

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2003



CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

of the

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

For the Year Ended June 30, 2003

Willie D. Burton
President

Ollie Tyler
Superintendent

Ben Wreyford
Director of Finance

Prepared by the Finance Department

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

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Year Ended June 30, 2003

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INTRODUCTORY SECTION



CADDO PARISH SCHOOL BOARD

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AREA CODE 318 • TELEPHONE 603-6300 • FAX 631-5241

Ollie S. Tyler
Superintendent

WILLIE D. BURTON

President
417 Indian Trail
Shreveport, LA 71107
District 3

LARRY RAMSEY

First Vice President
9006 Marlow Drive
Shreveport, LA 71118
District 10

PHILLIP R. GUIN

Second Vice President
8089 Chickamauga Trail
Shreveport, LA 71107
District 1

GINGER ARMSTRONG

9800 Chase Way
Shreveport, LA 71118
District 11

JERRY TIM BROOKS

4605 Curtis Lane
Shreveport, LA 71109
District 7

GARD WAYT

705 Cobblestone
Shreveport, LA 71106
District 9

CHARLOTTE CRAWLEY

4741 Thornhill
Shreveport, LA 71106
District 4

EURSLA D. HARDY

106 Holcomb
Shreveport, LA 71103
District 2

WILLIE HENDERSON

3530 Twilight Lane
Shreveport, LA 71119
District 12

LOLA MAY

2828 Judson
Shreveport, LA 71109
District 5

ALVIN MIMS

633 Eden Boulevard
Shreveport, LA 71106
District 6

MIKE POWELL

108 Patton
Shreveport, LA 71105
District 8

September 12, 2003

Mr. Willie Burton, President,
Caddo Parish School Board Members
and Citizens of Caddo Parish
Shreveport, Louisiana:

Louisiana law requires that an annual sworn financial statement be furnished to the Legislative Auditor within six months of the close of each fiscal year in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a certified public accountant. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the Caddo Parish School Board for the year ended June 30, 2003.

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

KPMG LLP, a firm of licensed certified public accountants, has audited the Caddo Parish School Board's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Caddo Parish School Board for the fiscal year ended June 30, 2003 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Caddo Parish School Board's financial statements for the fiscal year ended June 30, 2003 are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The independent auditor's report is presented as the first component of the financial section of this report.

Mr. Willie Burton, President
Caddo Parish School Board Members
and Citizens of Caddo Parish
September 12, 2003

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

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

PROFILE OF THE CADDO PARISH SCHOOL BOARD

The Caddo Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Caddo 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 12 members who are elected from 12 districts for concurrent terms of four years.

The School Board operates 73 schools within the parish with a total enrollment of approximately 45,000 pupils. The School Board provides a full range of educational services appropriate to grade levels K through 12. These include regular and enriched academic education, special education for handicapped youngsters, occupational education, and many individualized programs such as specialized instruction for disadvantaged students and those with limited English proficiency. These basic programs are supplemented by a wide variety of offerings in the fine arts and athletics. In conjunction with the regular educational programs, some of these schools offer pre-kindergarten, special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

The Superintendent submits an annual operating budget to the School Board at its regular meeting in June of each year. The operating budget serves as the foundation for the School Board’s financial planning and control. The proposed budget is made available for public inspection at least 15 days prior to the date of a public hearing and at least one public hearing is held, as required by Louisiana law, prior to its adoption by the School Board. Budget-to-actual comparisons are provided in this report.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local economy. Projections are for 5,300 new jobs in the local area in the next two years. Because of the area’s broad-based employment diversity, the local community should mirror the projection for growth in the national economy. The greatest impact on recent job growth has been the opening of the nearly \$1 billion new General Motors plant and supporting spin-off businesses. Seventeen supplier businesses have opened in the last year, creating 1,300 direct manufacturing jobs with a \$40 million annual payroll and \$85 million in capital investments. These suppliers are utilizing 1.7 million square feet of new and existing space for their operations.

Mr. Willie Burton, President
Caddo Parish School Board Members
and Citizens of Caddo Parish
September 12, 2003

Quality of the workforce and the cost of operating in Shreveport are credited to the attractiveness of the area to these suppliers. Also, Continental Express has added a third line and 50 jobs at its maintenance facility at Shreveport Regional Airport, moving closer to its goal of six lines and 500 - 600 workers by 2006. This means a \$12 million annual economic impact for the area, with workforce training to be done locally at Southern University. Libby Glass has created 160 new jobs with a \$15 million annual payroll.

Construction is to begin by year-end on Shreveport's new \$65 million convention center complex. Negotiations are underway for a major hotel and parking garage to be constructed on adjacent property. At LSU Medical Center, a new \$19 million, 160,000 square foot Ambulatory Care Clinic is under construction, and the \$12 million Feist-Weiller Cancer Center is nearing completion. A local group of investors has formed the Strategic Action Council, which is laying the groundwork for investing \$20 million in low and moderate income neighborhoods. This broad-based revitalization effort would include housing as well as commercial and retail development.

Retailers continue to expand along the bustling Youree Drive corridor in southeast Shreveport. Several thousand square feet of new retail space is under construction, including a new Michaels and a recently announced Lowe's superstore. Sales tax collections for the first three months of the current fiscal year reflect a 5.7% increase over the same period in the previous year.

Long-term financial planning. The mission of the School Board is to improve the academic achievement of students and overall district effectiveness. While acknowledging that Caddo has many successful schools, the state's accountability plan is driving fundamental changes in instruction by demanding that schools show annual academic growth. These measures will require that elected officials and administrators provide effective leadership for the wisest use of all available resources. Planning is already underway for continued analysis of critical instructional expenditures, as well as efforts to improve the cost efficiency of support functions during the upcoming budget preparation period.

Cash management policies and practices. The School Board has an aggressive cash management program which consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by instruments issued by the U.S. government or federal government agencies created by an act of Congress or insured by the Federal Deposit Insurance Corporation. The total amount of interest earned was \$1,240,852 for the year ended June 30, 2003. This was distributed as follows:

General Fund	\$ 599,148
Special Revenue Fund – Child Nutrition Program	80,833
Debt Service Fund	22,386
Capital Projects Fund	409,510
CEEF Permanent Fund	117,215
Capital Projects Fund – Qualified Zone Academy Bond Fund	11,760
	<hr/>
	\$ 1,240,852
	<hr/>

Risk management. The School Board maintains a combination of self-insurance and stop-loss coverage to manage its risk of loss from property damage, theft, and claims against employees.

A list of insurance in force is included in Table 14. The fund balance of the General Fund includes \$5,871,963 designated for contingencies established in anticipation of possible losses from lawsuits.

Mr. Willie Burton, President
Caddo Parish School Board Members
and Citizens of Caddo Parish
September 12, 2003

Pension and other postemployment benefits. The School Board provides a defined benefit pension plan for its employees through two cost-sharing multiple-employer statewide plans. The School Board has no obligations in connection with employee benefits offered through these plans beyond its annual required payments to the plan.

The School Board also provides postretirement healthcare and life insurance benefits for its retired employees. As of the end of the current fiscal year, there were 2,840 retired employees receiving these benefits, which are financed on a pay-as-you-go basis.

Additional information on the School Board's pension arrangements and postemployment benefits can be found in notes 6 and 7 in the notes to the basic financial statements.

AWARDS

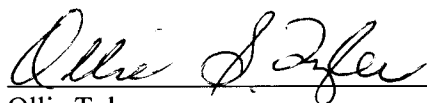
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the School Board for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2002. This was the 15th consecutive year that the School Board has received this prestigious award. In order to be awarded a Certificate of Achievement, the School Board published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting Award for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2002. This was the 15th consecutive year that the School Board has received this prestigious award. The award represents a significant achievement by the School Board and reflects our commitment to the highest standards of school system financial reporting.

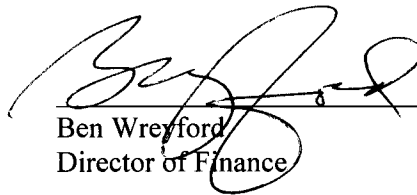
The Certificate of Achievement and Certificate of Excellence are valid for a period of one year only. We believe that our current CAFR continues to meet the certificate requirements, and we are submitting it to both GFOA and ASBO to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

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



Ollie Tyler
Superintendent



Ben Wreyford
Director of Finance

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Certificate of Achievement for Excellence in Financial Reporting (GFOA)

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Caddo Parish School
Board, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

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



President

Executive Director

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Certificate of Excellence in Financial Reporting (ASBO)



This Certificate of Excellence in Financial Reporting is presented to

CADDO PARISH SCHOOL BOARD

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2002

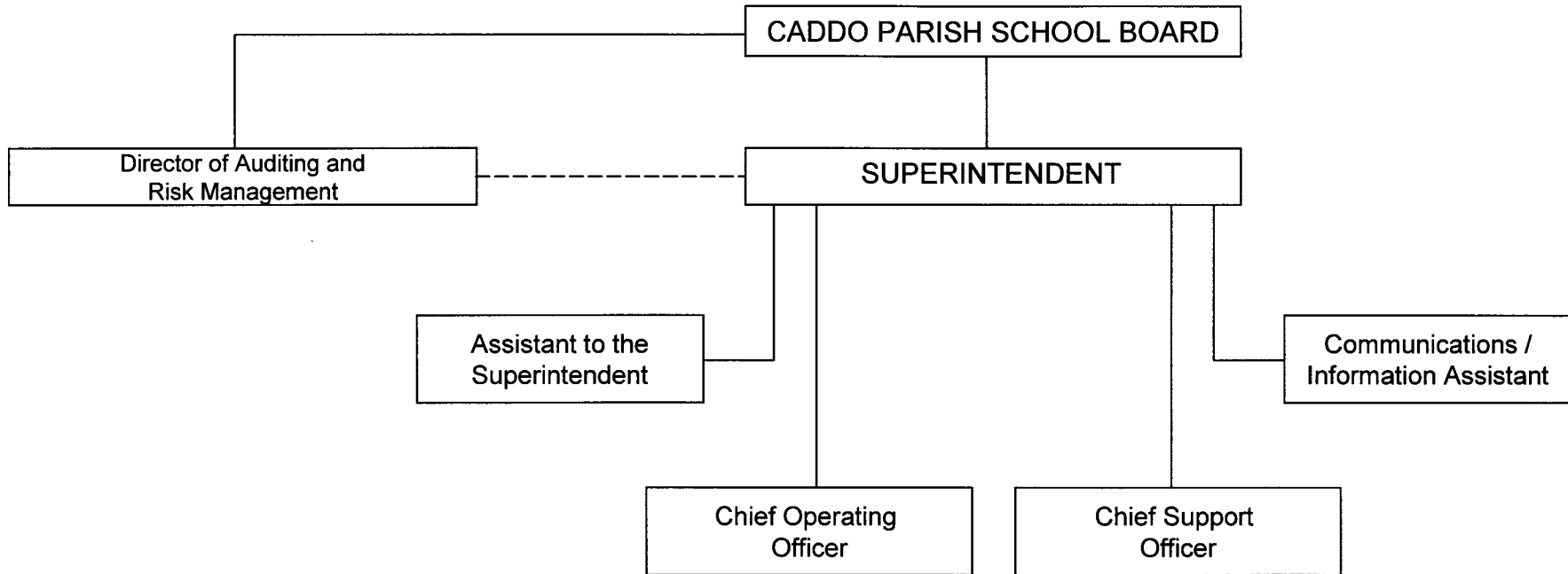
Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program


President


Executive Director

**Caddo Parish School Board
Shreveport, Louisiana**

**Organization Chart
June 30, 2003**



The Caddo Parish School Board

EXECUTIVE COMMITTEE



Willie D. Burton
President
District 3



Larry Ramsey
First Vice-President
District 10



Phillip R. Guin
Second Vice-President
District 1



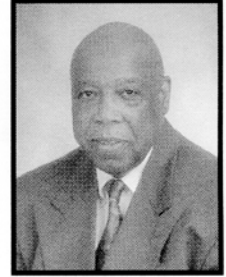
Eursla D. Hardy
District 2



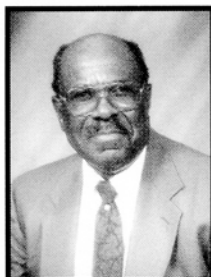
Charlotte Crawley
District 4



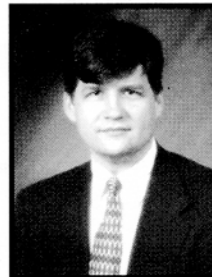
Lola May
District 5



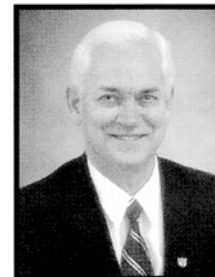
Alvin Mims
District 6



Jerry Tim Brooks
District 7



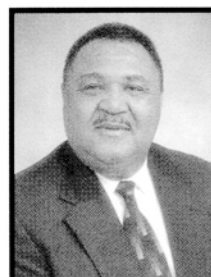
Mike Powell
District 8



Gard Wayt
District 9



Ginger Armstrong
District 11



Willie Henderson
District 12

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

ELECTED OFFICIALS

	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Began as a Board Member</u>
Willie D. Burton, President	January 1, 2003	December 31, 2006	January 1991
Larry Ramsey, 1 st Vice President	January 1, 2003	December 31, 2006	January 2003
Phillip R. Guin, 2 nd Vice President	January 1, 2003	December 31, 2006	January 1999
Ginger Armstrong	January 1, 2003	December 31, 2006	January 1999
Mike Powell	January 1, 2003	December 31, 2006	November 1994
Jerry Tim Brooks	January 1, 2003	December 31, 2006	January 1982
Alvin Mims	January 1, 2003	December 31, 2006	January 1995
Charlotte Crawley	January 1, 2003	December 31, 2006	January 2003
Willie Henderson	January 1, 2003	December 31, 2006	January 2003
Lola May	January 1, 2003	December 31, 2006	January 2003
Eursla D. Hardy	January 1, 2003	December 31, 2006	August 2001
Gard Wayt*	August 15, 2003	December 31, 2006	August 2003

* Appointed to fill District 9 vacancy until Spring 2004 election

SELECTED ADMINISTRATIVE OFFICIALS

Ollie S. Tyler	Superintendent
James R. Festavan	Assistant Superintendent, Support Services
John Dilworth	Assistant Superintendent, Human Resources
Wanda Gunn	Chief Academic Officer
Dwight E. Collier	Director of Auditing and Risk Management
Ben Wreyford	Director of Finance

FINANCIAL SECTION



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

Independent Auditors' Report

Members of the Caddo Parish School Board
Shreveport, Louisiana:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Parish School Board (School Board) as of and for the year ended June 30, 2003, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2003, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2003 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budget comparison schedules listed as Required Supplemental Information in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the School Board's basic financial statements. The combining and individual fund statements and schedules listed in the accompanying table of contents as supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying financial information included in the introductory and statistical sections as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly we express no opinion on this information.

KPMG LLP

September 12, 2003

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

REQUIRED SUPPLEMENTAL INFORMATION
(PART A)

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

We offer readers of the Caddo Parish School Board's financial statements this narrative overview and analysis of the financial activities of the Caddo Parish School Board for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the 2002-03 fiscal year include the following:

- Statement of Net Assets – The assets of the Caddo Parish School Board exceeded its liabilities at the close of the most recent fiscal year by \$99,200,942 (net assets). Of this amount, approximately \$30 million (unrestricted net assets) may be used to meet government's obligations to citizens and creditors.
- Statement of Activities – The total net assets of the Caddo Parish School Board increased by \$1,088,700 for the year ended June 30, 2003.
- Governmental Funds Balance Sheet – As of the close of the current fiscal year, the Caddo Parish School Board's governmental funds reported combined ending fund balance of \$59,296,538, a decrease of \$6,649,361 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$17.2 million which is available for spending within the General Fund, (2) \$9.5 million which is reserved for purposes of instructional enhancement within the Caddo Educational Excellence (CEE) Permanent Fund and Operating Special Revenue Fund, and (3) \$20.6 million which is designated for capital projects within the Capital Projects Funds.
- Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Total revenues for the year ended June 30, 2003 for the governmental funds of the Caddo Parish School Board amounted to \$347,383,073. Approximately 83% of this amount is received from three major revenue sources: (1) \$163,569,443 from Louisiana's State Equalization, (2) \$72,488,174 from local ad valorem taxes, and (3) \$53,014,154 from local sales and use taxes.
- General Fund's Ending Fund Balance – At the end of the current fiscal year, unreserved fund balance for the General Fund, a major fund, was \$17,153,360, or 6.2% of total General Fund expenditures. Approximately \$6.9 million (designated) is set aside for future claims and contingencies and equipment replacement, while \$10.3 million (undesignated) is available for spending at the Caddo Parish School Board's discretion.
- Capital Assets – Total capital assets (net of depreciation) were \$112,693,572 or 54.8% of the total assets. The Caddo Parish School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.
- Long-Term Debt – The Caddo Parish School Board's total debt decreased \$3,916,004 during the current fiscal year. Debt on general obligation bonds decreased by \$5,061,459. Debt on outstanding Qualified Zone Academy Bond Program decreased by \$254,545. Debt on outstanding certificates of indebtedness increased by \$1,400,000.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Caddo Parish School Board's finances, in a manner similar to a private-sector business.

- The Statement of Net Assets presents information on all of the Caddo Parish School Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Caddo Parish School Board is improving or deteriorating.
- The Statement of Activities presents information showing how the Caddo Parish School Board's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Caddo Parish School Board's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

The Caddo Parish School Board maintains twenty-two individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Title I, Child Nutrition Program, Miscellaneous State/Federal Grants, and Parish-wide Capital Projects, all of which are considered to be major funds. Data for the other seventeen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Caddo Parish School Board adopts an annual appropriated budget for its General Fund and certain Special Revenue Funds and the Parish-wide Capital Projects Fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

- *Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the Caddo Parish School Board. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Caddo Parish School Board's own programs. The Caddo Parish School Board maintains two fiduciary funds named the School Activity Funds and the Central Office Concession.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Caddo Parish School Board's compliance with budgets for its major funds. The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information.

