

LIVINGSTON PARISH SCHOOL BOARD

**REPORT ON AUDIT OF BASIC
FINANCIAL STATEMENTS**

JUNE 30, 2006

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 1-17-07

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS

FOR THE YEAR ENDED JUNE 30, 2006

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Independent Auditor's Report	-	-	1 - 2
Required Supplemental Information			
Management's Discussion and Analysis	-	-	3 - 12
Basic Financial Statements			
Government-Wide Financial Statements:			
Statement of Net Assets	-	A	13
Statement of Activities	-	B	14
Fund Financial Statements:			
Balance Sheet - Governmental Funds	-	C	15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	-	D	16
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	-	E	17 - 18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	-	F	19
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	-	G	20 - 21
Statement of Fiduciary Net Assets	-	H	22
Notes to Basic Financial Statements	-	-	23 - 52

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2006

	<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	-	-	53 - 55
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	-	56 - 57
Education Levels of Public School Staff	2	-	58
Number and Type of Public Schools	3	-	59
Experience of Public Principals and Full-time Classroom Teachers	4	-	60
Public School Staff Data	5	-	61
Class Size Characteristics	6	-	62
Louisiana Educational Assessment Program (LEAP)	7	-	63
The Graduation Exit Exam	8	-	64
The IOWA and iLEAP Tests	9	-	65 - 66
Other Supplementary Information:			
Major Capital Projects Fund - By District:			
Combining Balance Sheet - By District	10	-	67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	11	-	68

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2006

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Nonmajor Governmental Funds:			
Combining Balance Sheet	12	-	69
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	13	-	70 - 71
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	-	72
Elementary and Secondary Education Act Title I - Chapter 2	14-2	-	73
Public Law 94-142 - Special Education	14-3	-	74
Maintenance of Schools	14-4	-	75
School Lunch	14-5	-	76
Special Federal Fund	14-6	-	77
Other Federal ESEA Fund	14-7	-	78
Federal Impact Aid	14-8	-	79
Debt Service Fund:			
Combining Balance Sheet - By District	15	-	80

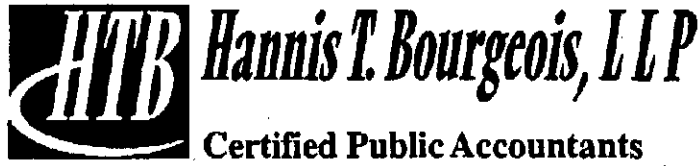
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LIVINGSTON PARISH SCHOOL BOARD

TABLE OF CONTENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2006

	<u>Schedule</u>	<u>Statement</u>	<u>Page</u>
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By District	16	-	81
Fiduciary Funds:			
Combining Statement of Fiduciary Net Assets	17	-	82
Schedules of Changes in Deposits Due Others:			
School Activity Fund	18-1	-	83
Sales Tax Fund	18-2	-	84
General:			
Schedule of Compensation Paid Board Members	19	-	85
Schedule of Expenditures of Federal Awards	20	-	86 - 89
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 <u>Government Auditing Standards</u>	-		90 - 91
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	-		92 - 93
Schedule of Findings and Questioned Costs	-		94 - 95
Summary Schedule of Prior Audit Findings	-		96



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November 17, 2006

INDEPENDENT AUDITOR'S REPORT

Livingston Parish School Board
Livingston, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish School Board as of and for the year ended June 30, 2006, which collectively comprise the Livingston Parish School Board's basic financial statements, as listed in the table of contents. We have also audited the financial statements of each of the School Board's nonmajor governmental funds presented in the accompanying combining and individual fund financing statements and schedules as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the management of the Livingston Parish School Board. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information as well as the aggregate nonmajor governmental funds of the Livingston Parish School Board as of June 30, 2006, and the respective changes in financial position thereof for the general fund and the capital projects fund and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the Livingston Parish School Board as of June 30, 2006, and the respective changes in financial position thereof and the budgetary comparison for the special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 17, 2006, on our consideration of the Livingston Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements but 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 made for the purpose of forming opinions on the financial statements taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Livingston Parish School Board. In addition, the accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Thomas J. Bourgeois, CPA

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVINGSTON PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2006

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, 2006. 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 a new element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2005-2006 fiscal year include the following:

- ❖ Net assets increased by \$11,763,580 for the year ended June 30, 2006. As discussed below, the increase in net assets was the result of an increase in total assets of \$11,804,711 coupled with an increase in total liabilities of \$41,131.
- ❖ Total assets increased by \$11,804,711 attributed to the following elements:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	Amount Increase (Decrease)	Percent Increase (Decrease)
Cash and Cash Equivalents	\$ 45,812,711	\$ 48,199,025	\$(2,386,314)	(4.95)%
Receivables	10,457,690	7,049,164	3,408,526	48.35%
Inventory	888,553	651,901	236,652	36.30%
Deferred Bond Issuance Costs	664,351	721,086	(56,735)	(7.86)%
Capital Assets, Net of Accumulated Depreciation	<u>115,849,146</u>	<u>105,246,564</u>	<u>10,602,582</u>	10.07%
Total Assets	<u>\$173,672,451</u>	<u>\$161,867,740</u>	<u>\$ 11,804,711</u>	7.29%

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2006

The main reason for the decrease in cash was due to approximately \$11.3 million in construction expenditures in the Capital Projects Fund. Receivables increased due to an increase in federal and state grants/programs. 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 and the ability to store larger quantities of supplies due to the completion of a larger warehouse. 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 \$15.5 million. At June 30, 2006, major incomplete construction projects in the Districts were as follows:

District #4:		
North Corbin Junior High	\$ 9,075,580	
Walker Elementary Phase I – New Technology Building	35,734	
District #22:		
Live Oak High Renovations	88,630	
District #26:		
Doyle High – Cafeteria Alterations and Additions	48,478	
Doyle High – Baseball Field	384,749	
District #33:		
Maurepas High – Additions & Renovations	<u>1,868,068</u>	
	<u>\$ 11,501,239</u>	

During the current fiscal year, the School System purchased 36 buses/vehicles at a cost of \$552,413 and completed various other small renovation projects at an approximate cost of \$185,577.

❖ Total Liabilities increased \$41,131 due to the following items:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>
Accounts, Salaries, and Other Payables	\$ 21,230,862	\$ 20,295,492	\$ 935,370	4.60%
Deferred Revenue	-	551,420	(551,420)	(100.00)%
Interest Payable	398,161	581,732	(183,571)	(31.55)%
Long-Term Liabilities	<u>49,717,983</u>	<u>49,877,231</u>	<u>(159,248)</u>	<u>(.32)%</u>
Total Liabilities	<u>\$ 71,347,006</u>	<u>\$ 71,305,875</u>	<u>\$ 41,131</u>	<u>.06%</u>

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

JUNE 30, 2006

General payables increased primarily due to a large increase of salaries payable because of an increase in wages, benefits and number of employees. While the decrease in Interest Payable and Long-term Liabilities is directly related to the payment schedules of the various bond issues. The Deferred Revenues in 2005 was a one-time only revenue supplement from the state and therefore, resulted in a zero amount in 2006.

- ❖ General revenues increased by \$15,450,321 from fiscal year 2005 to fiscal year 2006. Primary increases and decreases are discussed below.
 - Property tax revenue levied increased by \$1,265,285 (17.03%) due to increased property value assessment and growth within the parish.
 - Sales and use tax revenue increased \$5,499,644 (24.06%) due to increased businesses and population in the Parish.
 - Earnings on Investments increased \$850,357 (83.92%) due to an increase in the Federal Interest Discount rate.
 - Other Local Revenue decreased \$436,461 (39.64%) due to a decrease in miscellaneous revenues.
 - The largest revenue source continues to be the Minimum Foundation Program (MFP) distribution from the State, amounting to \$99,709,474. This is an increase of \$8,017,420 (8.74%) from the prior year, caused by an increase in enrollment of approximately 789 students. The School Board is one of several in Louisiana considered to be "POOR" in terms of its ability to generate revenues on its own. Therefore, since 1992-93, when a new MFP formula was implemented, Livingston Parish has seen its MFP funding increasing; (70% of the increase must be spent for classroom cost), and (50% of all new money must go to increase teacher salaries).
 - Other state revenue and grants decreased \$556,463 (78.44%) from the prior year caused primarily from several one time state grants.
- ❖ One-time revenue of \$3,965,355 was received from the federal government for Emergency Impact Aide for Displaced Students resulting from Hurricane Katrina and is included in operating grants and contributions.
- ❖ 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. The next largest expenditure was construction cost; continued construction and the School System made major additions to several other facilities. Other large increases were in the bus fleet, equipping new facilities, adding staff and increased benefit cost, primarily health insurance and retirement contributions.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2006

OVERVIEW OF THE FINANCIAL STATEMENTS

The School Board's Report on the Audit of Basic Financial Statements consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a whole, i.e., an entire operating entity. The "Basic Financial Statements" Section, consisting of the Statement of Net Assets, and the Statement of Activities begin on page 13, provide consolidated financial information, and render a government-wide perspective of the School Board's financial condition. They present an aggregate view of the School Board's finances. These statements seek to answer the question, "How did the School Board do financially during the 2005/2006 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private - sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

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

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

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

The Statement of Fiduciary Net Assets - presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust, and accounted for in the School Activity Fund and Sales Tax Collection Fund. See Schedule 18-1 for school-by-school information on the School Activity Fund and Schedule 18-2 for the receipts and disbursements of sales tax collections for the year ended June 30, 2006.

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2006

GOVERNMENTAL ACTIVITIES

As reported in the *Statement of Activities* on page 14, the cost of the School Board's *governmental* activities for the year ended June 30, 2006 was \$155,718,884. However, not all of this cost was borne by the taxpayers of Livingston Parish. Of this amount, \$3,727,323 was paid by those who used or benefited from the services rendered (e.g., charges for school lunches and summer school tuition) and \$23,233,667 was paid through various federal and state grants. Consequently, the net cost of \$128,757,894, a 3.30% increase over the prior year, after taking into consideration these fees and subsidies, was paid by the taxpayers of the Parish through ad valorem taxes, sales and use taxes, the Minimum Foundation Program (MFP) from the State of Louisiana, and other general revenues.

Table I below shows the total cost of services and the net cost of these services (after charges for services and grants received) for the largest categories of expenses of the School Board for the year ended June 30, 2006. 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, 2006 and 2005

	<u>2006</u>		<u>2005</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	\$ 64,983,716	\$ 57,845,206	\$ 59,853,970	\$ 57,876,363
Special Education Programs	22,341,889	16,988,485	19,405,414	14,673,732
Other Instructional Programs	7,467,352	5,277,458	6,517,997	4,554,844
Support Services:				
Student Services	5,408,336	4,871,655	4,810,298	4,210,029
Instructional Staff Support	5,842,584	3,903,194	5,130,351	3,716,058
General and School Administration	13,207,166	12,616,233	12,151,050	11,633,747
Business and Central Services	2,993,314	2,408,596	2,976,732	2,637,254
Plant Services	11,740,304	11,089,884	11,804,114	11,779,454
Student Transportation	7,534,672	7,399,320	6,948,296	6,840,636
School Food Services	10,913,895	3,091,307	10,103,989	3,057,409
Community Service Programs	34,101	15,001	24,395	8,951
Small Equipment	1,214,952	1,214,952	1,472,866	1,472,866
Interest on Long-Term Debt	<u>2,036,603</u>	<u>2,036,603</u>	<u>2,187,459</u>	<u>2,187,459</u>
Totals	\$155,718,884	\$ 128,757,894	\$143,386,931	\$124,648,802

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2006

THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal year ended June 30, 2006, its combined fund balance was \$35,928,092, as compared to its combined fund balance of \$35,053,078 as of June 30, 2005, a difference of \$874,914. The General Fund, the main operational arm of the School Board, saw its total fund balance (designated as well as undesignated) increase by \$7,378,884. While General Fund Revenues increased by \$16,590,154, General Fund Expenditures increased by \$14,046,084 and Other Financing Sources (Uses) (Transfers to Other Funds) decreased by \$7,063,363, thereby increasing current year Excess of Revenues and Other Sources over Expenditures and Other Uses from (\$2,228,529) to \$7,378,884 a total increase of \$9,607,413.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less than, and/or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The Original Budget for the School Board was adopted on September 8, 2005, and the Final Budget was adopted July 20, 2006. The budget amendments increased total anticipated revenues by 9.09% and increased projected expenditures by 7.13%.

A schedule showing the School Board's General Fund's Original and Final Budget compared with Actual operating results is provided in this report, Statement G. The School Board generally did better than had been budgeted in its major fund since it practices conservative budgeting in which revenues are forecasted very conservatively and expenditures are budgeted with worst case scenarios in mind. The General Fund finished the fiscal year about \$2,038,828 more than had been budgeted.

The fiscal year 2007 General Fund budget, adopted on September 7, 2006, showed anticipated revenues of \$143,667,951, projected expenditures of \$133,226,343, and net transfers out of \$6,940,000 resulting in a projected increase of \$3,501,608 for the year. Transfers out include \$2,585,000 to the Capital Projects Fund, \$1,355,000 to Maintenance Fund and \$3,000,000 to School Food Service Fund.

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

JUNE 30, 2006

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

At June 30, 2006, the School Board had \$115,849,146 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, 2006 and 2005.

