

LIVINGSTON PARISH SCHOOL BOARD

**REPORT ON AUDIT OF BASIC
FINANCIAL STATEMENTS**

JUNE 30, 2009

LIVINGSTON, LOUISIANA

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

Release Date 1/27/10

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS

JUNE 30, 2009

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report	-	-	1 - 2
Required Supplemental Information			
Management's Discussion and Analysis	-	-	3 -16
Basic Financial Statements			
Government-Wide Financial Statements:			
Statement of Net Assets	-	A	17
Statement of Activities	-	B	18
Fund Financial Statements:			
Balance Sheet - Governmental Funds	-	C	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	-	D	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	-	E	21 - 22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	-	F	23
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	-	G	24 - 25
Statement of Fiduciary Net Assets	-	H	26
Notes to Basic Financial Statements	-	-	27 - 59

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Schedules Required by State Law (R.S. 24:514 Performance and Statistical Data):			
Agreed-Upon Procedures Report	-	-	60 - 62
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	-	63 - 64
Education Levels of Public School Staff	2	-	65
Number and Type of Public Schools	3	-	66
Experience of Public Principals and Full-time Classroom Teachers	4	-	67
Public School Staff Data	5	-	68
Class Size Characteristics	6	-	69
Louisiana Educational Assessment Program (LEAP)	7	-	70
The Graduation Exit Exam	8	-	71
iLEAP Tests	9	-	72 - 74
Other Supplementary Information:			
Major Capital Projects Fund - By District:			
Combining Balance Sheet - By District	10	-	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	11	-	76
Nonmajor Governmental Funds:			
Combining Balance Sheet	12	-	77

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	13	-	78 - 79
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Nonmajor Special Revenue Funds:			
Elementary and Secondary Education Act Title I - Chapter 1	14-1	-	80
Elementary and Secondary Education Act Title I - Chapter 2	14-2	-	81
Public Law 94-142 - Special Education	14-3	-	82
Maintenance of Schools	14-4	-	83
School Lunch	14-5	-	84
Special Federal Fund	14-6	-	85
Other Federal ESEA Fund	14-7	-	86
Debt Service Fund:			
Combining Balance Sheet - By District	15	-	87
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	16	-	88
Fiduciary Funds:			
Combining Statement of Fiduciary Net Assets	17	-	89

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Schedules of Changes in Deposits Due Others:			
School Activity Fund	18-1	-	90
Sales Tax Fund	18-2	-	91
General:			
Schedule of Compensation Paid Board Members	19	-	92
Schedule of Expenditures of Federal Awards	20	-	93 - 96
Independent Auditor's Report on Internal Control over <i>Financial Reporting</i> and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	-		97 - 98
Independent Auditor's Report on Com- pliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	-		99 - 100
Schedule of Findings and Questioned Costs	-		101 - 102
Summary Schedule of Prior Audit Findings	-		103 - 108

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

October 28, 2009

INDEPENDENT AUDITOR'S REPORT

Livingston Parish School Board
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board as of and for the year ended June 30, 2009, which collectively comprise the Livingston Parish School Board's basic financial statements, as listed in the table of contents. We have also audited the financial statements of each of the School Board's major capital projects fund combining statements, nonmajor governmental funds combining statements, each special revenue funds budgetary comparison statements and each fiduciary fund presented as supplementary schedules as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the management of the Livingston Parish School Board.

Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Livingston Parish School Board's June 30, 2008 financial statements and, in our report dated February 16, 2009, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, the budgetary comparison statement of the General Fund, the fiduciary fund statement and the aggregate remaining fund information as well as the aggregate nonmajor governmental funds and the budgetary comparison for the special revenue funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major capital projects fund combining statements, nonmajor governmental funds combining statements, each special revenue funds budgetary comparison statements and each fiduciary fund of the Livingston Parish School Board as of June 30, 2009, and the respective 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 our report dated October 28, 2009, on our consideration of the Livingston Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 16 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Livingston Parish School Board's basic financial statements. The schedules required by state law, and the schedule of compensation paid to board members are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the Livingston Parish School Board. The schedule of compensation paid to board members, and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The schedules required by state law have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

Hannia J. Bourgeois, CPA

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2009

The Management's Discussion and Analysis (MD&A) of the Livingston Parish School Board provides an overview and overall review of the School System's financial activities for the fiscal year ended June 30, 2009. The intent of the MD&A is to look in layman's terms at the School System's financial performance as a whole. It should, therefore, be read in conjunction with the School System's Annual Financial Statements and the notes thereto.

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

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2008-2009 fiscal year include the following:

- ❖ Net assets increased by \$6,271,875 for the year ended June 30, 2009. As discussed below, the increase in net assets was the result of an increase in total assets of \$11,026,771 coupled with an increase in total liabilities of \$4,754,896.
- ❖ Total assets increased by \$11,026,771 attributed to the following elements:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Cash and Cash Equivalents	\$ 78,028,570	\$ 80,230,699	\$ (2,202,129)	(2.74) %
Receivables	10,924,293	13,821,332	(2,897,039)	(20.96) %
Inventory	1,095,240	1,014,138	81,102	8.00 %
Deferred Bond Issuance Costs	675,978	748,878	(72,900)	(9.73) %
Capital Assets, Net of Accumulated Depreciation	<u>137,380,308</u>	<u>121,262,571</u>	<u>16,117,737</u>	13.29 %
Total Assets	<u>\$228,104,389</u>	<u>\$217,077,618</u>	<u>\$ 11,026,771</u>	5.08 %

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

The main reason for the decrease in cash was due to costs incurred in the construction of three new schools. Receivables decreased due to a decrease in amount due for federal and state grants/programs reimbursements. The inventory increase reflects normal fluctuation of commodity items used by the School Food Service Program, School Supply, Textbooks/Workbooks, Computer Repair Parts and Maintenance Materials. Capital assets increased because of the continued capital outlay and construction within the Districts. Total capital outlay recorded in all funds in the current year amounted to \$19.9 million. At June 30, 2009, major incomplete construction projects in the Districts totaled \$15,204,226.

During the current fiscal year, the School System added \$4,257,319 to completed buildings and improvements as well as purchasing 27 buses/vehicles at a cost of \$216,500 and other large equipment totaling over \$500,000.

- ❖ Total Liabilities increased \$4,754,896 due to the following items:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Accounts, Salaries, and Other Payables	\$ 29,427,655	\$ 25,191,754	\$ 4,235,901	16.81 %
Interest Payable	491,799	520,458	(28,659)	(5.51) %
Long-Term Liabilities	<u>76,082,179</u>	<u>75,534,525</u>	<u>547,654</u>	0.73 %
Total Liabilities	<u>\$106,001,633</u>	<u>\$ 101,246,737</u>	<u>\$ 4,754,896</u>	4.70 %

General payables increased primarily due to a large increase of salaries payable because of an increase in wages, benefits and number of employees.

- ❖ General revenues increased by \$11,922,830 from fiscal year 2008 to fiscal year 2009. Primary increases and decreases are discussed below.
 - Property tax revenue levied increased by \$1,737,588 (13.98%) due to increased property value assessment and growth within the parish.
 - Sales and use tax revenue increased \$100,870 (0.31%).
 - Earnings on Investments decreased \$2,147,738 (65.97%) due to an decrease in the funds available to invest and lower interest rates.
 - Other Local Revenue decreased \$5,218 (1.03%) due to a decrease in various revenues.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

- The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$140,717,159. This is an increase of \$10,685,894 (8.22%) from the prior year, caused by an increase in enrollment of approximately 400 students. The School Board is one of several in Louisiana considered to be "POOR" in terms of its ability to generate revenues on its own. Therefore, since 1992-93, when a new MFP formula was implemented, Livingston Parish has seen its MFP funding increasing; (70% of general fund expenditures must be spent on instructional activities), and (50% of all new MFP money received must go to increase teacher salaries).
 - Other state revenue and grants increased \$1,522,796 (185.88%) from the prior year caused primarily by an increase in state grant allocations.
- ❖ Expenditures continue to increase due to the huge influx of students into the parish. The largest expenditure of the School System continues to be payroll. This includes maintaining and upgrading salaries, along with adding staff and increased benefit costs, primarily health insurance and retirement contributions. The next largest expenditure was construction costs which include construction of three new facilities, scheduled to open in 2010/11, and major additions to several other facilities. Other large increases were in the bus fleet, and the cost of fuel and food.

OVERVIEW OF THE FINANCIAL STATEMENTS

The School Board's Report on the Audit of Basic Financial Statements consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a whole, i.e., an entire operating entity. Beginning on page 17, the "Basic Financial Statements" Section, consisting of the Statement of Net Assets and the Statement of Activities, provide consolidated financial information, and render a government-wide perspective of the School Board's financial condition. They present an aggregate view of the School Board's finances. These statements seek to answer the question, "How did the School Board do financially during the 2008/2009 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private-sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

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

To provide more in-depth reporting of the School Board's financial position and the results of operations, fund basis financial information is presented in the "Fund Financial Statements" section beginning on page 19. The Fund Financial Statements, which should be familiar to those who have read previous governmental financial statements, report governmental activities on more of a current rather than long-term basis, indicating sources and uses of funding, as well as resources available for spending in future periods.

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

The Statement of Fiduciary Net Assets - presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust, and accounted for in the School Activity Fund and Sales Tax Collection Fund. See Schedule 18-1 for school-by-school information on the School Activity Fund and Schedule 18-2 for the receipts and disbursements of sales tax collections for the year ended June 30, 2009.

GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 18, the cost of the School Board's *governmental* activities for the year ended June 30, 2009 was \$214,720,009. However, not all of this cost was borne by the taxpayers of Livingston Parish. Of this amount, \$5,176,260 was paid by those who used or benefited from services rendered (e.g., charges for school lunches and summer school tuition) and \$24,043,221 was paid through various federal and state grants. Consequently, the net cost of \$185,500,528, a 4.70% increase over the prior year, after taking into consideration these fees and subsidies, was paid by the taxpayers of the Parish through ad valorem taxes, sales and use taxes, the Minimum Foundation Program (MFP) from the State of Louisiana, and other general revenues.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

Table I below shows the total cost of services and the net cost of these services (after charges for services and grants received) for the largest categories of expenses of the School Board for the year ended June 30, 2009. The "net cost" presentation allows Parish taxpayers to determine the remaining cost of the various categories which were borne by them, and allows them the opportunity to assess the cost of each of these functions in comparison to the perceived benefits received.

TABLE I
Total and Net Cost of Governmental Activities
Year Ended June 30, 2009 and 2008

	<u>2009</u>		<u>2008</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction:				
Regular Education Programs	\$ 89,907,652	\$ 84,884,234	\$ 86,128,267	\$ 81,380,206
Special Education Programs	27,958,104	24,619,261	25,979,544	23,201,277
Other Instructional Programs	15,558,328	9,100,698	12,693,453	7,239,480
Support Services:				
Student Services	7,564,941	6,774,460	7,166,460	6,335,067
Instructional Staff Support	7,180,569	4,993,462	7,078,847	5,283,179
General and School Administration	17,359,858	16,488,857	16,729,658	15,990,720
Business and Central Services	4,251,465	3,559,509	3,716,507	3,028,578
Plant Services	17,740,501	17,320,322	16,345,210	16,050,970
Student Transportation	10,459,161	10,324,414	9,946,974	9,623,527
School Food Services	13,940,981	4,704,854	13,523,257	4,851,247
Community Service Programs	82,993	15,001	75,170	15,001
Small Equipment	-	-	1,795,470	1,795,470
Interest on Long-Term Debt	<u>2,715,456</u>	<u>2,715,456</u>	<u>2,382,702</u>	<u>2,382,702</u>
Totals	<u>\$214,720,009</u>	<u>\$185,500,528</u>	<u>\$203,561,519</u>	<u>\$177,177,424</u>

THE SCHOOL BOARD'S FUNDS

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

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

As the School Board completed the fiscal year ended June 30, 2009, its combined fund balance was \$60,620,448, as compared to its combined fund balance of \$69,874,415 as of June 30, 2008, a decrease of \$9,253,967. The General Fund, the main operational arm of the School Board, saw its total fund balance (designated as well as undesignated) increase by \$985,058. While General Fund Revenues increased by \$12,284,086, General Fund Expenditures increased by \$9,247,829 and Other Financing Sources (Uses) (Transfers to Other Funds) increased by \$3,150,817, thereby decreasing current year Excess of Revenues and Other Sources over Expenditures and Other Uses from \$1,099,618 to \$985,058 a total decrease of \$114,560.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less than, and/or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The Original Budget for the School Board was adopted on August 21, 2008, and the Final Budget was adopted June 19, 2009. The budget amendments increased total anticipated revenues by 1.42% and increased projected expenditures by 2.29%.

A schedule showing the School Board's General Fund's Original and Final Budget compared with Actual operating results is provided in this report, Statement G. The School Board generally did better than had been budgeted in its major fund since it practices conservative budgeting in which revenues are forecasted very conservatively and expenditures are budgeted with worst case scenarios in mind. The General Fund finished the fiscal year about \$1,961,217 more than had been budgeted.

The fiscal year 2010 General Fund budget, adopted on August 20, 2009, showed anticipated revenues of \$187,205,766, projected expenditures of \$178,253,913, and net transfers out of \$11,450,000 resulting in a projected decrease of \$2,498,147 for the year. Transfers out include \$4,275,000 to the Capital Projects Fund, \$2,640,000 to Maintenance Fund, \$35,000 to the Sinking Fund (Debt Service) and \$4,500,000 to School Food Service Fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2009, the School Board had \$137,380,308 invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year, and depreciation of depreciable assets for the year. Table II below shows the net book value of capital assets at June 30, 2009 and 2008.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

TABLE II
Net Capital Assets
at June 30, 2009 and 2008

	2009	2008
Land	\$ 9,229,529	\$ 7,609,782
Construction in Progress	15,204,226	2,175,368
Buildings and Improvements	102,042,928	101,649,844
Furniture and Equipment	2,534,988	2,529,641
Library Books and Textbooks	5,835,069	4,843,535
Vehicles	2,533,568	2,454,401
Total	\$ 137,380,308	\$ 121,262,571

During the current fiscal year, \$22,836,035 of assets were capitalized as additions while \$1,437,767 were deleted, consisting of obsolete items. Depreciation for the year ended June 30, 2009 amounted to a net of \$3,864,235 on buildings and improvements and \$2,812,496 on movables such as furniture, vehicles, and equipment.

In the 2008-2009 fiscal year, the following land purchases were made:

Denham Springs District #01 – 3.50 Acres	\$ 31,544
Walker District #04 – 5.05 Acres	412,003
Live Oak District # 22 – 17.697 Acres	763,206
Springfield District #27 – 82.098 Acres	412,994
Total	\$ 1,619,747

During the fiscal year ended June 30, 2009, the following major construction projects were completed:

District #01 – Denham Springs High – Field House Addition	\$ 344,382
District #04 – Levi Milton Elementary – Classroom Addition	683,169
District #04 – Walker Elementary – Drainage & Pavement Improvement	478,775
District #04 – South Fork Elementary – Land Improvement	6,582
District #24 – Albany Middle – Classroom Addition	1,458,283
District #25 – Doyle Elementary – Classroom Addition (Band)	405,511
District #32 – French Settlement Elementary – Asphalt Parking Lot	128,000
Total	\$ 3,504,702

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

At June 30, 2009 the following major projects were included in incomplete construction:

<u>Project</u>	<u>Project Cost to June 30, 2009</u>	<u>Total Estimated Project Cost</u>
<u>Denham Springs District #01</u>		
Juban Parc Elementary – New School	\$ 4,168,523	\$ 11,016,603
Juban Parc Jr. High – New School	8,937,647	16,470,699
Seventh Ward Elementary – Multi-Purpose Building	195,393	636,318
Southside Elementary – Renovations	161,383	279,641
Denham Springs High – Track Resurfacing	-	190,722
Eastside Elementary – Multi-Purpose Building	<u>2,200</u>	<u>2,200</u>
Total for District #01	13,465,146	28,596,183
 <u>Walker District #04</u>		
South Fork Elementary – New School	1,458,496	7,985,989
Westside Jr. High – Parking and Drainage	72,399	283,654
Walker Elementary – Parking and Drainage	28,898	222,131
North Corbin Elementary – Multi-Purpose Building	8,855	8,855
Walker Freshman High – Demolition & Restoration	<u>2,185</u>	<u>16,225</u>
Total for District #04	1,570,833	8,516,854
 <u>Frost District #31</u>		
Frost Elementary – Administration Bldg & Library	121,373	573,707
 <u>Central Office</u>		
Bus Maintenance Shop	<u>46,874</u>	<u>634,740</u>
Grand Total	<u>\$ 15,204,226</u>	<u>\$ 38,321,484</u>

All funding is coming from the individual districts except for the Denham Springs District #01 in which \$26,000,000 in bonds were sold to fund the district's projects while Walker District #04 and Frost District #31 will receive funding from Qualified School Construction Bonds in the amounts of \$8,000,000 and \$1,000,000, respectively.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

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

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

DEBT

At June 30, 2009, the School System had outstanding bonded indebtedness of \$57,150,345 as compared to \$60,527,987 at June 30, 2008.

The School System's bonds were last rated October 29, 2009, at which time they were given a rating of A+ by Moody's Investors Service. The legal debt limit of the School System fixed by Louisiana Revised Statute 39:562(L) at 35% of the total assessed valuation of property in the Parish was approximately \$221,600,000 at June 30, 2009.