Financial Analysis of Government-wide Activities

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Caddo Parish School Board, assets exceed liabilities by \$99,200,942 at the close of the most recent fiscal year.

The largest portion of the Caddo Parish School Board's net assets totaling more than \$58 million (58.8%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Caddo Parish School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although the Caddo Parish School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

Caddo Parish School Board's Net Assets

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Current and other assets	\$ 83,515,898	101,170,920
Restricted assets	9,477,913	8,258,512
Capital assets	<u>112,693,572</u>	<u>108,868,920</u>
Total assets	205,687,383	218,298,352
Current and other liabilities	34,334,275	44,003,179
Long-term liabilities (including current portion)	<u>72,152,166</u>	<u>76,182,931</u>
Total liabilities	106,486,441	120,186,110
Net assets:		
Invested in capital assets, net of related debt	58,307,673	51,755,458
Restricted	10,924,227	9,849,901
Unrestricted	<u>29,969,042</u>	<u>36,506,883</u>
Total net assets	<u>\$ 99,200,942</u>	<u>98,112,242</u>

Restricted net assets of \$10,924,227 are reported separately to show the legal constraints for the payment of outstanding long-term debt obligations and to limit the Caddo Parish School Board from using these funds for day-to-day operations. The Debt Service Fund accounts for \$1,446,314 of the total. The remaining balance are monies restricted for instructional enhancement. Gaming receipts are collected from area riverboat casinos. State law requires the gaming receipts to be held in perpetuity, however, the investment earnings may be spent each year for purposes of instructional enhancement. As of June 30, 2003, the permanently restricted portion was \$9,179,603, and the temporarily restricted balance, which represents unspent investment earnings, was \$298,310.

The remaining balance of unrestricted net assets of \$29,969,042 is used to meet the Caddo Parish School Board's ongoing obligations to citizens and creditors.

Governmental activities increased the Caddo Parish School Board's net assets by \$1,088,700, which was a 1.11% increase in the net assets. The changes in net assets are as follows:

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

Caddo Parish School Board's Changes in Net Assets

	<u>Year ended June 30, 2003</u>	<u>Year ended June 30, 2002</u>
Revenues:		
Program revenues:		
Charges for services	\$ 2,344,564	2,403,192
State grants and entitlements	8,117,357	6,882,733
Federal grants	41,375,694	36,173,207
General revenues:		
Ad valorem taxes	72,488,174	70,968,492
Sales taxes	53,014,154	51,154,258
Minimum Foundation Program	163,569,443	156,073,827
Interest on investments	1,240,852	2,348,840
Other general revenues	5,233,341	5,798,215
Total revenues	<u>347,383,579</u>	<u>331,802,764</u>
Expenses:		
Instruction	236,974,693	232,161,977
Support services:		
General administration	4,398,064	4,021,310
School administration	19,820,883	19,470,591
Business services	3,266,792	3,165,280
Plant services, including unallocated depreciation	38,249,229	31,100,395
Student transportation services	16,644,066	15,456,807
Food services	19,050,242	18,713,584
Central services	4,248,599	3,913,455
Community services	711,569	648,354
Debt service – interest on long-term obligations	2,930,742	3,219,822
Total expenses	<u>346,294,879</u>	<u>331,871,575</u>
Increase (decrease) in net assets	1,088,700	(68,811)
Net assets at beginning of year	<u>98,112,242</u>	<u>98,181,053</u>
Net assets at end of year	<u>\$ 99,200,942</u>	<u>98,112,242</u>

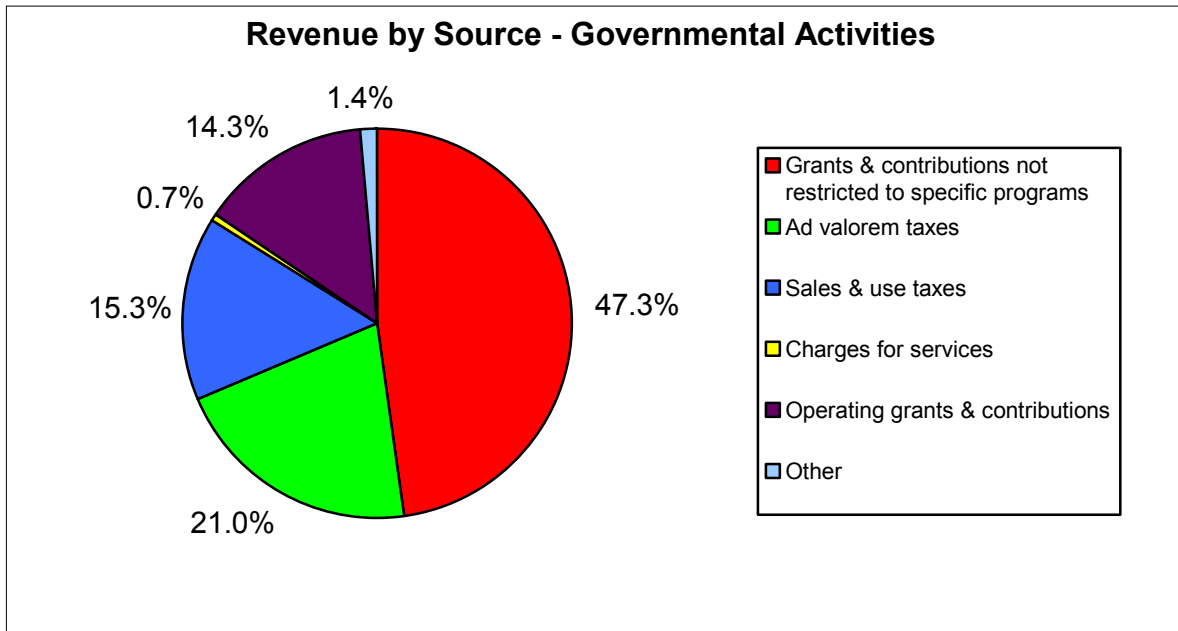
CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

2003



Revenues by Source – Governmental Activities

- Grants and Contributions Not Restricted To Specific Programs: The single largest source of revenue to the Caddo Parish School Board for grants and contributions not restricted to a specific program is the State Equalization or commonly called the Minimum Foundation Program (MFP). The MFP is a distribution of approximately \$2.4 billion to 66 public school systems by the State of Louisiana for salaries and general operations. The State does not provide money for building schools or retiring debt. The distribution is based on a formula adopted by the Louisiana Board of Elementary and Secondary Education and approved by the Louisiana Legislature. The chart below lists the actual increases or decreases in MFP funds for the past 3 years.

Fiscal Year	General Fund	Child Nutrition Program Fund	Total MFP	Increase (Decrease)	
2000-2001	\$ 145,963,405	4,310,010	150,273,415	3,633,584	2.5%
2001-2002	151,575,827	4,498,000	156,073,827	5,800,412	3.9%
2002-2003	159,071,443	4,498,000	163,569,443	7,495,616	4.8%

In FY 2002-03, the Caddo Parish School Board received \$163,569,443 or 47.3% of its total revenues from the MFP. These revenues are deposited in the General Fund and the Child Nutrition Program Fund only. Most of the \$7,495,616 or 4.8% increase was used for salary increases.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

- Ad Valorem Tax Revenues: Ad valorem tax revenues, also called property tax revenues, are the second largest source of revenue for the Caddo Parish School Board. Ad valorem collections are based upon the number of mills (approved annually by the Caddo Parish School Board) and the taxable assessed value (established by the Caddo Parish Tax Assessor), subject to the limitations approved by the voters and the Louisiana Legislature. The chart below lists the ad valorem tax deposits for the past 3 years.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Parish-wide Capital Projects Fund</u>	<u>Nonmajor Debt Service Fund</u>	<u>Total Ad valorem Taxes</u>	<u>Increase (Decrease)</u>	
2000-2001	\$ 51,377,433	10,834,101	7,343,130	69,554,664	4,243,785	6.5%
2001-2002	52,213,946	10,989,957	7,764,989	70,968,892	1,414,228	2.0%
2002-2003	53,402,918	11,169,379	7,915,877	72,488,174	1,519,282	2.1%

In FY 2002-03, the Caddo Parish School Board deposited \$72,488,174 of ad valorem tax revenues into the General Fund, the Parish-wide Capital Projects Fund, and the Debt Service Fund. This represents 21.0% of the total revenues received. Ad valorem tax revenues in FY 2002-2003 increased in the Debt Service Fund and Parish-wide Capital Projects Fund as a result of a lower rate of delinquent taxes. Ad valorem tax revenues in FY 2002-2003 increased in the General Fund as a result of increased millage rates.

- Sales and Use Tax Revenues: Sales and use tax revenues are the third largest source of revenues for the Caddo Parish School Board. A 1.5% sales tax rate is levied upon the sale and consumption of goods and services within the parish. The chart below lists the sales and use tax revenues for the past 3 years.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Increase (Decrease)</u>	
2000-2001	\$ 52,081,049	2,916,934	5.9%
2001-2002	51,154,258	(926,791)	-1.8%
2002-2003	53,014,154	1,859,896	3.6%

All sales and use tax revenues are deposited into the General Fund. This represents 15.3% of the total revenues received. Sales and use tax revenues increased in FY 2002-2003 as a result of major construction projects in the parish.

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Management's Discussion and Analysis

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- Operating Grants and Contributions: Operating grants and contributions are the fourth largest source of revenues for the Caddo Parish School Board. This revenue type is primarily comprised of federal grants with some state grants included. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these programs to show a true net cost. The chart below shows the operating grants and contributions by fund source.

Fiscal Year	General Fund	Title I Fund	Child Nutrition Program Fund	Misc. State/Federal Grants Fund	Nonmajor Special Revenue Funds	Total	Increase (Decrease)	
2000-2001	\$ 3,201,551	10,118,218	10,442,517	3,244,637	11,512,486	38,519,409	1,627,188	4.4%
2001-2002	2,580,633	12,773,993	11,189,030	5,203,713	11,308,571	43,055,940	4,536,531	11.8%
2002-2003	4,177,183	15,050,577	11,994,498	5,767,317	12,503,476	49,493,051	6,437,111	15.0%

In FY 2002-03, the Caddo Parish School Board received \$49,493,051 in operating grants and contributions in the General Fund, Title I Fund, Child Nutrition Program Fund, Miscellaneous State/Federal Grants Fund and Nonmajor Special Revenue Funds. This represents 14.3% of the total revenues received. Operating Grants and Contributions increased \$6,437,111 in FY 2002-03 as a result of the following increases in federal and state funding: Title I – \$2,276,584, Child Nutrition – \$805,468, Special Education – \$919,391, Title II – \$1,634,406, TANF Pre-GED – \$1,037,147, along with the net of numerous fluctuations in smaller programs.

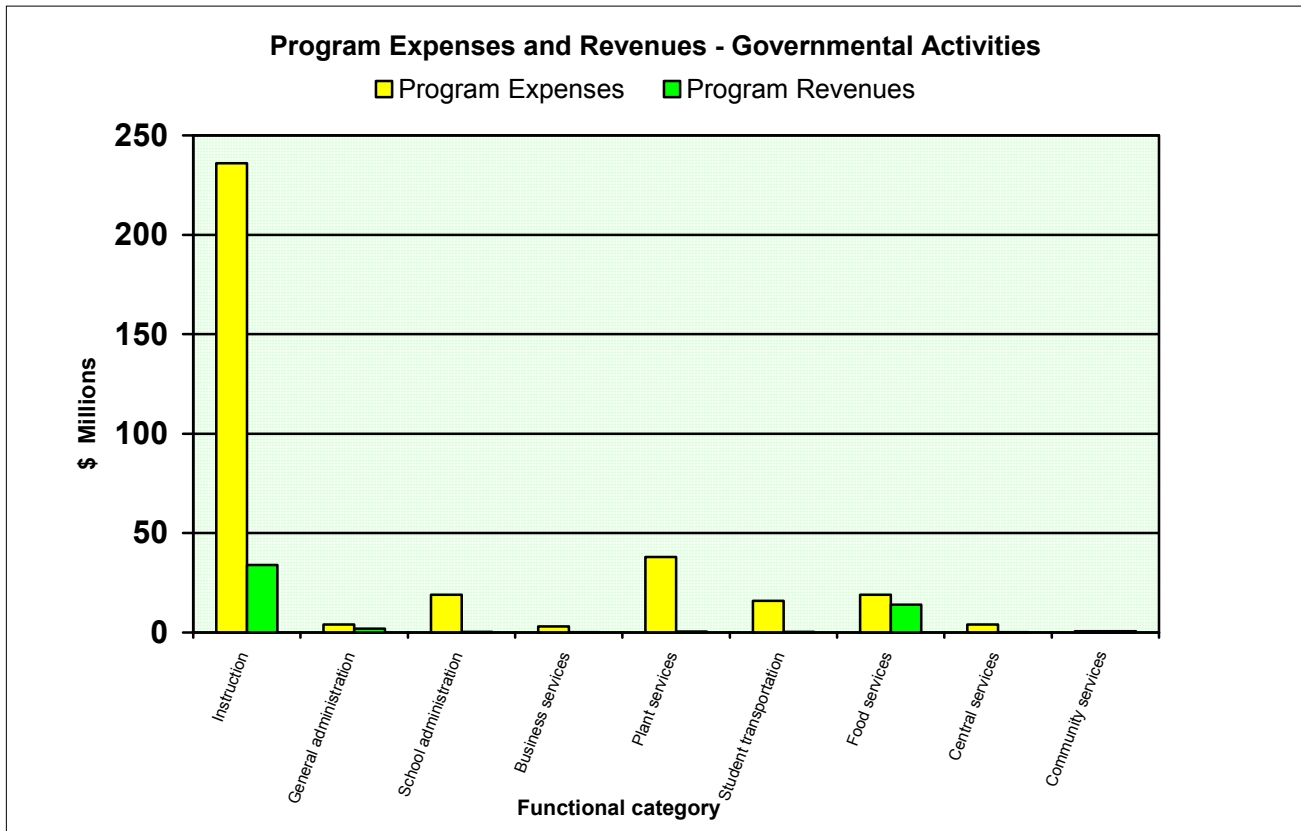
CADDO PARISH SCHOOL BOARD

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Management's Discussion and Analysis

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Program Expenses and Revenues – Governmental Activities

Instruction services for fiscal 2003 totaled \$236,974,693, 68.4% of total expenditures, increased \$4,812,716 or 2.1% from fiscal 2002. This increase was primarily due to salary increases. The remaining captions above are considered support services and related to those functions that support the instructional services provided, such as administration, transportation, food services, and plant services. Support services for fiscal 2003 totaling \$106,389,444, 30.8% of total expenditures, increased \$9,899,668 or 10.3% from fiscal 2002 primarily due to multiple smaller construction projects which were expensed in fiscal 2003 rather than capitalized since they did not meet the capitalization threshold of \$100,000 per project. These projects included roofing, fire alarms, wiring, lighting retrofits, and walkway canopies at various schools. In the previous year, classroom wing additions at seven schools were a large part of the construction budget and were capitalized since they were over \$100,000, whereas in fiscal 2003, only three schools received classroom wing additions.

The remaining expenditures of \$2,930,742, 0.8% of total expenditures, consisting of interest expense on long-term obligations decreased \$289,080 or 9.0% from fiscal 2002 primarily due to refunding a portion of general obligation bonds.

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The program revenues for fiscal 2003 directly related to these expenses totaled \$49,493,051, which, along with \$2,344,564 in charges for services, resulted in net program expenses of \$294,457,264. These net program expenses are funded by general revenues of the Caddo Parish School Board. Program revenues increased \$6,437,111 or 15.0% from fiscal 2002 primarily due to increased grant allocations in Title I, Title II, Special Education, and Child Nutrition.

Financial Analysis of Governmental Funds

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

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

- As of the close of the current fiscal year, the Caddo Parish School Board's governmental funds reported a combined ending fund balance of \$59,296,538 a decrease of \$6,649,361 in comparison with the prior fiscal year. The majority of this fund balance is comprised of approximately (1) \$17.2 million available for spending within the General Fund, (2) \$9.5 million which is reserved for purposes of instructional enhancement within the CEEF Fund, and (3) \$20.6 million designated for capital projects within the Capital Projects Funds.
- The General Fund is the chief operating fund of the Caddo Parish School Board. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$17,153,360. The Caddo Parish School Board has designated 40.1% of that fund balance for future claims and contingencies, equipment replacement, and specific projects. The remaining 59.9% or \$10,275,590 (undesignated) is available for spending at the Caddo Parish School Board's discretion.
- The Child Nutrition Fund has a total fund balance of \$4,949,083. A net increase of \$96,913 or 1.9% occurred during the current fiscal year. The Caddo Parish School Board has designated 65.0% for future claims and contingencies and equipment replacement and 18.3% is reserved for encumbrances and inventory. The remaining 16.7% or \$825,735 (undesignated) is available for spending at the Caddo Parish School Board's discretion.
- The Title I Fund and Miscellaneous State/Federal Grants Fund have beginning and ending fund balances of \$0. These are reimbursement-type programs; therefore, revenues equal expenditures as revenues are recognized as soon as all eligibility requirements have been met. In this case, requirements have been met when allowable expenditures are made.
- The Debt Service Fund has a total fund balance of \$1,446,314, all of which is reserved for the payment of debt service.
- The Capital Projects Funds have a total fund balance of \$24,729,497. A net decrease of \$3,947,654 occurred during the current fiscal year largely due to capital outlay for lighting retrofits and cafeteria air-conditioning projects from Qualified Zone Academy Bond loan proceeds.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

General Fund Budgetary Highlights

The Caddo Parish School Board recognizes the importance of sound fiscal planning, as well as the technical relationship of the financial structure to the teaching of students. Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy of the Caddo Parish School Board complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LSA-R.S. 39:1301 et seq.).