TABLE II
 Net Capital Assets
 at June 30, 2006 and 2005

	2006	2005
Land	\$ 6,271,062	\$ 5,482,756
Construction in Progress	7,604,738	3,830,301
Buildings and Improvements	93,514,125	88,059,141
Furniture and Equipment	1,603,398	1,695,776
Library Books and Textbooks	4,705,118	4,234,741
Vehicles	2,150,705	1,943,849
Total	\$115,849,146	\$105,246,564

During the current fiscal year, \$14,221,121 of assets were capitalized as additions while \$1,730,462 were deleted, consisting of obsolete items. Depreciation for the year ended June 30, 2006 amounted to a net of \$3,374,224 on buildings and improvements and \$2,278,700 on movables such as furniture, vehicles, and equipment.

During the fiscal year ended June 30, 2006, the following land purchases were made:

Walker District #4 – 3.2 Acres	\$ 59,200
Walker District #4 – 42.91 Acres	504,413
Albany District #24 – 17.41 Acres	308,373
	\$871,986

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2006

During the fiscal year ended June 30, 2006, the following major construction projects were completed:

Denham Springs Elementary – Additions and Renovations	\$ 1,672,661
South Walker Elementary – Phase II Roof Repairs	277,640
North Corbin Elementary – Alterations and Additions	930,852
Westside Jr. High – Parking Lot Improvements	75,334
North Live Oak Elementary – New Construction (Add'l Cost)	10,114
Live Oak High – Library	315,302
South Live Oak Elementary – Sewer Improvement	269,093
Albany Middle – Band Room	447,683
Holden High – Administration Building Addition	516,401
French Settlement High – Administration Building Addition	674,493
Central Office – Warehouse and Technology Additions	1,429,515
Livingston Parish Literacy and Technology Center	<u>2,210,120</u>
TOTAL	\$ <u>8,829,208</u>

At June 30, 2006 the following major projects were included in incomplete construction:

<u>Project</u>	<u>Project Cost to June 30, 2006</u>	<u>Total Estimated Project Cost</u>
North Corbin Junior High	\$ 6,094,110	\$ 9,075,580
Walker Elementary – Phase I New Tech Building	14,293	35,734
Live Oak High - Renovations	2,626	88,630
Doyle High – Cafeteria Alterations and Additions	36,893	48,478
Doyle High – Baseball Field	289	384,749
Maurepas High – Additions and Renovations	<u>1,456,527</u>	<u>1,868,068</u>
Total	\$ <u>7,604,738</u>	\$ <u>11,501,239</u>

All funding is coming from the individual districts except for the Walker School District (District #4) and the Maurepas School District (District #33) in which \$12,000,000 and \$1,750,000, respectively, in bonds were sold to fund all projects.

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

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

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

JUNE 30, 2006

DEBT

At June 30, 2006, the School System had outstanding bonded indebtedness of \$40,135,322 as compared to \$42,226,000 at June 30, 2005.

The School System's bonds were last rated January 20, 2005, at which time they were given a rating of Aaa 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 \$145,000,000 at June 30, 2006.

Other long-term obligations include a capital lease, compensated absences and claims and judgments. At June 30, 2006, these balances were \$979,898, \$8,020,420 and \$1,250,000, 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.

The Livingston Parish School System is third in the State in student enrollment increase (approximately 800+ students in each of the past three years); present enrollment is approximately 21,561; 39 schools (pre-K through high school); one new junior high school to be completed next year; an elementary and a junior high are on the drawing board for the following year. The Livingston Parish School System's District "Accountability Report Card" released by the State reflected a performance score of 108.8.

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

Our population continues to increase due to the influx of people from adjoining parishes due to good transportation infrastructure, land availability for residents, and a solid/stable school system. The number of residential permits rose to 448 in 2006's first quarter, nearly double the level from 2005. Developers submitted plats for 23 new subdivisions and 2,700 lots as of March 31, 2006. The Parish experienced a

LIVINGSTON PARISH SCHOOL BOARD

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

JUNE 30, 2006

23% increase in number of houses sold in the first 6 months of 2006. In Walker alone, 2,500 new homes are planned for this year. The population rose slightly more than 5% in the 6 months following Hurricane Katrina. School enrollment statistics suggest that number is low, as some schools in the parish saw increases of more than 20% on the first day of class.

Correspondingly, the school population to be served has increased from 16,145 students in 1990 to approximately 23,150, students currently – an increase of approximately 6,075 students over 16 years or 37%. The 2006-07 school year is expected to be another record year for student growth with an estimated increase of 940+ students and approximately a 2,300 student increase over the past 3 years. This highlights that not only is our school population increasing, but also that this increase is on an escalating basis. The number of schools serving these students has increased from 30 sites in 1990 to 39 sites currently – with one school under construction at June 30, 2006 and \$100 million in new school facilities on the drawing board.

The economic outlook for the recent past and the current term is bright. Due to the population increase over the past 3 years, two large retail outlets – Wal-Mart Superstore in the Walker School District and a Wal-Mart Superstore in the Denham Springs District has provided a platform for retail trade in our parish. Additionally in the Denham Springs District, in April, 2003, a Home Depot opened. A Walgreen's Drug Store is set to open in Watson soon. Small strip malls continue to be built. Sixty new commercial permits were issued in the first 6 months of 2006, compared to 81 in all of 2005. The proposed \$50 million Bass Pro Shop has passed another hurdle in court and looks as though it will become a reality. These retail opportunities keep the domestic dollars from being spent in surrounding parishes as they have been for the past years. Livingston Parish has very little industry, but is poised to see growth due to the availability of reasonably – priced land and the I-12 interstate traversing the parish (east - west) with its many interchanges. Currently, the primary industry is forestry products. The major employer of Livingston Parish is the Livingston Parish School Board with approximately 3,000 employees and a budget in excess of \$183 million. Most of our population finds employment along the Mississippi River, which is laced with companies in the high-tech oil and chemical industries. A fledging tourism industry is being developed, a State Park at Springfield, summer camps/homes on the various rivers, and the antique shopping village in Denham Springs. The Property tax base in Livingston Parish on the 2006 tax roll is approximately \$244,583,490 which is approximately a 10.5% increase over the prior year, due to reassessment. Increased population and development of rural lands continues to elevate property values.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIVINGSTON PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS

JUNE 30, 2006

(With Comparative Totals as of June 30, 2005)

ASSETS

	Governmental Activities	
	2006	2005
Cash and Cash Equivalents	\$ 27,662,711	\$ 12,676,969
Investments	18,150,000	35,522,056
Receivables	10,457,690	7,049,164
Inventory	888,553	651,901
Deferred Bond Issuance Costs	664,351	721,086
Capital Assets:		
Land and Construction in Progress	13,875,800	9,313,057
Other Capital Assets (Net of Accumulated Depreciation)	101,973,346	95,933,507
Total Assets	\$ 173,672,451	\$ 161,867,740

LIABILITIES

Accounts, Salaries, and Other Payables	\$ 21,230,862	\$ 20,295,492
Deferred Revenue	-	551,420
Interest Payable	398,161	581,732
Long-Term Liabilities:		
Due Within One Year	4,723,113	4,183,064
Due in More than One Year	44,994,870	45,694,167
Total Liabilities	71,347,006	71,305,875

NET ASSETS

Invested in Capital Assets, Net of Related Debt	73,503,704	74,967,632
Restricted for:		
Debt Service Fund	2,198,451	2,310,389
General Fund	19,317,729	13,979,244
Unrestricted (Deficit)	7,305,561	(695,400)
Total Net Assets	102,325,445	90,561,865
Total Liabilities and Net Assets	\$ 173,672,451	\$ 161,867,740

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, 2006
(With Comparative Totals For the Year Ended June 30, 2005)

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	2006	2005
Governmental Activities:						
Instruction:						
Regular Programs	\$ 64,983,716	\$ 93,443	\$ 7,045,067	\$ -	\$ (57,845,206)	\$ (57,876,363)
Special Programs	22,341,889	3,242	5,168,045	182,117	(16,988,485)	(14,673,732)
Vocational Programs	2,579,843	6,408	92,695	87,380	(2,393,360)	(2,152,122)
Adult Continuing Education Programs	154,388	-	156,710	-	2,322	5,556
All Other Programs	4,733,121	198,621	1,628,819	19,261	(2,886,420)	(2,408,278)
Support Services:						
Student Services	5,408,336	-	536,681	-	(4,871,655)	(4,210,029)
Instructional Staff Support	5,842,584	-	1,939,390	-	(3,903,194)	(3,716,058)
General Administration	6,243,268	510,700	-	-	(5,732,568)	(4,722,102)
School Administration	6,963,898	80,233	-	-	(6,883,665)	(6,911,645)
Business Services	1,686,529	165,752	418,966	-	(1,101,811)	(1,402,843)
Plant Services	11,740,304	66,273	584,147	-	(11,089,884)	(11,779,454)
Student Transportation Services	7,534,672	109,865	25,487	-	(7,399,320)	(6,840,636)
Central Services	1,306,785	-	-	-	(1,306,785)	(1,234,411)
Food Services	10,913,895	2,492,786	5,329,802	-	(3,091,307)	(3,057,409)
Community Service Programs	34,101	-	19,100	-	(15,001)	(8,951)
Small Equipment Below Capitalization Policy - Not Reported By Function	1,214,952	-	-	-	(1,214,952)	(1,472,866)
Interest on Long-Term Debt	2,036,603	-	-	-	(2,036,603)	(2,187,459)
Total Governmental Activities	\$ 155,718,884	\$ 3,727,323	\$ 22,944,909	\$ 288,758	(128,757,894)	(124,648,802)
Taxes:						
Property Taxes, Levied for General Purposes					4,849,406	4,435,783
Property Taxes, Levied for Debt Services					3,845,253	2,993,591
Sales and Use Taxes, Levied for General Purposes					27,956,485	22,519,499
Sales and Use Taxes, Levied for Debt Services					397,594	334,926
State Revenue Sharing					682,855	675,425
Grants and Contributions not Restricted to Specific Purposes:						
Minimum Foundation Program					99,709,474	91,692,054
Other					582,951	33,918
Interest and Investment Earnings					1,863,584	1,013,227
Net Gain (Loss) on Sale of Assets					(30,714)	271,683
Miscellaneous					664,586	1,101,047
Total General Revenues and Special Items					140,521,474	125,071,153
Change in Net Assets					11,763,580	422,351
Net Assets - Beginning of Year					90,561,865	90,139,514
Net Assets - End of Year					\$ 102,325,445	\$ 90,561,865

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, 2006

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2005)

ASSETS	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2006	2005
Cash and Cash Equivalents	\$ 23,164,705	\$ 2,022,452	\$ 2,416,983	\$ 27,604,140	\$ 12,654,162
Cash with Fiscal Agent	58,571	-	-	58,571	22,807
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	12,250,000	4,400,000	1,500,000	18,150,000	35,522,056
Receivables	4,504,620	18,263	5,934,807	10,457,690	7,049,164
Due from Other Funds	5,645,005	-	-	5,645,005	3,009,343
Inventory	722,472	-	166,081	888,553	651,901
Total Assets	\$ 46,345,373	\$ 6,440,715	\$ 10,017,871	\$ 62,803,959	\$ 58,909,433
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, Salaries and Other Payables	\$ 19,884,529	\$ 997,189	\$ 349,144	\$ 21,230,862	\$ 20,295,492
Deferred Revenue	-	-	-	-	551,420
Due to Other Funds	-	-	5,645,005	5,645,005	3,009,343
Total Liabilities	19,884,529	997,189	5,994,149	26,875,867	23,856,255
Fund Balances:					
Reserved for:					
Incomplete Contracts	-	3,703,922	-	3,703,922	1,148,509
Debt Service	-	-	2,198,451	2,198,451	2,310,389
Inventory	722,472	-	166,081	888,553	651,901
Salaries	3,240,775	-	-	3,240,775	2,948,198
Construction, Utilities and Maintenance	13,811,466	-	-	13,811,466	9,577,946
Classroom Improvements	1,584,290	-	-	1,584,290	1,319,525
E-Rate	503,178	-	-	503,178	-
Other	178,020	-	-	178,020	133,575
Unreserved:					
Designated for:					
Property Damage Insurance	452,588	-	-	452,588	218,689
General Liability Insurance	1,767,179	-	-	1,767,179	1,797,517
Workers Compensation Insurance	195,223	-	-	195,223	-
Computer Equipment	-	-	-	-	772,085
Alternative School/Career Center	338,029	-	-	338,029	1,598,504
Undesignated	3,667,624	1,739,604	1,659,190	7,066,418	12,576,340
Total Fund Balances	26,460,844	5,443,526	4,023,722	35,928,092	35,053,178
Total Liabilities and Fund Balances	\$ 46,345,373	\$ 6,440,715	\$ 10,017,871	\$ 62,803,959	\$ 58,909,433

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, 2006
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2005)