Other long-term obligations include a capital lease, compensated absences, claims and judgments and post-employment benefits. At June 30, 2009, these balances were \$254,122, \$10,256,967, \$2,790,000 and \$5,846,178, respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

Interstate 12 provides highway access connecting to Interstates 10, 55 and 59 within a 60 mile radius. Livingston Parish is just 15 miles from deepwater at the Port of Greater Baton Rouge which provides direct connections to the Ports of New Orleans and Mobile. The Canadian National Railway (CN) operates within the parish, including the Livingston Industrial Park. The CN line runs through the southeastern major distribution markets south into Mexico and north across Canada. The Kansas City Southern Class I also travels along the parish's industrial park.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

Just 20 minutes away is the Baton Rouge Metropolitan Airport which offers approximately 16 flights a day via 4 international airlines including Delta, Continental, Northwest and America. Travelers to the parish and capital region have the best of both worlds by also having access to international flights and additional domestic flights through the Louis Armstrong New Orleans International Airport which is about an hour away.

Livingston Parish is primarily described as a rural parish with a population of 121,825 based on a 2009 estimate. The main population areas compromise the following: one city (western edge of parish, Denham Springs – pop. 10,719), three towns (Walker – pop. 6,188, Livingston – pop. 1,671 and Springfield – pop. 480), and four villages (Albany – pop. 1,156, Killian – pop. 1,983, French Settlement - pop. 1,215, and Port Vincent – pop. 538).

Livingston Parish has been among the two fastest growing parishes in the state for the past decade – increasing its population from 70,526 in 1990 to today's estimated population of 121,825 (an increase of approximately 73%). For the last nine consecutive years, we have also been in the top 100 fastest growing counties in the nation. Hurricane Katrina made landfall in south Louisiana in August 2005 and in the following year, the parish took on nearly 6,000 residents. Livingston Parish permitting and planning offices reported that 988 new home permits, 1,844 new lots, and 26 new subdivisions were approved in 2008. The parish anticipates this to continue as people learn about the quality of life advantages in Livingston Parish.

On the Livingston Parish 2009 tax roll, the total assessed property value is approximately \$598,288,220 and the taxable value is \$385,419,320, which is approximately a 4.73% increase over the prior year. Increased population and development of rural lands continues to elevate property values in addition to a once every four years assessment done in 2008 of existing properties.

The Livingston Parish School System is first in the State in student enrollment increases (averaging over 400 + students in each of the past three years); present enrollment is approximately 24,310 (includes Pre-K); 40 schools (pre-K through high school), up from 30 schools in 1990; two new elementary schools and a junior high school are currently under construction and are scheduled to open in 2010/11 and a new high school is on the drawing board for the following year. This highlights that not only is our school population increasing, but also that this increase is on an escalating basis. The Livingston Parish School System's District "Accountability Report Card" released by the State reflected a performance score of 101.3, ranking thirteenth in the State. Livingston Parish businesses and residents cited public schools in the parish as one of the community's strongest assets.

Livingston Parish is home to excellent schools, low crime rates and some of the Capital Region's most popular outdoor activities. In addition, the parish is a hotbed for current and planned retail and commercial growth, with major new developments under way for its Denham Springs, Walker and Satsuma interchanges on Interstate 12 (I-12). The total number of business establishments is estimated at 2,486.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

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

The parish's largest city, Denham Springs, includes a downtown antique district with 30 antique shops, in addition to numerous restaurants, hotels (2 new currently under construction and 1 in the agreement stage) and other retail stores. Located off Wax Road, south of I-12, is Greystone Golf and Country Club. Greystone is a 350-acre development, featuring a golf course, club house, pool, tennis courts, lake and trails along with some 400 upscale homes.

A Bass Pro Shop is the anchor to a 75-acre development at I-12 and Range Avenue. The 163,000 square foot store includes Islamorada Fish Company Restaurant which seats 300 people. The outdoor store features hand-painted murals from renowned artists depicting scenes that are typical of southern Louisiana. Record wildlife mounts are displayed alongside local historical prints depicting early Louisiana residents enjoying sporting adventures. The bayou theme includes a uniquely designed aquarium, an alligator pit, a huge snapping turtle and museum quality wildlife dioramas. There is an expansive boat showroom featuring Gator Track boats built right here in the town of Springfield. The entire store is a tribute to the vast diversity of the Louisiana landscape and its people and like other Bass Pro Shops Outdoor World stores, takes on the flavor and atmosphere of the region. For a sample of the store's unique flair, visit www.livingstonparish.com/bass_pro_inside. It is estimated the Bass Pro Shop and accompanying hotel and restaurants will achieve annual sales of \$62 million. Within three years, the full development of the 75-acre complex should produce \$135 million in sales and more than 2 million people are expected to visit the complex each year. Bass Pro provides 300+ permanent jobs and opened in February 2008.

Sam's Club is looking to come in this year next to Bass Pro Shops. Nearby, restaurants are installing themselves in the Amite Crossing strip mall. A jambalaya shop and a sushi restaurant have moved in and a Mexican eatery will open soon, while plans have been approved for a neighboring Anytime Fitness, conveniently close to Hooters' chicken wings and beer and Bass Pro's fudge shop.

Still in the planning stages is Juban Crossing, a mixed use development that will eventually add more than 1 million square feet of shopping, as well as medical and office space and 1,100 residences. It is the largest single development ever proposed for Livingston Parish.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

Bercen, Inc. moved its headquarters, as well as its research and development and technical service laboratories, from Cranston, Rhode Island to Denham Springs. Along with relocating its headquarters and laboratories, Bercen will expand its local manufacturing operation for a total capital investment of approximately \$5 million along with adding 20 new jobs.

Watson is a small but growing unincorporated town located in the northwest corner of Livingston Parish. It is one of the fastest growing areas in Livingston Parish. Watson retains that small town quality of life but is located close enough to Baton Rouge and Denham Springs to take advantage of their amenities. Watson has seen a steady growth in local businesses in the past few years and continues to grow as the population does.

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

Walker is the home of Wal-Mart, CVS Pharmacy, Walgreens, and its first hotel, LaQuinta Inn. Stine Lumber Company expanded its Louisiana operation with a new retail center in Walker. The 120,000 square foot home improvement center employs 80. The investment in the building and inventory exceeded \$15 million. One of the town's major thoroughfares, Highway 447, hosts numerous restaurants and other businesses.

The new Walker Museum is home to a vast collection of artifacts documenting South Louisiana's rich history. Visitors can browse hundreds of photographs documenting life in early Louisiana, and hear Walker's oldest families share animated stories of how the town came to be. The museum also is home to the Community Art Gallery, which features monthly exhibits of some of Livingston Parish's most gifted artists. For more information, visit the museum's website at www.walker.la.us/WalkerMuseum/Welcome.html.

Construction of the North Oaks Health System began in early 2009. The 2-story 47,000 square foot medical complex represents a total investment of \$32 million and will be located on 30 acres of land on the south side of the I-12 Colyell/Satsuma interchange. Scheduled for completion in the fall 2010, the outpatient complex will offer a wide range of outpatient diagnostic and treatment services, including cardiology, laboratory, radiology and rehabilitation services; an Urgent Care Center, a Family Medicine Clinic; a Specialty Clinic; and a Conference Room for health education. In the first year that the medical complex is operational, North Oaks plans to employ approximately 100 health care professionals with an estimated \$4.4 million payroll and a projected economic impact of \$13.2 million cycling through the community.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

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

The David Toms Signature Golf Course and residential development, Carter Plantation, a 7,000 plus-yard, par-72 course, has been named among the "Top 10 Courses You can Play" by Golf Magazine, "Best in State" by Golf Digest, and "America's Best" by Golf Week. The residential resort and golf community, located in Springfield, surrounds a plantation home that dates back to the early 19th Century and presently offers home sites, accommodations, meeting space, a first-class restaurant and recreation facilities. Phase II of the development will soon be completed with a 1,500 square foot swimming pool, a full-service spa, a fitness center, and tennis courts.

While retail, tourism and timber are all important to the local economy, there are also several major manufacturing operations, including Ferrara Fire Apparatus in Holden, the fourth largest manufacturer of fire trucks in the United States. The company manufactures a complete line of fire, emergency and rescue vehicles and has recently been awarded a three year contract by the City of New York to manufacture FDNY's new 100' rear mount aerials. Nearby Wal-Mart bought 50 acres for a fourth location within the parish.

The Livingston Parish Industrial Park on Highway 190 near Walker houses Shaw Sunland Fabricators and Waste Management, a Fortune 500 company. A new manufacturer, Compressor Engineering Corporation (CECO) of Houston, Texas, opened its \$5 million 44,000 square foot facility on a seven-acre tract adjacent to Shaw. The company has grown into the world's largest independent manufacturer of engine and compressor replacement parts. Its customers include gas pipelines, gathering and processing companies, petrochemical, industrial and refrigeration plants worldwide.

The major employer of Livingston Parish is the Livingston Parish School Board with approximately 3,500 employees and a budget in excess of \$248 million. Wal-Mart is second with 900 and Shaw Sunland Fabricators is third with 650. Most of our population finds employment within the Baton Rouge metropolitan area and along the Mississippi River, which is laced with companies in the high-tech oil and chemical industries.

Magnificent natural resources like Lake Maurepas, the Tickfaw River and the Amite River make boating, tubing and fishing in Livingston Parish major activities for residents of the entire Capital Region. Other outdoor activities include camping, water skiing, swamp tours, boat races and river parades. Near the town of Springfield, you'll find the Tickfaw State Park, a 1,200-acre park located along three miles of the Tickfaw River. The park offers diverse recreational, nature and educational opportunities.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2009

Location scouts from Hollywood descended upon Livingston Parish recently to tour potential locations for upcoming filming of feature films. Parish officials took them to sites such as Carter Plantation, and they were please with the unique beauty of Livingston Parish.

But Livingston Parish isn't all down to earth. Perhaps its most unique asset is the Laser Interferometer Gravitational Wave Observatory (LIGO) federal research project, one of only two such sites in the world which is located near the town of Livingston. While scientists study gravitational waves, education directors conduct free tours of the facility and the Science Education Center has over forty hands-on interactive science exhibits that relate to the science of LIGO. Tours include a 20-minute video called Einstein's Messengers, and there is plenty of time to explore the exhibits that will fascinate and challenge visitors. For more information about tours and programs, see the LIGO website, www.ligo-la.caltech.edu. The Livingston Parish Convention & Visitors Bureau Tourist Center is located off I-12 at the Albany exit. Visitors will find a wealth of information located just inside the center. Free brochures, maps, magazines and newspapers are available. Anyone wanting additional help uncovering Livingston Parish's "treasures" can call 225-567-7899 or 888-317-7899, email info@visitlivingstonparish.com or they can check out the website, www.visitlivingstonparish.com. The website provides information on cities and towns, lodging, outdoor activities, shopping, attractions, restaurants and much more.

Additional information on Livingston Parish can be found at the following websites:

- Livingston Economic Development Council – www.ledc.net
- Livingston Parish Government – www.livingstonparishla.gov
- Livingston Parish Chamber of Commerce – www.livingstonparishchamber.org
- Livingston Business & Real Estate Journal – www.livingstonbusiness.com

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

While this report is designed to provide full and complete disclosure of the financial conditions and operations of the Livingston Parish School Board, citizens' groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Terry E. Hughes, Business Manager, at the Livingston Parish School Board Office, 13909 Florida Blvd, P. O. Box 1130, Livingston, LA 70754-1130, or by calling 225-686-4235, during regular business hours, Monday thru Friday, 8:00 a.m. to 4:00 p.m., central time. Ms. Hughes' e-mail address is Terry.Hughes@lpsb.org.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS

JUNE 30, 2009

(With Comparative Totals as of June 30, 2008)

ASSETS

	Governmental Activities	
	2009	2008
Cash and Cash Equivalents	\$ 17,878,570	\$ 20,080,699
Investments	60,150,000	60,150,000
Receivables	10,924,293	13,821,332
Inventory	1,095,240	1,014,138
Deferred Bond Issuance Costs	675,978	748,878
Capital Assets:		
Land and Construction in Progress	24,433,755	8,441,692
Other Capital Assets (Net of Accumulated Depreciation)	112,946,553	112,820,879
Total Assets	\$ <u>228,104,389</u>	\$ <u>217,077,618</u>

LIABILITIES

Accounts, Salaries, and Other Payables	\$ 29,427,655	\$ 25,191,754
Interest Payable	491,799	520,458
Long-Term Liabilities:		
Due Within One Year	6,300,502	6,088,473
Due in More than One Year	69,781,677	69,446,052
Total Liabilities	106,001,633	101,246,737

NET ASSETS

Invested in Capital Assets, Net of Related Debt	92,258,727	84,794,067
Restricted for:		
Debt Service Fund	6,161,903	4,950,449
General Fund	26,851,540	26,491,286
Unrestricted (Deficit)	(3,169,414)	(404,921)
Total Net Assets	<u>122,102,756</u>	<u>115,830,881</u>
Total Liabilities and Net Assets	\$ <u>228,104,389</u>	\$ <u>217,077,618</u>

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

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

(With Comparative Totals For the Year Ended June 30, 2008)

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Total Governmental Activities - Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2009	2008
Governmental Activities:						
Instruction:						
Regular Programs	\$ 89,907,652	\$ 355,899	\$ 4,667,519	\$ -	\$ (84,884,234)	\$ (81,380,206)
Special Programs	27,958,104	2,482	3,313,862	22,499	(24,619,261)	(23,201,277)
Vocational Programs	3,108,089	-	193,557	-	(2,914,532)	(2,646,195)
Adult Continuing Education Programs	196,311	-	198,692	-	2,381	19,314
All Other Programs	12,253,928	307,913	5,757,468	-	(6,188,547)	(4,612,599)
Support Services:						
Student Services	7,564,941	-	790,481	-	(6,774,460)	(6,335,067)
Instructional Staff Support	7,180,569	-	2,187,107	-	(4,993,462)	(5,283,179)
General Administration	7,620,011	812,011	-	-	(6,808,000)	(6,768,166)
School Administration	9,739,847	58,990	-	-	(9,680,857)	(9,222,554)
Business Services	2,195,266	230,923	461,033	-	(1,503,310)	(1,379,833)
Plant Services	17,740,501	29,630	390,549	-	(17,320,322)	(16,050,970)
Student Transportation Services	10,459,161	85,996	48,751	-	(10,324,414)	(9,623,527)
Central Services	2,056,199	-	-	-	(2,056,199)	(1,648,745)
Food Services	13,940,981	3,292,416	5,930,974	12,737	(4,704,854)	(4,851,247)
Community Service Programs	82,993	-	67,992	-	(15,001)	(15,001)
Small Equipment Below Capitalization Policy - Not Reported By Function	-	-	-	-	-	(1,795,470)
Interest on Long-Term Debt	2,715,456	-	-	-	(2,715,456)	(2,382,702)
Total Governmental Activities	\$ 214,720,009	\$ 5,176,260	\$ 24,007,985	\$ 35,236	(185,500,528)	(177,177,424)
Taxes:						
Property Taxes, Levied for General Purposes					7,813,049	5,973,500
Property Taxes, Levied for Debt Services					6,351,244	6,453,205
Sales and Use Taxes, Levied for General Purposes					31,991,090	31,937,059
Sales and Use Taxes, Levied for Debt Services					973,548	926,709
State Revenue Sharing					872,722	802,644
Grants and Contributions not Restricted to Specific Purposes:						
Minimum Foundation Program					140,717,159	130,031,265
Other					1,469,325	16,607
Interest and Investment Earnings					1,108,016	3,255,754
Net Gain (Loss) on Sale of Assets					(27,098)	(55,736)
Miscellaneous					503,348	508,566
Total General Revenues and Special Items					191,772,403	179,849,573
Change in Net Assets					6,271,875	2,672,149
Net Assets - Beginning of Year					115,830,881	113,158,732
Net Assets - End of Year					\$ 122,102,756	\$ 115,830,881

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

FUND FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2009

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2008)

<u>ASSETS</u>				Total	
	General Fund	Capital Projects Fund	Nonmajor Funds	Governmental Funds	
				2009	2008
Cash and Cash Equivalents	\$ 11,170,617	\$ 68,904	\$ 6,606,937	\$ 17,846,458	\$ 20,054,984
Cash with Fiscal Agent	32,112	-	-	32,112	25,715
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	36,150,000	22,500,000	1,500,000	60,150,000	60,150,000
Receivables	6,566,726	58,252	4,299,315	10,924,293	13,821,332
Due from Other Funds	6,611,893	1,771,739	-	8,383,632	5,858,123
Inventory	830,041	-	265,199	1,095,240	1,014,138
Total Assets	\$ 61,361,389	\$ 24,398,895	\$ 12,671,451	\$ 98,431,735	\$ 100,924,292
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts, Salaries and Other Payables	\$ 24,501,234	\$ 4,042,423	\$ 883,998	\$ 29,427,655	\$ 25,191,754
Due to Other Funds	-	4,371,739	4,011,893	8,383,632	5,858,123
Total Liabilities	24,501,234	8,414,162	4,895,891	37,811,287	31,049,877
Fund Balances:					
Reserved for:					
Incomplete Contracts	-	15,445,682	-	15,445,682	16,782,388
Future Construction	-	-	-	-	10,218,969
Debt Service	-	-	6,161,903	6,161,903	4,950,449
Inventory	830,041	-	265,199	1,095,240	957,714
Salaries	662,540	-	-	662,540	965,089
Construction, Utilities and Maintenance	23,083,229	-	-	23,083,229	22,748,547
Classroom Improvements	2,216,291	-	-	2,216,291	1,994,914
E-Rate	821,405	-	-	821,405	722,719
Other	68,075	-	-	68,075	60,017
Unreserved:					
Designated for:					
Property Damage Insurance	919,069	-	-	919,069	736,379
General Liability Insurance	2,429,823	-	-	2,429,823	2,228,351
Workers Compensation Insurance	193,523	-	-	193,523	375,009
Other Post Employment Benefits	1,758,313	-	-	1,758,313	1,630,000
Undesignated	3,877,846	539,051	1,348,458	5,765,355	5,503,870
Total Fund Balances	36,860,155	15,984,733	7,775,560	60,620,448	69,874,415
Total Liabilities and Fund Balances	\$ 61,361,389	\$ 24,398,895	\$ 12,671,451	\$ 98,431,735	\$ 100,924,292