The original budget for the Caddo Parish School Board was adopted on June 18, 2002, and the final budget amendment was adopted on March 18, 2003. Differences between the original budget and the final amended budget of the General Fund is as follows:

Revenues

- Ad valorem taxes were estimated at \$53,717,700 when the budget was first submitted to the Board in June 2002. The original budget was decreased by \$783,400 as a result of a smaller increase in the actual 2002 property assessment than initially budgeted. The original budget was based on the 2001 assessment.
- State equalization was estimated at \$3,668 per student and an October 1st student count of 43,040. However, when the final appropriation was received from the State Department of Education in March 2003, the amount had risen to \$3,740 per student and the actual October 1st student count was 43,727, an increase of 687 students. Since this is the largest source of revenue, the budget was increased \$5,523,396 only after the final appropriation was received.
- Interest earnings were estimated at \$1.2 million. The original budget was reduced by \$450,000 as a result of the continued decline in interest rates.

Expenditures

- The original budget for instruction was increased by \$5,443,500 primarily as a result of salary increases and technology upgrades.
- The budget for school administration was increased \$914,500 due to salary increases approved by the Board in September 2002 and March 2003 and payoff of school's telephone systems.
- Plant services increased \$931,500 primarily as a result of the salary increases.
- Student transportation services were increased \$287,100 as a result of the salary increases.
- Central services were increased \$206,400 primarily due to information technology upgrades.

Excess (Deficiency) of Revenues and other financing sources over (under) expenditures and other financing uses

- The original budget projected a deficit of \$7,437,360 and was later amended and projected to have a deficit of \$6,868,564. This \$.6 million change is largely due to increased state funding coupled with the cost of salary increases and other programs.

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Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

- Actual revenues were almost equal to the final budget with a variance of only \$10,154 from the budget of \$273,763,496.
- Total actual expenditures were under the final budget by approximately \$4.5 million. This was largely due to favorable variances with employee vacancies and turnover; no employer contributions to the Louisiana School Employees Retirement System were required; the medical insurance renewal was less than budgeted; and experience for utilities, due to weather and other variables, was more favorable than planned.

Capital Assets and Debt Administration

Capital Assets: The Caddo Parish School Board's investment in capital assets as of June 30, 2003 amounts to \$112,693,572 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and construction in progress. The table below shows the value at the end of each fiscal year.

**Caddo Parish School Board's Capital Assets
(net of depreciation)**

	2003	2002
Land	\$ 4,670,527	4,370,527
Buildings and improvements	86,767,903	84,133,351
Furniture and equipment	4,827,687	4,649,582
Transportation equipment	8,633,824	8,910,039
Construction in progress – buildings	7,793,631	6,805,421
Total	<u>\$ 112,693,572</u>	<u>108,868,920</u>

Major capital asset events during the fiscal year included the following:

- Classroom wing additions at Captain Shreve High, Shreve Island Elementary, and Southern Hills Elementary.
- Roofing at Caddo Magnet High, Central Elementary, Claiborne Fundamental Elementary, Fair Park High, Huntington High, Keithville Elementary/Middle, Lakeshore Elementary, Linwood Middle, Midway Elementary Professional Development, Turner Elementary/Middle, West Shreveport Elementary, and Youree Drive Middle.
- Cafeteria air conditioning at Caddo Career and Technology Center, Caddo Magnet High, Caddo Middle Career & Technology, Central Elementary, Cherokee Park Elementary, Claiborne Fundamental Elementary, Fair Park High, Hamilton Terrace Learning Center, Herndon Magnet, Mooringsport Elementary, Ridgewood Middle, South Highlands Elementary Magnet, and Youree Drive Middle.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

- Fire alarms at Donnie Bickham Middle, Blanchard Elementary, Caddo Career and Technology, Caddo Magnet High, Captain Shreve High, Fairfield Elementary Magnet, Green Oaks High, Huntington High, Judson Fundamental Elementary, Linear Middle, Midway Elementary Professional Development, Mooringsport Elementary, Northside Elementary, Oak Park Elementary, Ridgewood Middle, Riverside Elementary, South Highlands Elementary Magnet, Southern Hills Elementary, A.C. Steere Elementary, Timmons Elementary, University Elementary, and B.T. Washington High.
- Network cabling at Byrd High, Captain Shreve High, Central Office, Hamilton Terrace Learning Center, Hosston Alternative, North Caddo High, Northwood High, Ridgewood Middle, South Highlands Elementary Magnet, Summerfield Elementary, Summer Grove Elementary, University Elementary, and Woodlawn High.
- Electrical wiring for technology at Captain Shreve High, J.S. Clark Middle, Keithville Elementary/Middle, Northwood High, and Southwood High.
- Lighting retrofits at Bethune Middle, Blanchard Elementary, Broadmoor Middle Lab, Byrd High, Caddo Career and Technology, Caddo Heights Elementary, Caddo Magnet High, Caddo Middle Magnet, Captain Shreve High, Cherokee Park Elementary, Claiborne Fundamental Elementary, J.S. Clark Middle, Creswell Elementary, Fair Park High, Hamilton Terrace Learning Center, Herndon Magnet, Huntington High, Keithville Elementary/Middle, North Caddo High, Southern Hills Elementary, Southwood High, Summerfield Elementary, Timmons Elementary, B.T. Washington High, and Woodlawn High.
- Third floor renovation at Captain Shreve High.
- Auxiliary gym at J.S. Clark Middle.
- Sewer main connection at Walnut Hill Elementary/Middle.
- Replaced water lines at Ingersoll Elementary and Woodlawn High.
- Replaced cooling towers at Donnie Bickham Middle and Southwood High.
- Replaced chillers at Bethune Middle and Huntington High.

Long-Term Debt: At the end of the current fiscal year, the Caddo Parish School Board had total debt outstanding of \$55,590,360. Of this amount, \$50,875,000 comprises debt backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2003 and 2002.

Caddo Parish School Board's Outstanding Debt

	2003	2002
General obligation bonds	\$ 50,875,000	56,070,000
Certificates of indebtedness	1,400,000	—
Qualified Zone Academy Bond loan payable	3,181,819	3,436,364
Deferred gain on refunding	133,541	—
Total	<u>\$ 55,590,360</u>	<u>59,506,364</u>

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Management's Discussion and Analysis

June 30, 2003

Changes in long-term debt for FY 2002-03 fiscal year include the following:

- Outstanding debt decreased \$5,061,459 on general obligation bonds during the fiscal year. An additional \$8,190,000 was incurred due to the refunding of the General Obligation School Bonds, Series 1993 and the deferred gain on refunding increased by \$133,541. This increase was offset by payments of \$13,385,000 during the year.
- Outstanding debt on Qualified Zone Academy Bond Program decreased \$254,545 during the fiscal year.
- In 2003, the Caddo Parish School Board issued certificates of indebtedness of \$1.4 million for Phase III of the District Technology Plan. Annual payments of \$455,000 to \$480,000 are due through March 1, 2006. The first payment of \$455,000 is due March 1, 2004.
- The Caddo Parish School Board maintains a bond rating of "Aa3" from Moody's and a "A+" from Standard & Poor's for its general obligation bonds.
- Louisiana statutes limit the amount of general obligation debt the Caddo Parish School Board may issue to 35% of its total assessed valuation. The current debt limitation for the Caddo Parish School Board is \$402,948,844, which is significantly higher than the \$50,875,000 (excluding deferred gain on refunding) outstanding at June 30, 2003.

For additional information regarding capital assets and long-term debt, see notes 1, 4, and 8 to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered when the budget for FY 2003-04 was presented to the Board:

- Enrollment forecasts prepared by the Caddo Parish School Board indicate that 300 fewer students would enter school in Caddo Parish next year. This will affect the amount of money that is received from the State of Louisiana.
- No growth over the 2002 property assessment was budgeted for FY 2003-04.
- Sales and use tax collections for each of the last two fiscal years were \$51.2 million and \$53.0 million and it is currently budgeted that collections will decrease 5.3%.
- The unemployment rate in Caddo Parish was 7.3% for calendar year 2002. This rate has been between 4.6% and 7.3% for the past four years.
- No increases are being projected in the amount of outstanding debt on general obligation bonds. It should be noted that a significant decrease in the amount of outstanding bonds will occur in FY 2005-06 when principal and interest payments will decrease from \$8.8 million per year to \$4.6 million per year.

Requests for Information

This financial report is designed to provide a general overview of the Caddo Parish School Board's finances for all those with an interest in the Caddo Parish School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ben Wreyford, Director of Finance of the Caddo Parish School Board, P.O. Box 32000, Shreveport, LA 71130-2000, or by calling (318) 603-6355.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

BASIC FINANCIAL STATEMENTS

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Statement of Net Assets
Governmental Activities

June 30, 2003

Assets

Cash and cash equivalents	\$ 69,484,481
Receivables	13,273,009
Inventory	564,042
Prepays	440
Bond issuance costs, net of accumulated amortization	193,926
Restricted assets:	
Cash and cash equivalents	9,372,980
Receivables	104,933
Capital assets:	
Land and construction in progress	12,464,158
Other capital assets, net of accumulated depreciation	100,229,414
Total assets	<u>205,687,383</u>

Liabilities

Accounts payable	12,450,436
Salaries and wages payable	20,376,091
Retainage payable	521,947
Deferred revenues	154,873
Interest payable – bonds	830,928
Long-term liabilities:	
Due within one year	7,928,305
Due in more than one year	64,223,861
Total liabilities	<u>106,486,441</u>

Net Assets

Invested in capital assets, net of related debt	58,307,673
Restricted for debt service	1,446,314
Restricted for instructional enhancement:	
Expendable	298,310
Nonexpendable	9,179,603
Unrestricted	29,969,042
Total net assets	<u>\$ 99,200,942</u>

See accompanying notes to basic financial statements.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Statement of Activities
Governmental Activities

Fiscal year ended June 30, 2003

		Program revenues		Net (expense)
			Operating	revenue and
	Expenses	Charges for	grants and	changes in
		services	contributions	net assets
Functions/programs:				
Current:				
Instruction	\$ 236,974,693	—	33,774,621	(203,200,072)
Support services:				
General administration	4,398,064	—	1,553,354	(2,844,710)
School administration	19,820,883	—	376,814	(19,444,069)
Business services	3,266,792	—	144,362	(3,122,430)
Plant services, including unallocated depreciation	38,249,229	—	505,966	(37,743,263)
Student transportation services	16,644,066	—	357,892	(16,286,174)
Food services	19,050,242	2,344,564	11,994,498	(4,711,180)
Central services	4,248,599	—	87,348	(4,161,251)
Community services	711,569	—	698,196	(13,373)
Debt service – interest on long-term obligations, unallocated	2,930,742	—	—	(2,930,742)
Total governmental activities	\$ <u>346,294,879</u>	<u>2,344,564</u>	<u>49,493,051</u>	<u>(294,457,264)</u>
General revenues:				
Taxes:				
Ad valorem taxes levied for general purposes				53,402,918
Ad valorem taxes levied for debt service purposes				7,915,877
Ad valorem taxes levied for capital improvements				11,169,379
Sales taxes levied for salaries, benefits, and general purposes				53,014,154
State revenue sharing				1,769,822
Grants and contributions not restricted to specific programs:				
Minimum Foundation Program				163,569,443
CEEF (Gaming Revenues)				1,339,029
Interest and investment earnings				1,240,852
Other				2,124,490
Total general revenues				<u>295,545,964</u>
Change in net assets				1,088,700
Net assets at beginning of year				<u>98,112,242</u>
Net assets at end of year				<u>99,200,942</u>

See accompanying notes to basic financial statements.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana
Governmental Funds
Balance Sheet
June 30, 2003

Assets	General Fund	Special Revenue Funds			Parish-wide Capital Projects Fund	Other Governmental Funds	Totals
		Title I	Child Nutrition Program	Misc. State/Federal Grants			
Assets:							
Cash and cash equivalents	\$ 34,561,799	282,552	5,440,236	208,105	26,294,623	2,697,166	69,484,481
Receivables	4,992,419	3,756,610	66,288	2,030,375	22,299	2,509,951	13,377,942
Due from other funds	6,869,262	—	—	—	—	—	6,869,262
Inventories	403,550	—	160,492	—	—	—	564,042
Prepays	—	—	—	—	440	—	440
Cash and cash equivalents – restricted	—	—	—	—	—	9,372,980	9,372,980
Total assets	<u>\$ 46,827,030</u>	<u>4,039,162</u>	<u>5,667,016</u>	<u>2,238,480</u>	<u>26,317,362</u>	<u>14,580,097</u>	<u>99,669,147</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 9,116,180	357,782	695,578	810,576	1,281,316	189,004	12,450,436
Salaries and wages payable	19,788,188	156,870	22,355	180,544	—	228,134	20,376,091
Retainage payable	—	—	—	—	521,947	—	521,947
Due to other funds	—	3,524,510	—	1,100,958	—	2,243,794	6,869,262
Deferred revenues	—	—	—	146,402	—	8,471	154,873
Total liabilities	<u>28,904,368</u>	<u>4,039,162</u>	<u>717,933</u>	<u>2,238,480</u>	<u>1,803,263</u>	<u>2,669,403</u>	<u>40,372,609</u>
Fund balances:							
Reserved for encumbrances	365,752	—	746,316	—	4,047,156	126,726	5,285,950
Reserved for debt service	—	—	—	—	—	1,446,314	1,446,314
Reserved for inventory	403,550	—	160,492	—	—	—	564,042
Reserved for instructional enhancement	—	—	—	—	—	9,474,544	9,474,544
Unreserved:							
Designated for future claims and contingencies	5,871,963	—	807,704	—	—	—	6,679,667
Designated for equipment replacement	1,005,807	—	2,408,836	—	—	—	3,414,643
Designated for capital projects	—	—	—	—	20,466,943	—	20,466,943
Designated for capital projects, reported in nonmajor capital projects fund	—	—	—	—	—	92,041	92,041
Undesignated	10,275,590	—	825,735	—	—	—	11,101,325
Undesignated, reported in nonmajor special revenue funds	—	—	—	—	—	771,069	771,069
Total fund balances	<u>17,922,662</u>	<u>—</u>	<u>4,949,083</u>	<u>—</u>	<u>24,514,099</u>	<u>11,910,694</u>	<u>59,296,538</u>
Total liabilities and fund balances	<u>\$ 46,827,030</u>	<u>4,039,162</u>	<u>5,667,016</u>	<u>2,238,480</u>	<u>26,317,362</u>	<u>14,580,097</u>	<u>99,669,147</u>

See accompanying notes to basic financial statements.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets

June 30, 2003

Total fund balances – governmental funds at June 30, 2003 \$ 59,296,538

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs is reported as governmental activities in the statement of activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$ 228,400,586	
Accumulated depreciation	<u>(115,707,014)</u>	112,693,572

Governmental funds report the effects of debt issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of net assets.

Bond issuance costs	351,183	
Amortization	(157,257)	
Gain on refunding	(180,280)	
Accumulated amortization	<u>46,739</u>	60,385

Elimination of interfund assets and liabilities:

Interfund assets	6,869,262	
Interfund liabilities	<u>(6,869,262)</u>	—

Long term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities — both current and long term — are reported in the statement of net assets.

Balances at June 30, 2003 are:

Long-term liabilities:

Compensated absences payable	(16,160,556)	
Claims and judgments	(401,250)	
General obligation bonds payable	(50,875,000)	
Certificates of indebtedness	(1,400,000)	
Loan payable	(3,181,819)	
Interest payable	<u>(830,928)</u>	<u>(72,849,553)</u>

Net assets at June 30, 2003	\$	<u><u>99,200,942</u></u>
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See accompanying notes to basic financial statements.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

Fiscal year ended June 30, 2003

		Special Revenue Funds			Parish-wide	Other	
	General	Title I	Child Nutrition Program	Misc. State/Federal Grants	Capital Projects Fund	Governmental Funds	Totals
	Fund						
Revenues:							
Local sources:							
Taxes:							
Ad valorem	\$ 53,402,918	—	—	—	11,169,379	7,915,877	72,488,174
Sales and use	53,014,154	—	—	—	—	—	53,014,154
Interest earnings	599,148	—	80,833	—	409,510	151,361	1,240,852
Food services	—	—	2,344,564	—	—	—	2,344,564
Other	2,095,826	—	2,760	—	25,398	1,339,029	3,463,013
State sources:							
State equalization	159,071,443	—	4,498,000	—	—	—	163,569,443
Grants and other	4,651,469	—	255,950	3,260,234	356,844	1,362,682	9,887,179
Federal and other sources	938,692	15,050,577	11,738,548	2,507,083	—	11,140,794	41,375,694
Total revenues	273,773,650	15,050,577	18,920,655	5,767,317	11,961,131	21,909,743	347,383,073
Expenditures:							
Current:							
Instruction	203,767,220	13,491,217	—	5,591,010	—	11,978,701	234,828,148
Support services:							
General administration	1,999,253	798,746	—	41,099	445,948	851,082	4,136,128
School administration	19,506,313	29,287	—	14,810	—	41,476	19,591,886
Business services	3,116,797	27,181	362	43,300	200	27,923	3,215,763
Plant services	29,645,782	131	—	6,842	—	55,848	29,708,603
Student transportation services	16,168,188	6,026	—	70,256	—	40,207	16,284,677
Food services	—	—	18,822,847	—	—	—	18,822,847
Central services	4,224,843	—	—	—	—	24,675	4,249,518
Community services	13,817	697,989	—	—	—	—	711,806
Capital outlay – facilities acquisition and construction	251,670	—	—	—	12,937,412	2,276,395	15,465,477
Debt service:							
Principal retirement	—	—	—	—	254,545	5,405,000	5,659,545
Interest	—	—	—	—	—	2,758,542	2,758,542
Total expenditures	278,693,883	15,050,577	18,823,209	5,767,317	13,638,105	23,459,849	355,432,940
Excess (deficiency) of revenues over (under) expenditures	(4,920,233)	—	97,446	—	(1,676,974)	(1,550,106)	(8,049,867)
Other financing sources (uses):							
Sale of capital assets	—	—	506	—	—	—	506
Refunding bonds	—	—	—	—	—	8,190,000	8,190,000
Payments to refund bond escrow agent	—	—	—	—	—	(8,190,000)	(8,190,000)
Long-term debt issued	1,400,000	—	—	—	—	—	1,400,000
Transfers in	26,993	—	—	—	—	150,594	177,587
Transfers out	(20,676)	—	(1,039)	—	(29,540)	(126,332)	(177,587)
Total other financing sources (uses)	1,406,317	—	(533)	—	(29,540)	24,262	1,400,506
Net change in fund balances	(3,513,916)	—	96,913	—	(1,706,514)	(1,525,844)	(6,649,361)
Fund balances at beginning of year	21,436,578	—	4,852,170	—	26,220,613	13,436,538	65,945,899
Fund balances at end of year	\$ 17,922,662	—	4,949,083	—	24,514,099	11,910,694	59,296,538

See accompanying notes to basic financial statements.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities

Fiscal year ended June 30, 2003

Total net change in fund balances – governmental funds \$ (6,649,361)

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 over specific capitalization thresholds is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:

Capital asset disposals, net	\$ (17,439)	
Capital outlay additions	11,080,171	
Depreciation expense	<u>(7,238,080)</u>	3,824,652

The issuance of long-term debt provides current financial resources of 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.