	<u>2006</u>	<u>2005</u>
Total Fund Balances - Governmental Funds	35,928,092	35,053,178
Cost of Capital Assets	189,737,262	175,120,163
Less: Accumulated Depreciation	<u>(73,888,116)</u>	<u>(69,873,599)</u>
	115,849,146	105,246,564
Deferred Bond Issuance Costs	664,351	721,086
Elimination of Interfund Assets and Liabilities:		
Due from Other Funds	5,645,005	3,009,343
Due to Other Funds	<u>(5,645,005)</u>	<u>(3,009,343)</u>
	-	-
Long-Term Liabilities:		
Compensated Absences	(8,020,420)	(7,552,254)
Claims and Judgments	(1,250,000)	(850,000)
Bonds Payable	(40,135,322)	(42,226,000)
Capital Lease Payable	(979,898)	-
Deferred Amount on Refunding	667,657	751,023
Accrued Interest Payable	<u>(398,161)</u>	<u>(581,732)</u>
	<u>(50,116,144)</u>	<u>(50,458,963)</u>
Net Assets	<u>\$ 102,325,445</u>	<u>\$ 90,561,865</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, 2006
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2006	2005
Revenues:					
Local Sources:					
Taxes:					
Ad Valorem	\$ 2,259,603	\$ 1,079,081	\$ 5,355,975	\$ 8,694,659	\$ 7,429,374
Sales and Use	27,956,485	-	397,594	28,354,079	22,854,425
Other	289,370	-	-	289,370	254,756
Rentals, Leases and Royalties	152,594	-	-	152,594	120,188
Tuition	160,800	-	-	160,800	127,080
Interest Earnings	1,191,210	515,637	156,737	1,863,584	1,013,227
Food Services	-	-	2,492,705	2,492,705	2,461,325
Other	2,008,814	2,353	8,068	2,019,235	1,837,957
State Sources:					
Unrestricted Grants-in-Aid	99,689,203	168,634	566,023	100,423,860	92,401,397
Restricted Grants-in-Aid	4,086,478	-	-	4,086,478	2,507,500
Federal Sources:					
Unrestricted - Indirect Cost Recoveries	-	-	341,255	341,255	286,807
Restricted Grants-in-Aid - Subgrants	581,724	-	17,590,958	18,172,682	11,853,508
Other - Commodities	-	-	461,877	461,877	390,054
Total Revenues	138,376,281	1,765,705	27,371,192	167,513,178	143,537,598
Expenditures:					
Instruction:					
Regular Programs	65,013,162	-	1,490	65,014,652	59,882,819
Special Programs	17,569,634	-	4,691,892	22,261,526	19,456,012
Vocational Programs	2,464,150	-	92,695	2,556,845	2,296,756
Adult and Continuing Education Programs	56,170	-	97,596	153,766	177,256
Other Programs	3,596,887	-	1,102,141	4,699,028	4,057,896
Support Services:					
Pupil Support	4,944,337	-	442,995	5,387,332	4,831,696
Instructional Staff Support	4,004,427	-	1,939,390	5,943,817	5,109,319

(CONTINUED)

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

FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2006	2005
Expenditures (Continued):					
Support Services (Continued):					
General Administration	2,076,770	43,951	240,132	2,360,853	2,106,614
School Administration	6,935,692	-	-	6,935,692	7,054,243
Business Services	1,564,551	-	77,711	1,642,262	1,727,544
Plant Services	9,470,678	-	2,188,057	11,658,735	11,771,283
Transportation Services	7,225,346	-	1,487	7,226,833	6,700,314
Central Services	1,303,957	-	-	1,303,957	1,237,078
Food Services	-	-	10,870,016	10,870,016	10,100,364
Community Service Programs	15,001	-	19,100	34,101	24,445
Capital Outlay	3,862,911	11,359,690	320,416	15,543,017	9,057,325
Debt Service:					
Principal Retirement	1,230,222	-	2,307,678	3,537,900	2,066,712
Interest and Bank Charges	30,253	-	2,049,820	2,080,073	1,745,420
Cost of Issuance	-	-	-	-	108,108
Total Expenditures	131,364,148	11,403,641	26,442,616	169,210,405	149,511,204
Excess (Deficiency) of Revenues Over Expenditures	7,012,133	(9,637,936)	928,576	(1,697,227)	(5,973,606)
Other Financing Sources (Uses):					
Sale of Capital Assets	145,021	-	-	145,021	310,601
Issuance of Bonds	-	217,000	-	217,000	13,750,000
Issuance of Capital Lease	2,210,120	-	-	2,210,120	-
Transfers In	4,366,610	2,415,000	3,950,000	10,731,610	7,690,866
Transfers Out	(6,355,000)	(70,000)	(4,306,610)	(10,731,610)	(7,690,866)
Total Other Financing Sources (Uses)	366,751	2,562,000	(356,610)	2,572,141	14,060,601
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	7,378,884	(7,075,936)	571,966	874,914	8,086,995
Fund Balances at Beginning of Year	19,081,960	12,519,462	3,451,756	35,053,178	26,966,183
Fund Balances at End of Year	\$ 26,460,844	\$ 5,443,526	\$ 4,023,722	\$ 35,928,092	\$ 35,053,178

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, 2006

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

	<u>2006</u>	<u>2005</u>
Total Net Change in Fund Balances - Governmental Funds	\$ 874,914	\$ 8,086,995
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital Outlays	14,328,065	7,584,459
Library Books and Textbooks Purchased	2,103,176	1,338,131
Depreciation Expense	(5,652,924)	(5,269,661)
Add accumulated depreciation on capital assets retired during the year	1,638,407	1,613,100
Less cost basis of capital assets retired during the year	(1,814,142)	(1,652,017)
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	(217,000)	(13,750,000)
Issuance of Capital Lease Obligation	(2,210,120)	-
General Obligation Bond Principal Repayments	2,307,678	2,066,712
Capital Lease Principal Repayments	1,230,222	-
Cost of Issuance of General Obligation Bonds	4,179	108,108
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) Decrease in Compensated Absences Payable	(468,166)	488,563
(Increase) Decrease in Claims and Judgments Payable	(400,000)	250,000
Amortization of Bond Discounts	-	(46,025)
Amortization of Cost of Issuance	(60,914)	(40,289)
Amortization of Deferred Amounts on Refunding	(83,366)	(83,366)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	<u>183,571</u>	<u>(272,359)</u>
Change in Net Assets of Governmental Activities	<u>\$ 11,763,580</u>	<u>\$ 422,351</u>

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

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

FOR THE YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:				
Local Sources:				
Taxes:				
Ad Valorem	\$ 2,110,000	\$ 2,260,000	\$ 2,259,603	\$ (397)
Sales and Use	22,948,500	27,856,000	27,956,485	100,485
Other	280,000	289,370	289,370	-
Rentals, Leases and Royalties	141,000	153,300	152,594	(706)
Tuition	128,000	160,800	160,800	-
Interest Earnings	720,000	1,105,000	1,191,210	86,210
Other	1,573,600	2,034,700	2,008,814	(25,886)
State Sources:				
Unrestricted Grants-in-Aid	95,331,389	100,091,453	99,689,203	(402,250)
Restricted Grants-in-Aid	3,917,007	4,178,644	4,086,478	(92,166)
Federal Sources:				
Restricted Grants-in-Aid	-	581,724	581,724	-
Total Revenues	<u>127,149,496</u>	<u>138,710,991</u>	<u>138,376,281</u>	<u>(334,710)</u>
Expenditures:				
Instruction:				
Regular Programs	61,606,669	65,718,884	65,013,162	705,722
Special Programs	15,844,066	17,613,463	17,569,634	43,829
Vocational Programs	2,342,300	2,551,574	2,464,150	87,424
Other Programs	3,388,635	3,236,862	3,596,887	(360,025)
Adult and Continuing Education Programs	52,168	56,460	56,170	290
Support Services:				
Pupil Support	4,871,700	4,973,800	4,944,337	29,463
Instructional Staff Support	3,867,202	4,026,095	4,004,427	21,668
General Administration	1,835,350	2,180,960	2,076,770	104,190
School Administration	7,298,000	6,944,605	6,935,692	8,913
Business Services	1,591,298	1,676,594	1,564,551	112,043
Plant Services	7,904,705	9,573,671	9,470,678	102,993

(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, 2006

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures (Continued):				
Support Services (Continued):				
Transportation Services	6,877,665	7,321,369	7,225,346	96,023
Central Services	1,392,700	1,356,037	1,303,957	52,080
Community Service Programs	18,000	15,001	15,001	-
Capital Outlay	1,650,724	1,975,103	3,862,911	(1,887,808)
Debt Service:				
Principal Retirement	1,234,222	1,234,222	1,230,222	4,000
Interest	30,253	30,253	30,253	-
Total Expenditures	121,805,657	130,484,953	131,364,148	(879,195)
Excess (Deficiency) of Revenues Over Expenditures				
	5,343,839	8,226,038	7,012,133	(1,213,905)
Other Financing Sources (Uses):				
Sale of Capital Assets	-	145,278	145,021	(257)
Issuance of Capital Lease	-	-	2,210,120	2,210,120
Transfers In	200,000	3,263,739	4,366,610	1,102,871
Transfers Out	(5,201,367)	(6,294,999)	(6,355,000)	(60,001)
Total Other Financing Sources (Uses)	(5,001,367)	(2,885,982)	366,751	3,252,733
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses				
	342,472	5,340,056	7,378,884	2,038,828
Fund Balance at Beginning of Year	19,081,960	19,081,960	19,081,960	-
Fund Balance at End of Year	\$ 19,424,432	\$ 24,422,016	\$ 26,460,844	\$ 2,038,828

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, 2006

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2005)

	ASSETS	
	<u>2006</u>	<u>2005</u>
Cash and Cash Equivalents	\$ <u>6,003,996</u>	\$ <u>4,757,462</u>
Total Assets	\$ <u><u>6,003,996</u></u>	\$ <u><u>4,757,462</u></u>
	LIABILITIES	
Amounts Held for School Activities	\$ 3,529,326	\$ 2,852,860
Deposits Due to Others	<u>2,474,670</u>	<u>1,904,602</u>
Total Liabilities	\$ <u><u>6,003,996</u></u>	\$ <u><u>4,757,462</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, 2006

INTRODUCTION

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

The School Board operates thirty-eight schools and a special education center within the parish with a total enrollment of approximately 23,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

(1) Summary of Significant Accounting Policies -

A. Basis of Presentation

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

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

B. Reporting Entity

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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

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

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

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

Based on the previous criteria, the School Board's management has determined the following entity to be a discretely presented component unit in the financial reporting entity. At June 30, 2006, no financial transactions have occurred by the entity that would require it to be included in the current year financial statements.

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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 an additional five lease payments of \$260,575 annually due on January 1 each year. The School Board made a payment of \$1,260,575 during the current year (including interest of \$30,253). See note 11 for further details. At June 30, 2006, the Livingston Parish Public Benefit Corporation had no assets or liabilities to report.

C. Funds

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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

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

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

Fiduciary Fund Type:

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

D. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

Program Revenues

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

Allocation of Indirect Expenses

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

Fund Financial Statements (FFS)

Governmental Funds

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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, 2006

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, 2006, 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, 2006. At this meeting, the proposed budgets were legally adopted by the School Board.

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

F. Encumbrances

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

G. Cash and Cash Equivalents

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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

H. Inventory

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

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

I. Capital Assets

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

J. Compensated Absences

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

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

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

K. Long-Term Obligations

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

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

LIVINGSTON PARISH SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

L. **Fund Balance Reserves**

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

M. **Net Assets**

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

N. **Sales and Use Taxes**

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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

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

O. Use of Estimates

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

(2) Cash and Cash Equivalents -

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

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

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

At June 30, 2006, the carrying amount of the School Board's Cash and Cash Equivalents and Investments (checking accounts, savings accounts, and certificates of deposits) was \$51,816,707 and the confirmed bank balances were \$52,853,672. 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, 2006, classified by credit risk:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Deposits in Bank Accounts per Balance Sheets:			
Cash and Cash Equivalents	\$27,662,711	\$6,003,996	\$33,666,707
Certificates of Deposits	<u>18,150,000</u>	<u>-</u>	<u>18,150,000</u>
Total	<u>\$45,812,711</u>	<u>\$6,003,996</u>	<u>\$51,816,707</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, 2006, \$52,106,326 of the School Board's bank balances of \$52,853,672, was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's name.

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

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

(3) Ad Valorem Taxes -

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

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

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

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

	<u>Authorized</u> <u>Millage</u>	<u>Levied</u> <u>Millage</u>		
Parishwide Taxes:				
Constitutional	3.29	3.29		
Additional Support	7.18	7.18		
Maintenance	7.00	7.00		
Construction	5.00	5.00		
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
District Taxes -				
Bond and Interest	-	68.50	-	68.50

LIVINGSTON PARISH SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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	\$8,905,394
Less: Amounts Deemed Uncollectible	<u>(282,708)</u>
	8,622,686
Add: Prior Year Taxes Collected in Current Year	<u>71,973</u>
Net Ad Valorem Taxes Collectible	<u>\$8,694,659</u>

Ad Valorem taxes receivable at June 30, 2006, totaled \$89,674 and is included under the caption "Receivables" in these financial statements.