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

LIVINGSTON PARISH SCHOOL BOARD

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS

JUNE 30, 2009

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2008)

	<u>2009</u>	<u>2008</u>
Total Fund Balances - Governmental Funds	\$ 60,620,448	\$ 69,874,415
Cost of Capital Assets	226,813,114	205,414,846
Less: Accumulated Depreciation	<u>(89,432,806)</u>	<u>(84,152,275)</u>
	137,380,308	121,262,571
Deferred Bond Issuance Costs	675,978	748,878
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	8,383,632	5,858,123
Due to Other Funds	<u>(8,383,632)</u>	<u>(5,858,123)</u>
	-	-
Long-Term Liabilities:		
Accumulated Unfunded Other Postemployment Benefits Payable	(5,846,178)	(2,799,813)
Compensated Absences	(10,256,967)	(9,827,428)
Claims and Judgments	(2,790,000)	(2,170,000)
Bonds Payable	(57,150,345)	(60,527,986)
Deferred Premium on Bonds	(202,126)	(208,178)
Capital Lease Payable	(254,122)	(502,045)
Deferred Amount on Refunding	417,559	500,925
Accrued Interest Payable	<u>(491,799)</u>	<u>(520,458)</u>
	<u>(76,573,978)</u>	<u>(76,054,983)</u>
Net Assets	<u>\$ 122,102,756</u>	<u>\$ 115,830,881</u>

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2009	2008
Revenues:					
Local Sources:					
Taxes:					
Ad Valorem	\$ 3,640,515	\$ 1,738,520	\$ 8,785,258	\$ 14,164,293	\$ 12,426,705
Sales and Use	31,991,090	-	973,548	32,964,638	32,863,768
Other	436,181	-	-	436,181	375,548
Rentals, Leases and Royalties	102,257	-	-	102,257	146,603
Tuition	304,712	-	-	304,712	216,700
Interest Earnings	686,810	333,399	87,807	1,108,016	3,255,754
Food Services	-	-	3,290,793	3,290,793	2,967,463
Other	2,755,382	-	29,610	2,784,992	2,809,842
State Sources:					
Unrestricted Grants-in-Aid	140,780,854	215,520	611,561	141,607,935	130,850,516
Restricted Grants-in-Aid	7,094,723	-	-	7,094,723	4,875,696
Federal Sources:					
Unrestricted - Indirect Cost Recoveries	-	-	429,751	429,751	395,037
Restricted Grants-in-Aid - Subgrants	386,822	-	15,634,712	16,021,534	14,362,337
Other - Commodities	-	-	709,157	709,157	743,435
Total Revenues	188,179,346	2,287,439	30,552,197	221,018,982	206,289,404
Expenditures:					
Instruction:					
Regular Programs	88,933,195	-	816	88,934,011	84,826,698
Special Programs	25,004,287	-	2,318,938	27,323,225	25,312,086
Vocational Programs	2,839,364	-	193,557	3,032,921	2,770,955
Adult and Continuing Education Programs	85,304	-	110,582	195,886	197,118
Other Programs	7,335,844	-	4,785,866	12,121,710	9,511,480
Support Services:					
Pupil Support	6,785,226	-	675,614	7,460,840	7,043,551
Instructional Staff Support	5,132,878	-	2,187,107	7,319,985	7,137,289

(CONTINUED)

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

FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2009	2008
Expenditures (Continued):					
Support Services (Continued):					
General Administration	2,536,732	68,465	357,607	2,962,804	2,699,803
School Administration	9,589,096	-	-	9,589,096	9,130,898
Business Services	2,056,297	-	31,282	2,087,579	1,956,781
Plant Services	12,700,794	-	4,798,424	17,499,218	16,129,947
Transportation Services	9,765,754	-	2,994	9,768,748	9,296,478
Central Services	2,013,827	-	-	2,013,827	1,608,535
Food Services	-	-	13,740,845	13,740,845	13,305,666
Community Service Programs	15,001	-	67,992	82,993	75,170
Capital Outlay	1,609,434	18,289,595	35,236	19,934,265	7,201,176
Debt Service:					
Principal Retirement	247,923	-	3,377,641	3,625,564	3,452,180
Interest and Bank Charges	12,552	-	2,581,349	2,593,901	2,074,167
Cost of Issuance	-	-	-	-	117,350
Total Expenditures	176,663,508	18,358,060	35,265,850	230,287,418	203,847,328
Excess (Deficiency) of Revenues Over Expenditures	11,515,838	(16,070,621)	(4,713,653)	(9,268,436)	2,442,076
Other Financing Sources (Uses):					
Sale of Capital Assets	14,469	-	-	14,469	-
Issuance of Bonds	-	-	-	-	26,000,000
Premium on Bond Issuance	-	-	-	-	213,845
Transfers In	429,751	4,377,404	6,600,000	11,407,155	8,200,037
Transfers Out	(10,975,000)	(2,404)	(429,751)	(11,407,155)	(8,200,037)
Total Other Financing Sources (Uses)	(10,530,780)	4,375,000	6,170,249	14,469	26,213,845
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	985,058	(11,695,621)	1,456,596	(9,253,967)	28,655,921
Fund Balances at Beginning of Year	35,875,097	27,680,354	6,318,964	69,874,415	41,218,494
Fund Balances at End of Year	\$ 36,860,155	\$ 15,984,733	\$ 7,775,560	\$ 60,620,448	\$ 69,874,415

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008)

	2009	2008
Total Net Change in Fund Balances - Governmental Funds	\$ (9,253,967)	\$ 28,655,921
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital Outlays	19,934,265	5,405,706
Library Books and Textbooks Purchased	2,901,770	2,552,274
Depreciation Expense	(6,676,731)	(6,322,123)
Add accumulated depreciation on capital assets retired during the year	1,396,200	1,330,485
Less cost basis of capital assets retired during the year	(1,437,767)	(1,386,221)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Issuance of General Obligation Bonds	-	(26,000,000)
Premium Received on Issuance of General Obligation Bonds	-	(213,845)
Increase in Other Postemployment Benefits Obligation Net	(3,046,365)	(2,799,813)
General Obligation Bond Principal Repayments	3,377,641	3,210,304
Capital Lease Principal Repayments	247,923	241,876
Cost of Issuance of General Obligation Bonds	-	117,350
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) Decrease in Compensated Absences Payable	(429,539)	(991,230)
(Increase) Decrease in Claims and Judgments Payable	(620,000)	(820,000)
Amortization of Cost of Issuance	(72,900)	(69,732)
Amortization of Deferred Amounts on Refunding	(83,366)	(83,366)
Amortization of Premium Received on Issuance of General Obligation Bonds	6,052	5,667
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
	28,659	(161,104)
Change in Net Assets of Governmental Activities	\$ 6,271,875	\$ 2,672,149

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original</u> <u>Budget</u>	<u>Final</u> <u>Budget</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 3,200,000	\$ 3,630,000	\$ 3,640,515	\$ 10,515
Sales and Use	33,272,799	32,575,000	31,991,090	(583,910)
Other	390,000	430,000	436,181	6,181
Rentals, Leases and Royalties	145,000	100,772	102,257	1,485
Tuition	220,000	300,000	304,712	4,712
Interest Earnings	1,579,264	695,000	686,810	(8,190)
Other	2,364,600	2,619,700	2,755,382	135,682
State Sources:				
Unrestricted Grants-in-Aid	138,650,278	140,784,120	140,780,854	(3,266)
Restricted Grants-in-Aid	6,165,697	7,175,690	7,094,723	(80,967)
Federal Sources:				
Restricted Grants-in-Aid	-	315,000	386,822	71,822
Total Revenues	185,987,638	188,625,282	188,179,346	(445,936)
Expenditures:				
Instruction:				
Regular Programs	88,430,586	89,470,694	88,933,195	537,499
Special Programs	23,954,294	25,046,087	25,004,287	41,800
Vocational Programs	2,738,800	2,894,843	2,839,364	55,479
Other Programs	5,681,746	7,096,087	7,335,844	(239,757)
Adult and Continuing Education Programs	85,065	117,940	85,304	32,636
Support Services:				
Pupil Support	6,364,200	6,740,610	6,785,226	(44,616)
Instructional Staff Support	5,231,661	5,322,090	5,132,878	189,212
General Administration	2,437,250	2,603,500	2,536,732	66,768
School Administration	9,126,025	9,570,563	9,589,096	(18,533)
Business Services	2,122,398	2,103,550	2,056,297	47,253
Plant Services	12,718,193	13,124,423	12,700,794	423,629

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures (Continued):				
Support Services (Continued):				
Transportation Services	10,167,256	9,973,943	9,765,754	208,189
Central Services	2,224,400	2,137,500	2,013,827	123,673
Community Service Programs	15,001	15,001	15,001	-
Capital Outlay	2,993,956	2,070,466	1,609,434	461,032
Debt Service:				
Principal Retirement	247,923	247,923	247,923	-
Interest	12,552	12,552	12,552	-
Total Expenditures	<u>174,551,306</u>	<u>178,547,772</u>	<u>176,663,508</u>	<u>1,884,264</u>
Excess (Deficiency) of Revenues Over Expenditures	11,436,332	10,077,510	11,515,838	1,438,328
Other Financing Sources (Uses):				
Sale of Capital Assets	1,000	16,331	14,469	(1,862)
Transfers In	475,000	475,000	429,751	(45,249)
Transfers Out	<u>(9,094,480)</u>	<u>(11,545,000)</u>	<u>(10,975,000)</u>	<u>570,000</u>
Total Other Financing Sources (Uses)	<u>(8,618,480)</u>	<u>(11,053,669)</u>	<u>(10,530,780)</u>	<u>522,889</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	2,817,852	(976,159)	985,058	1,961,217
Fund Balance at Beginning of Year	<u>35,875,097</u>	<u>35,875,097</u>	<u>35,875,097</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 38,692,949</u>	<u>\$ 34,898,938</u>	<u>\$ 36,860,155</u>	<u>\$ 1,961,217</u>

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

LIVINGSTON PARISH SCHOOL BOARD

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2008)

	ASSETS	
	<u>2009</u>	<u>2008</u>
Cash and Cash Equivalents	\$ <u>7,196,217</u>	\$ <u>7,250,444</u>
Total Assets	\$ <u><u>7,196,217</u></u>	\$ <u><u>7,250,444</u></u>
	LIABILITIES	
Amounts Held for School Activities	\$ 4,527,554	\$ 4,464,504
Deposits Due to Others	<u>2,668,663</u>	<u>2,785,940</u>
Total Liabilities	\$ <u><u>7,196,217</u></u>	\$ <u><u>7,250,444</u></u>

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

INTRODUCTION

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

The School Board operates thirty-nine schools, a special education center, the Livingston Parish Literacy and Technology Center and the Option III Center, within the parish with a total enrollment of approximately 24,300 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

(1) Summary of Significant Accounting Policies -

A. Basis of Presentation

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

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

B. Reporting Entity

For financial reporting purposes, the School Board includes all funds, schools, and agencies that are within the oversight responsibility of the School Board. The oversight responsibility derived by the School Board is related to its scope of public service and gives it the authority to establish public schools as it deems necessary. This oversight responsibility also allows the School Board to determine the number of teachers and employees to be employed, to establish the financial interdependency of the funds, to appoint management, and to significantly influence operations and accountability for fiscal matters.

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

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

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

Based on the previous criteria, the School Board's management has determined the following entity to be a discretely presented component unit in the financial reporting entity. At June 30, 2009, no financial transactions have occurred by the entity that would require it to be included in the current year financial statements.

The Livingston Parish Public Benefit Corporation was formed on May 20, 2002 as a private Louisiana nonprofit corporation and a public benefit corporation established for charitable, scientific and educational purposes for the benefit of the Livingston Parish School Board. Once created, the Corporation entered into a cooperative endeavor agreement with the School Board and the Southeastern Educational Foundation (the Foundation), a Louisiana nonprofit corporation and a wholly owned subsidiary of the Southeastern Development Foundation, a Louisiana nonprofit corporation organized for the benefit of Southeastern Louisiana University. Under the terms of the cooperative endeavor agreement, the Corporation entered into a lease for land from the School Board and the Corporation is authorized to sublease the land to the Foundation. In addition, the Foundation is required to construct and operate the Livingston Parish Literacy and Technology Center in accordance with a court order issued in the matter of *"In Re Combustion, Inc."* Civil Action 94-MDL-4000, United States District Court, Western District of Louisiana. Once the facility is completed, the cooperative endeavor agreement authorizes the Corporation to lease a portion of the completed facility from the Foundation. Due to the substance of the lease the School Board is handling this lease as a capital lease within these financial statements. The initial lease payment of \$1,000,000 was due by the School Board upon receipt of evidence of substantial completion of the facility which occurred during the year ended June 30, 2006. The School Board is required to make additional five annual lease payments of \$260,475 due on January 1 each year. The School Board made a payment of \$260,475 during the current year (including interest of \$12,552). See note 11 for further details. At June 30, 2009, the Livingston Parish Public Benefit Corporation had no assets or liabilities to report.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

C. Funds

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

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

Governmental Funds

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

Governmental Fund Types:

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

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs for each district.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and for the major repairs thereto.

Fiduciary Fund Type:

Agency Funds - Agency funds account for assets held by the School Board as an agent for schools and school organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the school board, except for the fiduciary fund. The Fiduciary Fund is only reported in the Statement of Net Fiduciary Assets at the Fund Financial Statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

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

Allocation of Indirect Expenses

The School Board reports all direct expenses by function in the Statement of Activities. *Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities.* Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Depreciation on buildings is assigned to the "general administration" function due to the fact that school buildings serve many purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental Funds

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. The major funds of the School Board are the General Fund and the Capital Projects Fund.

The modified accrual basis of accounting is used by Governmental Funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter (generally 60 days) to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. The Governmental Funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Federal and State entitlements (which include state equalization and state revenue sharing) are recorded when available and measurable. Federal and State grants are recorded when the reimbursable expenditures have been incurred.

Sales and use tax revenues are recorded in the month collected by the vendor even though not paid to the School Board until the subsequent month.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when earned. Nine-month employee salaries are earned over a 9-month period, but are paid over a 12-month period. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. Principal and interest on general long-term obligations are recognized when due. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, sale of fixed assets, long-term debt proceeds, bank loan proceeds, etc., are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

E. Budget Practices

The School Board adopts budgets for the General Fund, each Special Revenue Fund, the Debt Service Fund and the Capital Projects Fund.

The proposed budgets for the fiscal year ended June 30, 2009, were made available for public inspection and comments from taxpayers. The budgets, which included proposed expenditures and the means of financing them, were published in the official journal fifteen days prior to the public hearing on the budgets for the year ended June 30, 2009. At this meeting, the proposed budgets were legally adopted by the School Board.

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

F. Encumbrances

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

G. Cash and Cash Equivalents

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

H. Inventory

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

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

I. Capital Assets

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

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

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

J. Compensated Absences

All 12-month employees earn from 5 to 20 days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated without limitation, but must be used prior to retirement or termination.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

All school board employees earn from 10 to 18 days of sick leave each year, depending upon the number of months employed. Sick leave may be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave, including the twenty-five days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned between July 1, 1988 and June 30, 1990 under the Louisiana Teachers Retirement System and for sick leave earned under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the twenty-five days paid, is used in the retirement benefit computation as earned service. For sick leave earned after June 30, 1990, a maximum of one year of accumulated sick leave earned, which excludes the twenty-five days paid, can be converted to one year of earned service. All remaining accumulated sick leave earned after June 30, 1990, after converting one year of sick leave into one year of earned service, may only be added to the member's service credit if purchased.

Sabbatical leave may only be granted for medical leave and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Balance Reserves

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

M. Net Assets

Net assets represent the difference between assets and liabilities in the GWFS. "Net assets invested in capital assets, net of related debt" consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net assets are reported as restricted in the GWFS when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

N. Sales and Use Taxes

The School Board receives a two and one-half percent sales and use tax. The sales and use tax is collected by the sales tax department of the School Board and is included in the revenues of the General Fund. The proceeds of the tax are dedicated to the payment of salaries of school teachers and other school employees; the payment of utilities; and constructing, maintaining or operating school buildings and other school related facilities, including the acquisition of sites.