Repayment of bond principal	5,659,545	
Receipt of bond proceeds	(1,400,000)	
Repayment of bond principal – refunding	7,980,000	
Receipt of bond proceeds – refunding	<u>(8,190,000)</u>	4,049,545

Governmental funds report the effects of debt issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of bond issuance costs	(12,685)	
Gain on refunding	(180,280)	
Amortization of gain	<u>46,739</u>	(146,226)

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.

184,026

In the statement of activities, certain operating expenses—compensated absences (vacations and sick leave)—are measured by amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used exceeded the amounts earned by \$79,564.

79,564

Some expenses reported in the statement of activities are not matured and, therefore, are not reported as expenditures in governmental funds – claims and judgments.

(253,500)

Change in net assets of governmental activities	\$	<u><u>1,088,700</u></u>
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See accompanying notes to basic financial statements.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Statement of Fiduciary Assets and Liabilities – Agency Funds

June 30, 2003

Assets

Cash	\$	3,402,063
Investments – certificates of deposit		200,935
Receivables		<u>1,223</u>
Total assets	\$	<u><u>3,604,221</u></u>

Liabilities

Accounts payable	\$	51,622
Deposits due others		<u>3,552,599</u>
Total liabilities	\$	<u><u>3,604,221</u></u>

See accompanying notes to basic financial statements.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Basic Financial Statements

June 30, 2003

(1) Summary of Significant Accounting Policies

The Caddo Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Caddo 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 twelve members who are elected from twelve districts for concurrent terms of four years.

The School Board operates 73 schools within the parish with a total enrollment of approximately 45,000 pupils. In conjunction with the regular education programs, some of these schools offer pre-kindergarten, special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

(a) Reporting Entity

The basic criterion established by the Governmental Accounting Standards Board (GASB) for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a primary governmental unit's reporting entity for government-wide financial statements is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

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

Jointly Governed Organization

Caddo Parish Sales and Use Tax Commission (Commission) – The Commission is an independent agency responsible for the collection, enforcement, and administration of sales and use taxes levied by the School Board and the City of Shreveport. The Commission is considered a separate reporting entity and issues financial statements separate from those of the School Board. The School Board does not retain an ongoing financial interest or responsibility in its operations. The Commission is not considered a component unit of the School Board and its operations are not included in the accompanying financial statements.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Basic Financial Statements

June 30, 2003

The accounting policies of the School Board conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

(b) Basis of Presentation

Government-wide and Fund Financial Statements

During fiscal 2002, the School Board adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

The government-wide financial statements (“GWFS”) (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the School Board. For the most part, the effect of interfund activity has been removed from these statements.

The statement of net assets presents information on all of the School Board’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 expense of each function. Some depreciation remains unallocated and is included in plant services. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements (“FFS”) are provided for governmental funds and fiduciary funds, even though the latter are excluded from the GWFS. Major individual governmental funds are reported as separate columns in the fund financial statements.

The accounts of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are summarized by type in the financial statements. The following fund types are used by the School Board:

Governmental Funds

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use, and balances of the School Board’s expendable financial resources

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Basic Financial Statements

June 30, 2003

and the related liabilities are accounted for through governmental funds. The School Board reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

Title I Fund – The Title I Fund is used to account for the proceeds of federal revenues that are legally restricted to expenditures to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency, and improve achievement in basic and more advanced skills.

Child Nutrition Program Fund – The Child Nutrition Program Fund is used to account for the resources received from federal and state funds as well as food services to provide a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

Miscellaneous State/Federal Grants Fund – The Miscellaneous State/Federal Grants Fund is used to account for the proceeds under various small state and federal funded grants, the expenditures for which are legally restricted to specified purposes.

Parish-wide Capital Projects Fund – The Parish-wide Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally the School Board reports the following fund types:

Special Revenue Funds – 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. The Debt Service Fund receives a dedicated portion of ad valorem and sales taxes paid to the School Board.

Qualified Zone Academy Bond Capital Projects Fund – This fund is used to account for loan proceeds received as part of the Qualified Zone Academy Bond (QZAB) Program through the Louisiana Community Development Authority. The loan proceeds must be used for projects linked to instruction in schools where 35% or more of students are eligible for reduced lunch prices.

Permanent Fund – The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the School Board's programs. The CEEF Fund was established to account for the School Board's share of gaming receipts. These gaming monies are legally restricted and may not be spent. The interest earnings, however, may be expended for purposes of instructional enhancement.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Basic Financial Statements

June 30, 2003

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds include:

Agency Funds – The Agency Funds are used to account for assets held by the School Board as an agent for other parties. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The *School Activity Agency Fund* accounts for monies collected by pupils and school personnel for school or school-related purposes and the *Central Office Concession Agency Fund* accounts for monies collected by school board employees working in the coffee shop for the purpose of replenishing items sold and maintenance of coffee shop equipment.

(c) Capital Assets

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level for capitalization of the following: \$100,000 for buildings and building improvements, \$50,000 for land or land improvements, and \$5,000 for equipment and vehicles.

Capital assets are reported in the GWFS, but not reported in the FFS.

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

Buildings	25-40 years
Land improvements	10-25 years
Building improvements	10-30 years
Furniture and equipment	5-20 years
Vehicles	5-8 years

The School Board does not possess any material amounts of infrastructure capital assets, such as roads and bridges.

(d) Long-Term Liabilities

In the GWFS, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond discounts and issuance costs are deferred and amortized over the life of the bonds.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Basic Financial Statements

June 30, 2003

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

(e) *Basis of Accounting/Measurement Focus*

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*. Accordingly, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All 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 these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The governmental funds (General Fund, Special Revenue Funds, Debt Service Fund, Parish-wide Capital Projects Funds, and Permanent Fund) are maintained on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Measurable means the amount of the transaction can be determined. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose the School Board considers revenues to be "available" if they are collected within 60 days of the end of the current fiscal period. Ad valorem taxes are recognized as revenues in the year for which they are levied.

Revenues which are susceptible to accrual are ad valorem taxes, sales taxes and investment income. Food services and miscellaneous other revenues are recorded as revenues when earned. For intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. In reimbursement-type programs, monies must be expended on the specific purpose or project before any amounts will be paid to the

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Basic Financial Statements

June 30, 2003

School Board; therefore, revenues are recognized based upon the expenditures recorded. In other programs in which monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements, the resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is the principal and interest on general long-term debt which is recognized when due. As of June 30, 2003, all instructional related salaries for July and August have been accrued because the salaries have been earned but not paid.

Compensated absences are recognized as expenditures when the benefit earned by the employee has matured. The matured liability for compensated absences, which includes salary and salary related payments, is reported in the fund.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid and long-term debt proceeds are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

(f) Budget Practices

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

- About May 1, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and sources of funding.
- A public hearing is then conducted after proper official journal notification to obtain taxpayer comments.
- Prior to July 1, the budget is legally adopted by the School Board during public session.
- Budget documents for the General Fund, certain Special Revenue Funds, and the Parish-wide Capital Projects Fund are structured such that revenues are budgeted by source and appropriations by function. School Board policy prescribes that the level of budgetary control is at the functional level for the General Fund and Parish-wide Capital Projects Fund and at the fund level for the Special Revenue Funds. Legal requirements provide that expenditures may not exceed appropriations in excess of five percent of the budgeted expenditures at the fund level. Revisions to the budget as enacted on a functional level require School Board approval. Budget amounts included in the accompanying financial statements include the original budget and the final amended budget for the General Fund and major Special Revenue Funds and only the final budget for all other funds. The School Board issues a budget report at least annually that demonstrates legal compliance at the legal level of budgetary control.
- The School Board utilizes formal budgetary integration as a management control device for the General Fund, certain Special Revenue Funds, and Parish-wide Capital Projects Fund.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Basic Financial Statements

June 30, 2003

- The budget and actual comparisons are made by source for revenues and by function for expenditures, which in some cases is more detailed than the fund level legal requirement.
- The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Appropriations which are not expended lapse at year-end.
- The School Board approves formal budgets for the General Fund and certain Special Revenue Funds. All budgets are prepared on the GAAP basis.

Excess of Expenditures Over Budget

For those funds for which a budget to actual comparison was made, 2003 actual expenditures exceeded budgeted expenditures by over 5% at the legal level of control as follows:

	Expenditures		Negative variance with final budget
	Budget	Actual	
Nonmajor Special Revenue Funds:			
Tobacco Settlement	\$ 173,038	188,899	(15,861)

(g) Encumbrances

Outstanding encumbrances (e.g., purchase orders, contracts) lapse at year end. To the extent the School Board intends to honor the purchase orders and commitments, they are reported as reservations of fund balances at the FFS level. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

(h) Cash and Cash Equivalents

The School Board maintains a pooled cash account for all funds of the School Board. The asset balance and interest income is allocated to each respective individual fund monthly based on their respective fund balances at month end. Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less.

(i) Investments

Investments as of June 30, 2003 are limited to certificates of deposit with a maturity of ninety days or more at the time of purchase. Investments are stated at fair value. The School Board maintains investments separately for each fund.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Basic Financial Statements

June 30, 2003

Under state law, the School Board may invest in direct United States Treasury obligations, indebtedness issued or guaranteed by federal governmental agencies (provided such obligations are backed by the full faith and credit of the U.S. government), indebtedness issued or guaranteed by federally sponsored U.S. government agencies, and may deposit its 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 or mutual or trust fund institutions registered with the Securities and Exchange Commission.

(j) *Short-Term Interfund Receivables/Payables*

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

(k) *Elimination and Reclassifications*

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

(l) *Inventories*

Inventories in the General Fund consist of materials and supplies. Inventory of the Child Nutrition Program special revenue fund consists of supplies and food purchased by the School Board. All commodities received through both the cash in lieu of commodities program and the food distribution program are received and consumed in the current year.

In the FFS and GWFS, material, food, and supplies are accounted for on the consumption method. All purchased inventory items are valued at cost (first-in, first-out). Inventories are equally offset by a fund balance reserve in the FFS which indicates that these do not constitute “available spendable resources”, even though they are a component of total assets.

(m) *Vacation, Sick Leave, and Sabbatical Leave*

All twelve-month School Board employees earn from ten to twenty days of vacation leave each year depending upon length of service. Vacation leave may be accumulated up to one hundred and fifty percent of their annual allotment. Upon termination, employees may be paid for up to thirty days of unused vacation leave.

All School Board employees earn from twelve to sixteen days of sick leave each year, depending upon the length of service. Sick leave may be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days may be paid to the employee or the employee’s estate at the employee’s current rate of pay. Under the Louisiana Teachers’ Retirement System and the Louisiana School Employees’ Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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Sabbatical leave may be granted for medical reasons 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.

Leave benefits are based on accrued leave benefits of employees with ten years service to a maximum of twenty-five days for sick leave and thirty days for vacation at their current annual salary.

Sabbatical leave benefits are recorded as expenditures in the period paid.

In the FFS, the matured liability for compensated absences, which includes salary and salary related payments, is reported in the fund. The total liability is reported in the GWFS.

(n) Sales Tax

The School Board receives sales tax revenue from the following three sales taxes:

- (1) The voters of Caddo Parish approved on June 6, 1967, a one-half of one percent ($\frac{1}{2}\%$) parish-wide sales tax to be used to supplement salaries of teachers of Caddo Parish and for the operation of public schools in Caddo Parish.
- (2) The voters of Caddo Parish approved on May 27, 1969, a one-half of one percent ($\frac{1}{2}\%$) parish-wide sales tax to be used to supplement salaries of teachers of Caddo Parish and for the operation of public schools in Caddo Parish.
- (3) The voters of Caddo Parish approved on May 4, 1985, a one-half of one percent ($\frac{1}{2}\%$) parish-wide sales tax to be used to supplement salaries of teachers of Caddo Parish and other school board employees and for the operation of public schools in Caddo Parish.

(o) Pension Plans

The School Board participates in two pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements (see note 6 for details of these plans).

(p) Restricted Net Assets

For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation.

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(q) Reserves

Use of the term “reserve” in describing governmental fund “Fund Balances” indicates that a portion of the fund balance is not available to appropriate for expenditure or is legally segregated for a specific future use. The nature and purpose of these reserves are explained as follows:

Encumbrances

Encumbrances outstanding at year end represent the estimated amount the School Board intends to honor as a commitment regardless of the lapse in the appropriation.

Inventory

This amount represents the portion of fund balance relating to inventory on hand which is therefore unavailable to be expended for other purposes.

Debt Service

This amount represents the portion of fund balance that has been reserved in the Debt Service Fund for future payment of principal and interest on bonded debt.

Instructional Enhancement

This amount represents the portion of fund balance that has been reserved in the Caddo Educational Excellence Funds (permanent and special revenue fund).

(r) Designations

Use of the term “designated” in describing governmental fund “Fund Balances” indicates that a portion of the fund balance has been segregated to indicate tentative plans for future financial resource use. Designated fund balances may be changed and are subject to subsequent authorization before expenditures can be made. The nature and purpose of these designations are explained as follows:

Designated for Future Claims and Contingencies

This amount represents a portion of fund balance that has been designated to fund possible losses from lawsuits and other risks.

Designated for Equipment Replacement

This amount has been accumulated over several years to fund the replacement or updating of data processing equipment and food service related equipment.

Designated for Capital Projects

These amounts have been accumulated to fund future capital projects.

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(s) Grants and Entitlements From Other Governmental Agencies

Federal and state governmental agencies represent an important source of supplementary funding to finance educational programs and other activities beneficial to parish schools. These funds, primarily in the form of grants, are recorded in the General Fund and Special Revenue Funds. The grants normally specify the purpose for which the funds may be used and are audited annually as mandated in OMB Circular A-133.

(t) Use of Estimates

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

(2) Cash and Investments

At June 30, 2003, the carrying amount of the School Board's cash deposits (including agency funds) was \$82,460,459 and the bank balance was \$99,652,000. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

Of the bank balance, \$808,839 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). \$98,843,161 was collateralized with securities held by the pledging financial institution's trust department or agent but in the School Board's name (GASB Category 2).

(3) Levied Taxes

The School Board levies taxes on real and business personal property located within Caddo Parish's boundaries. Property taxes are levied by the School Board on property values at January 1 assessed by the Caddo Parish Tax Assessor and approved by the state of Louisiana Tax Commission upon submission of the assessment list (tax roll).

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

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Property Tax Calendar

Assessment date	January 1, 2002
Levy date	Not later than June 1, 2002
Tax bills mailed	On or about November 15, 2002
Total taxes are due	December 31, 2002
Penalties and interest are added	January 1, 2003
Lien date	January 1, 2003
Tax sale – 2002 delinquent property	July 1, 2003

The School Board is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose or, in the aggregate for all purposes, 35% of the assessed valuation for the payment of principal and interest on long-term debt after approval by the voters of the parish.

A receivable for property taxes has been recorded as of June 30, 2003 for \$142,043.

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

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

A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2000. Total assessed value was \$1,151,282,410 for calendar year 2002. Louisiana State law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$296,867,080 of the assessed value in calendar year 2002.

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

Parish-wide taxes	Date of voter approval	Authorized millage	Levied millage	Expiration date
Constitutional	Statutory	9.41	9.41	Statutory
Operation and Maintenance	January 16, 1993	12.37	12.37	2003
Operation and Maintenance	January 16, 1993	18.80	18.80	2003
Technology	October 18, 1997	1.50	1.50	2006
Employee Salaries & Benefits	October 18, 1997	21.79	21.79	2006
Construction	January 16, 1993	7.53	7.53	2003
Construction	October 18, 1997	6.28	6.17	2006
Bond and Interest	May 4, 1985 and amended on October 18, 1997	Variable	9.70	2017

The difference between authorized and levied millages are the result of the reassessment of taxable property required by Article 7, Section 23 of the Louisiana Constitution of 1974. All of the above taxes

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stated to expire in 2003 were renewed for an additional 10 years with commencement dates beginning in 2004.

(4) Capital Assets

A summary of changes in capital assets is as follows:

	<u>Balance July 1, 2002</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2003</u>
Capital assets not being depreciated:				
Land	\$ 4,370,527	300,000	—	4,670,527
Construction in progress	<u>6,805,421</u>	<u>7,274,884</u>	<u>6,286,674</u>	<u>7,793,631</u>
Total capital assets not being depreciated	11,175,948	7,574,884	6,286,674	12,464,158
Capital assets being depreciated:				
Buildings and improvements	173,471,690	6,788,905	—	180,260,595
Furniture and equipment	11,144,594	1,747,118	1,131,395	11,760,317
Transportation equipment	<u>22,733,054</u>	<u>1,255,938</u>	<u>73,476</u>	<u>23,915,516</u>
Total capital assets being depreciated	207,349,338	9,791,961	1,204,871	215,936,428
Less accumulated depreciation for:				
Buildings and improvements	89,338,339	4,154,353	—	93,492,692
Furniture and equipment	6,495,012	1,556,456	1,118,838	6,932,630
Transportation equipment	<u>13,823,015</u>	<u>1,527,271</u>	<u>68,594</u>	<u>15,281,692</u>
Total accumulated depreciation	<u>109,656,366</u>	<u>7,238,080</u>	<u>1,187,432</u>	<u>115,707,014</u>
Total capital assets being depreciated, net	<u>97,692,972</u>	<u>2,553,881</u>	<u>17,439</u>	<u>100,229,414</u>
Capital assets, net	<u>\$ 108,868,920</u>	<u>10,128,765</u>	<u>6,304,113</u>	<u>112,693,572</u>

Included in construction in progress at June 30, 2003 is construction of classroom wings and remodeling/renovations at various schools.