(4) Receivables -

The receivables at June 30, 2006, 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	\$ 266,257	\$1,356,959	\$2,712,583	\$ 24,194	\$ 14,044	\$130,583	\$ 4,504,620
Capital Projects Fund	-	-	-	11,554	6,709	-	18,263
Nonmajor Funds	<u>5,801,386</u>	<u>-</u>	<u>44,874</u>	<u>53,926</u>	<u>33,551</u>	<u>1,070</u>	<u>5,934,807</u>
Totals	<u>\$6,067,643</u>	<u>\$1,356,959</u>	<u>\$2,757,457</u>	<u>\$ 89,674</u>	<u>\$ 54,304</u>	<u>\$131,653</u>	<u>\$10,457,690</u>

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$5,645,005	\$ -
Special Revenue Funds:		
Elementary and Secondary Education Act:		
Chapter 1	-	1,361,750
Chapter 2	-	89,165
Special Education Fund	-	1,722,156
Special Federal Fund	-	452,374
Other Federal ESEA Fund	-	271,300
Federal Impact Aid	<u>-</u>	<u>1,748,260</u>
Total Special Revenue Funds	<u>-</u>	<u>5,645,005</u>
Total	<u>\$5,645,005</u>	<u>\$5,645,005</u>

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 4,366,610	\$ 6,355,000
Special Revenue Funds:		
Elementary and		
Secondary Education Act:		
Chapter 1	-	147,505
Chapter 2	-	3,545
Special Education	-	119,675
Maintenance of Schools	1,375,000	-
School Lunch	2,525,000	-
Special Federal	-	25,932
Other Federal ESEA	-	44,598
Federal Impact Aid	-	<u>3,965,355</u>
Total Special Revenue Funds	3,900,000	4,306,610
Debt Service Funds:		
District No. 31	<u>50,000</u>	<u>-</u>
Total Debt Service Funds	50,000	-
Capital Projects Fund:		
District No. 1	650,000	-
District No. 22	80,000	-
District No. 24	120,000	-
District No. 25	440,000	-
District No. 26	250,000	-
District No. 32	575,000	-
District No. 33	300,000	-
District No. 90	<u>-</u>	<u>70,000</u>
Total Capital Projects Fund	2,415,000	70,000
Total	<u>\$10,731,610</u>	<u>\$10,731,610</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

(6) Changes in Capital Assets -

Capital asset activity for the year ended June 30, 2006 is as follows:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
<u>Governmental Activities:</u>				
Capital Assets not being Depreciated:				
Land	\$ 5,482,756	\$ 871,986	\$ (83,680)	\$ 6,271,062
Construction in Progress	<u>3,830,301</u>	<u>10,380,764</u>	<u>(6,606,327)</u>	<u>7,604,738</u>
Total Capital Assets not being Depreciated	9,313,057	11,252,750	(6,690,007)	13,875,800
Capital Assets being Depreciated:				
Buildings and Improvements	146,150,119	8,829,208	-	154,979,327
Furniture and Equipment	4,070,481	300,021	(689,724)	3,680,778
Library Books and Textbooks	12,253,601	2,103,176	(976,198)	13,380,579
Vehicles	<u>3,332,905</u>	<u>552,413</u>	<u>(64,540)</u>	<u>3,820,778</u>
Total Capital Assets being Depreciated	165,807,106	11,784,818	(1,730,462)	175,861,462
Less: Accumulated Depreciation for:				
Buildings and Improvements	58,090,978	3,374,224	-	61,465,202
Furniture and Equipment	2,374,705	300,344	(597,669)	2,077,380
Library Books and Textbooks	8,018,860	1,632,799	(976,198)	8,675,461
Vehicles	<u>1,389,056</u>	<u>345,557</u>	<u>(64,540)</u>	<u>1,670,073</u>
Total Accumulated Depreciation	<u>69,873,599</u>	<u>5,652,924</u>	<u>(1,638,407)</u>	<u>73,888,116</u>
Total Capital Assets being Depreciated, Net	<u>95,933,507</u>	<u>6,131,894</u>	<u>(92,055)</u>	<u>101,973,346</u>
Total Governmental Activities Capital Assets, Net	<u>\$105,246,564</u>	<u>\$17,384,644</u>	<u>\$(6,782,062)</u>	<u>\$115,849,146</u>

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

Depreciation expense of \$5,652,924 for the year ended June 30, 2006 was charged to the following governmental functions:

Instruction:

Regular Education	\$1,311,522
Special Education	13,846
Vocational Education	13,915
Other Education Programs	12,703

Support Services:

Instructional Staff Support	408,200
General Administration (Including all Buildings)	3,478,720
School Administration	560
Business Services	39,594
Plant Services	60,213
Student Transportation Services	289,349
School Food Services	<u>24,302</u>
Total	<u>\$5,652,924</u>

(7) Accounts, Salaries, and Other Payables -

The payables at June 30, 2006, are as follows:

	<u>Accounts</u>	<u>Salaries</u>	<u>Withholdings</u>	<u>Employee Benefits</u>	<u>Total</u>
General Fund	\$ 854,617	\$8,171,516	\$10,524,948	\$ 333,448	\$19,884,529
Capital Projects Fund	997,189	-	-	-	997,189
Nonmajor Funds	<u>349,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>349,144</u>
Total	<u>\$2,200,950</u>	<u>\$8,171,516</u>	<u>\$10,524,948</u>	<u>\$ 333,448</u>	<u>\$21,230,862</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

(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

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

	<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)	15.90%	15.90%	19.10%
Period Required to Vest	10 years	10 years	10 years
Benefits and Eligibility for Distribution (Full-time)	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following requirements:	Benefit based on a percentage of the member's average salary for the 36 highest successive months using the following requirements:	At least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60, 2 1/2%

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

	<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

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

B. Trend Information -

Contributions required by State statute:

<u>Fiscal Year</u>	<u>Teachers' Retirement System of Louisiana - Regular Plan</u>		<u>Teachers' Retirement System of Louisiana - Plan A</u>		<u>State of Louisiana School Employees' Retirement System</u>	
	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
1997	\$ 6,859,610	100%	\$ 86,835	100%	\$ 258,771	100%
1998	\$ 7,816,519	100%	\$ 92,247	100%	\$ 276,111	100%
1999	\$ 8,718,960	100%	\$ 88,797	100%	\$ 298,691	100%
2000	\$ 8,349,114	100%	\$ 77,961	100%	\$ -	N/A
2001	\$ 8,067,534	100%	\$ 62,298	100%	\$ -	N/A
2002	\$ 8,032,885	100%	\$ 45,635	100%	\$ -	N/A
2003	\$ 8,580,196	100%	\$ 41,839	100%	\$ -	N/A
2004	\$ 9,493,360	100%	\$ 36,851	100%	\$ -	N/A
2005	\$11,445,128	100%	\$ 37,077	100%	\$ 953,322	100%
2006	\$12,770,586	100%	\$ 29,355	100%	\$1,222,461	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 \$205,970 which consisted of \$170,235 from the School Board and \$35,735 from the employees.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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, 2006.

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

In addition to the pension benefits described in Note (8), the Livingston Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee, the State Employees Group Benefits Program (the state), and the School Board (the parish). The School Board recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the fiscal year ended June 30, 2006, the cost of providing these benefits for 1,994 active employees is \$10,777,535 and for 570 retirees is \$3,871,572.

(10) Changes in Agency Fund Deposits Due Others -

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

	<u>School Activity Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Balance - June 30, 2005	\$ 2,852,860	\$ 1,904,602	\$ 4,757,462
Additions	11,086,606	56,338,617	67,425,223
Deductions	<u>(10,410,140)</u>	<u>(55,768,549)</u>	<u>(66,178,689)</u>
Balance - June 30, 2006	<u>\$ 3,529,326</u>	<u>\$ 2,474,670</u>	<u>\$ 6,003,996</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

(11) Long-Term Debt -

The following is a summary of the long-term obligation transactions for the year ended June 30, 2006:

	<u>Bonded Debt</u>	<u>Capital Lease</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Total</u>
Long-Term Obligations - July 1, 2005	\$41,474,977	\$ -	\$ 7,552,254	\$ 850,000	\$ 49,877,231
Additions	217,000	2,210,120	2,154,916	628,959	5,210,995
Amortization of Deferred Amounts on Refunding Deductions	83,366 <u>(2,307,678)</u>	- <u>(1,230,222)</u>	- <u>(1,686,750)</u>	- <u>(228,959)</u>	83,366 <u>(5,453,609)</u>
Long-Term Obligations - June 30, 2006	<u>\$39,467,665</u>	<u>\$ 979,898</u>	<u>\$ 8,020,420</u>	<u>\$ 1,250,000</u>	<u>\$49,717,983</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, 2006:

	<u>Bonded Debt</u>	<u>Capital Lease</u>	<u>Compensated Absences</u>	<u>Claims and Judgements</u>	<u>Total</u>
Current Portion	\$2,482,031	\$ 235,977	\$ 2,005,105	\$ -	\$ 4,723,113
Long Term Portion	<u>36,985,634</u>	<u>743,921</u>	<u>6,015,315</u>	<u>1,250,000</u>	<u>44,994,870</u>
Total	<u>\$39,467,665</u>	<u>\$ 979,898</u>	<u>\$ 8,020,420</u>	<u>\$ 1,250,000</u>	<u>\$49,717,983</u>

Bonded Debt

All school board bonds outstanding at June 30, 2006 in the amount of \$40,135,322 consist of general obligation bonds with final maturities from 2008 to 2024 and interest rates from 3.00 percent to 12.00 percent. Bond principal and interest payable in the next fiscal year is \$2,482,031 and \$1,779,716, respectively. Bonded debt is comprised of the following individual issues which are payable from the debt service funds:

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

	<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	\$ 1,109,025	\$ 5,600,000
School District No. 4:					
03/01/02	\$2,840,000	3.00-4.40%	2014	488,410	2,460,000
01/01/05	\$12,000,000	3.06-5.00%	2024	5,865,015	11,790,000
School District No. 22:					
12/01/96	\$1,500,000	4.75-10.00%	2016	299,712	1,000,000
01/01/02	\$2,515,000	4.40%	2017	584,273	1,975,000
02/01/03	\$9,000,000	4.00-4.55%	2022	3,341,780	8,310,000
School District No. 24:					
11/01/93	\$2,035,000	6.40-6.60%	2014	441,608	1,495,000
11/22/05	\$ 217,000	3.60-5.00%	2013	40,525	204,322
School District No. 25:					
02/27/02	\$ 340,000	4.50%	2009	2,079	80,000
School District No. 26:					
02/27/02	\$ 411,000	3.90%	2008	1,520	76,000
School District No. 27-A:					
11/01/93	\$1,000,000	5.80-6.00%	2014	214,799	860,000
11/01/93	\$1,140,000	6.70%	2014	246,225	790,000
School District No. 31:					
04/01/96	\$ 725,000	5.30-12.00%	2016	147,780	480,000
08/01/01	\$ 450,000	.1%-6.50%	2016	105,025	355,000
School District No. 32-A:					
04/01/96	\$1,790,000	5.25-12.00%	2016	369,122	1,200,000
08/01/01	\$1,400,000	.1%-6.5%	2016	328,117	1,100,000
School District No. 33:					
11/01/93	\$1,045,000	6.70-6.80%	2014	187,370	615,000
01/01/05	\$1,750,000	3.75-5.00%	2024	<u>797,123</u>	<u>1,745,000</u>
Total General Obligation Bonds				<u>14,569,508</u>	<u>40,135,322</u>
Total Bonded Debt				<u>\$ 14,569,508</u>	<u>\$ 40,135,322</u>

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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, 2006 the School Board has accumulated \$2,198,451 in the Debt Service Funds for future debt requirements. The bonds are due, by years, as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2007	\$ 2,482,031	\$ 1,779,716	\$ 4,261,747
2008	2,480,304	1,671,700	4,152,004
2009	2,612,641	1,558,462	4,171,103
2010	2,744,046	1,437,217	4,181,263
2011	2,895,522	1,310,307	4,205,829
2012-2016	13,920,778	4,424,430	18,345,208
2017-2021	8,560,000	2,034,981	10,594,981
2022-2024	<u>4,440,000</u>	<u>352,695</u>	<u>4,792,695</u>
	40,135,322	<u>\$14,569,508</u>	<u>\$54,704,830</u>
Unamortized Deferred Amount on Refunding	<u>(667,657)</u>		
	<u>\$39,467,665</u>		

During the fiscal year ended June 30, 1994, voters of Livingston Parish approved the issuance of \$5,220,000 (par value) of 1993 A, B, C and D General Obligation School Improvement Bonds dated November 1, 1993. Each series of Bonds constitute general obligations of the respective School District for which the full faith and credit of the issuing District's are pledged. Each series of Bonds is payable from unlimited ad valorem taxation on all taxable property in the respective issuing District.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

Prior Years Advance Refundings

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

During the 2002 fiscal year, the School Board issued \$11,810,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$10,810,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from these financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,029,722. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. At June 30, 2006, the unamortized balance is \$667,657. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$957,672 and resulted in an economic gain of \$714,266.

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

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded by ad valorem taxes, in excess of thirty-five percent of the assessed value of taxable property. At June 30, 2006, the statutory limit is approximately \$130,000,000 and outstanding general obligation bonded debt funded by ad valorem taxes totals \$40,135,322.

Compensated Absences

At June 30, 2006, employees of the School Board have accumulated and vested \$8,020,420 of employee leave benefits, which was computed in accordance with GASB Codification Section C60.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

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, the School Board is required to pay a \$1,000,000 lease payment and five lease payments of \$260,575 in January for the next five years upon final acceptance of the Center. 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 \$1,260,575 during the current year. The following schedule lists the future lease payment requirements:

<u>Year Ending June 30.</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2007	\$ 235,977	\$ 24,498	\$ 260,475
2008	241,876	18,599	260,475
2009	247,923	12,552	260,475
2010	<u>254,122</u>	<u>6,353</u>	<u>260,475</u>
	<u>\$ 979,898</u>	<u>\$ 62,002</u>	<u>\$ 1,041,900</u>

(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 \$452,588 of fund balance of the General Fund at June 30, 2006, to cover the cost of future property damage not covered by insurance.

General Liability Insurance

The School Board is exposed to losses relating to any potential general liability claim it may face. Because of the prohibitive cost of carrying commercial insurance, the School Board established a limited risk management program for liability claims. The School Board has an excess coverage insurance policy to cover annual losses in excess of \$200,000.

The School Board made disbursements for liability claims of \$843 in the fiscal year ended June 30, 2006. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2006, amounted to \$801,577.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

Each year the School Board compares the claims paid and the designated fund balance for general liability insurance to determine the amount of funds to be set aside that year. The School Board has designated \$1,767,179 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 \$195,223 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 \$340,277 in the fiscal year ended June 30, 2006. The General Fund reports the claims expenditures when paid. The estimated claims liability at June 30, 2006, amounted to \$448,423.

