	18.1	140	18
Unsatisfactory	15	1.9	27	3.4	19	2.4	47	6	50	6.3	51	6.6
Total	788		789		777		788		789		777	

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	8	1.1	7	1.1	16	2.3	20	2.8	24	3.5	14	2.1
Mastery	83	11.7	140	20.6	161	23.3	39	5.4	57	8.5	27	3.9
Basic	335	47	321	47.3	276	39.9	439	61	369	54.4	365	52.7
Approaching Basic	218	30.6	164	24.2	196	28.4	127	17.7	137	20.2	184	26.6
Unsatisfactory	68	9.6	46	6.8	42	6.1	94	13.1	91	13.4	102	14.7
Total	712		678		691		719		678		692	

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	10	1.4	5	0.7	9	1.3	3	0.4	2	0.3	6	0.9
Mastery	154	21.7	143	21.2	137	19.9	78	11	79	11.7	103	14.9
Basic	289	40.8	301	44.5	283	41	394	55.6	361	53.4	366	53
Approaching Basic	172	24.3	163	24.1	189	27.4	167	23.6	146	21.6	142	20.6
Unsatisfactory	84	11.8	64	9.5	72	10.4	67	9.4	88	13	73	10.6
Total	709		676		690		709		676		690	

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2004

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	10	1.8	1	0.9	10	1.9	42	7.3	35	7.8	28	5
Mastery	115	20.1	61	12.1	88	16.4	117	20.3	83	15.4	91	15
Basic	274	48	259	48.1	277	51.4	244	42.3	253	46.3	241	43
Approaching Basic	104	18.2	145	25.2	97	18	86	14.9	89	16.2	81	14
Unsatisfactory	68	11.9	88	13.7	66	12.3	88	15.2	108	14.3	97	23
Total	571		554		538		577		568		538	

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	15	3.3	4	2.1	9	1.8	2	0.4	9	3	4	0.8
Mastery	87	19.1	69	14.6	85	16.8	59	13	57	12.4	55	10.9
Basic	209	45.8	244	52.3	220	43.6	264	58	273	58.4	265	52.5
Approaching Basic	102	22.4	94	20	105	20.8	93	20.4	82	17.3	100	19.8
Unsatisfactory	43	9.4	52	11	86	17	37	8.2	42	8.9	81	16
Total	456		463		505		455		463		505	

VERNON PARISH SCHOOL BOARD
Leesville, Louisiana

The IOWA Tests
For the Year Ended June 30, 2004

	Composite		
	2004	2003	2002
Test of Basic Skills (ITBS)			
Grade 3	68	66	62
Grade 5	70	66	58
Grade 6	62	59	62
Grade 7	62	57	57
Tests of Educational Development (ITED)			
Grade 9	60	54	56

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