The remaining requirements to complete the existing projects in construction in progress are: land improvements totaling \$10,000; buildings (new, remodeling, and renovations) totaling \$3,272,000; and classroom wing additions totaling \$1,997,000.

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Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 3,958,890
Support services:	
Business services	52,000
Plant services, including unallocated depreciation	1,230,379
Student transportation services	1,478,146
General administration	8,660
School administration	235,021
Noninstructional services – food service operations	274,984
Total depreciation expense	<u>\$ 7,238,080</u>

(5) Receivables

The receivables of \$13,377,942 at June 30, 2003 for the School Board's major and nonmajor funds are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Title I</u>	<u>Child Nutrition Program</u>	<u>Misc. State/ Federal Grants</u>	<u>Parish- wide Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Grants:							
Federal	\$ 235,680	3,756,610	66,288	185,794	—	2,029,622	6,273,994
State	261,240	—	—	1,844,581	—	359,608	2,465,429
Sales tax	4,282,885	—	—	—	—	—	4,282,885
Ad valorem tax	103,956	—	—	—	22,299	15,788	142,043
Other	108,658	—	—	—	—	104,933	213,591
Total	<u>\$ 4,992,419</u>	<u>3,756,610</u>	<u>66,288</u>	<u>2,030,375</u>	<u>22,299</u>	<u>2,509,951</u>	<u>13,377,942</u>

There were no allowances for uncollectible accounts as of June 30, 2003.

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(6) Defined Benefit Pension Plans

The School Board provides retirement, death, and disability benefits to its employees through two pension plans administered by the state of Louisiana. These plans are:

Teachers' Retirement System of Louisiana (TRS):

Plan Description

Participation in the Teachers' Retirement Systems is divided into two plans – the Teachers' Regular Plan and the Teachers' Plan A (Teachers' Plan). In general, professional employees (such as teachers and principals) and lunchroom workers are members of these cost-sharing multiple-employer statewide plans. Benefit provisions are established in accordance with Louisiana state statute. The Teachers' Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Teachers' Retirement System of Louisiana, P. O. Box 94123, Baton Rouge, Louisiana 70804-9123.

Funding Policy

Covered employees are required to contribute 8% of their salary to the Teachers' Regular Plan. The School Board was required to contribute 13.1%, 13.1%, and 14.2% of covered employees' salaries for the years ended June 30, 2003, 2002, and 2001, respectively. Covered employees are required to contribute 9.10% percent of their salary to the Teachers' Plan A.

The employer and employee contribution obligations are established and may be amended by Louisiana state statute. The School Board's contributions for the years ended June 30, 2003, 2002, and 2001 were \$23,634,489, \$23,200,915, and \$23,198,167, respectively, equal to the required contributions for each year. In accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, the net pension obligation was determined to be zero. Prior to adoption of GASB Statement No. 27, the School Board did not report a pension liability for the Teachers' Plan.

Deferred Retirement Option Plan

Effective July 1, 1992, the Teachers' Retirement System adopted a Deferred Retirement Option Plan (DROP). Under the DROP, a member is allowed to retire and accumulate his/her retirement benefits in a special reserve fund and yet continue employment and draw a salary. Upon termination of employment at the end of the specified period, the monthly retirement benefits and the amounts paid into the DROP will begin being paid to the retiree.

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Louisiana School Employees' Retirement System (School Employees' Plan):

Plan Description

All bus drivers, bus aids, maintenance employees, and custodians are members of this cost-sharing multiple-employer statewide plan. Benefit provisions are established in accordance with Louisiana state statute. The School Employees' Plan issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees of the Louisiana School Employees' Retirement System, P.O. Box 44516, Baton Rouge, Louisiana 70804-4516.

Funding Policy

Covered employees were required to contribute 7.5% of their salary to the School Employees' Plan for 2003 and 2002 and 6.35% for 2001. The School Board was required to contribute 6% of covered employees' salaries for 2003, 2002, and 2001. However, due to the passage of House Bill 2174, employer contributions for the years ended June 30, 2003, 2002, and 2001 were funded from the Employer Credit Account and not by the School Board. The employer and employee contribution requirements are established and may be amended by Louisiana state statute. In accordance with GASB Statement No. 27, the net pension obligation was determined to be zero. Prior to adoption of GASB Statement No. 27, the School Board did not report a pension liability for the School Employees' Plan.

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

In accordance with state statutes, the School Board provides continuing healthcare 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 were provided through a fully insured program, whose monthly premiums are paid jointly by the employees and the School Board. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due.

The School Board is responsible for 70-80% of the health insurance premium, depending on the category of employee. Total cost to the School Board of healthcare insurance premiums totaled \$9,129,746 for 2003, while the employees paid \$2,658,155. At June 30, 2003, 2,840 former employees receive such benefits.

For life insurance benefits, the School Board is responsible for 25% of the premiums, while the employee is responsible for the remaining 75%. The School Board paid a total of \$92,021 in life insurance premiums, while the former employees paid \$275,981 for 2003. At June 30, 2003, 2,806 former employees were qualified to receive such benefits.

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(8) Long-Term Obligations

The following is a summary of the long-term obligation activity for the year ended June 30, 2003:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
General bonded debt	\$ 56,070,000	8,190,000	13,385,000	50,875,000	5,625,000
Plus: deferred gain on refunding	—	180,280	46,739	133,541	80,124
Certificates of indebtedness	—	1,400,000	—	1,400,000	455,000
QZAB loan payable	3,436,364	—	254,545	3,181,819	254,545
Claims and judgments payable	436,447	1,396,902	1,432,099	401,250	284,875
Compensated absences	16,240,120	9,656,579	9,736,143	16,160,556	1,228,761
Governmental activity long-term liabilities	\$ <u>76,182,931</u>	<u>20,823,761</u>	<u>24,854,526</u>	<u>72,152,166</u>	<u>7,928,305</u>

In 2002, the School Board received loan proceeds of \$3,500,000 as part of the QZAB Program through the Louisiana Community Development Authority. QZAB loan proceeds must be used for projects linked to instruction in schools where 35% or more of students are eligible for reduced lunch prices. The loan is interest free with quarterly payments of \$63,636 for fifteen years. In 2003, a payment for the QZAB loan of \$254,545 was made from the Parish-wide Capital Projects Fund.

In 2003, the School Board received loan proceeds of \$1,400,000 for Phase III of the District Technology Plan. The loan bears interest at a rate of 0.10% - 4.00%. Annual payments of \$455,000 to \$480,000 are due through March 1, 2006. The first payment of \$455,000 is due March 1, 2004.

The claims and judgments liability will be liquidated through the General Fund. Compensated absences are liquidated by the General Fund or Special Revenue Fund where the salary costs originated.

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General obligation bonds at June 30, 2003 is comprised of the following issues:

\$8,190,000 2002 refunding bonds due in annual installments of \$175,000 to \$4,090,000 through March 1, 2005; interest at 1.95% to 2.56%.	\$ 8,015,000
\$20,000,000 1998 general obligation bonds due in annual installments of \$580,000 to \$1,575,000 through March 1, 2018; interest at 4.5% to 6.0%; callable on or after March 1, 2008.	16,770,000
\$20,000,000 2000 general obligation bonds due in annual installments of \$325,000 to \$1,645,000 through March 1, 2020; interest at 5.10% to 9.00%; callable on or after March 1, 2010.	18,405,000
\$8,000,000 2001 general obligation bonds due in annual installments of \$65,000 to \$645,000 through March 1, 2021; interest at 5.0% to 6.0%; callable on or after March 1, 2011.	7,685,000
Deferred gain on 2002 refunding bonds	<u>133,541</u>
Total general obligation bonds	<u>\$ 51,008,541</u>

For the year ended June 30, 2003, the principal payments of \$5,405,000 plus interest and fiscal charges of \$2,758,542 on the general bonded debt obligations were paid from the Debt Service Fund.

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 through general fund operations. At June 30, 2003, the School Board has accumulated \$1,446,314 in the Debt Service Fund for future debt service requirements.

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Notes to Basic Financial Statements

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The annual requirements to amortize all debt outstanding as of June 30, 2003 are as follows:

	General obligation bonds	Deferred gain on refunding	Long-term loan payable	Certificate of indebtedness	Interest payments	Total
Year ending June 30:						
2004	\$ 5,625,000	80,124	254,545	455,000	2,432,425	8,847,094
2005	5,880,000	53,417	254,545	465,000	2,224,674	8,877,636
2006	1,880,000	—	254,545	480,000	2,026,308	4,640,853
2007	1,985,000	—	254,545	—	1,915,645	4,155,190
2008	2,090,000	—	254,545	—	1,817,790	4,162,335
2009 – 2013	12,280,000	—	1,272,730	—	7,416,213	20,968,943
2014 – 2018	16,105,000	—	636,364	—	3,973,098	20,714,462
2019 – 2023	5,030,000	—	—	—	465,050	5,495,050
Total	<u>\$ 50,875,000</u>	<u>133,541</u>	<u>3,181,819</u>	<u>1,400,000</u>	<u>22,271,203</u>	<u>77,861,563</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2003, the statutory limit was \$402,948,844, the outstanding bonded debt net of applicable debt service funds totaled \$49,428,686, and the legal debt margin was \$353,520,158.

In December 2002, the School Board issued \$8,190,000 General Obligation School Refunding Bonds, Series 2002, to refund \$7,980,000 of the outstanding General Obligation School Bonds, Series 1993. The net proceeds were used to make an initial deposit in the escrow fund and purchase a U.S. government security. This security was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1993 bonds. As of June 30, 2003, \$7,980,000 of the 1993 bonds due in 2005 remain outstanding but are considered to be defeased. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding totaled \$272,280. An economic gain (difference between the present value of the old and new service payments) of \$262,513 resulted from the refunding. In the GWFS, a deferred gain on the refunding of \$180,280 (net of \$29,720 in bond issuance costs) was recorded in accordance with generally accepted accounting principles. Amounts are being amortized over the life of the bonds.

On April 1, 1993, the School Board issued \$28,265,000 General Obligation School Refunding Bonds, Series 1993, to refund \$25,495,000 of the outstanding General Obligation School Bonds, Series 1989. The net proceeds were used to make an initial deposit in the escrow fund and purchase a U.S. government security. This security, plus an initial cash deposit, was deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the 1989 bonds. As of June 30, 2003, \$17,865,000 of the 1989 bonds due in 2005 remain outstanding but are considered to be defeased.

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(9) Other Required Individual Fund Disclosures**(a) Interfund Receivables and Payables**

Interfund balances at June 30, 2003 were as follows:

Due To	Due from General Fund
Title I	\$ 3,524,510
Misc. State/Federal Grants	1,100,958
Nonmajor funds	2,243,794
	<u>\$ 6,869,262</u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur and (2) payments between funds are made.

(b) Transfers

Transfers for the year ended June 30, 2003 were as follows:

Transfer Out	Transfer In			Total
	General Fund	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund – QZAB Fund	
General Fund	\$ —	—	20,676	20,676
Child Nutrition Program Fund	—	—	1,039	1,039
Parish-wide Capital Projects Fund	26,993	—	2,547	29,540
Nonmajor Permanent Fund	—	126,332	—	126,332
Total	<u>\$ 26,993</u>	<u>126,332</u>	<u>24,262</u>	<u>177,587</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(10) Commitments and Contingencies*Litigation*

At June 30, 2003, the School Board is involved in various litigation. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

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Tax Arbitrage Rebate

Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service. At June 30, 2003, management has recorded a liability of \$60,116 for the estimated tax arbitrage liability in the Parish-wide Capital Projects Fund.

Self-Insurance

The School Board is partially self-insured for workers' compensation. Claims are funded through employer contributions and operating funds of the School Board. All known claims filed and an estimate of incurred but not reported claims based on experience of the School Board are made and accrued as necessary in the financial statements. At June 30, 2003, \$250,000 of the fund balance of the General Fund and \$807,704 of the fund balance of the Child Nutrition Fund have been designated for payment of future claims.

Grant Audits

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

Risk Management

The School Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The School Board is a defendant in several lawsuits involving civil actions. The School Board is self-insured for losses up to \$500,000. The deductible on the insurance was increased from \$200,000 in 2000 to \$500,000 in 2001. The School Board currently reports all of its risk management activities in the General Fund. An insurance policy covers individual claims in excess of \$500,000. No claims exceeded the School Board's coverage for each of the past three fiscal years. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information.

At June 30, 2003, \$5,000,000 of the fund balance of the General Fund is designated for payment of future claims.

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Changes in the reported liability for the current and prior fiscal years are as follows:

	Beginning of fiscal-year liability	Current year claims and changes in estimates	Claim payments	Balance at fiscal year end
Risk Management Activities				
2001-2002	\$ 349,167	1,682,010	1,594,730	436,447
2002-2003	436,447	1,396,902	1,432,099	401,250

(11) On-Behalf Payments for Fringe Benefits and Salaries

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

The Caddo Parish Sheriff made pension contributions directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$1,400,476. Also, the state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$123,237. These amounts were recognized as revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

(12) Subsequent Events

On October 15, 2003, the School Board issued \$6,000,000 of Limited Tax Certificates of Indebtedness, Series 2003A. The proceeds of the debt are to be used for the acquisition of school buses and related equipment. Issuance was authorized in propositions approved by the voters on January 16, 1993 and July 20, 2002. Amounts mature March 1, 2013 and bear interest at a rate not to exceed 5% per annum. The certificates are payable from the irrevocable pledge and dedication of the funds to be derived from the levy and collection of a 12.16 mills tax authorized to be levied each year through 2014.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

REQUIRED SUPPLEMENTAL INFORMATION
(PART B)

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

General Fund

Budgetary Comparison Schedule

Fiscal year ended June 30, 2003

	Budgeted amounts		Actual amounts (budgetary basis)	Variance with final budget positive (negative)
	Original budget	Final budget		
Revenues:				
Local sources:				
Taxes:				
Ad valorem	\$ 53,717,700	52,934,300	53,402,918	468,618
Sales and use	53,000,000	53,000,000	53,014,154	14,154
Interest earnings	1,200,000	750,000	599,148	(150,852)
Grants and other	2,025,100	2,335,600	2,095,826	(239,774)
Total local sources	109,942,800	109,019,900	109,112,046	92,146
State sources:				
State equalization	153,545,200	159,068,596	159,071,443	2,847
Other	3,445,300	4,736,000	4,651,469	(84,531)
Total state sources	156,990,500	163,804,596	163,722,912	(81,684)
Federal and other sources	939,000	939,000	938,692	(308)
Total revenues	267,872,300	273,763,496	273,773,650	10,154

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

General Fund

Budgetary Comparison Schedule

Fiscal year ended June 30, 2003

	Budgeted amounts		Actual amounts	Variance with
	Original budget	Final budget	(budgetary basis)	final budget positive (negative)
Expenditures:				
Current:				
Instruction	\$ 201,045,960	206,489,460	203,767,220	2,722,240
Support services:				
General administration	2,873,700	2,916,700	1,999,253	917,447
School administration	18,625,900	19,540,400	19,506,313	34,087
Business services	3,181,300	3,212,200	3,116,797	95,403
Plant services	29,175,900	30,107,400	29,645,782	461,618
Student transportation services	16,052,100	16,339,200	16,168,188	171,012
Central services	4,354,800	4,561,200	4,224,843	336,357
Community services	—	—	13,817	(13,817)
Capital outlay – facilities acquisition and construction	—	—	251,670	(251,670)
Total expenditures	<u>275,309,660</u>	<u>283,166,560</u>	<u>278,693,883</u>	<u>4,472,677</u>
Excess (deficiency) of revenues over (under) expenditures	(7,437,360)	(9,403,064)	(4,920,233)	4,482,831
Other financing sources (uses):				
Bond proceeds	—	1,400,000	1,400,000	—
Transfers in	—	1,134,500	26,993	(1,107,507)
Transfers out	—	—	(20,676)	(20,676)
Total other financing sources (uses)	<u>—</u>	<u>2,534,500</u>	<u>1,406,317</u>	<u>(1,128,183)</u>
Net change in fund balance	(7,437,360)	(6,868,564)	(3,513,916)	3,354,648
Fund balance at beginning of year	<u>21,436,578</u>	<u>21,436,578</u>	<u>21,436,578</u>	<u>—</u>
Fund balance at end of year	<u>\$ 13,999,218</u>	<u>14,568,014</u>	<u>17,922,662</u>	<u>3,354,648</u>

Unaudited – see accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Title I

Budgetary Comparison Schedule

Fiscal year ended June 30, 2003

	Budgeted amounts		Actual amounts (budgetary basis)	Variance with final budget positive (negative)
	Original budget	Final budget		
Revenues – federal sources	\$ 15,740,288	17,338,699	15,050,577	(2,288,122)
Expenditures – current:				
Instruction	14,891,441	16,417,076	13,491,217	2,925,859
Support services:				
General administration	848,847	921,623	798,746	122,877
School administration	—	—	29,287	(29,287)
Business services	—	—	27,181	(27,181)
Plant services	—	—	131	(131)
Student transportation services	—	—	6,026	(6,026)
Community services	—	—	697,989	(697,989)
Total expenditures	15,740,288	17,338,699	15,050,577	2,288,122
Excess of revenues over expenditures	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

Unaudited – see accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund
Child Nutrition Program