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 -

Computer Equipment

The School Board established a designation of fund balance in the General Fund to accumulate the projected costs of buying new computer equipment. The amount of this designation is \$-0- at June 30, 2006. The School Board expended the prior year designated balance of \$772,085 in the current year and did not designate additional funds in the current year.

Alternative School/Career Center

During a prior fiscal year, the School Board passed a motion to set aside funds in the amount of \$1,000,000 in the General Fund to be used for a proposed alternative school/career center. In the current year and prior years, the board designated annual interest earnings and timber sale revenues for this purpose. During the current fiscal year, the School Board expended \$1,260,475 on the Livingston Parish Library and Technology Center located in Walker, Louisiana. At June 30, 2006, \$338,029 remains designated for the alternative school/career center.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

(14) Fund Equity - Capital Projects Fund -

The Capital Projects Fund shows a total fund equity of \$5,443,526. A summary of commitments under construction contracts for each individual school district at June 30, 2006, follows:

	<u>Project Authorization</u>	<u>Expended to June 30, 2006</u>	<u>Unexpended Commitment</u>
District #4	\$9,111,314	\$6,108,403	\$3,002,911
District #22	88,630	2,626	86,004
District #26	433,227	37,182	396,045
District #33	<u>1,868,068</u>	<u>1,456,527</u>	<u>411,541</u>
Total	<u>\$11,501,239</u>	<u>\$7,604,738</u>	<u>\$3,896,501</u>

	<u>Actual District Fund Balance at June 30, 2006</u>	<u>Unexpended Commitment June 30, 2006</u>	<u>Fund Balances Less Commitments June 30, 2006</u>
District #1	\$ 238,094	\$ -	\$ 238,094
District #4	4,083,505	3,002,911	1,080,594
District #22	58,792	86,004	(27,212)
District #24	61,198	-	61,198
District #25	57,438	-	57,438
District #26	230,678	396,045	(165,367)
District #27	81,096	-	81,096
District #31	73,093	-	73,093
District #32	19,652	-	19,652
District #33	522,132	411,541	110,591
District #90	<u>17,848</u>	<u>-</u>	<u>17,848</u>
	<u>\$5,443,526</u>	<u>\$3,896,501</u>	<u>\$1,547,025</u>

At June 30, 2006 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 \$3,703,922. The unavailable amount of \$192,579 will have to be resolved in future years by anticipated Sales Tax revenues and General Fund Transfers.

LIVINGSTON PARISH SCHOOL BOARD

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2006

(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, 2006, a balance of \$3,240,775 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, 2006, a balance of \$13,811,466 is reserved for utilities and maintenance as a result of these sales tax levies.

Excellence in Education - Classroom Improvements - In the current year and prior years, the School Board received payments from the State of Louisiana in connection with the State's settlement of its lawsuit with the tobacco industry. These funds can only be spent on classroom improvements as required by the State. Accordingly, the unspent monies at June 30, 2006 of \$1,584,290 are reflected as a reservation of fund balance.

(16) Litigation and Claims -

At June 30, 2006, 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.

(17) Current Accounting Pronouncements -

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

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



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November 17, 2006

**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 IOWA Tests (Schedule 9)

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

(No Differences Noted)

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

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

Respectfully submitted,

Thomas J. Bourgeois, CPA

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

FOR THE YEAR ENDED JUNE 30, 2006

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 55,862,795
Other Instructional Staff Activities	7,172,356
Employee Benefits	20,664,140
Purchased Professional and Technical Services	240,089
Instructional Materials and Supplies	4,383,891
Instructional Equipment	586,548

Total Teacher and Student Interaction Activities 88,909,819

Other Instructional Activities 376,735

Pupil Support Activities 4,944,338

Less: Equipment for Pupil Support Activities -

Net Pupil Support Activities 4,944,338

Instructional Staff Services 4,004,427

Less: Equipment for Instructional Staff Services -

Net Instructional Staff Services 4,004,427

Total General Fund Instructional Expenditures \$ 98,235,319

Total General Fund Equipment Expenditures \$ 1,652,791

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 710,030
Renewable Ad Valorem Tax	4,139,376
Debt Service Ad Valorem Tax	3,845,253
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	289,370
Sales and Use Taxes	28,354,079

Total Local Taxation Revenue \$ 37,338,108

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD
GENERAL FUND INSTRUCTIONAL AND SUPPORT EXPENDITURES
AND CERTAIN LOCAL REVENUE SOURCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2006

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 9,548
Earnings from Other Real Property	<u>129,671</u>
Total Local Earnings on Investment in Real Property	<u>\$ 139,219</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 114,156
Revenue Sharing - Other Taxes	<u>568,699</u>
Total State Revenue in Lieu of Taxes	<u>\$ 682,855</u>

Nonpublic Textbook Revenue \$ 1,875

Nonpublic Transportation Revenue \$ 24,000

LIVINGSTON PARISH SCHOOL BOARD

EDUCATION LEVELS OF PUBLIC SCHOOL STAFF

AS OF OCTOBER 1, 2005

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	1	33%	0	0%	0	0%
Bachelor's Degree	1037	73%	2	67%	0	0%	0	0%
Master's Degree	276	20%	0	0%	36	52%	0	0%
Master's Degree + 30	78	6%	0	0%	26	38%	0	0%
Specialist in Education	12	1%	0	0%	7	10%	0	0%
Ph. D. or Ed. D.	4	0%	0	0%	0	0%	0	0%
Total	1,407	100%	3	100%	69	100%	0	0%

LIVINGSTON PARISH SCHOOL BOARD
NUMBER AND TYPE OF PUBLIC SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2006

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

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

LIVINGSTON PARISH SCHOOL BOARD

EXPERIENCE OF PUBLIC PRINCIPALS AND FULL-TIME CLASSROOM TEACHERS

AS OF OCTOBER 1, 2005

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	4	4	5	3	12	28
Principals	-	-	1	4	7	8	21	41
Classroom Teachers	126	128	426	186	188	148	208	1,410
Total	126	128	431	194	200	159	241	1,479

LIVINGSTON PARISH SCHOOL BOARD

PUBLIC SCHOOL STAFF DATA

FOR THE YEAR ENDED JUNE 30, 2006

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC and Rehired Retirees</u>
Average Classroom Teachers' Salary Including Extra Compensation	38,421	38,576
Average Classroom Teachers' Salary Excluding Extra Compensation	38,021	38,153
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,474	1,374

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

LIVINGSTON PARISH SCHOOL BOARD

CLASS SIZE CHARACTERISTICS

AS OF OCTOBER 1, 2005

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	66.3%	1,799	31.9%	865	1.7%	46	0.1%	2
Elementary Activity Classes	60.5%	332	36.4%	200	2.7%	15	0.4%	2
Middle/Jr. High	31.9%	500	45.2%	707	22.7%	356	0.2%	2
Middle/Jr. High Activity Classes	47.2%	135	17.5%	50	21.3%	61	14.0%	40
High	67.6%	1,497	24.1%	533	8.2%	182	0.1%	1
High Activity Classes	74.9%	271	11.3%	41	9.4%	34	4.4%	16
Combination	86.3%	372	9.3%	40	4.4%	19	0.0%	-
Combination Activity Classes	77.8%	56	5.6%	4	15.3%	11	1.3%	1

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

LIVINGSTON PARISH SCHOOL BOARD

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

FOR THE YEAR ENDED JUNE 30, 2006

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	61	3%	60	3%	68	4%	82	5%	78	4%	34	2%
Proficient	384	21%	473	26%	434	25%	418	22%	364	20%	335	19%
Basic	923	50%	822	46%	789	45%	821	44%	872	49%	875	50%
Approaching Basic	303	16%	304	17%	299	17%	354	19%	304	17%	332	19%
Unsatisfactory	186	10%	137	8%	162	9%	183	10%	176	10%	176	10%
Total	1,857	100%	1,796	100%	1,752	100%	1,858	100%	1,794	100%	1,752	100%

District Achievement Level Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	25	1%	20	1%	16	1%	23	1%	11	1%	12	1%
Proficient	329	19%	374	23%	418	27%	238	13%	245	15%	220	14%
Basic	876	49%	786	48%	689	44%	976	55%	943	58%	898	58%
Approaching Basic	427	24%	361	22%	341	22%	341	19%	280	16%	295	19%
Unsatisfactory	129	7%	98	6%	92	6%	205	12%	159	10%	129	8%
Total	1,786	100%	1,639	100%	1,556	100%	1,783	100%	1,638	100%	1,554	100%

LIVINGSTON PARISH SCHOOL BOARD

THE GRADUATION EXIT EXAM FOR THE 21ST CENTURY

FOR THE YEAR ENDED JUNE 30, 2006

District Achievement Level Results	English Language Arts						Mathematics					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	8	1%	9	1%	27	2%	94	7%	90	7%	120	9%
Mastery	166	12%	230	17%	290	22%	266	18%	278	21%	229	17%
Basic	768	54%	692	52%	607	47%	665	46%	615	46%	569	43%
Approaching Basic	320	22%	293	22%	240	18%	236	16%	166	12%	192	15%
Unsatisfactory	170	11%	102	8%	139	11%	193	13%	180	14%	213	16%
Total	1,432	100%	1,326	100%	1,303	100%	1,454	100%	1,329	100%	1,323	100%

District Achievement Level Results	Science						Social Studies					
	2006		2005		2004		2006		2005		2004	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	31	2%	38	3%	35	3%	1	0%	9	1%	4	0%
Mastery	180	14%	239	21%	215	18%	86	7%	115	10%	138	12%
Basic	591	48%	544	47%	582	50%	762	61%	677	59%	718	61%
Approaching Basic	348	28%	243	21%	241	20%	270	22%	234	20%	226	19%
Unsatisfactory	94	8%	93	8%	104	9%	124	10%	119	10%	91	8%
Total	1,244	100%	1,157	100%	1,177	100%	1,243	100%	1,154	100%	1,177	100%

LIVINGSTON PARISH SCHOOL BOARD

IOWA AND ILEAP TESTS

FOR THE YEAR ENDED JUNE 30, 2006

Iowa Tests

	Composite		
	2006	2005	2004
Test of Basic Skills (ITBS)			
Grade 3	62	69	69
Grade 5	61	69	68
Grade 6	59	59	58
Grade 7	58	62	61
Tests of Educational Development (ITED)			
Grade 9	57	58	59

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

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	79	5%	140	8%	82	5%	60	4%
Mastery	385	23%	489	29%	364	22%	339	20%
Basic	846	50%	755	45%	880	53%	963	57%
Approaching Basic	234	14%	199	12%	278	17%	228	14%
Unsatisfactory	132	8%	94	6%	69	3%	83	5%
Total	1,676	100%	1,677	100%	1,673	100%	1,673	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	61	4%	135	8%	62	4%	62	4%
Mastery	416	25%	306	18%	363	22%	231	14%
Basic	787	47%	925	56%	809	49%	929	56%
Approaching Basic	274	17%	181	11%	346	21%	285	17%
Unsatisfactory	116	7%	108	7%	72	4%	144	9%
Total	1,654	100%	1,655	100%	1,652	100%	1,651	100%

(CONTINUED)

LIVINGSTON PARISH SCHOOL BOARD

IOWA AND iLEAP TESTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2006

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	75	4%	70	3%	42	2%	148	8%
Mastery	405	23%	264	15%	333	19%	259	14%
Basic	952	53%	1,073	60%	886	49%	926	52%
Approaching Basic	268	15%	246	14%	412	23%	322	18%
Unsatisfactory	96	5%	144	8%	120	7%	138	8%
Total	1,796	100%	1,797	100%	1,793	100%	1,793	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	117	6%	78	4%	47	3%	22	1%
Mastery	352	19%	234	12%	349	19%	284	15%
Basic	962	51%	1,070	57%	909	48%	1,063	57%
Approaching Basic	361	19%	338	18%	436	23%	336	18%
Unsatisfactory	89	5%	161	9%	138	7%	174	9%
Total	1,881	100%	1,881	100%	1,879	100%	1,879	100%

iLEAP Tests

District Achievement Level Results	English Language Arts		Mathematics	
	2006		2006	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	26	2%	68	5%
Mastery	228	14%	180	12%
Basic	855	54%	875	57%
Approaching Basic	366	23%	249	16%
Unsatisfactory	101	7%	170	10%
Total	1,576	100%	1,542	100%

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, 2006
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2005)

ASSETS	SCHOOL DISTRICTS					
	<u>NO. 1</u>	<u>NO. 4</u>	<u>NO. 22</u>	<u>NO. 24</u>	<u>NO. 25</u>	<u>NO. 26</u>
Cash and Cash Equivalents	\$ 231,748	\$ 792,006	\$ 55,722	\$ 59,635	\$ 56,886	\$ 229,853
Investments (Certificates of Deposit Maturities Greater Than 90 Days)	-	4,000,000	-	-	-	-
Receivables	<u>6,346</u>	<u>3,634</u>	<u>3,070</u>	<u>1,563</u>	<u>552</u>	<u>860</u>
Total Assets	\$ <u>238,094</u>	\$ <u>4,795,640</u>	\$ <u>58,792</u>	\$ <u>61,198</u>	\$ <u>57,438</u>	\$ <u>230,713</u>
 LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts and Other Payables	\$ -	\$ 712,135	\$ -	\$ -	\$ -	\$ 35
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	712,135	-	-	-	35
 Fund Equity:						
Fund Balances:						
Reserved for Incomplete Contracts	-	3,002,911	58,792	-	-	230,678
Unreserved - Undesignated (Deficit)	<u>238,094</u>	<u>1,080,594</u>	<u>-</u>	<u>61,198</u>	<u>57,438</u>	<u>-</u>
Total Fund Equity (Deficit)	<u>238,094</u>	<u>4,083,505</u>	<u>58,792</u>	<u>61,198</u>	<u>57,438</u>	<u>230,678</u>
Total Liabilities and Fund Equity	\$ <u>238,094</u>	\$ <u>4,795,640</u>	\$ <u>58,792</u>	\$ <u>61,198</u>	\$ <u>57,438</u>	\$ <u>230,713</u>

See auditor's report.