In addition, on October 5, 2002, the voters in School Board District No. 22 approved a ½ percent sales and use tax for the purpose of constructing and acquiring a new elementary school and providing renovations and improvements to the existing buildings within the school district. Also, on September 18, 2004, the voters in School Board District No. 33 approved a one percent sales and use tax for the purpose of constructing and improving or renovating school buildings within the School District.

The School Board is also authorized to collect sales and use taxes levied by the following governmental entities:

Livingston Parish Council
Law Enforcement Subdistrict A
Gravity Drainage District No. 1
Gravity Drainage District No. 2
Gravity Drainage District No. 5
City of Denham Springs
City of Walker
Town of Livingston
Village of Albany
Town of Springfield
Livingston Parish Tourist Commission
Denham Springs Economic Development District

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

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

O. Use of Estimates

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

P. Change in Accounting Principles

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

(2) Cash and Cash Equivalents -

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

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

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

At June 30, 2009, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$85,224,787 and the confirmed bank balances were \$88,988,409. Cash and Cash Equivalents and Investments are stated at cost, which approximates market.

The following is a summary of Cash and Cash Equivalents and Investments at June 30, 2009, classified by credit risk:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

	Governmental Funds	Fiduciary Funds	Total
Deposits in Bank Accounts per Balance Sheets:			
Cash and Cash Equivalents	\$17,878,570	\$7,196,217	\$25,074,787
Certificates of Deposits	<u>60,150,000</u>	-	<u>60,150,000</u>
Total	<u>\$78,028,570</u>	<u>\$7,196,217</u>	<u>\$85,224,787</u>

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. As of June 30, 2009, \$88,012,241 of the School Board's bank balances of \$88,988,409 was exposed to custodial credit risk because it was insured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

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

(3) *Ad Valorem Taxes -*

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

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land are to be assessed at 15% and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which is valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

Ad Valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Parish Assessor during the year and are billed to taxpayers in November. Billed taxes become delinquent on December 31. Revenues from Ad Valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Parish Assessor bills and collects the property taxes using the assessed value determined by his office.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>		<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
Parishwide Taxes:							
Constitutional	3.29	3.29					
Additional Support	7.18	7.18					
Maintenance	7.00	7.00					
Construction	5.00	5.00					
District Taxes -							
Bond and Interest	-	54.36		-	54.36		

Any differences between authorized and levied millages are the result of reassessment of the tax rolls required by Article 7, Section 23 of the Louisiana Constitution of 1974.

Total Ad Valorem Taxes Levied	\$14,771,683
Less: Amounts Deemed Uncollectible	<u>(607,390)</u>
	14,164,293
Add: Prior Year Taxes Collected in Current Year	<u>-</u>
Net Ad Valorem Taxes Collectible	<u>\$14,164,293</u>

Ad Valorem taxes receivable at June 30, 2009, totaled \$148,495.

(4) Receivables -

The receivables at June 30, 2009, are as follows:

	<u>Federal Grants</u>	<u>State Grants</u>	<u>Sales Taxes</u>	<u>Ad Valorem Taxes</u>	<u>Interest</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 386,822	\$2,738,188	\$2,646,255	\$ 39,893	\$ 528,341	\$227,227	\$ 6,566,726
Capital Projects Fund	-	-	-	19,051	39,201	-	58,252
Nonmajor Funds	<u>4,059,273</u>	<u>-</u>	<u>85,461</u>	<u>89,551</u>	<u>57,494</u>	<u>7,536</u>	<u>4,299,315</u>
Totals	<u>\$4,446,095</u>	<u>\$2,738,188</u>	<u>\$2,731,716</u>	<u>\$ 148,495</u>	<u>\$ 625,036</u>	<u>\$234,763</u>	<u>\$10,924,293</u>

The above interest receivable total of \$625,036 includes \$608,768 interest due from the School Board's fiscal agent bank. The accrued interest due resulted from a settlement agreement where the bank agreed to pay \$25,365 per month over thirty months beginning in January 2009. The settlement total was \$760,961 in interest that was caused by a miscalculation by the Bank of the monthly interest due to the School Board and the amount paid by the bank from August 2005

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

through November 2008 on the School Board's deposit accounts. The School Board expects to collect \$304,384 during fiscal year ending June 30, 2010 and the remaining \$304,384 during fiscal year ending June 30, 2011.

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

	Due from Other Funds	Due to Other Funds
General Fund	\$6,611,893	\$ -
Capital Projects Funds:		
District No. 1		4,371,739
District No. 4	710,759	-
District No. 22	95,917	-
District No. 24	197,619	-
District No. 25	200,106	-
District No. 26	96,096	-
District No. 27	86,411	-
District No. 31	163,863	-
District No. 32	78,781	-
District No. 33	142,187	-
Total Capital Projects Fund	1,771,739	4,371,739
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Chapter 1	-	1,645,460
Chapter 2	-	9,861
Special Education Fund	-	1,454,497
Special Federal Fund	-	560,336
Other Federal ESEA Fund	-	341,739
Total Special Revenue Funds	-	4,011,893
Total	\$8,383,632	\$8,383,632

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

	Transfers In	Transfers Out
General Fund	\$ 429,751	\$ 10,975,000
Special Revenue Funds:		
Elementary and		
Secondary Education Act:		
Chapter 1	-	182,979
Special Education	-	174,670
Maintenance of Schools	2,265,000	-
School Lunch	4,300,000	-
Special Federal	-	26,203
Other Federal ESEA	-	45,899
Total Special Revenue Funds	6,565,000	429,751
Debt Service Funds:		
District No. 24	35,000	-
Total Debt Service Funds	35,000	-
Capital Projects Fund:		
District No. 1	814	-
District No. 4	2,225,482	-
District No. 22	425,416	-
District No. 24	1,000,204	-
District No. 25	69	-
District No. 26	275,112	-
District No. 27	275,124	-
District No. 31	75,040	-
District No. 32	96	-
District No. 33	100,047	-
District No. 90	-	2,404
Total Capital Projects Fund	4,377,404	2,404
Total	\$ 11,407,155	\$ 11,407,155

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2009 is as follows:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 7,609,782	\$ 1,619,747	\$ -	\$ 9,229,529
Construction in Progress	<u>2,175,368</u>	<u>13,919,893</u>	<u>(891,035)</u>	<u>15,204,226</u>
Total Capital Assets not being Depreciated	9,785,150	15,539,640	(891,035)	24,433,755
Capital Assets being Depreciated:				
Buildings and Improvements	170,344,204	4,257,319	-	174,601,523
Furniture and Equipment	4,877,928	460,701	(277,520)	5,061,109
Library Books and Textbooks	15,504,290	2,901,770	(836,030)	17,570,030
Vehicles	<u>4,903,274</u>	<u>567,640</u>	<u>(324,217)</u>	<u>5,146,697</u>
Total Capital Assets being Depreciated	195,629,696	8,187,430	(1,437,767)	202,379,359
Less: Accumulated Depreciation for:				
Buildings and Improvements	68,694,360	3,864,235	-	72,558,595
Furniture and Equipment	2,348,287	413,787	(235,953)	2,526,121
Library Books and Textbooks	10,660,755	1,910,236	(836,030)	11,734,961
Vehicles	<u>2,448,873</u>	<u>488,473</u>	<u>(324,217)</u>	<u>2,613,129</u>
Total Accumulated Depreciation	<u>84,152,275</u>	<u>6,676,731</u>	<u>(1,396,200)</u>	<u>89,432,806</u>
Total Capital Assets being Depreciated, Net	<u>111,477,421</u>	<u>1,510,699</u>	<u>(41,567)</u>	<u>112,946,553</u>
Total Governmental Activities Capital Assets, Net	<u>\$121,262,571</u>	<u>\$17,050,339</u>	<u>\$ (932,602)</u>	<u>\$137,380,308</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

Depreciation expense of \$6,676,731 for the year ended June 30, 2009 was charged to the following governmental functions:

Instruction:

Regular Education	\$ 1,512,197
Special Education	21,407
Vocational Education	23,710
Other Education Programs	4,478

Support Services:

Instructional Staff Support	481,609
General Administration (Including all Buildings)	3,984,608
School Administration	2,964
Business Services	66,670
Plant Services	94,942
Central Services	28,675
Student Transportation Services	432,020
School Food Services	<u>23,451</u>
Total	<u>\$ 6,676,731</u>

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2009, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Withholdings</u>	<u>Employee Benefits</u>	<u>Total</u>
General Fund	\$ 789,118	\$10,452,490	\$12,804,356	\$ 455,270	\$24,501,234
Capital Projects Fund	4,042,423	-	-	-	4,042,423
Nonmajor Funds	<u>883,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>883,998</u>
Total	<u>\$5,715,539</u>	<u>\$10,452,490</u>	<u>\$12,804,356</u>	<u>\$ 455,270</u>	<u>\$29,427,655</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

(8) **Defined Benefit Pension Plans -**

A. **Plan Descriptions, Contribution Information and Funding Policies -**

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement Systems (LSERS).

The following is a summary of eligibility factors, contribution methods, and benefit provisions.

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
Eligibility to Participate	Employees that meet the legal definition of a "teacher" in accordance with Louisiana Revised Statutes 11:701(23)(a).	Employees paid with school food service funds in which the parish has withdrawn from Social Security coverage.	Membership is mandatory for all employees under age 60 employed by a Louisiana Parish or City School Board who work more than 20 hours as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide.
Authority Establishing Contribution Obligations and Benefits	State Statute	State Statute	State Statute

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
Plan Members' Contribution Rate (Percent of Covered Payroll)	8.00%	9.10%	7.50%
School Board's Contribution Rate (Percent of Covered Payroll)	15.50%	15.50%	17.80%
Period Required to Vest	10 years	10 years	10 years
Benefits and Eligibility for Distribution (Full-time)	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following require- ments:	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following require- ments:	At least 30 years of creditable service re- gardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60, 2 1/2%

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>	<u>Teachers' Retirement System of Louisiana - Plan A</u>	<u>State of Louisiana School Employees' Retirement System</u>
	<u>Years Service</u> <u>Min. Age</u> <u>Formula Percentage</u>	<u>Years Service</u> <u>Min. Age</u> <u>Formula Percentage</u>	
	10 60 2.0%	10* 60 3.0%	of average compensation for the three highest consecutive years of service times the number of years of service, plus an additional 1/2% of average final compensation times the years of creditable service in excess of 20 years, plus a supplementary allowance of \$24 per annum or \$2 per month for each year of service, not to exceed average final compensation.
	Any	25 55 3.0%	
	20 Age 2.0%	Any	
	25 55 2.5%	30 Age 3.0%	
	Any		
	30 Age 2.5%		
	20 65 2.5%	*Less than 10 years at age 70 if member entered School Lunch Employees' Retirement System when Parish withdrew from Social Security.	
Deferred Retirement Option	Yes, same eligibility requirements as above regular retirement.	Yes, same eligibility requirements as above regular retirement.	Yes, 10 years at age 60, 25 years at 55, or any age with 30 years of creditable service.
Provisions for: Cost of Living Adjustments (Normal Retirement)	Yes	Yes	Yes
Death (Duty, Non-Duty, Post Retirement)	Yes	Yes	Yes
Disability (Duty, Non-Duty)	Yes	Yes	Yes
Cost of Living Allowances	Yes	Yes	Yes

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

B. *Trend Information -*

Contributions required by State statute:

Fiscal Year	Teachers' Retirement System of Louisiana - Regular Plan		Teachers' Retirement System of Louisiana - Plan A		State of Louisiana School Employees' Retirement System	
	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed	Required Contribution	Percentage Contributed
2000	\$ 8,349,114	100%	\$ 77,961	100%	\$ -	N/A
2001	\$ 8,067,534	100%	\$ 62,298	100%	\$ -	N/A
2002	\$ 8,032,885	100%	\$ 45,635	100%	\$ -	N/A
2003	\$ 8,580,196	100%	\$ 41,839	100%	\$ -	N/A
2004	\$ 9,493,360	100%	\$ 36,851	100%	\$ -	N/A
2005	\$11,445,128	100%	\$ 37,077	100%	\$ 953,322	100%
2006	\$12,770,586	100%	\$ 29,355	100%	\$1,222,461	100%
2007	\$13,876,912	100%	\$ 33,310	100%	\$1,545,886	100%
2008	\$17,235,237	100%	\$ 10,139	100%	\$1,749,675	100%
2009	\$17,152,858	100%	\$ 5,539	100%	\$1,841,646	100%

Trend information showing the progress of the Systems in accumulating sufficient assets to pay benefits when due is presented in their annual financial reports. Copies of these reports may be obtained from the respective State retirement systems.

C. *Deferred Compensation Plan -*

In addition to the above mentioned retirement plans, on May 5, 1994, the School Board adopted a resolution establishing a deferred compensation plan pursuant to Section 457 of the Internal Revenue Code. All part-time, seasonal and temporary employees of the School Board are eligible to participate in this plan. Participation in this plan is at a rate of 7.5% of compensation with contributions to the plan funded 1.3% by the employer and 6.2% by the employee. During the current fiscal year, total contributions to the plan amounted to \$257,862 which consisted of \$44,702 from the School Board and \$213,160 from the employees.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

The School Board has implemented GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the School Board's plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the School Board's financial statements as of June 30, 2009.

(9) Post-Retirement Health Care and Life Insurance Benefits -

In addition to the pension benefits described in Note (8), the Livingston Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee, the State Employees Group Benefits Program (the state), and the School Board (the parish). The School Board recognizes the cost of providing these benefits as expenditures when the monthly premiums are due. For the fiscal year ended June 30, 2009, the cost of providing these benefits for 2,308 active employees is \$14,620,881 and for 708 retirees is \$5,042,689.

(10) Changes in Agency Fund Deposits Due Others -

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

	School Activity Fund	Sales Tax Fund	Total
Balance - June 30, 2008	\$ 4,464,504	\$ 2,785,940	\$ 7,250,444
Additions	10,537,583	69,317,134	79,854,717
Deductions	<u>(10,474,533)</u>	<u>(69,434,411)</u>	<u>(79,908,944)</u>
Balance - June 30, 2009	<u>\$ 4,527,554</u>	<u>\$ 2,668,663</u>	<u>\$ 7,196,217</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

(11) Long-Term Debt -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2009:

	<u>Bonded Debt</u>	<u>Capital Lease</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Post-Employment Benefits</u>	<u>Total</u>
Long-Term Obligations - July 1, 2008	\$60,235,239	\$ 502,045	\$ 9,827,428	\$ 2,170,000	\$ 2,799,813	\$ 75,534,525
Additions	-	-	2,973,482	1,321,856	8,089,054	12,384,392
Amortization of Deferred Amounts on Refunding	83,366	-	-	-	-	83,366
Amortization on Premium Received on Issuance of Bond	(6,052)	-	-	-	-	(6,052)
Deductions	<u>(3,377,641)</u>	<u>(247,923)</u>	<u>(2,543,943)</u>	<u>(701,856)</u>	<u>(5,042,689)</u>	<u>(11,914,052)</u>
Long-Term Obligations - June 30, 2009	<u>\$56,934,912</u>	<u>\$ 254,122</u>	<u>\$10,256,967</u>	<u>\$ 2,790,000</u>	<u>\$ 5,846,178</u>	<u>\$ 76,082,179</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2009:

	<u>Bonded Debt</u>	<u>Capital Lease</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Post-Employment Benefits</u>	<u>Total</u>
Current Portion	\$ 3,482,138	\$ 254,122	\$ 2,564,242	\$ -	\$ -	\$ 6,300,502
Long-Term Portion	<u>53,452,774</u>	<u>-</u>	<u>7,692,725</u>	<u>2,790,000</u>	<u>5,846,178</u>	<u>69,781,677</u>
Total	<u>\$56,934,912</u>	<u>\$ 254,122</u>	<u>\$10,256,967</u>	<u>\$ 2,790,000</u>	<u>\$ 5,846,178</u>	<u>\$ 76,082,179</u>

Bonded Debt

All school board bonds outstanding at June 30, 2009 in the amount of \$57,150,345 consist of general obligation bonds with final maturities from 2013 to 2027 and interest rates from 3.00 percent to 12.00 percent. Bond principal and interest payable in the next fiscal year is \$3,559,046 and \$2,440,812, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General Obligation					
Bonds - Secured					
by Ad Valorem Taxes:					
School District No. 1:					
03/01/02	\$6,455,000	3.00-4.40%	2014	\$ 486,057	\$ 3,680,000
12/01/07	\$26,000,000	3.88-5.00%	2027	11,663,144	24,575,000
School District No. 4:					
03/01/02	\$2,840,000	3.00-4.40%	2014	214,452	1,620,000
01/01/05	\$12,000,000	3.06-5.00%	2024	4,417,057	11,065,000
School District No. 22:					
12/01/96	\$1,500,000	4.75-10.00%	2016	161,250	760,000
01/01/02	\$2,515,000	4.40%	2017	335,960	1,540,000
02/01/03	\$9,000,000	4.00-4.55%	2022	2,375,725	7,215,000
School District No. 24:					
11/22/05	\$ 217,000	3.60-5.00%	2013	14,567	125,345
07/11/06	\$1,525,000	3.75-4.13%	2014	116,033	1,060,000
School District No. 27-A:					
07/11/06	\$1,690,000	3.75-4.13%	2014	123,800	1,145,000
School District No. 31:					
04/01/96	\$ 725,000	5.30-12.00%	2016	80,409	365,000
08/01/01	\$ 450,000	.1%-6.50%	2016	55,345	265,000
School District No. 32-A:					
08/01/01	\$1,400,000	.1%-6.5%	2016	173,189	830,000
07/11/06	\$1,225,000	3.85-4.30%	2016	163,311	920,000
School District No. 33:					
01/01/05	\$1,750,000	3.75-5.00%	2024	584,097	1,545,000
07/11/06	\$ 635,000	3.75-4.13%	2014	<u>48,074</u>	<u>440,000</u>
Total General Obligation Bonds				<u>21,012,470</u>	<u>57,150,345</u>
Total Bonded Debt				<u>\$ 21,012,470</u>	<u>\$ 57,150,345</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish and the avails of a ½% sales and use tax within School Board District No. 22 within Livingston Parish. At June 30, 2009 the School Board has accumulated \$6,161,903 in the Debt Service Funds for future debt requirements. The bonds are due, by years, as follows:

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2010	\$ 3,559,046	\$ 2,440,812	\$ 5,999,858
2011	3,755,522	2,293,512	6,049,034
2012	3,947,074	2,135,835	6,082,909
2013	4,178,703	1,965,388	6,144,091
2014	4,380,000	1,785,750	6,165,750
2015-2019	15,425,000	6,597,196	22,022,196
2020-2024	16,035,000	3,274,146	19,309,146
2025-2027	<u>5,870,000</u>	<u>519,831</u>	<u>6,389,831</u>
	57,150,345	<u>\$21,012,470</u>	<u>\$78,162,815</u>
Unamortized Deferred Amount on Refunding	(417,559)		
Unamortized Premium On Bond Issuance	<u>202,126</u>		
	<u>\$56,934,912</u>		

Prior Years Advance Refundings

During the 2002 fiscal year, the School Board issued \$11,810,000 of general obligation refunding bonds to provide resources to purchase U.S. Government, State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$10,810,000 of general obligation bonds. At June 30, 2009, the principal balance on the defeased bonds is \$6,780,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from these financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,029,722. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. At June 30, 2009, the unamortized balance is \$417,559. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$957,672 and resulted in an economic gain of \$714,206

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded by ad valorem taxes, in excess of thirty-five percent of the assessed value of taxable property. At June 30, 2009, the statutory limit is approximately \$199,000,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$57,150,345.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

Compensated Absences

At June 30, 2009, employees of the School Board have accumulated and vested \$10,256,967 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

Capital Lease

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

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u>
2010	\$ 254,122	\$ 6,353	\$ 260,475

Post-Employment Benefits

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

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

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

Fund Policy. Until 2007, The Livingston Parish School Board recognized the cost of providing post-employment medical and life benefits (Livingston Parish School Board's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2008/2009, Livingston Parish School Board's portion of health care funding cost for retired employees totaled \$4,992,262 and the life insurance totaled \$50,427.

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

Net Post-employment Benefit Obligation (Asset). The table below shows Livingston Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2009:

	Medical	Life
Net OPEB Obligation (Asset)- Beginning of Year	\$ 2,674,585	\$ 125,228
Annual Required Contribution	7,208,455	168,607
Interest on Net OPEB Obligation (Asset)	706,983	5,009
ARC Adjustment	-	-
OPEB Cost	7,915,438	173,616
Contribution	-	-
Current Year Retiree Premium Paid	(4,992,262)	(50,427)
Change in Net OPEB Obligation	2,923,176	123,189
Net OPEB Obligation (Asset) – End of Year	\$ 5,597,761	\$ 248,417

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

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net PEB Liability (Asset)
Medical	June 30, 2008	\$7,208,455	62.90%	\$2,674,585
Life	June 30, 2008	168,607	25.73%	125,228
Medical	June 30, 2009	7,915,438	63.07%	5,597,761
Life	June 30, 2009	173,616	29.05%	248,417

Funded Status and Funding Progress. In the fiscal year ending June 30, 2009, Livingston Parish School Board made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2007, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$78,869,525 (medical) and \$2,651,417 (life) or a total Unfunded Actuarial Accrued Liability (UAAL) of \$81,520,942, which is defined as that portion, as determined by a particular actuarial cost method (Livingston Parish School Board uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan has not been funded, the entire actuarial accrued liability of \$78,869,525 (medical) and \$2,651,417 (life) were unfunded. The ratio of UAAL of \$81,520,942 to the covered payroll amount of \$130,498,670 was 62.5%.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

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

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

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

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

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

Age	Percent Turnover
18 – 25	20.0%
26 – 40	12.0%
41 – 54	8.0%
55+	6.0%

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

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

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

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

Zero trend has been assumed for valuing life insurance.

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

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

Property Damage Insurance

The School Board continues to carry an excess coverage insurance policy to cover annual losses in excess of \$100,000 and has designated \$919,069 of fund balance of the General Fund at June 30, 2009, to cover the cost of future property damage not covered by insurance.

General Liability Insurance

The School Board is exposed to losses relating to any potential general liability claim it may face. Because of the prohibitive cost of carrying commercial insurance, the School Board established a limited risk management program for liability claims. The School Board has an excess coverage insurance policy to cover annual losses in excess of \$250,000.

The School Board made disbursements for liability claims of \$24,491 in the fiscal year ended June 30, 2009. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2009, amounted to \$1,024,881.

Each year the School Board compares the claims paid and the designated fund balance for general liability insurance to determine the amount of funds to be set aside that year. The School Board has designated \$2,429,823 of the fund balance of the General Fund to cover future general liability damage claims.

Worker's Compensation Insurance

The School Board is exposed to losses relating to any potential worker's compensation claims it may face. Because of the prohibitive cost of carrying commercial insurance, the School Board established a limited risk management program for worker's compensation claims. The School Board has purchased an excess coverage insurance policy to cover worker's compensation claims in excess of \$400,000.

Each year the School Board compares the claims paid and the designated fund balance for worker's compensation insurance to determine the amount of funds to be set aside that year. The School Board has designated \$193,523 of the fund balance of the General Fund to cover future worker's compensation damage claims.

All worker's compensation claims are paid out of the General Fund resources. The School Board made disbursements for worker's compensation claims of \$1,186,736 in the fiscal year ended June 30, 2009. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2009, amounted to \$1,765,119.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

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

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

Other Post Employment Benefit

During the current fiscal year, the School Board passed a motion to set aside funds in the amount of \$1,758,313 in the General Fund to be used to fund the Other Post Employment Benefits trust fund plan when adopted.

(14) Fund Equity - Capital Projects Fund -

The Capital Projects Fund shows a total fund equity of \$15,984,733. A summary of commitments under construction contracts for each individual school district at June 30, 2009, follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2009</u>	<u>Unexpended Commitment</u>
District #1	\$28,808,059	\$13,480,793	\$15,327,266
District #4	8,647,293	1,580,466	7,066,827
District #22	114,698	8,470	106,228
District #24	51,414	3,797	47,617
District #25	19,804	1,462	18,342
District #26	28,881	2,133	26,748
District #27	31,229	2,306	28,923
District #31	584,434	122,165	462,269
District #32	24,691	1,823	22,868
District #33	<u>10,981</u>	<u>811</u>	<u>10,170</u>
Total	<u>\$38,321,484</u>	<u>\$15,204,226</u>	<u>\$23,117,258</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

	Actual District Fund Balance at <u>June 30, 2009</u>	Unexpended Commitment <u>June 30, 2009</u>	Fund Balances Less Commitments <u>June 30, 2009</u>
District #1	\$14,809,598	\$15,327,266	\$ (517,668)
District #4	278,608	7,066,827	(6,788,219)
District #22	117,860	106,228	11,632
District #24	209,423	47,617	161,806
District #25	204,648	18,342	186,306
District #26	80,183	26,748	53,435
District #27	93,204	28,923	64,281
District #31	105,282	462,269	(356,987)
District #32	84,459	22,868	61,591
District #33	<u>1,468</u>	<u>10,170</u>	<u>(8,702)</u>
	<u>\$15,984,733</u>	<u>\$23,117,258</u>	<u>\$ (7,132,525)</u>

At June 30, 2009 the unexpended commitments are recorded in the Capital Projects Fund as fund balance reserved for incomplete contracts to the extent of available fund balances of \$15,445,682. The unavailable amount of \$7,671,576 will have to be resolved in future years by anticipated Sales Tax revenues and General Fund Transfers.

(15) **Reservation of Fund Balance - General Fund -**

Reservation for Salaries - In May 1967, the voters of Livingston Parish approved the levy of a 1% sales tax for the purpose of paying salaries of the employees of the School Board. In addition, in October 1987 the voters of Livingston Parish approved the levy of an additional 1/2 of 1% sales tax, 80% of which is dedicated for the purpose of paying salaries of the employees of the School Board. At June 30, 2009, a balance of \$662,540 is reserved for salaries as a result of these sales tax levies.

Reservation for Construction, Utilities, and Maintenance - In May 1978, the voters of Livingston Parish approved the levy of a 1% sales tax for the purpose of construction, renovation, operation and maintenance of the public schools of Livingston Parish. Also, the remaining 20% of the 1/2 of 1% sales tax approved in 1987, is dedicated to pay the cost of utility services of the public schools of Livingston Parish. At June 30, 2009, a balance of \$23,083,229 is reserved for utilities and maintenance as a result of these sales tax levies.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2009

Excellence in Education - Classroom Improvements - In the current year and prior years, the School Board received payments from the State of Louisiana in connection with the State's settlement of its lawsuit with the tobacco industry. These funds can only be spent on classroom improvements as required by the State. Accordingly, the unspent monies at June 30, 2009 of \$2,216,291 are reflected as a reservation of fund balance.

(16) **Litigation and Claims -**

At June 30, 2009, the School Board is involved in several lawsuits. It is the opinion of the legal adviser for the School Board that the ultimate resolution of these lawsuits will not involve any material liability to the School Board in excess of insurance coverage and amounts recorded in these financial statements.

SCHEDULES REQUIRED BY STATE LAW

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

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

October 28, 2009

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

Livingston Parish School Board
Livingston, Louisiana

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

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

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

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

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

(No Differences Noted)

Education Levels of Public School Staff (Schedule 2)

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

(No Differences Noted)

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

(No Differences Noted)

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

(No Differences Noted)

Number and Type of Public Schools (Schedule 3)

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

(No Differences Noted)

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

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

(No Differences Noted)

Public Staff Data (Schedule 5)

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

(No Differences Noted)

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

Class Size Characteristics (Schedule 6)

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

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

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

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

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

The iLEAP Tests (Schedule 9)

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

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

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

Respectfully submitted,

Harris J. Bourgeois, CPA

LIVINGSTON PARISH SCHOOL BOARD

GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES

FOR THE YEAR ENDED JUNE 30, 2009

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 76,671,464	
Other Instructional Staff Activities	11,543,055	
Employee Benefits	28,245,926	
Purchased Professional and Technical Services	99,097	
Instructional Materials and Supplies	7,024,502	
Instructional Equipment	<u>114,440</u>	
Total Teacher and Student Interaction Activities		123,698,484

Other Instructional Activities		478,700
--------------------------------	--	---------

Pupil Support Activities	6,785,226	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		6,785,226

Instructional Staff Services	5,132,878	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		5,132,878

School Administration	9,589,096	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>9,589,096</u>

Total General Fund Instructional Expenditures		<u>\$ 145,684,384</u>
---	--	-----------------------

Total General Fund Equipment Expenditures		<u>\$ 1,043,052</u>
---	--	---------------------

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2009

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 1,143,964
Renewable Ad Valorem Tax	6,669,085
Debt Service Ad Valorem Tax	6,351,244
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	436,181
Sales and Use Taxes	32,964,638
Total Local Taxation Revenue	<u>47,565,112</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 8,292
Earnings from Other Real Property	<u>57,874</u>
Total Local Earnings on Investment in Real Property	<u>\$ 66,166</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 145,897
Revenue Sharing - Other Taxes	<u>726,825</u>
Total State Revenue in Lieu of Taxes	<u>\$ 872,722</u>

Nonpublic Textbook Revenue	<u>\$ 2,071</u>
----------------------------	-----------------

Nonpublic Transportation Revenue	<u>\$ 45,757</u>
----------------------------------	------------------

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

AS OF OCTOBER 1, 2008

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	6	0%	0	0%	0	0%	0	0%
Bachelor's Degree	1184	73%	0	0%	2	3%	0	0%
Master's Degree	294	19%	0	0%	42	55%	0	0%
Master's Degree + 30	112	7%	0	0%	25	33%	0	0%
Specialist in Education	13	1%	0	0%	7	9%	0	0%
Ph. D. or Ed. D.	5	0%	0	0%	0	0%	0	0%
Total	1,614	100%	0	0%	76	100%	0	0%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2009

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

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

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2008

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	4	8	3	4	11	30
Principals	-	-	1	3	6	8	28	46
Classroom Teachers	158	160	483	207	218	164	224	1,614
Total	158	160	488	218	227	176	263	1,690

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

PUBLIC SCHOOL STAFF DATA

FOR THE YEAR ENDED JUNE 30, 2009

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	47,964	47,907
Average Classroom Teachers' Salary Excluding Extra Compensation	47,577	47,514
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	1,611	1,586

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

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2008

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	55.91%	1,840	41.99%	1,382	2.07%	68	0.03%	1
Elementary Activity Classes	44.70%	232	51.83%	269	3.47%	18	0.00%	-
Middle/Jr. High	46.24%	745	29.92%	482	23.84%	384	0.00%	-
Middle/Jr. High Activity Classes	53.93%	151	13.57%	38	21.79%	61	10.71%	30
High	63.09%	1,959	26.41%	820	10.34%	321	0.16%	5
High Activity Classes	78.50%	387	11.98%	59	7.30%	36	2.22%	11
Combination	78.62%	467	16.50%	98	4.55%	27	0.33%	2
Combination Activity Classes	73.49%	61	15.66%	13	7.23%	6	3.62%	3

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

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2009

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	93	5%	84	4%	88	5%	101	5%	117	6%	81	5%
Mastery	549	27%	519	27%	471	27%	400	20%	456	23%	343	19%
Basic	1,022	50%	906	46%	852	48%	1,077	53%	990	51%	923	52%
Approaching Basic	269	13%	320	16%	238	13%	334	16%	272	14%	288	16%
Unsatisfactory	102	5%	130	7%	125	7%	123	6%	123	6%	139	8%
Total	2,035	100%	1,959	100%	1,774	100%	2,035	100%	1,958	100%	1,774	100%

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	102	6%	22	1%	44	2%	37	2%	11	1%	32	2%
Mastery	471	26%	480	27%	464	26%	340	19%	262	15%	333	18%
Basic	721	41%	792	44%	898	49%	909	51%	984	54%	975	54%
Approaching Basic	371	21%	388	21%	315	17%	328	19%	379	21%	323	18%
Unsatisfactory	107	6%	126	7%	100	6%	154	9%	171	9%	157	8%
Total	1,772	100%	1,808	100%	1,821	100%	1,768	100%	1,807	100%	1,820	100%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

FOR THE YEAR ENDED JUNE 30, 2009

District Achievement Level Results	English Language Arts						Mathematics					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	12	1%	11	1%	9	1%	168	11%	142	9%	77	5%
Mastery	208	14%	177	11%	145	10%	263	18%	248	16%	254	18%
Basic	829	56%	804	52%	723	51%	769	51%	735	47%	667	47%
Approaching Basic	348	23%	350	22%	368	26%	188	13%	241	15%	240	17%
Unsatisfactory	94	6%	213	14%	173	12%	102	7%	206	13%	179	13%
Total	1,491	100%	1,555	100%	1,418	100%	1,490	100%	1,572	100%	1,417	100%

District Achievement Level Results	Science						Social Studies					
	2009		2008		2007		2009		2008		2007	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	48	4%	18	1%	43	3%	8	1%	6	0%	9	1%
Mastery	276	20%	185	14%	204	17%	97	7%	102	8%	110	9%
Basic	666	49%	612	47%	594	48%	810	60%	744	57%	709	57%
Approaching Basic	269	20%	374	28%	265	22%	292	21%	297	23%	263	21%
Unsatisfactory	93	7%	126	10%	128	10%	143	11%	165	12%	144	12%
Total	1,352	100%	1,315	100%	1,234	100%	1,350	100%	1,314	100%	1,235	100%

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS

FOR THE YEAR ENDED JUNE 30, 2009

iLEAP Tests

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

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

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

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

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

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

I LEAP TESTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

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

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

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

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

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

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

ILEAP TESTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	100	5%	206	11%	120	6%	35	2%
Mastery	578	30%	565	29%	527	28%	538	28%
Basic	854	45%	836	44%	902	47%	968	51%
Approaching Basic	258	14%	211	11%	291	15%	254	13%
Unsatisfactory	124	6%	96	5%	72	4%	117	6%
Total	1,914	100%	1,914	100%	1,912	100%	1,912	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	56	3%	120	7%	72	4%	61	3%
Mastery	397	22%	296	16%	390	22%	301	17%
Basic	931	52%	988	55%	905	51%	1,020	57%
Approaching Basic	297	17%	246	14%	346	19%	267	15%
Unsatisfactory	110	6%	141	8%	77	4%	140	8%
Total	1,791	100%	1,791	100%	1,790	100%	1,789	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	63	4%	148	8%	69	4%	173	10%
Mastery	395	23%	308	18%	427	24%	299	17%
Basic	949	54%	1,000	57%	872	50%	880	50%
Approaching Basic	265	15%	183	11%	286	16%	287	17%
Unsatisfactory	77	4%	110	6%	95	6%	108	6%
Total	1,749	100%	1,749	100%	1,749	100%	1,747	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	73	4%	109	6%	60	3%	69	4%
Mastery	388	21%	285	16%	470	26%	440	24%
Basic	965	53%	1,007	55%	842	46%	926	51%
Approaching Basic	314	17%	281	15%	340	19%	278	15%
Unsatisfactory	94	5%	152	8%	120	6%	116	6%
Total	1,834	100%	1,834	100%	1,832	100%	1,829	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
	Number	Percent	Number	Percent
Grade 9				
Advanced	10	1%	100	6%
Mastery	250	15%	249	15%
Basic	950	58%	873	53%
Approaching Basic	342	21%	272	17%
Unsatisfactory	84	5%	143	9%
Total	1,636	100%	1,637	100%

See auditor's report.