Budgetary Comparison Schedule

Fiscal year ended June 30, 2003

	Budgeted amounts		Actual amounts (budgetary basis)	Variance with final budget positive negative
	Original budget	Final budget		
Revenues:				
Local sources:				
Interest earnings	\$ 50,000	50,000	80,833	30,833
Food fees	2,410,000	2,410,000	2,344,564	(65,436)
Other	—	—	2,760	2,760
State sources:				
State equalization	4,310,010	4,310,010	4,498,000	187,990
Grants and other	—	—	255,950	255,950
Federal sources	10,768,278	10,768,278	11,738,548	970,270
Total revenues	17,538,288	17,538,288	18,920,655	1,382,367
Expenditures:				
Current:				
Business services	—	—	362	(362)
Food services	18,545,728	18,545,728	18,822,847	(277,119)
Total expenditures	18,545,728	18,545,728	18,823,209	(277,481)
Excess (deficiency) of revenues over (under) expenditures	(1,007,440)	(1,007,440)	97,446	1,104,886
Other financing sources (uses):				
Sale of capital assets	—	—	506	506
Transfers out	—	—	(1,039)	(1,039)
Total other financing sources (uses)	—	—	(533)	(533)
Increase in fund balance	(1,007,440)	(1,007,440)	96,913	1,104,353
Fund balance at beginning of year	4,852,170	4,852,170	4,852,170	—
Fund balance at end of year	\$ 3,844,730	3,844,730	4,949,083	1,104,353

Unaudited – see accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Miscellaneous State/Federal Grants

Budgetary Comparison Schedule

Fiscal year ended June 30, 2003

	Budgeted amounts		Actual amounts	Variance with
	Original budget	Final budget	(budgetary basis)	final budget positive (negative)
Revenues:				
State grants	\$ 3,576,049	3,351,404	3,260,234	(91,170)
Federal grants	2,562,607	3,601,171	2,507,083	(1,094,088)
Total revenues	6,138,656	6,952,575	5,767,317	(1,185,258)
Expenditures – current:				
Instruction	5,939,825	6,731,669	5,591,010	1,140,659
Support services:				
General administration	73,248	75,019	41,099	33,920
School administration	4,349	5,668	14,810	(9,142)
Business services	42,668	53,443	43,300	10,143
Plant services	1,827	1,827	6,842	(5,015)
Student transportation services	76,739	84,949	70,256	14,693
Total expenditures	6,138,656	6,952,575	5,767,317	1,185,258
Excess of revenues over expenditures	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

Unaudited – see accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Budgetary Comparison Schedules

June 30, 2003

Budget and Budgetary Accounting

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

- (1) About May 1, the Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and sources of funding.
- (2) A public hearing is then conducted after proper official journal notification to obtain taxpayer comments.
- (3) Prior to July 1, the budget is legally adopted by the School Board during public session.
- (4) Budget documents for the General Fund and certain Special Revenue Funds are structured such that revenues are budgeted by source and appropriations by function. School Board policy prescribes that the level of budgetary control is at the functional level for the General Fund and at the fund level for the Special Revenue Funds. Legal requirements provide that expenditures may not exceed appropriations in excess of five percent of the budgeted expenditures at the fund level. Revisions to the budget as enacted on a functional level require School Board approval. Budget amounts included in the accompanying financial statements include the original budget and the final amended budget for the General Fund and major Special Revenue Funds and only the final budget for all other funds. The effects of budget revisions passed during the year for the General Fund were to increase net revenues by \$5.9 million for higher state equalization revenue and to increase net expenditures by \$7.9 million for additional salaries, technology upgrades, and new programs launched. The effects of other budget revisions passed during the year were insignificant to the budgets as originally approved. The School Board issues a budget report at least annually that demonstrates legal compliance at the legal level of budgetary control.
- (5) The School Board utilizes formal budgetary integration as a management control device for the General Fund and certain Special Revenue Funds.
- (6) The budget and actual comparisons are made by source for revenues and by function for expenditures, which in some cases is more detailed than the fund level legal requirement.
- (7) The basis of accounting applied to budgetary data presented is substantially consistent with the appropriate basis of accounting for each fund type for which an annual budget is prepared. Appropriations which are not expended lapse at year end.

The School Board approves formal budgets for the General Fund and certain Special Revenue Funds. All budgets are prepared on the GAAP basis.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Budgetary Comparison Schedules

June 30, 2003

Excess of Expenditures Over Budget – Major Funds

For those funds for which a budget to actual comparison was made, 2003 actual expenditures exceeded budgeted expenditures at the level of budgetary control as follows:

	Expenditures		Negative variance with final budget
	Budget	Actual	
General Fund:			
Community services	\$ —	13,817	(13,817)
Capital outlay	—	251,670	(251,670)
Special Revenue Funds:			
Title I:			
School administration	—	29,287	(29,287)
Business services	—	27,181	(27,181)
Plant services	—	131	(131)
Student transportation services	—	6,026	(6,026)
Community services	—	697,989	(697,989)
Child Nutrition:			
Business services	—	362	(362)
Food services	18,545,728	18,822,847	(277,119)
Miscellaneous State/Federal Grants:			
School administration	5,668	14,810	(9,142)
Plant services	1,827	6,842	(5,015)

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

SUPPLEMENTAL INFORMATION

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

FUND LEVEL FINANCIAL STATEMENTS

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Title VI – To assist state and local educational agencies to improve elementary and secondary education. Grants are awarded for students at risk of failure in school; instructional materials; school-wide improvements and effective school programs; training and professional development; early identification of children with reading disabilities, personal excellence of students and student achievements; and innovative enhancement projects to the educational program and climate of the school.

Class Size Reduction – To help schools improve student learning by hiring additional, highly qualified teachers so that children, especially those in the early elementary grades, can attend smaller classes. The Class Size Reduction program also includes a strong emphasis on teacher quality and professional development in which the School Board may use up to fifteen percent of their grant on activities in this area.

SPECIAL EDUCATION

State Grants – To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

Payments to States for Child Care Assistance – To make grants available to assist low-income families with child care services. The purpose of the program is to increase the availability, affordability, and quality of child care and to increase the availability of early childhood development and before- and after-school programs.

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

Title II – To improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

Title XIX – This fund is a federally funded program to improve the health status of children by providing preventive services, health assessments, and the necessary diagnosis, treatment and follow-up care in the context of an ongoing relationship between the patient and other health care providers.

Title IV – (Drug-Free) – To establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

Family Support – Family Support was established to account for the receipts and expenditures of a federally funded program to provide educational services to participate in Project Independence. These educational services include training welfare mothers with job skills while providing day-care for their children.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

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

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

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

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

Louisiana Learn (formerly known as Goals 2000) – To provide grants to State Education Agencies (SEAs) on a formula basis to support the development and implementation of comprehensive reform plans at the state, local, and school levels to improve the teaching and learning of all children. To support top down and bottom up reform through subgrants by SEAs of 90 percent of these grant funds to local education agencies (LEAs) and through LEAs to individual schools. To support the establishment by states and localities of high standards in their core content areas. All aspects of the educational process are aligned including, but not limited to assessments, curriculum, professional development, and pre-service training.

WIA – To provide job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. The ultimate goal of the Act is to move trainees into permanent, self-sustaining employment.

Tobacco Settlement – This fund was established to account for monies received from the state Education Excellence Fund. The funds are to be expended in accordance with the School Board's plan submitted and approved by the state department of education.

CEEF Operating – This fund was established to account for the expenditures of the earnings from the Caddo Educational Excellence Permanent Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs. The Debt Service Fund receives a dedicated portion of ad valorem and sales taxes paid to the School Board.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

Capital Projects Fund

Qualified Zone Academy Bond Fund – This fund is used to account for loan proceeds received as part of the Qualified Zone Academy Bond Program through the Louisiana Community Development Authority. The loan proceeds must be used for projects linked to instruction in schools where 35% or more of students are eligible for reduced lunch prices.

Permanent Fund

Caddo Educational Excellence Fund (CEEF) – This fund is used to account for assets of the School Board held in trust, for which the principal may not be spent. The CEEF fund was established to account for the School Board's share of gaming receipts. These gaming monies are legally restricted and may not be spent. The interest earnings, however, may be expended for purposes of instructional enhancement.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Nonmajor Governmental Funds
Combining Balance Sheet – By Fund Type
Governmental Activities

June 30, 2003

Assets		Special Revenue Funds	Debt Service Fund	Capital Projects Fund – Qualified Zone Academy Bond Fund	Permanent Fund – CEEF	Total
Cash and cash equivalents	\$	1,051,242	1,430,526	215,398	—	2,697,166
Receivables		2,389,230	15,788	—	104,933	2,509,951
Cash and cash equivalents – restricted		298,310	—	—	9,074,670	9,372,980
Total assets	\$	<u>3,738,782</u>	<u>1,446,314</u>	<u>215,398</u>	<u>9,179,603</u>	<u>14,580,097</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$	189,004	—	—	—	189,004
Salaries payable		228,134	—	—	—	228,134
Due to other funds		2,243,794	—	—	—	2,243,794
Deferred revenues		8,471	—	—	—	8,471
Total liabilities		<u>2,669,403</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,669,403</u>
Fund balances:						
Reserved for:						
Encumbrances		3,369	—	123,357	—	126,726
Debt service		—	1,446,314	—	—	1,446,314
Instructional enhancement		294,941	—	—	9,179,603	9,474,544
Unreserved:						
Designated for specific projects		—	—	92,041	—	92,041
Undesignated		771,069	—	—	—	771,069
Total fund balances		<u>1,069,379</u>	<u>1,446,314</u>	<u>215,398</u>	<u>9,179,603</u>	<u>11,910,694</u>
Total liabilities and fund balances	\$	<u>3,738,782</u>	<u>1,446,314</u>	<u>215,398</u>	<u>9,179,603</u>	<u>14,580,097</u>

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances – By Fund Type
Governmental Activities

Fiscal year ended June 30, 2003

	Special Revenue Funds	Debt Service Fund	Capital Projects Fund – Qualified Zone Academy Bond Fund	Permanent Fund – CEEF	Total
Revenues:					
Local sources:					
Ad valorem taxes	\$ —	7,915,877	—	—	7,915,877
Interest earnings	—	22,386	11,760	117,215	151,361
Other	—	—	—	1,339,029	1,339,029
State sources – grants and other	1,362,682	—	—	—	1,362,682
Federal sources	11,140,794	—	—	—	11,140,794
Total revenues	12,503,476	7,938,263	11,760	1,456,244	21,909,743
Expenditures:					
Current:					
Instruction	11,978,701	—	—	—	11,978,701
Support services:					
General administration	703,678	146,637	767	—	851,082
School administration	41,266	—	—	210	41,476
Business services	27,923	—	—	—	27,923
Plant services	55,848	—	—	—	55,848
Student transportation services	40,207	—	—	—	40,207
Central services	24,675	—	—	—	24,675
Debt service:					
Principal retirement	—	5,405,000	—	—	5,405,000
Interest and bank charges	—	2,758,542	—	—	2,758,542
Capital outlay – facilities acquisition and construction	—	—	2,276,395	—	2,276,395
Total expenditures	12,872,298	8,310,179	2,277,162	210	23,459,849
Excess (deficiency) of revenues over (under) expenditures	(368,822)	(371,916)	(2,265,402)	1,456,034	(1,550,106)
Other financing sources (uses):					
Refunding bonds	—	8,190,000	—	—	8,190,000
Payments to refund bond escrow agent	—	(8,190,000)	—	—	(8,190,000)
Transfers in	126,332	—	24,262	—	150,594
Transfers out	—	—	—	(126,332)	(126,332)
Total other financing sources (uses)	126,332	—	24,262	(126,332)	24,262
Net change in fund balances	(242,490)	(371,916)	(2,241,140)	1,329,702	(1,525,844)
Fund balances at beginning of year	1,311,869	1,818,230	2,456,538	7,849,901	13,436,538
Fund balances at end of year	\$ 1,069,379	1,446,314	215,398	9,179,603	11,910,694

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2003

Assets	Title VI	Class Size Reduction	Special Education	Title II	Title XIX	Title IV (Drug-Free)	Family Support	8G State Fund	Adult Education	Vocational Education	Louisiana Learn	WIA	Tobacco Settlement	CEEF Operating	Total
Cash and cash equivalents	\$ —	6,838	—	—	715,879	—	32,495	42,695	716	191,334	—	—	61,285	—	1,051,242
Cash and cash equivalents – restricted	—	—	—	—	—	—	—	—	—	—	—	—	—	298,310	298,310
Receivables	6,537	—	1,221,497	388,285	—	56,824	36,576	317,454	126,169	175,909	—	59,979	—	—	2,389,230
Total assets	\$ 6,537	6,838	1,221,497	388,285	715,879	56,824	69,071	360,149	126,885	367,243	—	59,979	61,285	298,310	3,738,782
Liabilities and Fund Balances															
Liabilities:															
Accounts payable	\$ —	—	58,624	87,806	7,881	2,699	6,000	87	5,972	1,052	—	9,878	9,005	—	189,004
Salaries payable	—	—	200,379	—	—	—	—	22,252	5,503	—	—	—	—	—	228,134
Due to other funds	6,537	—	962,494	299,943	—	54,125	—	336,713	115,410	366,191	—	50,101	52,280	—	2,243,794
Deferred revenues	—	6,838	—	536	—	—	—	1,097	—	—	—	—	—	—	8,471
Total liabilities	6,537	6,838	1,221,497	388,285	7,881	56,824	6,000	360,149	126,885	367,243	—	59,979	61,285	—	2,669,403
Fund balances:															
Reserved:															
Encumbrances	—	—	—	—	—	—	—	—	—	—	—	—	—	3,369	3,369
Instructional enhancement	—	—	—	—	—	—	—	—	—	—	—	—	—	294,941	294,941
Unreserved:															
Undesignated	—	—	—	—	707,998	—	63,071	—	—	—	—	—	—	—	771,069
Total fund balances	—	—	—	—	707,998	—	63,071	—	—	—	—	—	—	298,310	1,069,379
Total liabilities and fund balances	\$ 6,537	6,838	1,221,497	388,285	715,879	56,824	69,071	360,149	126,885	367,243	—	59,979	61,285	298,310	3,738,782

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Fiscal year ended June 30, 2003

	Title VI	Class Size Reduction	Special Education	Title II	Title XIX	Title IV (Drug-Free)	Family Support	8G State Fund	Adult Education	Vocational Education	Louisiana Learn	WIA	Tobacco Settlement	CEEF Operating	Total
Revenues:															
State sources – grants and other	\$ —	—	—	—	—	—	—	1,194,686	167,996	—	—	—	—	—	1,362,682
Federal sources	37,985	854,739	6,083,614	2,029,394	307,868	231,337	225,963	—	359,389	826,422	76,683	107,400	—	—	11,140,794
Total revenues	37,985	854,739	6,083,614	2,029,394	307,868	231,337	225,963	1,194,686	527,385	826,422	76,683	107,400	—	—	12,503,476
Expenditures:															
Current:															
Instruction	36,285	828,655	5,436,847	1,919,967	241,384	220,993	173,345	1,180,377	510,206	826,422	76,683	102,005	188,899	236,633	11,978,701
Support services:															
General administration	1,700	26,084	529,835	109,427	14,406	5,047	—	—	17,179	—	—	—	—	—	703,678
School administration	—	—	1,354	—	—	—	38,433	—	—	—	—	1,479	—	—	41,266
Business services	—	—	16,910	—	—	4,513	—	6,500	—	—	—	—	—	—	27,923
Plant services	—	—	45,511	—	134	784	9,419	—	—	—	—	—	—	—	55,848
Student transportation services	—	—	30,411	—	—	—	—	5,880	—	—	—	3,916	—	—	40,207
Central services	—	—	22,746	—	—	—	—	1,929	—	—	—	—	—	—	24,675
Total expenditures	37,985	854,739	6,083,614	2,029,394	255,924	231,337	221,197	1,194,686	527,385	826,422	76,683	107,400	188,899	236,633	12,872,298
Excess (deficiency) of revenues over (under) expenditures	—	—	—	—	51,944	—	4,766	—	—	—	—	—	(188,899)	(236,633)	(368,822)
Other financing sources – transfer in	—	—	—	—	—	—	—	—	—	—	—	—	—	126,332	126,332
Net change in fund balances	—	—	—	—	51,944	—	4,766	—	—	—	—	—	(188,899)	(110,301)	(242,490)
Fund balances at beginning of year	—	—	—	—	656,054	—	58,305	—	—	—	—	—	188,899	408,611	1,311,869
Fund balances at end of year	\$ —	—	—	—	707,998	—	63,071	—	—	—	—	—	—	298,310	1,069,379

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Title VI

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ 50,628	37,985	(12,643)
Expenditures – current:			
Instruction and support services:			
Instruction	48,206	36,285	11,921
General administration	2,422	1,700	722
Total expenditures	50,628	37,985	12,643
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Class Size Reduction

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ 1,663,760	854,739	(809,021)
Expenditures – current:			
Instruction and support services:			
Instruction	1,614,113	828,655	785,458
General administration	49,647	26,084	23,563
Total expenditures	1,663,760	854,739	809,021
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADD O PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Special Education

Schedule of Revenues, Expenditures, and Changes in Fund

Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ 8,097,156	6,083,614	(2,013,542)
Expenditures – current:			
Instruction and support services:			
Instruction	7,406,437	5,436,847	1,969,590
General administration	643,290	529,835	113,455
School administration	963	1,354	(391)
Business services	131	16,910	(16,779)
Plant services	5,049	45,511	(40,462)
Student transportation services	23,736	30,411	(6,675)
Central services	17,550	22,746	(5,196)
Total expenditures	8,097,156	6,083,614	2,013,542
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Title II

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ 3,750,304	2,029,394	(1,720,910)
Expenditures – current:			
Instruction and support services:			
Instruction	3,548,000	1,919,967	1,628,033
General administration	202,304	109,427	92,877
Total expenditures	3,750,304	2,029,394	1,720,910
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Title XIX

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ —	307,868	307,868
Expenditures – current:			
Instruction and support services:			
Instruction	379,860	241,384	138,476
General administration	25,342	14,406	10,936
Plant services	74,892	134	74,758
Total expenditures	480,094	255,924	224,170
Net change in fund balance	(480,094)	51,944	532,038
Fund balance at beginning of year	656,054	656,054	—
Fund balance at end of year	\$ 175,960	707,998	532,038

See accompanying independent auditors' report.