Schedule 10

SCHOOL DISTRICTS					TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	2006	2005
\$ 80,185	\$ 72,835	\$ 18,934	\$ 406,833	\$ 17,815	\$ 2,022,452	\$ 95,757
-	-	-	400,000	-	4,400,000	13,350,001
911	258	718	318	33	18,263	12,085
<u>\$ 81,096</u>	<u>\$ 73,093</u>	<u>\$ 19,652</u>	<u>\$ 807,151</u>	<u>\$ 17,848</u>	<u>\$ 6,440,715</u>	<u>\$ 13,457,843</u>
\$ -	\$ -	\$ -	\$ 285,019	\$ -	\$ 997,189	\$ 830,273
-	-	-	-	-	-	108,108
-	-	-	285,019	-	997,189	938,381
-	-	-	411,541	-	3,703,922	1,148,509
<u>81,096</u>	<u>73,093</u>	<u>19,652</u>	<u>110,591</u>	<u>17,848</u>	<u>1,739,604</u>	<u>11,370,953</u>
<u>81,096</u>	<u>73,093</u>	<u>19,652</u>	<u>522,132</u>	<u>17,848</u>	<u>5,443,526</u>	<u>12,519,462</u>
<u>\$ 81,096</u>	<u>\$ 73,093</u>	<u>\$ 19,652</u>	<u>\$ 807,151</u>	<u>\$ 17,848</u>	<u>\$ 6,440,715</u>	<u>\$ 13,457,843</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, 2006

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

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 374,979	\$ 214,738	\$ 181,393	\$ 92,369	\$ 32,588	\$ 50,825
Interest Earnings	62,038	329,159	30,018	17,762	5,409	8,470
State Sources:						
Unrestricted						
Grants-in-Aid	58,600	33,558	28,347	14,435	5,093	7,943
Miscellaneous	-	2,353	-	-	-	-
Total Revenues	495,617	579,808	239,758	124,566	43,090	67,238
Expenditures:						
Support Services:						
General Administration	15,274	8,746	7,388	3,762	1,327	2,070
Capital Outlay	1,171,445	6,929,476	331,457	410,743	433,717	91,626
Cost of Issuance	-	-	-	-	-	-
Total Expenditures	1,186,719	6,938,222	338,845	414,505	435,044	93,696
Excess (Deficiency) of Revenues over Expenditures	(691,102)	(6,358,414)	(99,087)	(289,939)	(391,954)	(26,458)
Other Financing Sources (Uses):						
Issuance of Bonds	-	-	-	217,000	-	-
Transfers In	650,000	-	80,000	120,000	440,000	250,000
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	650,000	-	80,000	337,000	440,000	250,000
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(41,102)	(6,358,414)	(19,087)	47,061	48,046	223,542
Fund Balances at Beginning of Year	279,196	10,441,919	77,879	14,137	9,392	7,136
Fund Balances at End of Year	\$ 238,094	\$ 4,083,505	\$ 58,792	\$ 61,198	\$ 57,438	\$ 230,678

See auditor's report.

Schedule 11

SCHOOL DISTRICTS					TOTAL CAPITAL PROJECTS FUND	
NO. 27	NO. 31	NO. 32	NO. 33	NO. 90	2006	2005
\$ 53,847	\$ 15,215	\$ 42,408	\$ 18,776	\$ 1,943	\$ 1,079,081	\$ 987,048
9,164	2,571	7,056	43,538	452	515,637	208,156
8,415	2,378	6,627	2,934	304	168,634	166,797
-	-	-	-	-	2,353	-
<u>71,426</u>	<u>20,164</u>	<u>56,091</u>	<u>65,248</u>	<u>2,699</u>	<u>1,765,705</u>	<u>1,362,001</u>
2,193	620	1,727	765	79	43,951	41,125
1,060	299	642,329	1,347,500	38	11,359,690	7,318,808
-	-	-	-	-	-	108,108
<u>3,253</u>	<u>919</u>	<u>644,056</u>	<u>1,348,265</u>	<u>117</u>	<u>11,403,641</u>	<u>7,468,041</u>
68,173	19,245	(587,965)	(1,283,017)	2,582	(9,637,936)	(6,106,040)
-	-	-	-	-	217,000	13,750,000
-	-	575,000	300,000	-	2,415,000	3,585,059
-	-	-	-	(70,000)	(70,000)	(110,059)
-	-	<u>575,000</u>	<u>300,000</u>	<u>(70,000)</u>	<u>2,562,000</u>	<u>17,225,000</u>
68,173	19,245	(12,965)	(983,017)	(67,418)	(7,075,936)	11,118,960
<u>12,923</u>	<u>53,848</u>	<u>32,617</u>	<u>1,505,149</u>	<u>85,266</u>	<u>12,519,462</u>	<u>1,400,502</u>
<u>\$ 81,096</u>	<u>\$ 73,093</u>	<u>\$ 19,652</u>	<u>\$ 522,132</u>	<u>\$ 17,848</u>	<u>\$ 5,443,526</u>	<u>\$ 12,519,462</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, 2006
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2005)

ASSETS	SPECIAL REVENUE FUNDS			
	<u>Elementary and Secondary</u>		Special Education	Maintenance of Schools
	<u>Chapter 1</u>	<u>Chapter 2</u>		
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 1,268,811
Receivables	1,369,970	89,165	1,796,453	25,564
Inventory	-	-	-	-
Due From Other Funds	-	-	-	-
Investments (Certificate of Deposit Maturities Greater Than 90 Days)	-	-	-	-
Total Assets	\$ 1,369,970	\$ 89,165	\$ 1,796,453	\$ 1,294,375
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts, Salaries and Other Payables	\$ 8,220	\$ -	\$ 74,297	\$ 108,827
Due to Other Funds	1,361,750	89,165	1,722,156	-
Total Liabilities	1,369,970	89,165	1,796,453	108,827
Fund Equity:				
Fund Balances -				
Reserved for Inventory	-	-	-	-
Reserved for Debt Service	-	-	-	-
Unreserved - Undesignated	-	-	-	1,185,548
Total Fund Balances	-	-	-	1,185,548
Total Liabilities and Fund Equity	\$ 1,369,970	\$ 89,165	\$ 1,796,453	\$ 1,294,375

See auditor's report.

SPECIAL REVENUE FUNDS

School Lunch	Special Federal Fund	Other Federal ESEA Fund	Federal Impact Aid	Debt Service Fund	Total Nonmajor Governmental Funds	
					2006	2005
\$ 556,508	\$ -	\$ -	\$ -	\$ 591,664	\$ 2,416,983	\$ 1,441,474
1,070	524,523	272,525	1,748,750	106,787	5,934,807	3,237,835
166,081	-	-	-	-	166,081	133,288
-	-	-	-	-	-	108,108
-	-	-	-	1,500,000	1,500,000	2,000,000
<u>\$ 723,659</u>	<u>\$ 524,523</u>	<u>\$ 272,525</u>	<u>\$ 1,748,750</u>	<u>\$ 2,198,451</u>	<u>\$ 10,017,871</u>	<u>\$ 6,920,705</u>
\$ 83,936	\$ 72,149	\$ 1,225	\$ 490	\$ -	\$ 349,144	\$ 567,714
-	452,374	271,300	1,748,260	-	5,645,005	2,901,235
83,936	524,523	272,525	1,748,750	-	5,994,149	3,468,949
166,081	-	-	-	-	166,081	133,288
-	-	-	-	2,198,451	2,198,451	2,310,389
473,642	-	-	-	-	1,659,190	1,008,079
<u>639,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,198,451</u>	<u>4,023,722</u>	<u>3,451,756</u>
<u>\$ 723,659</u>	<u>\$ 524,523</u>	<u>\$ 272,525</u>	<u>\$ 1,748,750</u>	<u>\$ 2,198,451</u>	<u>\$ 10,017,871</u>	<u>\$ 6,920,705</u>

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>SPECIAL REVENUE FUNDS</u>			
	<u>Elementary and Secondary</u>		<u>Special</u>	<u>Maintenance</u>
	<u>Chapter 1</u>	<u>Chapter 2</u>		
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ 1,510,722
Sales Taxes	-	-	-	-
Interest Earnings	-	-	-	19,179
Food Services	-	-	-	-
Other	-	-	-	-
State Sources - Unrestricted:				
Grants-in-Aid	-	-	-	163,773
Federal Sources:				
Unrestricted - Indirect				
Cost Recoveries	147,505	3,545	119,675	-
Restricted Grants-in-Aid - Subgrants	3,586,752	85,620	3,032,675	-
Other - Commodities	-	-	-	-
Total Revenues	3,734,257	89,165	3,152,350	1,693,674
Expenditures:				
Instruction:				
Regular Programs	-	-	-	-
Special Programs	2,953,925	-	1,725,460	-
Vocational Programs	-	-	-	-
Adult and Continuing Education Program	-	-	-	-
Other Programs	-	-	-	-
Support Services:				
Pupil Support	-	-	360,455	-
Instructional Staff Support	578,969	85,620	781,160	-
General Administration	-	-	-	61,534
Business Services	3,718	-	12,346	-
Plant Services	-	-	1,294	2,185,634
Transportation Services	-	-	883	-
Food Services	-	-	-	-

(CONTINUED)

SPECIAL REVENUE FUNDS

School Lunch	Special Federal Fund	Other Federal ESEA Fund	Federal Impact Aid	Debt Service Fund	Total Nonmajor Governmental Funds	
					2006	2005
\$ -	\$ -	\$ -	\$ -	\$ 3,845,253	\$ 5,355,975	\$ 4,375,452
-	-	-	-	397,594	397,594	334,926
6,247	-	-	-	131,311	156,737	117,582
2,492,705	-	-	-	-	2,492,705	2,461,325
8,068	-	-	-	-	8,068	5,574
402,250	-	-	-	-	566,023	564,242
-	25,932	44,598	-	-	341,255	286,807
4,867,925	927,392	1,123,749	3,966,845	-	17,590,958	11,853,508
461,877	-	-	-	-	461,877	390,054
8,239,072	953,324	1,168,347	3,966,845	4,374,158	27,371,192	20,389,470
-	-	-	1,490	-	1,490	1,782
-	12,507	-	-	-	4,691,892	4,156,255
-	92,695	-	-	-	92,695	114,529
-	97,596	-	-	-	97,596	128,342
-	303,435	798,706	-	-	1,102,141	1,078,798
-	43,315	39,225	-	-	442,995	255,277
-	267,765	225,876	-	-	1,939,390	1,342,831
-	-	-	-	178,598	240,132	194,326
-	1,705	59,942	-	-	77,711	46,482
-	1,129	-	-	-	2,188,057	2,909,833
-	604	-	-	-	1,487	-
10,870,016	-	-	-	-	10,870,016	10,098,726

LIVINGSTON PARISH SCHOOL BOARD

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2006
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005)

	SPECIAL REVENUE FUNDS			
	Elementary and Secondary Education Act		Special Education	Maintenance of Schools
	Chapter 1	Chapter 2		
Expenditures (Continued):				
Community Service Programs	19,100	-	-	-
Capital Outlay	31,040	-	151,077	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Bank Charges	-	-	-	-
Total Expenditures	3,586,752	85,620	3,032,675	2,247,168
Excess (Deficiency) of Revenues Over Expenditures	147,505	3,545	119,675	(553,494)
Other Financing Sources (Uses):				
Transfers In	-	-	-	1,375,000
Transfers Out	(147,505)	(3,545)	(119,675)	-
Total Other Financing Sources (Uses)	(147,505)	(3,545)	(119,675)	1,375,000
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	-	-	-	821,506
Fund Balances at Beginning of Year	-	-	-	364,042
Prior Period Adjustment	-	-	-	-
Fund Balances at Beginning of Year As Restated	-	-	-	364,042
Fund Balances at End of Year	\$ -	\$ -	\$ -	\$ 1,185,548

See auditor's report.