SUPPLEMENTARY INFORMATION

MAJOR CAPITAL PROJECTS FUND - BY DISTRICT

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

LIVINGSTON PARISH SCHOOL BOARD

CAPITAL PROJECTS FUND

COMBINING BALANCE SHEET - BY DISTRICT

JUNE 30, 2009

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2008)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ -	\$ 21,259	\$ 18,688	\$ 8,374	\$ 3,222	\$ 4,706
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	22,500,000	-	-	-	-	-
Due From Other Funds	-	710,759	95,917	197,619	200,106	96,096
Receivables	19,445	11,973	10,525	4,717	1,815	2,650
Total Assets	\$ 22,519,445	\$ 743,991	\$ 125,130	\$ 210,710	\$ 205,143	\$ 103,452
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and Other Payables	\$ 3,338,108	\$ 465,383	\$ 7,270	\$ 1,287	\$ 495	\$ 23,269
Due to Other Funds	4,371,739	-	-	-	-	-
Total Liabilities	7,709,847	465,383	7,270	1,287	495	23,269
Fund Equity:						
Fund Balances:						
Reserved for Incomplete Contracts	14,809,598	278,608	106,228	47,617	18,342	26,748
Reserved for Future Construction	-	-	-	-	-	-
Unreserved - Undesignated	-	-	11,632	161,806	186,306	53,435
Total Fund Equity	14,809,598	278,608	117,860	209,423	204,648	80,183
Total Liabilities and Fund Equity	\$ 22,519,445	\$ 743,991	\$ 125,130	\$ 210,710	\$ 205,143	\$ 103,452

See auditor's report.

SCHOOL DISTRICTS					TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	2009	2008
\$ 5,085	\$ 1,747	\$ 4,028	\$ 1,795	\$ -	\$ 68,904	\$ 5,586,492
-	-	-	-	-	22,500,000	22,500,000
86,411	163,863	78,781	142,187	-	1,771,739	-
2,864	984	2,268	1,011	-	58,252	63,394
<u>\$ 94,360</u>	<u>\$ 166,594</u>	<u>\$ 85,077</u>	<u>\$ 144,993</u>	<u>\$ -</u>	<u>\$ 24,398,895</u>	<u>\$ 28,149,886</u>
\$ 1,156	\$ 61,312	\$ 618	\$ 143,525	\$ -	\$ 4,042,423	\$ 469,532
-	-	-	-	-	4,371,739	-
1,156	61,312	618	143,525	-	8,414,162	469,532
28,923	105,282	22,868	1,468	-	15,445,682	16,782,388
-	-	-	-	-	-	10,218,969
64,281	-	61,591	-	-	539,051	678,997
93,204	105,282	84,459	1,468	-	15,984,733	27,680,354
<u>\$ 94,360</u>	<u>\$ 166,594</u>	<u>\$ 85,077</u>	<u>\$ 144,993</u>	<u>\$ -</u>	<u>\$ 24,398,895</u>	<u>\$ 28,149,886</u>

LIVINGSTON PARISH SCHOOL BOARD

CAPITAL PROJECTS FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

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

	SCHOOL DISTRICTS				
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25
Revenues:					
Local Sources:					
Ad Valorem Taxes	\$ 580,458	\$ 357,222	\$ 313,959	\$ 140,859	\$ 54,098
Interest Earnings	315,314	5,517	4,784	2,285	799
State Sources:					
Unrestricted					
Grants-in-Aid	71,944	44,298	38,942	17,451	6,714
Total Revenues	<u>967,716</u>	<u>407,037</u>	<u>357,685</u>	<u>160,595</u>	<u>61,611</u>
Expenditures:					
Support Services:					
General Administration	22,854	14,072	12,371	5,544	2,133
Capital Outlay	12,272,589	2,792,426	771,677	1,247,298	1,462
Total Expenditures	<u>12,295,443</u>	<u>2,806,498</u>	<u>784,048</u>	<u>1,252,842</u>	<u>3,595</u>
Excess (Deficiency) of Revenues over Expenditures	(11,327,727)	(2,399,461)	(426,363)	(1,092,247)	58,016
Other Financing Sources (Uses):					
Issuance of Bonds	-	-	-	-	-
Bond Premium	-	-	-	-	-
Transfers In	814	2,225,482	425,416	1,000,204	69
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>814</u>	<u>2,225,482</u>	<u>425,416</u>	<u>1,000,204</u>	<u>69</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(11,326,913)	(173,979)	(947)	(92,043)	58,085
Fund Balances at Beginning of Year	<u>26,136,511</u>	<u>452,587</u>	<u>118,807</u>	<u>301,466</u>	<u>146,563</u>
Fund Balances at End of Year	<u>\$ 14,809,598</u>	<u>\$ 278,608</u>	<u>\$ 117,860</u>	<u>\$ 209,423</u>	<u>\$ 204,648</u>

See auditor's report.

SCHOOL DISTRICTS						TOTAL CAPITAL PROJECTS FUND	
NO. 26	NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	2009	2008
\$ 79,116	\$ 85,518	\$ 29,363	\$ 67,720	\$ 30,207	\$ -	\$ 1,738,520	\$ 1,329,218
1,265	1,387	454	1,081	513	-	333,399	502,392
<u>9,804</u>	<u>10,595</u>	<u>3,641</u>	<u>8,392</u>	<u>3,739</u>	<u>-</u>	<u>215,520</u>	<u>198,213</u>
90,185	97,500	33,458	77,193	34,459	-	2,287,439	2,029,823
3,114	3,366	1,157	2,666	1,188	-	68,465	52,465
392,793	415,300	122,166	129,823	144,061	-	18,289,595	4,151,475
<u>395,907</u>	<u>418,666</u>	<u>123,323</u>	<u>132,489</u>	<u>145,249</u>	<u>-</u>	<u>18,358,060</u>	<u>4,203,940</u>
(305,722)	(321,166)	(89,865)	(55,296)	(110,790)	-	(16,070,621)	(2,174,117)
-	-	-	-	-	-	-	26,000,000
-	-	-	-	-	-	-	213,845
275,112	275,124	75,040	96	100,047	-	4,377,404	1,800,000
-	-	-	-	-	(2,404)	(2,404)	(30,000)
<u>275,112</u>	<u>275,124</u>	<u>75,040</u>	<u>96</u>	<u>100,047</u>	<u>(2,404)</u>	<u>4,375,000</u>	<u>27,983,845</u>
(30,610)	(46,042)	(14,825)	(55,200)	(10,743)	(2,404)	(11,695,621)	25,809,728
<u>110,793</u>	<u>139,246</u>	<u>120,107</u>	<u>139,659</u>	<u>12,211</u>	<u>2,404</u>	<u>27,680,354</u>	<u>1,870,626</u>
<u>\$ 80,183</u>	<u>\$ 93,204</u>	<u>\$ 105,282</u>	<u>\$ 84,459</u>	<u>\$ 1,468</u>	<u>\$ -</u>	<u>\$ 15,984,733</u>	<u>\$ 27,680,354</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

Elementary and Secondary Education Act (ESEA) Title I Funds - Chapter 1 of the ESEA Title I Program is a program for educationally deprived school children residing in areas having high concentrations of children from low-income families. The Chapter 1 services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and local mandated activities.

Chapter 2 of the ESEA Title VI Program is a program by which the federal government provides block grant funds to the school system based on a per pupil allocation for audio-visual material, equipment, and library resources.

Special Education Fund - The Special Education Fund accounts for a federally financed program of free education in the least restrictive environment for children with exceptionalities, as provided for under Public Law 94-142.

Maintenance of Schools Fund - The Maintenance of Schools Fund is funded by ad valorem taxes levied on all assessed property in the parish. The net proceeds of the taxes are dedicated to providing maintenance on all of the equipment and facilities owned by the School Board.

School Lunch Fund - The School Lunch Fund is a program that provides the students with balanced and nutritious meals. This program is federally financed, state-administered, and locally operated by the School Board.

Special Federal Fund - The Special Federal Fund is used to account for the Federal Funds and Grants previously reported in the General Fund. Some of the programs include vocational education, preschool program, job training partnership act, and the goals 2000 program.

Other Federal ESEA Fund - The Other Federal ESEA Fund is used to account for all other ESEA programs except for the Chapter I and Chapter II programs. Those programs include the Drug-Free Schools program, the Eisenhower Grant program and the Class-Size Reduction program as well as various other programs.

DEBT SERVICE FUND

The debt service fund is used to accumulate monies for the payment of bond issues. The bonds were issued by the respective school districts to acquire and improve sites, erect and/or improve school buildings, and acquire the necessary equipment and furnishings. The bond issues are financed by a special property tax levy on property within the territorial limits of the respective school districts and by one percent of the two and one-half percent parish sales and use tax collected by the School Board.

LIVINGSTON PARISH SCHOOL BOARD

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2009
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2008)

ASSETS	SPECIAL REVENUE FUNDS			
	Elementary and Secondary		Special	Maintenance of
	Education Act			
	Chapter 1	Chapter 2		
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,954,760
Receivables	1,647,698	10,227	1,484,978	47,318
Inventory	-	-	-	-
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	-	-	-	-
Total Assets	\$ 1,647,698	\$ 10,227	\$ 1,484,978	\$ 2,002,078
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, Salaries and Other Payables	\$ 2,238	\$ 366	\$ 30,481	\$ 769,828
Due to Other Funds	1,645,460	9,861	1,454,497	-
Total Liabilities	1,647,698	10,227	1,484,978	769,828
Fund Equity:				
Fund Balances -				
Reserved for Inventory	-	-	-	-
Reserved for Debt Service	-	-	-	-
Unreserved - Undesignated	-	-	-	1,232,250
Total Fund Balances	-	-	-	1,232,250
Total Liabilities and Fund Equity	\$ 1,647,698	\$ 10,227	\$ 1,484,978	\$ 2,002,078

See auditor's report.

Schedule 12

<u>SPECIAL REVENUE FUNDS</u>						
<u>School Lunch</u>	<u>Special Federal Fund</u>	<u>Other Federal ESEA Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>		
				<u>2009</u>	<u>2008</u>	
\$ 175,462	\$ -	\$ -	\$ 4,476,715	\$ 6,606,937	\$ 4,570,099	
6,611	575,556	341,739	185,188	4,299,315	6,303,202	
265,199	-	-	-	265,199	222,511	
-	-	-	1,500,000	1,500,000	1,500,000	
<u>\$ 447,272</u>	<u>\$ 575,556</u>	<u>\$ 341,739</u>	<u>\$ 6,161,903</u>	<u>\$ 12,671,451</u>	<u>\$ 12,595,812</u>	
\$ 65,865	\$ 15,220	\$ -	\$ -	\$ 883,998	\$ 418,725	
-	560,336	341,739	-	4,011,893	5,858,123	
65,865	575,556	341,739	-	4,895,891	6,276,848	
265,199	-	-	-	265,199	166,087	
-	-	-	6,161,903	6,161,903	4,950,449	
116,208	-	-	-	1,348,458	1,202,428	
381,407	-	-	6,161,903	7,775,560	6,318,964	
<u>\$ 447,272</u>	<u>\$ 575,556</u>	<u>\$ 341,739</u>	<u>\$ 6,161,903</u>	<u>\$ 12,671,451</u>	<u>\$ 12,595,812</u>	

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008)

	SPECIAL REVENUE FUNDS			
	Elementary and Secondary		Special Education	Maintenance of Schools
	Chapter 1	Chapter 2		
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 2,434,014
Sales Taxes	-	-	-	-
Interest Earnings	-	-	-	12,861
Food Services	-	-	-	-
Other	-	-	-	-
State Sources - Unrestricted:				
Grants-in-Aid	-	-	-	209,311
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	182,979	-	174,670	-
Restricted Grants-in-Aid - Subgrants	4,256,809	10,227	4,086,004	-
Other - Commodities	-	-	-	-
Total Revenues	4,439,788	10,227	4,260,674	2,656,186
Expenditures:				
Instruction:				
Regular Programs	-	-	-	816
Special Programs	-	-	2,297,326	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	3,705,186	-	-	-
Support Services:				
Pupil Support	-	-	578,933	-
Instructional Staff Support	483,631	10,227	1,172,973	-
General Administration	-	-	-	95,851
Business Services	-	-	8,697	-
Plant Services	-	-	2,729	4,794,697
Transportation Services	-	-	2,847	-
Food Services	-	-	-	-

(CONTINUED)

SPECIAL REVENUE FUNDS					
School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
				2009	2008
\$ -	\$ -	\$ -	\$ 6,351,244	\$ 8,785,258	\$ 8,314,109
-	-	-	973,548	973,548	926,709
2,538	-	-	72,408	87,807	238,057
3,290,793	-	-	-	3,290,793	2,967,463
29,610	-	-	-	29,610	28,298
402,250	-	-	-	611,561	594,754
-	26,203	45,899	-	429,751	395,037
5,234,554	911,944	1,135,174	-	15,634,712	14,156,459
709,157	-	-	-	709,157	743,435
9,668,902	938,147	1,181,073	7,397,200	30,552,197	28,364,321
-	-	-	-	816	10,261
-	21,612	-	-	2,318,938	2,039,893
-	193,557	-	-	193,557	141,555
-	110,582	-	-	110,582	123,535
-	176,645	904,035	-	4,785,866	3,972,548
-	44,862	51,819	-	675,614	720,695
-	362,222	158,054	-	2,187,107	1,795,668
-	-	-	261,756	357,607	373,843
-	1,319	21,266	-	31,282	24,518
-	998	-	-	4,798,424	3,897,270
-	147	-	-	2,994	2,096
13,740,845	-	-	-	13,740,845	13,305,666

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008)

	SPECIAL REVENUE FUNDS			
	<u>Elementary and Secondary</u>		Special Education	Maintenance of Schools
	<u>Education Act</u>			
	<u>Chapter 1</u>	<u>Chapter 2</u>		
Expenditures (Continued):				
Community Service Programs	67,992	-	-	-
Capital Outlay	-	-	22,499	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Cost of Issuance	-	-	-	-
Total Expenditures	4,256,809	10,227	4,086,004	4,891,364
Excess (Deficiency) of Revenues Over Expenditures	182,979	-	174,670	(2,235,178)
Other Financing Sources (Uses):				
Transfers In	-	-	-	2,265,000
Transfers Out	(182,979)	-	(174,670)	-
Total Other Financing Sources (Uses)	(182,979)	-	(174,670)	2,265,000
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	29,822
Fund Balances at Beginning of Year	-	-	-	1,202,428
Fund Balances at End of Year	\$ -	\$ -	\$ -	\$ 1,232,250

See auditor's report.