CADD0 PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Title IV (Drug-Free)

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ 423,015	231,337	(191,678)
Expenditures – current:			
Instruction and support services:			
Instruction	405,362	220,993	184,369
General administration	8,807	5,047	3,760
Business services	2,509	4,513	(2,004)
Plant services	1,137	784	353
Student transportation services	5,200	—	5,200
Total expenditures	423,015	231,337	191,678
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Family Support

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ 279,638	225,963	(53,675)
Expenditures – current:			
Instruction and support services:			
Instruction	266,358	173,345	93,013
School administration	3,280	38,433	(35,153)
Plant services	10,000	9,419	581
Total expenditures	279,638	221,197	58,441
Net change in fund balance	—	4,766	4,766
Fund balance at beginning of year	58,305	58,305	—
Fund balance at end of year	\$ 58,305	63,071	4,766

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

8G State Fund

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – state sources – grants and other	\$ 1,240,664	1,194,686	(45,978)
Expenditures – current:			
Instruction and support services:			
Instruction	1,232,855	1,180,377	52,478
Business services	—	6,500	(6,500)
Student transportation services	5,880	5,880	—
Central services	1,929	1,929	—
Total expenditures	1,240,664	1,194,686	45,978
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Adult Education

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues:			
State sources – grants and other	\$ 173,015	167,996	(5,019)
Federal sources	370,945	359,389	(11,556)
Total revenues	543,960	527,385	(16,575)
Expenditures – current:			
Instruction and support services:			
Instruction	526,295	510,206	16,089
General administration	17,665	17,179	486
Total expenditures	543,960	527,385	16,575
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Vocational Education

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ 831,870	826,422	(5,448)
Expenditures – current – instruction	831,870	826,422	5,448
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Louisiana Learn

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ 117,218	76,683	(40,535)
Expenditures – current – instruction	117,218	76,683	40,535
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

WIA

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – federal sources	\$ 170,088	107,400	(62,688)
Expenditures – current:			
Instruction and support services:			
Instruction	152,184	102,005	50,179
School administration	8,664	1,479	7,185
Student transportation services	9,240	3,916	5,324
Total expenditures	170,088	107,400	62,688
Net change in fund balance	—	—	—
Fund balance at beginning of year	—	—	—
Fund balance at end of year	\$ —	—	—

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Special Revenue Fund

Tobacco Settlement

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Year ended June 30, 2003

	Final budget	Actual	Variance positive (negative)
Revenues – state – grants and other	\$ —	—	—
Expenditures – current – instruction	173,038	188,899	(15,861)
Net change in fund balance	(173,038)	(188,899)	(15,861)
Fund balance at beginning of year	188,899	188,899	—
Fund balance at end of year	\$ 15,861	—	(15,861)

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

MAJOR CAPITAL PROJECTS FUND – BUDGET AND ACTUAL

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Parish-wide Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund
Balance – Budget and Actual

Fiscal year ended June 30, 2003

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues:				
Local sources:				
Ad valorem tax	\$ 10,907,800	10,907,800	11,169,379	261,579
Interest earnings	50,000	50,000	409,510	359,510
Other	—	—	25,398	25,398
State sources – revenue sharing	350,000	350,000	356,844	6,844
Total revenues	11,307,800	11,307,800	11,961,131	653,331
Expenditures:				
Current:				
General administration	571,000	633,718	445,948	187,770
Business services	—	—	200	(200)
Capital outlay – facilities acquisition and construction	26,000,764	25,933,046	12,937,412	12,995,634
Debt service – principal retirement	—	—	254,545	(254,545)
Total expenditures	26,571,764	26,566,764	13,638,105	12,928,659
Excess (deficiency) of revenues over (under) expenditures	(15,263,964)	(15,258,964)	(1,676,974)	13,581,990
Total other financing sources – transfers in (out)	192,000	192,000	(29,540)	(221,540)
Net change in fund balance	(15,071,964)	(15,066,964)	(1,706,514)	13,360,450
Fund balance at beginning of year	26,220,613	26,220,613	26,220,613	—
Fund balance at end of year	\$ 11,148,649	11,153,649	24,514,099	13,360,450

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

FIDUCIARY FUNDS

School Activity Agency Fund – The School Activity Agency Fund accounts for those monies collected by pupils and school personnel for school or school-related purposes. The school activity accounts are classified as an agency fund, and the School Board's responsibility for these accounts is fiduciary in nature. Each school accounts for its individual student body organizations. The revenues of these accounts consist primarily of fees, fund-raising projects, and contributions. Expenditures are made for a wide variety of school activities. These accounts are under the supervision of the school principals.

Central Office Concession Agency Fund – The Central Office Concession Agency Fund accounts for those monies collected by school board employees working in the coffee shop for the purposes of replenishing items sold and maintenance of coffee shop equipment. The concession accounts are classified as an agency fund and the School Board's responsibility for these accounts is fiduciary in nature. The revenues of these accounts consist primarily of coffee and beverage sales and vending machine commissions. Expenditures are made for coffee shop expenditures such as repair of ice machine and cash register and cost of products sold and paper goods. These accounts are under the supervision of the school principals.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

School Activity Agency Fund**Combining Statement of Changes in Assets and Liabilities – Agency Funds**

Year ended June 30, 2003

	Balance July 1, 2002	Additions	Deductions	Balance June 30, 2003
School Activity Agency Fund				
Assets				
Cash and cash equivalents	\$ 3,419,318	9,056,428	9,074,209	3,401,537
Investments	215,993	2,278	17,336	200,935
Total assets	<u>\$ 3,635,311</u>	<u>9,058,706</u>	<u>9,091,545</u>	<u>3,602,472</u>
Liabilities				
Accounts payable	\$ 48,130	49,873	48,130	49,873
Deposits due others	3,587,181	9,008,833	9,043,415	3,552,599
Total liabilities	<u>\$ 3,635,311</u>	<u>9,058,706</u>	<u>9,091,545</u>	<u>3,602,472</u>
Central Office Concession Agency Fund				
Assets				
Cash and cash equivalents	\$ 3,178	11,522	14,174	526
Receivables	—	1,223	—	1,223
Total assets	<u>\$ 3,178</u>	<u>12,745</u>	<u>14,174</u>	<u>1,749</u>
Liabilities				
Accounts payable	\$ 1,128	1,749	1,128	1,749
Deposits due others	2,050	10,996	13,046	—
Total liabilities	<u>\$ 3,178</u>	<u>12,745</u>	<u>14,174</u>	<u>1,749</u>
All Agency Funds				
Assets				
Cash and cash equivalents	\$ 3,422,496	9,067,950	9,088,383	3,402,063
Investments	215,993	2,278	17,336	200,935
Receivables	—	1,223	—	1,223
Total assets	<u>\$ 3,638,489</u>	<u>9,071,451</u>	<u>9,105,719</u>	<u>3,604,221</u>
Liabilities				
Accounts payable	\$ 49,258	51,622	49,258	51,622
Deposits due others	3,589,231	9,019,829	9,056,461	3,552,599
Total liabilities	<u>\$ 3,638,489</u>	<u>9,071,451</u>	<u>9,105,719</u>	<u>3,604,221</u>

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Fiscal Year Ended June 30, 2003

CAPITAL ASSETS INFORMATION

The Capital Assets schedule records the fixed assets of the School Board which are used in governmental fund-type operations.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule of Capital Assets – By Sources

June 30, 2003

Capital assets:	
Land	\$ 4,670,527
Buildings and improvements	180,260,595
Furniture and equipment	11,760,317
Transportation equipment	23,915,516
Construction in progress	7,793,631
Total capital assets	\$ <u>228,400,586</u>
Investment in general fixed assets:	
Capital Projects Funds	\$ 170,006,768
General Fund	40,274,813
Child Nutrition Fund	3,207,189
Federal aid	8,570,149
Donations	1,050,434
School Activity Agency Fund	5,291,233
Total investment in capital assets	\$ <u>228,400,586</u>

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule of Capital Assets – By Function and Activity

June 30, 2003

Function and Activity	Total	Land	Buildings and improvements	Furniture and equipment	Transportation equipment	Construction in progress
Instruction:						
High schools	\$ 68,480,681	1,403,039	64,321,450	2,756,192	—	—
Middle schools	32,694,174	475,909	30,974,822	1,243,443	—	—
Elementary/middle schools	26,726,183	321,080	26,273,878	131,225	—	—
Elementary schools	58,802,164	1,197,439	54,117,612	3,487,113	—	—
Total instruction	186,703,202	3,397,467	175,687,762	7,617,973	—	—
General and school administration and business services	7,863,773	1,206,300	3,033,243	2,897,681	726,549	—
Plant services	4,495,724	66,760	1,539,590	324,762	2,564,612	—
Food services	943,049	—	—	873,305	69,744	—
Student transportation services	20,601,207	—	—	46,596	20,554,611	—
Construction in progress	7,793,631	—	—	—	—	7,793,631
Total capital assets allocated to functions	\$ 228,400,586	4,670,527	180,260,595	11,760,317	23,915,516	7,793,631

See accompanying independent auditors' report.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule of Changes in Capital Assets –
By Function and Activity

Year ended June 30, 2003

Function and Activity	Balance July 1, 2002	Additions	Retirements	Balance June 30, 2003
Instruction:				
High schools	\$ 65,330,484	3,506,304	(356,107)	68,480,681
Middle schools	31,229,670	1,659,967	(195,463)	32,694,174
Elementary/middle schools	26,308,328	418,909	(1,054)	26,726,183
Elementary schools	56,598,648	2,758,185	(554,669)	58,802,164
Total instruction	<u>179,467,130</u>	<u>8,343,365</u>	<u>(1,107,293)</u>	<u>186,703,202</u>
General and school administration and business services	7,406,178	481,695	(24,102)	7,863,771
Plant services	4,495,724	—	—	4,495,724
Food services	886,113	56,936	—	943,049
Student transportation services	19,464,720	1,209,965	(73,476)	20,601,209
Construction in progress	6,805,421	7,274,884	(6,286,674)	7,793,631
Total general fixed assets	\$ <u><u>218,525,286</u></u>	<u><u>17,366,845</u></u>	<u><u>(7,491,545)</u></u>	<u><u>228,400,586</u></u>

See accompanying independent auditors' report.

STATISTICAL SECTION

Table 1

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

General Expenditures by Function – All Governmental Fund Types
Fiscal years ended June 30, 1994 through June 30, 2003

	1994	1995 (1)	1996	1997	1998	1999	2000	2001	2002	2003
Current expenditures:										
Instruction services	\$ 131,995,095	—	—	—	—	—	—	—	—	—
Instruction related services	7,939,057	—	—	—	—	—	—	—	—	—
General and school administration	21,694,204	—	—	—	—	—	—	—	—	—
Instruction	—	152,961,837	157,723,662	165,679,871	184,458,437	192,861,570	201,556,711	208,333,990	227,915,539	234,828,148
General administration	—	3,034,528	3,167,043	3,362,269	3,859,541	4,243,153	4,011,404	3,778,232	3,971,566	4,136,128
School administration	—	12,732,202	13,014,421	13,635,540	15,582,095	16,693,938	17,439,706	19,239,869	19,205,481	19,591,886
Business services	—	2,177,442	2,088,666	2,313,755	2,570,944	2,817,135	2,861,329	2,995,671	3,093,165	3,215,763
Plant services	19,262,686	20,057,853	21,293,871	22,212,203	24,117,576	25,162,656	25,477,804	28,425,497	27,515,139	29,708,603
Student transportation services	10,293,354	11,351,140	11,832,551	11,628,103	12,325,973	14,323,565	15,027,026	15,967,050	15,997,783	16,284,677
Central services	—	2,458,376	2,387,158	2,584,174	2,825,728	3,077,118	3,509,363	3,693,121	3,910,160	4,249,518
Food service	15,788,136	16,839,168	17,166,085	17,242,420	17,801,714	18,368,550	17,559,728	18,074,453	18,421,796	18,822,847
Community services	—	448,147	501,182	616,654	776,983	709,927	603,539	583,540	647,309	711,806
Ancillary services	740,822	—	—	—	—	—	—	—	—	—
Capital outlay	8,045,001	5,981,516	6,243,739	8,490,168	7,261,864	15,669,869	25,494,276	17,998,616	14,510,383	15,465,477
Debt service:										
Principal retired	1,999,634	2,176,118	2,364,685	2,525,000	2,705,000	3,445,000	3,635,000	4,170,000	4,828,636	5,659,545
Interest and bank charges	1,804,138	1,932,767	1,604,838	1,471,160	1,292,362	1,847,018	2,020,810	2,722,016	3,114,765	2,758,542
Total expenditures	\$ <u>219,562,127</u>	<u>232,151,094</u>	<u>239,387,901</u>	<u>251,761,317</u>	<u>275,578,217</u>	<u>299,219,499</u>	<u>319,196,696</u>	<u>325,982,055</u>	<u>343,131,722</u>	<u>355,432,940</u>

Notes:

(1) In 1995, the School Board revised the functions presented in its financial statements.

Unaudited – see accompanying independent auditors' report.

Table 2

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana
General Revenues by Source – All Governmental Fund Types
Fiscal years ended June 30, 1994 through June 30, 2003

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Local sources:										
Ad valorem taxes	\$ 35,666,540	36,522,449	36,854,624	39,270,971	63,117,118	64,261,146	65,310,879	69,554,664	70,968,492	72,488,174
Sales taxes	38,540,607	40,662,972	42,744,467	42,396,962	44,192,340	46,208,702	49,164,115	52,081,049	51,154,258	53,014,154
Investment earnings	1,397,450	1,953,308	2,603,076	2,380,121	2,971,737	3,704,850	3,984,398	4,509,545	2,348,840	1,240,852
Food sales	2,624,549	3,237,809	2,450,474	2,363,957	2,319,329	2,297,908	2,472,001	2,501,320	2,403,192	2,344,564
Rent and royalties	105,383	108,547	232,594	282,877	—	—	—	—	—	—
Other	174,384	182,851	967,465	1,306,183	1,346,075	1,691,855	1,239,643	2,236,238	3,289,753	3,463,013
Tuition	399,984	453,775	388,575	435,805	—	—	—	—	—	—
Total revenues from local sources	<u>78,908,897</u>	<u>83,121,711</u>	<u>86,241,275</u>	<u>88,436,876</u>	<u>113,946,599</u>	<u>118,164,461</u>	<u>122,171,036</u>	<u>130,882,816</u>	<u>130,164,535</u>	<u>132,550,757</u>
State sources:										
Equalization	110,088,516	113,226,930	116,820,911	122,551,245	131,768,333	139,545,515	146,639,831	150,273,415	156,073,827	163,569,443
Revenue sharing	2,553,731	2,147,076	2,117,706	2,377,754	2,003,929	2,347,795	2,308,824	2,290,553	2,309,912	1,769,822
Professional improvement program	2,698,461	2,432,434	2,301,800	2,138,546	2,412,335	1,811,769	1,669,837	1,492,775	1,592,215	1,227,628
Other	1,553,295	5,891,789	1,981,476	2,292,064	4,368,915	6,247,895	4,290,296	4,875,299	5,290,518	6,889,729
Total from state sources	<u>116,894,003</u>	<u>123,698,229</u>	<u>123,221,893</u>	<u>129,359,609</u>	<u>140,553,512</u>	<u>149,952,974</u>	<u>154,908,788</u>	<u>158,932,042</u>	<u>165,266,472</u>	<u>173,456,622</u>
Revenues from federal sources	<u>26,360,735</u>	<u>26,643,830</u>	<u>27,964,606</u>	<u>29,319,793</u>	<u>29,918,929</u>	<u>29,055,190</u>	<u>30,932,088</u>	<u>32,151,335</u>	<u>36,173,207</u>	<u>41,375,694</u>
Total revenues	<u>\$ 222,163,635</u>	<u>233,463,770</u>	<u>237,427,774</u>	<u>247,116,278</u>	<u>284,419,040</u>	<u>297,172,625</u>	<u>308,011,912</u>	<u>321,966,193</u>	<u>331,604,214</u>	<u>347,383,073</u>

Unaudited – see accompanying independent auditors' report.

Table 3**CADDO PARISH SCHOOL BOARD**

Shreveport, Louisiana

Property Tax Levies and Collections (1)

Fiscal years ended June 30, 1994 through June 30, 2003

Fiscal Year	Total School Board Tax Assessment	Current Tax Collections	Percent of Tax Levy Collected	Delinquent Taxes Collected		Total Taxes, Interest, and Penalty Collected	Total Collections As a Percent of Current Tax Levy
				Taxes	Interest and Penalty		
1993-94	\$ 36,630,049	34,776,000	94.94%	\$ 732,425	158,115	35,666,540	97.37%
1994-95	37,720,491	35,645,788	94.50%	875,581	154,935	36,676,304	97.23%
1995-96	37,640,523	35,269,842	93.70%	530,401	160,469	35,960,712	95.54%
1996-97	38,451,509	37,353,822	97.15%	1,397,855	178,185	38,929,862	101.24%
1997-98	64,868,735	62,493,042	96.34%	490,209	133,867	63,117,118	97.30%
1998-99	65,806,520	62,736,420	95.33%	1,089,800	434,926	64,261,146	97.65%
1999-00	67,072,869	63,681,612	94.94%	1,232,901	396,366	65,310,879	97.37%
2000-01	71,757,465	66,506,769	92.68%	2,710,151	545,889	69,762,809	97.22%
2001-02	73,467,609	68,664,028	93.46%	991,203	228,960	69,884,191	95.12%
2002-03	74,564,825	70,987,096	95.20%	1,579,035	369,589	72,935,720	97.82%

Notes:

(1) Caddo Parish Tax Assessor

Unaudited – see accompanying independent auditors' report.

Table 4

CADDO PARISH SCHOOL BOARD
 Shreveport, Louisiana
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Calendar Years

Year	Assessed Value	Estimated Actual Value	Ratio of Assessed Value to Estimated Actual Value
1993	\$ 665,210,220	7,135,332,740	9.3%
1994	686,076,600	8,369,991,047	8.2%
1995	689,261,910	7,442,626,700	9.3%
1996	721,281,360	7,737,226,608	9.3%
1997	762,443,990	8,082,437,653	9.4%
1998	778,959,750	8,248,621,700	9.4%
1999	798,676,700	8,426,004,120	9.5%
2000	837,994,450	8,565,975,470	9.8%
2001	853,976,630	8,996,067,070	9.5%
2002	854,415,330	9,133,518,990	9.4%

Notes:

- (1) Information provided by Caddo Parish Tax Assessor.
- (2) Assessed values are established by the Caddo Parish Tax Assessor on January 1st of each year at approximately 10-25% of actual market value, depending upon the property classification. A revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the tax roll of 2000. Assessed values in this table are net of the homestead exemption.