SPECIAL REVENUE FUNDS						
School Lunch	Special Federal Fund	Other Federal ESEA Fund	Federal Impact Aid	Debt Service Fund	Total Nonmajor Governmental Funds	
					2006	2005
-	-	-	-	-	19,100	15,444
31,658	106,641	-	-	-	320,416	570,342
-	-	-	-	2,307,678	2,307,678	2,066,712
-	-	-	-	2,049,820	2,049,820	1,745,420
<u>10,901,674</u>	<u>927,392</u>	<u>1,123,749</u>	<u>1,490</u>	<u>4,536,096</u>	<u>26,442,616</u>	<u>24,725,099</u>
(2,662,602)	25,932	44,598	3,965,355	(161,938)	928,576	(4,335,629)
2,525,000	-	-	-	50,000	3,950,000	3,819,000
-	(25,932)	(44,598)	(3,965,355)	-	(4,306,610)	(286,807)
<u>2,525,000</u>	<u>(25,932)</u>	<u>(44,598)</u>	<u>(3,965,355)</u>	<u>50,000</u>	<u>(356,610)</u>	<u>3,532,193</u>
(137,602)	-	-	-	(111,938)	571,966	(803,436)
777,325	-	-	-	2,310,389	3,451,756	4,345,639
-	-	-	-	-	-	(90,447)
<u>777,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,310,389</u>	<u>3,451,756</u>	<u>4,255,192</u>
<u>\$ 639,723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,198,451</u>	<u>\$ 4,023,722</u>	<u>\$ 3,451,756</u>

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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 3,777,596	\$ 4,651,295	\$ 3,734,257	\$ (917,038)
Total Revenues	3,777,596	4,651,295	3,734,257	(917,038)
Expenditures:				
Instruction - Special Programs	2,884,235	3,353,228	2,953,925	399,303
Support Services:				
Instructional Staff Support	644,644	1,006,042	578,969	427,073
Business Services	5,500	5,500	3,718	1,782
Community Services Programs	64,138	60,188	19,100	41,088
Capital Outlay	25,423	42,459	31,040	11,419
Total Expenditures	3,623,940	4,467,417	3,586,752	880,665
Excess of Revenues Over Expenditures	153,656	183,878	147,505	(36,373)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(153,656)	(183,878)	(147,505)	36,373
Total Other Financing Sources (Uses)	(153,656)	(183,878)	(147,505)	36,373
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

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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 85,000	\$ 108,339	\$ 89,165	\$ (19,174)
Total Revenues	85,000	108,339	89,165	(19,174)
Expenditures:				
Instructional Staff Support	81,620	104,031	85,620	18,411
Total Expenditures	81,620	104,031	85,620	18,411
Excess of Revenues Over Expenditures	3,380	4,308	3,545	(763)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(3,380)	(4,308)	(3,545)	763
Total Other Financing Sources (Uses)	(3,380)	(4,308)	(3,545)	763
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

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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 3,538,986	\$ 5,543,860	\$ 3,152,350	\$ (2,391,510)
Total Revenues	3,538,986	5,543,860	3,152,350	(2,391,510)
Expenditures:				
Instruction - Special Programs	2,620,626	4,713,385	1,725,460	2,987,925
Support Services:				
Pupil Support	-	71,809	360,455	(288,646)
Instructional Staff Support	425,107	170,094	781,160	(611,066)
Business Services	-	16,400	12,346	4,054
Plant Services	-	3,000	1,294	1,706
Transportation Services	-	-	883	(883)
Capital Outlay	363,185	363,185	151,077	212,108
Total Expenditures	3,408,918	5,337,873	3,032,675	2,305,198
Excess of Revenues Over Expenditures	130,068	205,987	119,675	(86,312)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(130,068)	(205,987)	(119,675)	86,312
Total Other Financing Sources (Uses)	(130,068)	(205,987)	(119,675)	86,312
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

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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Local Sources:				
Ad Valorem Taxes	\$ 1,440,000	\$ 1,500,500	\$ 1,510,722	\$ 10,222
Interest Earnings	6,000	11,250	19,179	7,929
State Sources:				
Unrestricted:				
Grants-in-Aid	<u>170,000</u>	<u>163,773</u>	<u>163,773</u>	<u>-</u>
Total Revenues	1,616,000	1,675,523	1,693,674	18,151
Expenditures:				
Support Services:				
General Administration	57,370	61,534	61,534	-
Plant Services	<u>2,982,650</u>	<u>2,798,000</u>	<u>2,185,634</u>	<u>612,366</u>
Total Expenditures	<u>3,040,020</u>	<u>2,859,534</u>	<u>2,247,168</u>	<u>612,366</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,424,020)	(1,184,011)	(553,494)	630,517
Other Financing Sources (Uses):				
Transfers In	1,235,000	1,365,000	1,375,000	10,000
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,235,000</u>	<u>1,365,000</u>	<u>1,375,000</u>	<u>10,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(189,020)	180,989	821,506	640,517
Fund Balance at Beginning of Year	<u>364,042</u>	<u>364,042</u>	<u>364,042</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 175,022</u>	<u>\$ 545,031</u>	<u>\$ 1,185,548</u>	<u>\$ 640,517</u>

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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Local Sources:				
Sales and Use Taxes	\$ 925,000	\$ -	\$ -	\$ -
Interest Earnings	3,000	6,000	6,247	247
Food Services	2,753,500	2,469,200	2,492,705	23,505
Other	-	-	8,068	8,068
State Sources -				
Unrestricted Grants-in-Aid	402,250	402,250	402,250	-
Federal Sources:				
Restricted Grants-in- Aid-Subgrants	4,260,000	4,901,500	4,867,925	(33,575)
Other - Commodities	450,000	462,000	461,877	(123)
Total Revenues	<u>8,793,750</u>	<u>8,240,950</u>	<u>8,239,072</u>	<u>(1,878)</u>
Expenditures:				
Support Services:				
Food Services	10,294,850	10,884,347	10,870,016	14,331
Capital Outlay	90,000	34,000	31,658	2,342
Total Expenditures	<u>10,384,850</u>	<u>10,918,347</u>	<u>10,901,674</u>	<u>16,673</u>
Deficiency of Revenues Over Expenditures	(1,591,100)	(2,677,397)	(2,662,602)	14,795
Other Financing Sources (Uses):				
Transfers In	1,500,000	2,525,000	2,525,000	-
Transfers Out	-	-	-	-
Excess (Deficiency) of Expenditures and Other Uses Over Revenues and Other Sources	(91,100)	(152,397)	(137,602)	14,795
Fund Balance at Beginning of Year	<u>777,325</u>	<u>777,325</u>	<u>777,325</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 686,225</u>	<u>\$ 624,928</u>	<u>\$ 639,723</u>	<u>\$ 14,795</u>

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, 2006

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,182,584	\$ 1,048,850	\$ 953,324	\$ (95,526)
Total Revenues	1,182,584	1,048,850	953,324	(95,526)
Expenditures:				
Instruction:				
Special Programs	20,865	20,865	12,507	8,358
Vocational Programs	121,008	110,972	92,695	18,277
Adult and Continuing Education Program	125,926	106,861	97,596	9,265
Other Programs	431,830	332,980	303,435	29,545
Support Services:				
Pupil Support	33,840	33,840	43,315	(9,475)
Instructional Staff Support	156,421	294,519	267,765	26,754
Business Services	-	504	1,705	(1,201)
Plant Services	-	-	1,129	(1,129)
Transportation Services	-	-	604	(604)
Capital Outlay	266,078	122,515	106,641	15,874
Total Expenditures	1,155,968	1,023,056	927,392	95,664
Excess of Revenues Over Expenditures	26,616	25,794	25,932	138
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(26,616)	(25,794)	(25,932)	(138)
Total Other Financing Sources (Uses)	(26,616)	(25,794)	(25,932)	(138)
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
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, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ 1,104,989	\$ 1,302,977	\$ 1,168,347	\$ (134,630)
Total Revenues	1,104,989	1,302,977	1,168,347	(134,630)
Expenditures:				
Instruction:				
Other Programs	660,405	824,455	798,706	25,749
Support Services:				
Pupil Support	34,598	70,160	39,225	30,935
Instructional Staff Support	309,852	289,823	225,876	63,947
Business Services	55,086	67,436	59,942	7,494
Plant Services	2,000	2,000	-	2,000
Capital Outlay	-	-	-	-
Total Expenditures	1,061,941	1,253,874	1,123,749	130,125
Excess of Revenues Over Expenditures	43,048	49,103	44,598	(4,505)
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(43,048)	(49,103)	(44,598)	4,505
Total Other Financing Sources (Uses)	(43,048)	(49,103)	(44,598)	4,505
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
SPECIAL REVENUE FUND - FEDERAL IMPACT AID
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Federal Sources:				
Federal Grants	\$ -	\$ 2,889,729	\$ 3,966,845	\$ 1,077,116
Total Revenues	-	2,889,729	3,966,845	1,077,116
Expenditures:				
Instruction:				
Regular Programs	-	990	1,490	(500)
Capital Outlay	-	-	-	-
Total Expenditures	-	990	1,490	(500)
Excess of Revenues Over Expenditures	-	2,888,739	3,965,355	1,076,616
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	-	(2,888,739)	(3,965,355)	(1,076,616)
Total Other Financing Sources (Uses)	-	(2,888,739)	(3,965,355)	(1,076,616)
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, 2006

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2005)

ASSETS	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Cash and Cash Equivalents	\$ 68,043	\$ 193,502	\$ 57,532	\$ 64,688	\$ 31,224	\$ 8,212
Investments	165,000	465,000	225,000	165,000	60,000	15,000
Sales Tax Receivable	-	-	44,874	-	-	-
Due from Other Government	12,642	20,010	8,639	2,999	878	791
Due from Other Funds	-	-	-	-	-	-
Total Assets	\$ 245,685	\$ 678,512	\$ 336,045	\$ 232,687	\$ 92,102	\$ 24,003
LIABILITIES AND FUND EQUITY						
Accounts, Salaries and Other Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-
Fund Equity -						
Fund Balances:						
Reserved for Debt Service	245,685	678,512	336,045	232,687	92,102	24,003
Total Fund Equity	245,685	678,512	336,045	232,687	92,102	24,003
Total Liabilities and Fund Equity	\$ 245,685	\$ 678,512	\$ 336,045	\$ 232,687	\$ 92,102	\$ 24,003

See auditor's report.

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2006	2005
\$ 98,915	\$ (4,384)	\$ 44,978	\$ 28,954	\$ 591,664	\$ 135,437
210,000	15,000	90,000	90,000	1,500,000	2,000,000
-	-	-	-	44,874	30,183
8,063	958	3,930	3,003	61,913	36,963
-	-	-	-	-	108,108
<u>\$ 316,978</u>	<u>\$ 11,574</u>	<u>\$ 138,908</u>	<u>\$ 121,957</u>	<u>\$ 2,198,451</u>	<u>\$ 2,310,691</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302
-	-	-	-	-	-
-	-	-	-	-	302
<u>316,978</u>	<u>11,574</u>	<u>138,908</u>	<u>121,957</u>	<u>2,198,451</u>	<u>2,310,389</u>
<u>316,978</u>	<u>11,574</u>	<u>138,908</u>	<u>121,957</u>	<u>2,198,451</u>	<u>2,310,389</u>
<u>\$ 316,978</u>	<u>\$ 11,574</u>	<u>\$ 138,908</u>	<u>\$ 121,957</u>	<u>\$ 2,198,451</u>	<u>\$ 2,310,691</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, 2006
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005)

	SCHOOL DISTRICTS					
	NO. 1	NO. 4	NO. 22	NO. 24	NO. 25	NO. 26
Revenues:						
Local Sources:						
Ad Valorem Taxes	\$ 686,808	\$ 1,379,132	\$ 639,855	\$ 171,300	\$ 78,203	\$ 56,750
Sales Taxes	-	-	397,594	-	-	-
Other Revenues	-	-	-	-	-	-
Interest Earnings	38,179	37,206	18,856	8,670	3,123	4,377
Total Revenues	724,987	1,416,338	1,056,305	179,970	81,326	61,127
Expenditures:						
Support Service:						
General Administration	29,410	62,908	30,864	8,690	3,790	2,846
Debt Service:						
Principal Retirement	590,000	470,000	535,000	132,678	65,000	90,000
Interest and Bank Charges	253,373	784,222	490,940	106,704	4,253	4,380
Total Expenditures	872,783	1,317,130	1,056,804	248,072	73,043	97,226
Excess (Deficiency) of Revenues over Expenditures	(147,796)	99,208	(499)	(68,102)	8,283	(36,099)
Other Financing Sources (Uses):						
Transfers In	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	(147,796)	99,208	(499)	(68,102)	8,283	(36,099)
Fund Balances at Beginning of Year	393,481	579,304	336,544	300,789	83,819	60,102
Fund Balances at End of Year	\$ 245,685	\$ 678,512	\$ 336,045	\$ 232,687	\$ 92,102	\$ 24,003

See auditor's report

Schedule 16

SCHOOL DISTRICTS				TOTAL DEBT SERVICE FUND	
NO. 27A	NO. 31	NO. 32A	NO. 33	2006	2005
\$ 287,600	\$ 111,293	\$ 315,763	\$ 118,549	\$ 3,845,253	\$ 2,993,591
-	-	-	-	397,594	334,926
-	-	-	-	-	5,574
<u>7,792</u>	<u>2,926</u>	<u>6,300</u>	<u>3,882</u>	<u>131,311</u>	<u>106,503</u>
295,392	114,219	322,063	122,431	4,374,158	3,440,594
12,431	7,164	15,380	5,115	178,598	137,045
145,000	60,000	165,000	55,000	2,307,678	2,066,712
<u>109,047</u>	<u>44,590</u>	<u>123,000</u>	<u>129,311</u>	<u>2,049,820</u>	<u>1,745,420</u>
266,478	111,754	303,380	189,426	4,536,096	3,949,177
28,914	2,465	18,683	(66,995)	(161,938)	(508,583)
-	<u>50,000</u>	-	-	<u>50,000</u>	-
-	<u>50,000</u>	-	-	<u>50,000</u>	-
28,914	52,465	18,683	(66,995)	(111,938)	(508,583)
<u>288,064</u>	<u>(40,891)</u>	<u>120,225</u>	<u>188,952</u>	<u>2,310,389</u>	<u>2,818,972</u>
<u>\$ 316,978</u>	<u>\$ 11,574</u>	<u>\$ 138,908</u>	<u>\$ 121,957</u>	<u>\$ 2,198,451</u>	<u>\$ 2,310,389</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.