Schedule 13
(Continued)

SPECIAL REVENUE FUNDS					
School Lunch	Special Federal Fund	Other Federal ESEA Fund	Debt Service Fund	Total Nonmajor Governmental Funds	
				2009	2008
-	-	-	-	67,992	60,169
12,737	-	-	-	35,236	376,770
-	-	-	3,377,641	3,377,641	3,210,304
-	-	-	2,581,349	2,581,349	2,055,568
-	-	-	-	-	117,350
13,753,582	911,944	1,135,174	6,220,746	35,265,850	32,227,709
(4,084,680)	26,203	45,899	1,176,454	(4,713,653)	(3,863,388)
4,300,000	-	-	35,000	6,600,000	6,005,000
-	(26,203)	(45,899)	-	(429,751)	(395,037)
4,300,000	(26,203)	(45,899)	35,000	6,170,249	5,609,963
215,320	-	-	1,211,454	1,456,596	1,746,575
166,087	-	-	4,950,449	6,318,964	4,572,389
\$ 381,407	\$ -	\$ -	\$ 6,161,903	\$ 7,775,560	\$ 6,318,964

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 3,449,065	\$ 4,936,666	\$ 4,439,788	\$ (496,878)
Total Revenues	3,449,065	4,936,666	4,439,788	(496,878)
Expenditures:				
Instruction - Special Programs	2,835,009	4,037,389	3,705,186	332,203
Support Services:				
Instructional Staff Support	423,503	602,912	483,631	119,281
Community Services Programs	45,000	92,908	67,992	24,916
Capital Outlay	3,552	-	-	-
Total Expenditures	3,307,064	4,733,209	4,256,809	476,400
Excess of Revenues Over Expenditures	142,001	203,457	182,979	(20,478)
Other Financing Sources (Uses):				
Transfers Out	(142,001)	(203,457)	(182,979)	20,478
Total Other Financing Sources (Uses)	(142,001)	(203,457)	(182,979)	20,478
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - ELEMENTARY AND SECONDARY
EDUCATION ACT - CHAPTER 2STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ -	\$ 10,227	\$ 10,227	\$ -
Total Revenues	-	10,227	10,227	-
Expenditures:				
Instructional Staff Support	-	9,806	10,227	(421)
Total Expenditures	-	9,806	10,227	(421)
Excess of Revenues Over Expenditures	-	421	-	(421)
Other Financing Sources (Uses):				
Transfers Out	-	(421)	-	421
Total Other Financing Sources (Uses)	-	(421)	-	421
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 3,656,677	\$ 6,553,358	\$ 4,260,674	\$ (2,292,684)
Total Revenues	<u>3,656,677</u>	<u>6,553,358</u>	<u>4,260,674</u>	<u>(2,292,684)</u>
Expenditures:				
Instruction - Special Programs	3,169,495	6,105,332	2,297,326	3,808,006
Support Services:				
Pupil Support	-	-	578,933	(578,933)
Instructional Staff Support	80,000	130,000	1,172,973	(1,042,973)
Business Services	-	-	8,697	(8,697)
Plant Services	-	-	2,729	(2,729)
Transportation Services	-	-	2,847	(2,847)
Capital Outlay	<u>267,502</u>	<u>50,000</u>	<u>22,499</u>	<u>27,501</u>
Total Expenditures	<u>3,516,997</u>	<u>6,285,332</u>	<u>4,086,004</u>	<u>2,199,328</u>
Excess of Revenues Over Expenditures	139,680	268,026	174,670	(93,356)
Other Financing Sources (Uses):				
Transfers Out	<u>(139,680)</u>	<u>(268,026)</u>	<u>(174,670)</u>	<u>93,356</u>
Total Other Financing Sources (Uses)	<u>(139,680)</u>	<u>(268,026)</u>	<u>(174,670)</u>	<u>93,356</u>
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - MAINTENANCE OF SCHOOLS

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 2,100,000	\$ 2,375,000	\$ 2,434,014	\$ 59,014
Interest Earnings	25,000	16,000	12,861	(3,139)
Other	3,306	3,306	-	(3,306)
State Sources:				
Unrestricted:				
Grants-in-Aid	194,500	209,311	209,311	-
Total Revenues	2,322,806	2,603,617	2,656,186	52,569
Expenditures:				
Instruction:				
Regular Programs	5,730	3,060	816	2,244
Support Services:				
General Administration	81,615	95,851	95,851	-
Plant Services	4,248,850	5,583,085	4,794,697	788,388
Total Expenditures	4,336,195	5,681,996	4,891,364	790,632
Excess (Deficiency) of Revenues Over Expenditures	(2,013,389)	(3,078,379)	(2,235,178)	843,201
Other Financing Sources (Uses):				
Transfers In	2,255,000	3,130,000	2,265,000	(865,000)
Total Other Financing Sources (Uses)	2,255,000	3,130,000	2,265,000	(865,000)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	241,611	51,621	29,822	(21,799)
Fund Balance at Beginning of Year	1,202,428	1,202,428	1,202,428	-
Fund Balance at End of Year	\$ 1,444,039	\$ 1,254,049	\$ 1,232,250	\$ (21,799)

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
SPECIAL REVENUE FUND - SCHOOL LUNCH
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Local Sources:				
Interest Earnings	\$ 5,500	\$ 3,000	\$ 2,538	\$ (462)
Food Services	3,338,800	3,409,000	3,290,793	(118,207)
Other	16,000	25,000	29,610	4,610
State Sources -				
Unrestricted Grants-in-Aid	402,250	402,250	402,250	-
Federal Sources:				
Restricted Grants-in- Aid-Subgrants	5,201,200	5,245,500	5,234,554	(10,946)
Other - Commodities	600,000	875,000	709,157	(165,843)
Total Revenues	9,563,750	9,959,750	9,668,902	(290,848)
Expenditures:				
Support Services:				
Food Services	13,443,089	14,218,680	13,740,845	477,835
Capital Outlay	70,000	35,000	12,737	22,263
Total Expenditures	13,513,089	14,253,680	13,753,582	500,098
Deficiency of Revenues Over Expenditures	(3,949,339)	(4,293,930)	(4,084,680)	209,250
Other Financing Sources (Uses):				
Transfers In	4,000,000	4,500,000	4,300,000	(200,000)
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	50,661	206,070	215,320	9,250
Fund Balance at Beginning of Year	166,087	166,087	166,087	-
Fund Balance at End of Year	\$ 216,748	\$ 372,157	\$ 381,407	\$ 9,250

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SPECIAL REVENUE FUND - SPECIAL FEDERAL FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,274,817	\$ 1,281,426	\$ 938,147	\$ (343,279)
Total Revenues	1,274,817	1,281,426	938,147	(343,279)
Expenditures:				
Instruction:				
Special Programs	21,567	24,615	21,612	3,003
Vocational Programs	139,110	164,122	193,557	(29,435)
Adult and Continuing Education Program	116,721	110,889	110,582	307
Other Programs	183,215	202,041	176,645	25,396
Support Services:				
Pupil Support	45,000	42,000	44,862	(2,862)
Instructional Staff Support	658,122	681,836	362,222	319,614
Business Services	2,300	2,000	1,319	681
Plant Services	-	-	998	(998)
Transportation Services	778	-	147	(147)
Capital Outlay	83,308	27,890	-	27,890
Total Expenditures	<u>1,250,121</u>	<u>1,255,393</u>	<u>911,944</u>	<u>343,449</u>
Excess of Revenues Over Expenditures	24,696	26,033	26,203	170
Other Financing Sources (Uses):				
Transfers Out	<u>(24,696)</u>	<u>(26,033)</u>	<u>(26,203)</u>	<u>(170)</u>
Total Other Financing Sources (Uses)	<u>(24,696)</u>	<u>(26,033)</u>	<u>(26,203)</u>	<u>(170)</u>
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
SPECIAL REVENUE FUND - OTHER FEDERAL ESEA FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 987,422	\$ 1,415,063	\$ 1,181,073	\$ (233,990)
Total Revenues	987,422	1,415,063	1,181,073	(233,990)
Expenditures:				
Instruction:				
Other Programs	709,311	993,628	904,035	89,593
Support Services:				
Pupil Support	37,913	62,270	51,819	10,451
Instructional Staff Support	180,510	282,163	158,054	124,109
Business Services	21,215	21,908	21,266	642
Total Expenditures	948,949	1,359,969	1,135,174	224,795
Excess of Revenues Over Expenditures	38,473	55,094	45,899	(9,195)
Other Financing Sources (Uses):				
Transfers Out	(38,473)	(55,094)	(45,899)	9,195
Total Other Financing Sources (Uses)	(38,473)	(55,094)	(45,899)	9,195
Excess of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	-
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

DEBT SERVICE FUND

COMBINING BALANCE SHEET - BY DISTRICT

JUNE 30, 2009

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2008)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 1,524,781	\$ 332,646	\$ 1,663,501	\$ 317,733	\$ -	\$ -
Investments	518,917	319,511	280,886	125,871	34,096	30,536
Sales Tax Receivable	-	-	85,461	-	-	-
Interest Receivable	9,854	6,068	5,334	2,390	920	1,343
Due from Other Government	31,206	10,040	9,933	2,190	-	-
Total Assets	\$ 2,084,758	\$ 668,265	\$ 2,045,115	\$ 448,184	\$ 35,016	\$ 31,879
LIABILITIES AND FUND EQUITY						
Accounts, Salaries and Other Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-	-	-
Fund Equity -						
Fund Balances:						
Reserved for Debt Service	2,084,758	668,265	2,045,115	448,184	35,016	31,879
Total Fund Equity	2,084,758	668,265	2,045,115	448,184	35,016	31,879
Total Liabilities and Fund Equity	\$ 2,084,758	\$ 668,265	\$ 2,045,115	\$ 448,184	\$ 35,016	\$ 31,879

See auditor's report.

Schedule 15

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2009	2008
\$ 326,839	\$ 38,652	\$ 60,612	\$ 211,951	\$ 4,476,715	\$ 3,223,039
76,419	26,263	60,533	26,968	1,500,000	1,500,000
-	-	-	-	85,461	78,660
1,451	499	1,150	511	29,520	33,800
10,035	767	3,422	2,614	70,207	114,950
<u>\$ 414,744</u>	<u>\$ 66,181</u>	<u>\$ 125,717</u>	<u>\$ 242,044</u>	<u>\$ 6,161,903</u>	<u>\$ 4,950,449</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
414,744	66,181	125,717	242,044	6,161,903	4,950,449
414,744	66,181	125,717	242,044	6,161,903	4,950,449
<u>\$ 414,744</u>	<u>\$ 66,181</u>	<u>\$ 125,717</u>	<u>\$ 242,044</u>	<u>\$ 6,161,903</u>	<u>\$ 4,950,449</u>

LIVINGSTON PARISH SCHOOL BOARD

DEBT SERVICE FUND

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

FOR THE YEAR ENDED JUNE 30, 2009

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

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 3,177,092	\$ 979,006	\$ 975,422	\$ 286,918	\$ 3,584	\$ 5,873
Sales Taxes	-	-	973,548	-	-	-
Interest Earnings	26,829	12,904	11,170	7,498	1,488	2,381
Total Revenues	3,203,921	991,910	1,960,140	294,416	5,072	8,254
Expenditures:						
Support Service:						
General Administration	125,380	39,875	40,392	12,819	-	-
Debt Service:						
Principal Retirement	1,395,000	550,000	625,000	197,641	5,000	-
Interest and Bank Charges	1,281,523	551,156	429,205	54,361	94	-
Cost of Issuance	-	-	-	-	-	-
Total Expenditures	2,801,903	1,141,031	1,094,597	264,821	5,094	-
Excess (Deficiency) of Revenues over Expenditures	402,018	(149,121)	865,543	29,595	(22)	8,254
Other Financing Sources (Uses):						
Transfers In	-	-	-	35,000	-	-
Total Other Financing Sources (Uses)	-	-	-	35,000	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	402,018	(149,121)	865,543	64,595	(22)	8,254
Fund Balances at Beginning of Year	1,682,740	817,386	1,179,572	383,589	35,038	23,625
Fund Balances at End of Year	\$ 2,084,758	\$ 668,265	\$ 2,045,115	\$ 448,184	\$ 35,016	\$ 31,879

See auditor's report

Schedule 16

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2009	2008
\$ 263,423	\$ 137,268	\$ 268,241	\$ 254,417	\$ 6,351,244	\$ 6,453,205
-	-	-	-	973,548	926,709
<u>3,335</u>	<u>1,416</u>	<u>3,499</u>	<u>1,888</u>	<u>72,408</u>	<u>179,879</u>
266,758	138,684	271,740	256,305	7,397,200	7,559,793
12,665	7,270	12,222	11,133	261,756	300,394
190,000	70,000	205,000	140,000	3,377,641	3,210,304
50,911	35,696	90,322	88,081	2,581,349	2,055,568
-	-	-	-	-	117,350
<u>253,576</u>	<u>112,966</u>	<u>307,544</u>	<u>239,214</u>	<u>6,220,746</u>	<u>5,683,616</u>
13,182	25,718	(35,804)	17,091	1,176,454	1,876,177
-	-	-	-	35,000	35,000
-	-	-	-	35,000	35,000
13,182	25,718	(35,804)	17,091	1,211,454	1,911,177
<u>401,562</u>	<u>40,463</u>	<u>161,521</u>	<u>224,953</u>	<u>4,950,449</u>	<u>3,039,272</u>
<u>\$ 414,744</u>	<u>\$ 66,181</u>	<u>\$ 125,717</u>	<u>\$ 242,044</u>	<u>\$ 6,161,903</u>	<u>\$ 4,950,449</u>

FIDUCIARY FUNDS

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

Sales Tax Fund - The Sales Tax Fund accounts for the collection and distribution of a two and one-half percent sales and use tax levied by the School Board, a one and one-half percent sales and use tax levied by the City of Denham Springs and the Village of Springfield, a one percent sales and use tax levied by the Village of Albany, the Town of Livingston, the Town of Walker, the Livingston Parish Council, and School Board Sales Tax District No 33, and a one-half percent sales and use tax levied by Law Enforcement Subdistrict A, Gravity Drainage District No. 1, Gravity Drainage District No. 2, Gravity Drainage District No. 5 and School Board Sales Tax District No. 22, and a hotel/motel tax levied by the Livingston Parish Tourist Commission.

In addition, the Sales Tax Fund collects sales taxes from businesses located within the Denham Springs Economic Development District and remits the sales taxes to the following various taxing districts net of the percentage pledged in accordance with terms of a cooperative endeavor agreement. The percent of sales taxes pledged to the District is remitted to the Denham Springs Economic Development District to repay bonds issued to develop the District:

Entity	Sales and Use Tax Percent	Percent of Sales Tax Pledged to District
City of Denham Springs	1.50%	71.42857%
Livingston Parish		
Law Enforcement District	.50%	71.42857%
Livingston Parish		
School Board - General Fund	1.00%	100.00000%
Livingston Parish		
School Board - 2 nd Sales Tax	1.00%	0.00000%
Livingston Parish School Board -		
District #1	.50%	100.00000%
Livingston Parish Council	1.00%	71.42857%
Livingston Parish Gravity		
Drainage District #1	.50%	71.42857%
	10.00%	

LIVINGSTON PARISH SCHOOL BOARD

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2008)

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total Fiduciary Funds</u>	
			<u>2009</u>	<u>2008</u>
ASSETS				
Cash and Cash Equivalents	\$ 4,527,554	\$ 2,668,663	\$ 7,196,217	\$ 7,250,444
Total Assets	<u>\$ 4,527,554</u>	<u>\$ 2,668,663</u>	<u>\$ 7,196,217</u>	<u>\$ 7,250,444</u>
LIABILITIES				
Amounts Held for School Activities	\$ 4,527,554	\$ -	\$ 4,527,554	\$ 4,464,504
Deposits Due to Others	<u>-</u>	<u>2,668,663</u>	<u>2,668,663</u>	<u>2,785,940</u>
Total Liabilities	<u>\$ 4,527,554</u>	<u>\$ 2,668,663</u>	<u>\$ 7,196,217</u>	<u>\$ 7,250,444</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHOOL ACTIVITY FUND

SCHEDULE OF CHANGES IN AMOUNTS HELD FOR SCHOOL ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2009

School	Balance			Balance June 30, 2009
	July 01, 2008	Additions	Deductions	
Albany High	\$ 94,442	\$ 442,665	\$ 463,743	\$ 73,364
Albany Middle School	139,896	238,160	228,259	149,797
Albany Upper Elementary	60,746	102,667	119,478	43,935
Albany Lower Elementary	86,250	138,616	130,527	94,339
Denham Springs High	139,492	1,006,189	1,009,188	136,493
Denham Springs Freshman High	119,497	123,210	115,253	127,454
Denham Springs Junior High	104,689	323,384	335,577	92,496
Denham Springs Elementary	73,282	129,483	133,981	68,784
Doyle High	111,434	284,971	265,082	131,323
Doyle Elementary	118,594	138,167	148,717	108,044
Eastside Elementary	120,304	109,361	110,760	118,905
French Settlement High	110,229	258,738	239,589	129,378
French Settlement Elementary	130,263	111,578	102,314	139,527
Freshwater Elementary	81,346	108,233	107,830	81,749
Frost Elementary	40,653	151,563	131,273	60,943
Gray's Creek Elementary	81,888	195,824	190,606	87,106
Holden High	210,502	310,558	332,792	188,268
Levi Milton Elementary	73,614	181,893	194,468	61,039
Lewis Vincent Elementary	119,053	240,696	251,393	108,356
Live Oak High	240,600	851,313	808,604	283,309
Live Oak Middle School	285,549	699,561	655,315	329,795
Live Oak Elementary	222,119	224,753	240,191	206,681
Livingston Parish Literary & Tech Center	11,260	45,205	43,124	13,341
Maurepas High	81,118	226,743	235,985	71,876
North Corbin Junior High	81,801	271,380	266,974	86,207
North Corbin Elementary	156,583	172,281	152,442	176,422
North Live Oak Elementary	122,080	379,797	394,921	106,956
Northside Elementary	82,931	113,475	127,777	68,629
Option III	3,228	32,691	31,756	4,163
Pine Ridge School	9,531	53,465	47,115	15,881
Seventh Ward Elementary	91,518	145,576	152,328	84,766
South Live Oak Elementary	128,537	282,053	271,893	138,697
South Walker Elementary	152,803	212,162	226,051	138,914
Southside Junior High	163,162	338,509	324,999	176,672
Southside Elementary	127,108	97,478	85,875	138,711
Springfield High	85,672	326,552	328,031	84,193
Springfield Middle School	54,890	108,047	111,781	51,156
Springfield Elementary	63,721	117,088	109,307	71,502
Walker High	145,747	712,944	743,381	115,310
Walker Freshman High	13,019	109,459	113,068	9,410
Walker Elementary School	58,131	130,261	125,028	63,364
Westside Junior High School	67,222	290,834	267,757	90,299
Total	\$ 4,464,504	\$ 10,537,583	\$ 10,474,533	\$ 4,527,554

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SALES TAX FUND

SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS

FOR THE YEAR ENDED JUNE 30, 2009
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2008)