LIVINGSTON PARISH SCHOOL BOARD

FIDUCIARY FUNDS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2006

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2005)

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total Fiduciary Funds</u>	
			<u>2006</u>	<u>2005</u>
ASSETS				
Cash and Cash Equivalents	\$ 3,529,326	\$ 2,474,670	\$ 6,003,996	\$ 4,757,462
Total Assets	<u>\$ 3,529,326</u>	<u>\$ 2,474,670</u>	<u>\$ 6,003,996</u>	<u>\$ 4,757,462</u>
LIABILITIES				
Amounts Held for School Activities	\$ 3,529,326	\$ -	\$ 3,529,326	\$ 2,852,860
Deposits Due to Others	<u>-</u>	<u>2,474,670</u>	<u>2,474,670</u>	<u>1,904,602</u>
Total Liabilities	<u>\$ 3,529,326</u>	<u>\$ 2,474,670</u>	<u>\$ 6,003,996</u>	<u>\$ 4,757,462</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, 2006

<u>School</u>	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
Albany High	\$ 68,191	\$ 493,184	\$ 464,848	\$ 96,527
Albany Middle School	100,043	217,471	206,112	111,402
Albany Upper Elementary	56,735	264,242	268,453	52,524
Albany Lower Elementary	60,484	246,266	220,083	86,667
Denham Springs High	34,843	1,012,898	1,041,543	6,198
Denham Springs Junior High	75,353	153,289	156,756	71,886
Denham Springs Freshman High	104,793	470,388	440,050	135,131
Denham Springs Elementary	40,364	209,622	195,914	54,072
Doyle High	93,382	211,258	215,620	89,020
Doyle Elementary	83,483	152,177	136,844	98,816
Eastside Elementary	89,058	134,418	115,922	107,554
French Settlement High	80,919	277,413	232,550	125,782
French Settlement Elementary	95,074	89,590	80,109	104,555
Freshwater Elementary	67,028	223,975	211,837	79,166
Frost Elementary	25,119	168,468	150,022	43,565
Gray's Creek Elementary	64,486	208,065	208,027	64,524
Holden High	95,646	309,455	270,152	134,949
Levi Milton Elementary	39,079	204,577	196,297	47,359
Lewis Vincent Elementary	53,983	265,251	240,475	78,759
Live Oak High	50,981	485,852	406,940	129,893
Live Oak Middle School	154,453	663,155	647,432	170,176
Live Oak Elementary	124,267	289,489	251,359	162,397
Livingston Parish Literary & Tech Center	-	21,977	15,187	6,790
Maurepas High	61,688	254,595	237,532	78,751
North Corbin Elementary	69,426	261,390	223,911	106,905
North Live Oak Elementary	48,781	284,566	260,624	72,723
Northside Elementary	84,756	230,855	229,078	86,533
Option III	-	5,004	3,375	1,629
Pine Ridge School	17,755	26,771	36,229	8,297
Seventh Ward Elementary	33,700	188,491	166,101	56,090
South Live Oak Elementary	125,813	269,462	236,372	158,903
South Walker Elementary	110,198	193,404	176,354	127,248
Southside Junior High	128,835	413,506	384,671	157,670
Southside Elementary	77,272	117,566	108,045	86,793
Springfield High	42,152	292,578	271,531	63,199
Springfield Middle School	14,309	162,222	153,359	23,172
Springfield Elementary	30,830	187,621	165,800	52,651
Walker High	206,229	694,503	700,127	200,605
Walker Junior High	88,157	253,389	241,967	99,579
Walker Elementary School	23,731	133,606	121,162	36,175
Westside Junior High School	31,464	344,597	321,370	54,691
Total	<u>\$ 2,852,860</u>	<u>\$ 11,086,606</u>	<u>\$ 10,410,140</u>	<u>\$ 3,529,326</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SALES TAX FUND

SCHEDULE OF CHANGES IN DEPOSITS DUE OTHERS

FOR THE YEAR ENDED JUNE 30, 2006

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

	<u>Sales Tax Fund</u>	
	<u>2006</u>	<u>2005</u>
Deposits Due Others at Beginning of Year	\$ 1,904,602	\$ 1,810,491
Additions:		
Sales Tax Collections	56,338,617	46,340,149
Deductions:		
Transfers to:		
General Fund:		
Sales Tax	27,223,339	22,354,350
District No. 33	49,127	15,628
Sales Tax Collection Fee	471,799	393,067
Debt Service - District No. 22	382,903	330,754
Livingston Parish Sheriff	5,394,499	4,510,567
Livingston Parish Council	10,794,827	9,016,387
Livingston Parish Tourist Commission	129,517	74,660
Livingston Parish Drainage Districts:		
No. 1	706,460	563,370
No. 2	387,535	337,817
No. 5	1,040,563	861,283
City of Denham Springs	5,970,701	5,122,280
Town of Walker	2,440,466	2,009,267
Town of Livingston	267,275	238,963
Town of Springfield	323,970	265,488
Village of Albany	153,337	123,902
Refunds to Vendors	32,231	28,255
Total Reductions	<u>55,768,549</u>	<u>46,246,038</u>
Deposits Due Others at End of Year	\$ <u>2,474,670</u>	\$ <u>1,904,602</u>

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Claire Corburn	\$ 9,600	9,600
Louis Carlisle	9,600	9,600
Jeffrey Cox	9,600	9,600
Milton Hughes	9,600	9,600
Keith Martin	9,600	9,600
Julius J. Prokop	9,600	9,600
David Tate	9,600	9,600
Malcolm Sibley	10,800	10,800
Norman Alton Leggette	<u>9,600</u>	<u>9,600</u>
 Total	 \$ 87,600	 \$ 87,600
	<u> </u>	<u> </u>

Term of Current Board Expires December 31, 2006.

See auditor's report.

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2006

<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	\$ 461,877
Passed Through Louisiana Department of Education:			
National Breakfast Program	10.533	N/A	1,022,145
National School Lunch Program	10.555	N/A	<u>3,845,780</u>
Total United States Department of Agriculture			5,329,802
<u>United States Department of Education</u>			
Passed Through Louisiana Department of Education:			
Adult Education - State Administered Program	84.002	N/A	102,945
Educationally Deprived Children - Local Educational Agencies:			
IASA Title I	84.010	05-IASA-32-1	3,734,257
Handicapped State Grants:			
Special Education IDEA	84.027	05-FT-32	3,152,350

(CONTINUED)

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

FOR THE YEAR ENDED JUNE 30, 2006

<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	204,710
Learn and Serve - Outdoor Odyssey	84.298	N/A	31,534
Children with Disabilities	84.323A	N/A	121,624
Handicapped - Preschool Grants:			
Preschool Flow-thru	84.173	05-PI-32-S	93,333
Innovative Education Program	84.298	N/A	89,165
Drug-Free Schools and Communities - State Grants	84.186	05-7032	100,920
Title II - Improving Teacher Quality - State Grants	84.367	N/A	1,067,427
Math and Science Partnership - Math and Science	84.366B	N/A	202,314
Hurricane Education Recovery	84.938C	N/A	3,966,845
Enhancing Education Through Technology	84.318X	N/A	41,398
Fund for the Improvement of Education	84.215K	N/A	3,202
Reading First State Grants	84.357A	N/A	<u>7,875</u>
Total Passed Through Louisiana Department of Education			12,919,899
Passed Through East Baton Rouge School Board:			
Tech - Prep Education	84.243	N/A	<u>7,111</u>
Total United States Department of Education			12,927,010
<u>James Madison Memorial Fellowship Foundation</u>			
Passed Through Tangipahoa School Board:			
Teaching American History	85.500	N/A	<u>2,949</u>
Total Scholarship Foundations			2,949
<u>United States Department of Health and Human Services</u>			
Passed Through Louisiana Department of Education:			
T.A.N.F. - Strategies to Empower People	93.558	N/A	2,966
Starting Points Pre-Kindergarten Programs	93.558	N/A	<u>131,363</u>
Total United States Department of Health and Human Services			134,329

(CONTINUED)

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

FOR THE YEAR ENDED JUNE 30, 2006

<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>581,724</u>
Total Passed Through State of Louisiana Military Department			<u>581,724</u>
Total Expenditures of Federal Awards			<u>\$18,975,814</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, 2006

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, 2006, the Livingston Parish School Board had food commodities totaling \$31,659 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



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November 17, 2006

Livingston Parish School Board
Livingston, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Livingston Parish School Board, Livingston, Louisiana, as of and for the year ended June 30, 2006, which collectively comprise the Livingston Parish School Board's basic financial statements, and have issued our report thereon dated November 17, 2006. We have also audited the financial statements of each of the School Board's nonmajor governmental funds presented in the accompanying combining and individual fund statements and schedules as of and for the year ended June 30, 2006 as listed in the table of contents. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we considered to be a reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to initiate, record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2006-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. In addition, we noted other matters involving the internal control over financial reporting that we have reported to management of the Livingston Parish School Board in a separate letter dated November 17, 2006.

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 the following that is required to be reported under Government Auditing Standards.

The State of Louisiana Legislative Auditor performed a compliance audit on the Livingston Parish School Board and issued a report dated May 24, 2006. This report is available on the State of Louisiana Legislative Auditor's website at www.la.state.la.us. The report's identification number is 05803439. Compliance issues addressed in the 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. Management's responses to these matters are included in that report.

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,

Hanna J. Bourgeois, CPA

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



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November 17, 2006

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, 2006. 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, 2006.

Internal Control Over Compliance

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

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

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

Respectfully submitted,

Harold J. Bourgeois, CPA

LIVINGSTON PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2006

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

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

<u>Federal Grantor/ Pass - Through Grantor/ Program Name</u>	<u>CFDA Number</u>
<u>United States Department of Agriculture</u> Passed Through Louisiana Department of Agriculture and Forestry: Food Distribution Program	10.550
Passed Through Louisiana Department of Education: National Breakfast Program	10.533
National School Lunch Program	10.555

- The threshold for distinguishing Types A and B programs was \$569,000.
- 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, 2006

B. Findings - Financial Statements Audit

2006 - 1 - Cash Misappropriation in School Activity Fund

Finding

During our current year audit, the School Board accounting department conducted an internal audit of a school activity fund where cash was replaced by an employee with personal checks of the employee payable to cash and not deposited to the school's account. These undeposited checks totaled \$1,524 and were dated between 1997 and 2005. Also, undeposited cash in the amount of \$222 was located in bank bags along with the personal checks of the employee. The employee has resigned and has been asked to repay the \$1,524 to the school. Another employee at the school noted these undeposited checks in a bank bag and reported this to the School Board's accounting department.

Recommendation

We recommend for the School Board to evaluate the overall procedures of collecting and depositing funds for all school activity funds at all schools and adopt procedures to segregate these duties between different employees to prevent the type of finding described above from happening in the future. One employee should have the responsibility of counting and listing all of the cash collections on a form and identify why the cash was collected. Another employee should prepare a deposit slip that reflects the total cash included on the form and see that all of the cash was deposited into the bank. This validated bank deposit slip should be attached to the form prepared by the first employee. In addition, both employees should sign the form indicating the transaction was completed noting the total amount of cash receipted was deposited. This form along with the validated deposit slip should be signed by both employees and be kept on file and available for review.

Management's Response

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

LIVINGSTON PARISH SCHOOL BOARD

SUMMARY SCHEDULE OF PRIOR FINDINGS AND AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2006

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

Finding

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

Recommendation

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

Correction Action Taken

The School Board had no reportable unfavorable variances exceeding 5% during the current year.

LIVINGSTON PARISH SCHOOL BOARD
LIVINGSTON, LOUISIANA

MANAGEMENT LETTER

JUNE 30, 2006

HTB *Hannis T. Bourgeois, LLP*
Certified Public Accountants

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November 17, 2006

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, 2006, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The following summarizes our comments and suggestions regarding the matters. This letter does not affect our report dated November 17, 2006, on the basic financial statements of the Livingston Parish School Board, Livingston, Louisiana.

CURRENT YEAR FINDINGS:

Implementation of Governmental Accounting Standards Board Statement No. 45 – “Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions

Finding:

As indicated in the Financial Statement footnote 17, in June 2004, the Government Accounting Standards Board issued GASB Statement No. 45 “Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pensions.” This Statements’ objective is to establish uniform standards of financial reporting by state and local government entities for other postemployment benefits (OPEB) including post-employment healthcare benefits. This Statement provides standards for measurement, recognition, and display of the OPEB expenses and related liabilities, note disclosures, and required supplementary information. This statement will require an actuarial valuation of the OPEB liability on at least a biennial basis. This Statement will be required to be adopted by the School Board for the fiscal year ending June 30, 2007.

Recommendation:

The adoption of the above indicated GASB Statement No. 45 could have a material effect on the government wide financial statements of the School Board. The implementation of GASB 45 will require the services of a qualified actuary to perform the necessary calculations to determine the

financial impact of GASB No. 45. Therefore, we recommend for the School Board to select a qualified actuary to provide the necessary services to perform the necessary calculations to determine the impact of the implementation of GASB No. 45 on the School Boards June 30, 2007 financial statements.

Management Response:

Management concurs with our recommendation and has begun the process of developing a request for proposal for the selection of a qualified actuary. Management expects to advertise for the services of an actuary in January 2007 and make a selection before February 15, 2007.

Internal Auditor

Finding:

The Livingston Parish School Board has now become a \$150 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 current 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 November 17, 2006.

Recommendation:

We therefore recommend that the School Board 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.

Corrective Action:

The Board has recently agreed to hire an internal auditor and the Business Manager is now in the process of developing the positions responsibilities and advertising for that position.

PRIOR YEAR FINDINGS:

Schedules Required by R.S. 24:514

Finding:

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

Recommendation:

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

Corrective Action Taken:

During the current year, management was able to provide all of the required schedules and related documentation that was necessary for us to test.

Independent Information Technology Review

Finding:

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

Recommendation:

We again recommend for management to hire an independent I.T. consultant to perform a review of the School 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 to begin requests for proposals and expects to hire a consultant before June 30, 2007.

Livingston Parish School Board
November 17, 2006
Page 4

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,

Harris J. Bourgeois, III