	<u>Sales Tax Fund</u>	
	<u>2009</u>	<u>2008</u>
Deposits Due Others at Beginning of Year	\$ 2,785,940	\$ 2,748,717
Additions:		
Sales Tax Collections	69,317,134	67,207,549
Deductions:		
Transfers to:		
General Fund:		
Sales Tax	32,093,560	31,929,424
District No. 33	69,079	83,839
Sales Tax Collection Fee	638,312	579,177
Debt Service - District No. 22	966,747	894,923
Livingston Parish Sheriff	6,462,251	6,411,235
Livingston Parish Council	12,929,521	12,827,481
Livingston Parish Tourist Commission	326,572	210,016
Livingston Parish Drainage Districts:		
No. 1	933,507	875,058
No. 2	508,225	528,530
No. 5	1,329,699	1,291,817
City of Denham Springs	6,926,806	6,747,975
Denham Springs Economic Development District	1,904,757	799,952
Town of Walker	3,182,532	2,922,246
Town of Livingston	326,389	331,223
Town of Springfield	363,730	373,793
Village of Albany	432,806	271,904
Refunds to Vendors	39,918	91,733
Total Reductions	<u>69,434,411</u>	<u>67,170,326</u>
Deposits Due Others at End of Year	\$ <u>2,668,663</u>	\$ <u>2,785,940</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF COMPENSATION PAID BOARD MEMBERS

FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Keith Martin	\$ 10,800	\$ 10,800
Louis Carlisle	9,600	9,600
Jeffrey Cox	9,600	9,600
Milton Hughes	9,600	9,600
Sidney L. Kinchen	9,600	9,600
Albert C. Mincey, Jr.	9,600	9,600
Clinton D. Mitchell	9,600	9,600
David Tate	9,600	9,600
James V. Watson	<u>9,600</u>	<u>9,600</u>
Total	<u>\$ 87,600</u>	<u>\$ 87,600</u>

Term of Current Board Expires December 31, 2010.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Agriculture</u>			
Passed Through Louisiana Department of Agriculture and Forestry - Food Distribution Program	10.550	N/A	\$ 709,157
Passed Through Louisiana Department of Education:			
National Breakfast Program	10.553	N/A	1,162,171
National School Lunch Program	10.555	N/A	<u>4,072,383</u>
Total United States Department of Agriculture			5,943,711
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	116,519
Educationally Deprived Children - Local Educational Agencies:			
IASA Title I	84.010	05-IASA-32-1	4,439,788
Handicapped State Grants: Special Education IDEA	84.027	05-FT-32	4,260,674

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Education (Continued)</u>			
Vocational Education - Basic Grants to States	84.048	N/A	217,797
Learn and Serve - Outdoor Odyssey	84.298	N/A	10,403
Children with Disabilities	84.323A	N/A	142,860
Handicapped - Preschool Grants:			
Preschool Flow-thru	84.173	05-PI-32-S	78,931
Innovative Education Program	84.298	N/A	10,227
Drug-Free Schools and Communities - State Grants	84.186	05-7032	92,458
Title II - Improving Teacher Quality - State Grants	84.367	N/A	1,054,484
Math and Science Partnership - Math and Science	84.366B	N/A	289,310
Enhancing Education Through Technology	84.318X	N/A	44,773
Title III - Immigrant Set Aside	84.365A		2,137
Other NCLB Programs	84.365A		31,994
Heap	84.938A	N/A	<u>30,184</u>
Total Passed Through Louisiana Department of Education			10,822,539
<u>James Madison Memorial Fellowship Foundation</u>			
<u>Passed Through Tangipahoa School Board:</u>			
Teaching American History	85.500	N/A	<u>3,210</u>
Total Scholarship Foundations			3,210
<u>United States Department of Health and Human Services</u>			
<u>Passed Through Louisiana Department of Education:</u>			
T.A.N.F. - Strategies to Empower People	93.558	N/A	<u>4,160</u>
Total United States Department of Health and Human Services			4,160

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>United States Department of Homeland Security</u>			
Passed Through State of Louisiana, Military Department Office of Homeland Security and Preparedness			
Disaster Grants - Public Assistance	97.036	N/A	<u>386,822</u>
Total Passed Through State of Louisiana Military Department			<u>386,822</u>
Total Expenditures of Federal Awards			<u>\$17,160,442</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2009

Note A - Significant Accounting Policies -

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Livingston Parish School Board and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note B - Food Distribution Program -

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2009, the Livingston Parish School Board had food commodities totaling \$154,028 in inventory.

See auditor's report.

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

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

October 28, 2009

Livingston Parish School Board
Livingston, Louisiana

We have audited the financial statements of the governmental activities, each major fund, the budgetary comparison statement of the general fund, the fiduciary fund statement and the aggregate remaining fund information of the Livingston Parish School Board, Livingston, Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the Livingston Parish School Board's basic financial statements, and have issued our report thereon dated October 28, 2009. We have also audited the financial statements of each of the School Board's major capital projects fund combining statements, nonmajor governmental funds combining statements, each special revenue funds budgetary comparison statements and each fiduciary fund as of and for the year ended June 30, 2009 as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting identified as items 2008-1 and 2008-3.

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the School Board in a separate letter dated October 28, 2009.

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

Respectfully submitted,

Harris T. Bourgeois, CPA

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

2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

October 28, 2009

Livingston Parish School Board
Livingston, Louisiana

Compliance

We have audited the compliance of the Livingston Parish School Board with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2009. The Livingston Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the Livingston Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the Livingston Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Livingston Parish School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

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

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

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

Respectfully submitted,

Harold J. Bourgeois, CPA

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2009

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

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

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>CFDA Number</u>
<u>United States Department of Agriculture</u> Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution Program	10.550
Passed Through Louisiana Department of Education: National Breakfast Program	10.553
National School Lunch Program	10.555

- The threshold for distinguishing Types A and B programs was \$515,000.
- The School Board was determined to be a low-risk auditee.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

B. Findings - Internal Control Over Financial Reporting

See schedule of prior findings below items 2008-1 and 2008-3 for a description of continuing findings in the current year that was reported in the prior year.

C. Findings - Compliance and Other Matters

None

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2009

A. Findings - Internal Control Over Financial Reporting

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

Finding

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

We noted that employees in the maintenance department were able to have overtime worked paid each month or accumulate the overtime worked and take time off later or request payment for a balance of hours accumulated.

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

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

Recommendation

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

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

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

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

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

Management's Response

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

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

Corrective Action Taken / Additional Recommendation

Management has taken steps to look into implementing our prior year recommendation; however, these were not implemented as of June 30, 2009. In the current year, we obtain information on four employees in the maintenance department receiving the highest amount of overtime pay. The total percentage of overtime paid to these four employees was 37% of the total salary paid and represented 58% increase over these employees regular salary. We again recommend for management to implement the recommendations outlined in the prior year audit.

Management's Response

Management concurs with the finding. We did not receive the previous year's report until late in the 2008/09 fiscal year and are still evaluating the idea of changing the overtime policy in regards to the maintenance department in addition to evaluating the idea of implementing an automated time and attendance system for the maintenance department.

2008 - 2 - Maintenance Work Contracted:

Finding

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

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

Recommendation

We recommended for the School Board to assign the responsibility of obtaining quotes for maintenance work to the purchasing department. The purchasing department staff has the training necessary to make sure all state laws related to obtaining quotes are being followed. In addition, the purchasing department should obtain all the necessary documents from all contractors as of a specified date, compile a listing of quoted values and provide this information to the maintenance supervisor for review and subsequent awarding of the contract to the contractor with the lowest quote. Having the purchasing department perform the duties over obtaining maintenance contract

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

quotes would improve the internal controls over compliance with state laws on compliance with purchasing. In addition, the purchasing department would be responsible to make sure all of the documentation detailing the effort to obtain the necessary quotes are filed appropriately.

Corrective Action Taken

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

2008 - 3 - Overtime Policy:

Finding

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

- a) The policy contains a section titled "Exclusions from overtime pay requirements". The section states the following: "Executive, administrative, professional and certain computer employees are identified as exempt from overtime pay if their job duties and salary meet the rules for one or more of the categories of exemption provided by the FLSA and implementing regulations. A list of the exempt employees will be maintained by the Human Resources Department." We requested a listing of the employees in the exempt status from the Human Resources Department and the list was not provided as it had not been prepared. We interviewed several employees during the course of the audit and noted two employees classified as accountants were denied overtime pay due to the new policy but there was no formal documentation that these employees were notified as being classified exempt and not subject to overtime. We noted these two employees were required to work overtime after the adoption of the new policy and the School Board compensated the employees at the regular pay rate. We noted these employees were paid at a time and one half rate for overtime work under the previous overtime policy.
- b) The policy contains a section titled "Flexible Time". This section contains the following requirement: "Principals or supervisors may need to adjust daily schedules of nonexempt employees to maintain a consistent forty (40) hour workweek. Accurate and complete time sheets and/or records of the actual hours worked during a workweek shall be signed by each employee and supervisor and submitted to the payroll department. Building principals, department heads and other supervisors are subject to discipline for allowing nonexempt

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

employees under their supervision to work more than forty (40) hours in a workweek without the Superintendent's or his/her designee's advance approval." Per our findings in item 2008-1 above, it does not appear the requirements of the policy are being followed in the maintenance department.

Recommendation

We recommended for the School Board to fully implement the requirements of the overtime policy adopted in April 2008. A list of exempt and nonexempt employees should be compiled by the Human Resources Department and the employees on the list should be notified in writing of their classification status under the new policy and the effects of any classification status change. In addition, we recommended the policy requiring the implementation of flexible work schedules to help reduce the amount of overtime work when deemed appropriate and the implementation of the use of timesheets requiring the employee and supervisor to sign. In addition, we recommended for the overtime policy to be clarified including whether the exempt employee classification will be paid overtime at the regular employee rate or the employee is forfeiting any overtime compensation. These changes will help strengthen internal controls over the payroll cycle and clarify confusion by certain employees on payment of overtime.

Management's Response

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

Corrective Action Taken / Additional Recommendation

Management has taken steps to look into implementing our prior year recommendation; however, these were not implemented as of June 30, 2009. We again recommend for management to implement the recommendations outlined in the prior year audit.

Management's Response

Management concurs with the finding. We did not receive the previous year's report until late in the 2008/09 fiscal year and are still in the process of evaluating and implementing any necessary action.

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2009

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

Finding

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

Recommendation

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

Corrective Action Taken

These funds were deposited in the School Board's bank account.

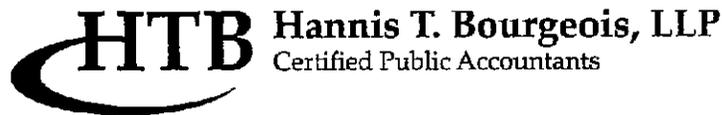
B. Findings - Compliance and Other Matters

None

LIVINGSTON PARISH SCHOOL BOARD
LIVINGSTON, LOUISIANA

MANAGEMENT LETTER

JUNE 30, 2009



2322 Tremont Drive • Baton Rouge, LA 70809
178 Del Orleans Avenue, Suite C • Denham Springs, LA 70726
Phone: 225.928.4770 • Fax: 225.926.0945
www.htbcpa.com

October 28, 2009

Livingston Parish School Board
Livingston, Louisiana

In planning and performing our audit of the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana, for the year ended June 30, 2009, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The following summarizes our comments and suggestions regarding the matters. This letter does not affect our report dated October 28, 2009, on the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana.

CURRENT YEAR FINDINGS:

School Activity Fund Audit Findings

Finding:

The School Board's Business Department staff currently conducts audits of each of the school's activity funds each year according to suggested procedures published by the Louisiana Legislative Auditor's Office and to verify the schools are complying with established policies. During the current year, we reviewed the results of three of the audits and noted several deficiencies with following School Board policies that were identified that included the following:

- Lack of school principal approval on fundraising activities before and after the fundraisers.
- Lack of Superintendent or Assistant Superintendent approval on principal's travel expense reimbursement request.
- Required forms were not properly completed showing collections and expenses at athletic events.
- Receipts are held and entered into the school accounting system at the end of the month instead of daily or when the transaction occurred.
- Documentation of principal's approval for purchases on invoices was missing.
- Check disbursements prepared without an invoice and check issued without an itemization of the invoices being paid.

- Invoices not being paid timely or documentation of receipt of items being purchased prior to paying invoices.
- Checks prepared in payment of invoices did not match the total on the invoices.
- Purchase of meals for athletic teams while traveling did not include an itemization of the persons included that received a meal.
- School staff purchased gasoline with school credit card for personal vehicle during travel to school sponsored events instead of personally purchasing the gasoline and requesting a reimbursement.
- Credit card statements included late fees, finance charges, and pay by phone charges due to lack of timely payment.
- Receipt of donation was not properly recorded in the accounting system.
- School activity funds from one organization or club paying for deficits of another organization or club without proper approval.
- Overall excessive use of credit card to make purchases instead of making purchases where the vendor submits an invoice to the school for payment.

Recommendation:

We recommend for the School Board to communicate to all principals the importance of following the policies that have been established. We have also made a recommendation for the School Board to hire an internal auditor since our audit issued for the year ending June 30, 2006. See our finding and recommendation on hiring an internal auditor for the School Board in the Prior Year Findings section below.

Management Response:

Management concurs with this finding and will address this with school principals and bookkeepers.

Implementation of Governmental Accounting Standards Board Statement No. 45 (GASB 45) – “Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions” and Creation of Irrevocable Trust Fund

Finding:

The Livingston Parish School Board implemented the requirements of Government Accounting Standards Board GASB Statement No. 45 “Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions” for fiscal year ending June 30, 2008. This Statement’s objective is to establish uniform standards of financial reporting by state and local government entities for other postemployment benefits (OPEB) including post-employment healthcare benefits. This Statement provides standards for measurement, recognition, and display of the OPEB expenses and related liabilities, note disclosures, and required supplementary information.

An actuary was contracted during 2008 in order to *determine the liability to record* on the School Board's government-wide financial statements. Due to the size of the School Board's participants in post retirement healthcare benefits and the related liability, the School Board is required to re-evaluate the actuarial estimates every two years. A re-evaluation of the actuarial estimates obtained for fiscal year ending 2010 will be necessary for continued compliance with the requirements of GASB 45.

In addition, GASB 45 suggests the creation of an irrevocable trust fund to accumulate funds for the payment of these accumulated OPEB liabilities. As of June 30, 2009, the School Board OPEB liability has accumulated to \$5,846,178 and is expected to increase approximately \$3,000,000 each year. The School Board has not taken steps to create this irrevocable trust fund as of June 30, 2009. The purpose of the irrevocable trust fund is to pay the OPEB liability into the trust fund which should create an investment return and reduce the OPEB accumulated liability.

Recommendation:

We recommend for the School Board to take steps necessary to contract with an actuary to re-evaluate the OPEB GASB 45 calculation originally made for fiscal year end June 30, 2008 and update this calculation for fiscal year ending June 30, 2010. In addition, we recommend for the School Board to begin the process of evaluating the creation of an irrevocable trust fund in accordance with GASB 45.

Management Response:

Management concurs with this finding and will update the OPEB GASB 45 calculation for fiscal year ending June 30, 2010 and will evaluate the idea of creating an irrevocable trust fund.

Implementation of Governmental Accounting Standards Board Statement No. 54 (GASB 54) – “Fund Balance Reporting and Governmental Fund Type Definitions.”

Finding:

In February 2009, the Government Accounting Standards Board issued GASB Statement No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions.” The objective of this Statement is to improve usefulness, including the understandability, of governmental fund balance information. This Statement provides more clearly defined categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. It also clarifies the existing governmental fund type definitions to improve the comparability of governmental fund financial statements and help financial statement users to better understand the purposes for which governments have chosen to use particular funds for financial reporting. This Statement will be required to be adopted by the Livingston Parish School Board for the fiscal year ending June 30, 2011. The implementation of this statement will require the current fund balance classifications of the School Board to be restated into the requirements of the new standard.

Recommendation:

We recommend for the Livingston Parish School Board's management to begin evaluating the requirements of GASB 54 and the impact of this statement on the current fund balance classification to convert them into the new requirements.

Management Response:

Management concurs with this finding and will evaluate the requirements necessary to be in compliance with GASB 54.

PRIOR YEAR FINDINGS:

Internal Auditor

Finding:

In our June 30, 2006, 2007 and the June 30, 2008 audit and again in the current year audit we noted the Livingston Parish School Board is over a \$221 million operation. With operations of this size, many policies and procedures can be inadvertently and intentionally omitted and/or completed incorrectly. Some examples of this lack of following procedures were identified in the Louisiana Legislative Auditors compliance report issued on May 24, 2006. The issues in this report principally related to 1) altered leave records, 2) misappropriation of school activity funds at Live Oak High School, 3) improper travel reimbursements, 4) improper credit card usage, 5) controls over supplemental pay, and 6) other business practices. Another example of lack of following procedures was identified as finding 2006 – 1 in the June 30, 2006 audit report schedule of findings and questioned costs in the "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" dated November 17, 2006.

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

Recommendation:

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

Additional Recommendation:

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

Management Response:

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

Independent Information Technology Review

Finding:

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

Recommendation:

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

Management Response:

Management concurred with the recommendation and still plans to hire an independent information technology consultant to review the School Board's computer system. Management is in the process of requesting proposals and expects to hire a consultant before June 30, 2010.

This report is intended for the use of management, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Livingston Parish School Board, Livingston, Louisiana, is a matter of public record.

Respectfully submitted,

Harold J. Bourgeois, M.P.