Unaudited – see accompanying independent auditors' report.

Table 5

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Property Tax Rates and Tax Levies – Direct and Overlapping Governments (1)

Last Ten Calendar Years

Year	Tax Rates Per \$1,000 of Assessed Value (2)					Tax Levies (2)				
	Commission	Parishwide	Sheriff	City of	Total	Commission	Parishwide	Sheriff	City of	Total
		Schools		Shreveport			Schools		Shreveport	
				(3)					(3)	
1993	42.53	55.68	14.94	51.34	164.49	\$ 27,466,995	36,630,049	9,828,537	36,402,501	110,328,082
1994	38.72	54.98	14.94	51.34	159.98	25,711,970	37,720,491	10,249,984	37,825,061	111,507,506
1995	38.22	54.58	14.94	51.34	159.08	26,786,404	37,640,523	10,303,214	39,316,657	114,046,798
1996	41.90	53.31	14.94	51.63	161.78	30,349,226	38,451,509	10,775,943	40,902,242	120,478,920
1997	41.87	85.08	14.94	51.63	193.52	31,501,056	64,868,735	11,390,913	42,905,989	150,666,693
1998	41.17	84.48	14.94	51.63	192.22	32,516,749	65,806,520	11,637,659	44,133,525	154,094,453
1999	41.17	83.98	14.94	51.63	191.72	33,358,712	67,072,869	11,932,230	44,113,404	156,477,215
2000	41.17	85.63	14.94	51.30	193.04	33,129,471	71,757,465	12,519,637	45,926,818	163,333,391
2001	40.16	86.03	14.94	51.30	192.43	34,935,138	73,467,609	12,758,410	48,082,314	169,243,471
2002	40.40	87.27	14.94	51.30	193.91	34,518,379	74,564,825	12,764,965	46,941,000	168,789,169

Notes:

(1) Includes parishwide overlapping levels and levy of the largest municipality which overlaps approximately 75.5% of the total parish assessment. There are other small municipalities and taxing districts currently levying ad valorem taxes within the parish.

(2) Caddo Parish Tax Assessor

(3) Rates for taxpayers within the City of Shreveport and the Town of Vivian.

Unaudited – see accompanying independent auditors' report.

Table 6

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita
Fiscal years ended June 30, 1994 through June 30, 2003

Assessment Year	Fiscal Year Ended June 30,	Caddo Parish Population (1)	Assessed Value (2)	Gross Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1993	1994	246,597	\$ 920,598,630	33,810,000	1,974,480	31,835,520	3.46%	\$ 129
1994	1995	246,435	942,377,110	31,655,000	1,770,290	29,884,710	3.17%	121
1995	1996	246,706	948,851,270	29,315,000	1,340,938	27,974,062	2.95%	113
1996	1997	246,363	988,098,350	26,790,000	1,098,579	25,691,421	2.60%	104
1997	1998	244,943	1,032,835,570	24,085,000	2,483,213	21,601,787	2.09%	88
1998	1999	241,587	1,053,910,790	40,640,000	2,295,917	38,344,083	3.64%	159
1999	2000	240,846	1,077,027,570	57,005,000	1,457,152	55,547,848	5.16%	231
2000	2001	252,161	1,131,885,010	60,835,000	2,036,003	58,798,997	5.19%	233
2001	2002	251,957	1,148,501,080	56,070,000	1,818,230	54,251,770	4.72%	215
2002	2003	253,474	1,151,282,410	50,875,000	1,446,314	49,428,686	4.29%	195

Notes:

- (1) Amounts provided by the Research Division of Louisiana Tech University, Ruston, Louisiana, except 1997 which was obtained from the Louisiana Electronic Assistance Program website.
- (2) Assessed value is the total assessed valuation of all property located in Caddo Parish as approved by Caddo Parish Tax Assessor and is presented before deducting the homestead exemption. Revaluations are reflected in years 1996 and 2000.

Unaudited – see accompanying independent auditors' report.

Table 7

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana
Schedule of Direct and Overlapping Debt (1)
June 30, 2003

<u>Direct Debt</u>	<u>Gross Debt</u>	<u>Exclusions (2)</u>	<u>Amount Available Debt Service Fund</u>	<u>Net Debt</u>	<u>Percentage of Debt Applicable to the School Board (3)</u>	<u>School Board's Share of Debt (4)</u>
Caddo Parish School Board	\$ 50,875,000	—	1,446,314	49,428,686	100%	\$ 49,428,686
<u>Overlapping Debt</u>						
Caddo Parish Commission (5)	13,035,000	—	2,151,551	10,883,449	100%	10,883,449
City of Shreveport (5)	356,897,889	4,813,369	37,297,993	314,786,527	75.5%	237,663,828
Total overlapping debt	369,932,889	4,813,369	39,449,544	325,669,976		248,547,277
Total direct and overlapping debt	\$ 420,807,889	4,813,369	40,895,858	375,098,662		\$ 297,975,963

Notes:

- (1) Various taxing districts exist within Caddo Parish that involve a small percentage of Parish taxpayers. These districts' debt is not included.
- (2) Exclusions represent general obligation bonds and notes issued for enterprise fund purposes which are payable from those funds.
- (3) Based on 2000 assessed valuation.
- (4) This represents the debt of all the constituents who reside within Caddo Parish.
- (5) Financial information extracted from Annual Financial Report of respective governments.

Unaudited – see accompanying independent auditors' report.

Table 8

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Computation of Legal Debt Margin for General Obligation Bonds

June 30, 2003

Assessed value (1)		\$ 1,151,282,410
Debt limit thirty-five (35%) of assessed value*		402,948,844
Amount of debt applicable to debt limit:		
Total general bonded debt	\$ 50,875,000	
Less: Assets in debt service fund	<u>1,446,314</u>	
Total amount of debt applicable to debt limit		<u>49,428,686</u>
Legal debt margin		<u>\$ 353,520,158</u>

*This percentage is in accordance with Act 103 of 1980 Regular Session of the Louisiana Legislature R.S.39:562(c).

Notes:

(1) Caddo Parish Tax Assessor

Unaudited – see accompanying independent auditors' report.

Table 9

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

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

Fiscal years ended June 30, 1994 through June 30, 2003

Year Ended June 30,	Principal (1)	Interest and Fiscal Charges (1)	Total Debt Service	Total General Expenditures (2)	Ratio of Debt Service to General Expenditures
1994	\$ 1,980,000	1,677,996	3,657,996	219,562,127	1.67%
1995	2,155,000	1,805,560	3,960,560	232,441,639	1.70%
1996	2,340,000	1,603,775	3,943,775	239,387,901	1.65%
1997	2,525,000	1,471,160	3,996,160	251,761,317	1.59%
1998	2,705,000	1,292,362	3,997,362	275,578,217	1.45%
1999	3,445,000	1,847,018	5,292,018	299,219,499	1.77%
2000	3,635,000	2,020,810	5,655,810	319,196,696	1.77%
2001	4,170,000	2,722,016	6,892,016	325,982,055	2.11%
2002	4,828,636	3,114,765	7,943,401	343,131,722	2.31%
2003	5,405,000	2,758,542	8,163,542	355,432,940	2.30%

Notes:

(1) Includes debt service on general obligation bonds, certificates of indebtedness, and sales tax bonds.

(2) Includes general expenditures for all funds.

Unaudited – see accompanying independent auditors' report.

Table 10

CADDO PARISH SCHOOL BOARD
 Shreveport, Louisiana
 Demographic Statistics
 Last Ten Calendar Years

Calendar Year	Population (1)	School Enrollment (2)	Average Daily Membership (3)	Unemployment Rate (1)
1993	246,597	47,988	48,589	7.1%
1994	246,435	48,658	48,062	7.9%
1995	246,706	49,915	49,000	7.1%
1996	246,363	49,603	48,742	6.0%
1997	244,943	48,628	47,977	6.9%
1998	241,587	47,649	46,804	6.5%
1999	240,846	45,524	45,992	4.6%
2000	252,161	44,603	44,885	4.7%
2001	251,957	41,781	42,168	6.4%
2002	253,474	44,316	44,414	7.3%

Notes:

- (1) Research Division, Louisiana Tech University.
- (2) Represents the number of active students at the end of each school year.
- (3) Represents the daily average number of active students for the school year.

Unaudited – see accompanying independent auditors' report.

Table 11

CADDO PARISH SCHOOL BOARD
 Shreveport, Louisiana
 Property Value, Construction, and Bank Deposits
 Last Ten Calendar Years

Year	Property Value (1)				Commercial Construction (2)		Residential Construction (2)		Bank Deposits (3)
	Commercial	Residential	Exemptions	Total	Number of Units	Value	Number of Units	Value	
1993	\$ 5,689,477,600	2,295,386,000	255,388,410	7,729,475,190	42	\$ 24,776,625	178	\$ 23,803,536	2,287,927
1994	5,665,316,900	2,505,636,061	256,300,510	7,914,652,451	64	28,406,873	233	33,893,896	2,262,514
1995	3,453,827,400	3,988,799,300	259,589,360	7,183,037,340	78	25,900,000	248	34,000,000	2,332,600
1996	3,624,480,008	4,112,746,600	266,816,990	7,470,409,618	72	42,500,000	276	37,700,000	2,337,091
1997	3,521,617,020	4,183,721,600	270,391,580	7,434,947,040	114	119,400,000	236	37,800,000	N/A
1998	3,589,643,600	4,323,258,400	274,951,040	7,637,950,960	130	110,100,000	258	40,200,000	N/A
1999	3,679,948,120	4,457,754,800	278,350,870	7,859,352,050	121	165,382,120	357	49,790,002	N/A
2000	3,903,654,870	4,662,330,600	292,114,080	8,273,871,390	102	64,600,000	330	55,400,002	N/A
2001	3,907,612,270	4,733,930,360	294,524,450	8,347,018,180	93	42,421,144	367	58,101,656	N/A
2002	3,806,879,990	5,031,804,940	294,834,060	8,543,850,870	83	72,230,508	428	78,536,515	N/A

Notes:

- (1) Caddo Parish Tax Assessor
- (2) Shreveport Chamber of Commerce
- (3) Northeast Louisiana University for Business & Economic Research

Unaudited – see accompanying independent auditors' report.

Table 12

CADDO PARISH SCHOOL BOARD
 Shreveport, Louisiana
 Principal Taxpayers
 June 30, 2003

<u>Name</u>	<u>Industry</u>	<u>Assessed Value</u>	<u>Percentage of Total Assessed Valuation</u>
Southwestern Electric Power Company	Public Utility	\$ 54,597,910	4.74%
Bell South	Public Utility	29,773,400	2.59%
Harrah's	Gaming	19,098,020	1.66%
General Motors	Manufacturing – Vehicles	18,432,870	1.60%
Hibernia Bank	Financial Institution	12,771,830	1.11%
Am South Bank	Financial Institution	11,845,910	1.03%
Casino Magic	Gaming	9,327,570	0.81%
Bank One	Financial Institution	8,858,766	0.77%
Wal-Mart	Retail	8,649,530	0.75%
Universal Oil Products	Refinery	8,040,360	0.70%
Total for ten principal taxpayers		181,396,166	15.76%
Total for remaining taxpayers		969,886,244	84.24%
Total for all taxpayers		\$ <u>1,151,282,410</u>	<u>100.00%</u>

Notes:

(1) Caddo Parish Tax Assessor

Unaudited – see accompanying independent auditors' report.

Table 13

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Attendance Data

Fiscal Years Ended June 30, 1994 through June 30, 2003

Fiscal Year	Number of Graduates	Average Daily Membership (1)	Average Daily Attendance		
			Amount (2)	Percent Change	Percent of Membership
1994	2,204	48,589	45,079	2.00%	92.78%
1995	2,114	48,062	44,614	-1.03%	92.83%
1996	2,252	49,000	45,443	1.86%	92.74%
1997	2,294	48,742	45,486	0.09%	93.32%
1998	2,339	47,997	44,703	-1.72%	93.14%
1999	2,118	46,804	43,741	-2.15%	93.46%
2000	2,152	45,992	43,057	-1.56%	93.62%
2001	2,103	44,885	42,026	-2.39%	93.63%
2002	2,068	42,168	39,429	-6.18%	93.50%
2003	1,919	44,414	41,387	4.97%	93.18%

Notes:

(1) Represents the daily average number of active students for the school year.

(2) Represents the daily average number of students in attendance for the school year.

Unaudited – see accompanying independent auditors' report.

Table 14

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Schedule of Insurance in Force

June 30, 2003

Type of Coverage/ Name of Company	Policy Number	Policy Period		Details of Coverage and Coinsurance	Coverage Limits	Premium
		From	To			
Property damage general liability and automobile liability Coregis Insurance Co.	651-010224	09/01/02	09/01/03	All property, employees & vehicles \$500,000 deductible	\$ 1,000,000	991,391
Property loss and property damage liability Hartford Steam Boiler Insurance Co.	FBPHN0956038	07/01/02	07/01/03	Boilers and electric motors \$10,000 deductible	5,000,000	26,200
Superintendent's bond Travelers Casualty & Surety Co.	395103289164 BCM	01/01/03	01/01/06	Ollie Tyler No deductible	100,000	875
Notary bond Travelers Casualty & Surety Co.	1720959	10/01/01	10/01/05	Joy Day No deductible	5,000	110

Notes:

(1) Insurance files maintained by Director of Risk Management of the Caddo Parish School Board.

Unaudited – see accompanying independent auditors' report.

Table 15

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Miscellaneous Statistical Data

June 30, 2003

Form of Government: Parish School Board

Geographic Area: 891 Square Miles

Instruction Sites:

	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
High Schools:			
C.E. Byrd	1926	246,347	20.56
Caddo Magnet	1964	111,618	26.50
Captain Shreve	1967	193,488	58.00
Fair Park	1928	158,575	23.00
Green Oaks	1971	157,000	52.64
Hamilton Terrace Adult Learning Center	1925	71,000	8.00
Huntington	1973	227,301	43.00
North Caddo	1954	81,794	40.00
Northwood	1970	147,486	63.20
Southwood	1970	195,503	60.00
Booker T. Washington	1950	145,366	33.00
Woodlawn	1960	176,858	53.00
		1,912,336	480.90
Middle Schools:			
Bethune	1961	107,252	20.00
Donnie Bickham	1989	152,284	32.38
Broadmoor Middle Lab	1949	88,586	16.00
Caddo Middle Magnet	1965	106,880	20.00
J.S. Clark	1958	104,080	30.00
Hollywood	1955	66,103	10.00
Linear	1961	79,263	25.00
Linwood	1949	85,912	17.62
Ridgewood	1965	83,415	19.98
Youree Drive	1959	97,304	26.25
		971,079	217.23

Table 15

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Miscellaneous Statistical Data

June 30, 2003

	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
Middle Schools (continued):			
Herndon	1956	74,106	80.00
Keithville	1989	161,630	32.50
Oil City	1923	33,071	4.72
Turner	1984	160,000	17.00
Vivian	1923	93,334	9.00
Walnut Hill	1956	104,555	77.58
		<hr/> 626,696	<hr/> 220.80
Elementary Schools:			
Arthur Circle	1955	30,802	12.77
Atkins	1935	52,572	13.00
Barret	1916	33,500	4.00
Blanchard	1948	62,460	10.00
Caddo Heights	1949	73,475	15.00
Central	1917	51,136	2.95
Cherokee Park	1966	44,142	8.50
Claiborne Fundamental Magnet	1923	45,192	5.00
Creswell	1920	50,328	4.00
Eden Gardens Fundamental Magnet	1967	44,496	6.50
Eighty-First Street ECE	1954	35,452	12.60
Fairfield	1924	32,600	9.00
Forest Hill	1964	59,770	12.40
George P. Hendrix	1916	30,540	2.50
Hillsdale	1960	43,850	12.00
Hosston	1931	29,623	9.02
Ingersoll	1956	57,100	11.69
Judson Fundamental Magnet	1954	32,284	12.00
Lakeshore	1949	94,561	18.00
Laurel Street ECE	1905	36,136	3.00
Midway	1931	63,028	15.09
Mooretown ECE	1954	54,000	10.00
Mooringsport	1911	43,868	4.00
North Highlands	1957	42,802	10.00
		<hr/> 1,143,717	<hr/> 223.02

Table 15

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Miscellaneous Statistical Data

June 30, 2003

	<u>Constructed</u>	<u>Capacity/Sq. Ft.</u>	<u>Acreage</u>
Elementary Schools (continued):			
Northside	1955	38,193	12.00
Oak Park	1958	40,000	10.00
Pine Grove	1963	49,840	10.00
Pine Valley	1956	30,802	13.15
Queensborough	1924	56,000	5.00
Riverside	1957	35,223	9.44
Rodessa	1938	33,433	5.00
Shreve Island	1955	40,100	10.45
Newton Smith	1960	32,295	12.00
South Highlands Magnet	1922	48,352	5.40
Southern Hills	1959	65,014	10.00
A.C. Steere	1929	22,592	13.00
E.B. Williams Stoner Hill Lab	1954	34,587	14.44
Summerfield	1967	51,850	15.46
Summer Grove	1954	39,535	12.00
Sunset Acres	1954	40,969	10.73
Jack P. Timmons	1956	33,795	10.08
University	1969	62,769	15.34
Werner Park	1942	64,723	8.30
West Shreveport	1926	63,943	5.00
Westwood	1960	25,295	10.00
		<u>909,310</u>	<u>216.79</u>
Other Instruction Sites:			
Alexander Special Education	1912	30,000	3.73
Caddo Career Center	1956	103,868	18.15
Caddo School for Exceptional Children	1956	13,450	2.10
School Nurse/Book Processing	1975	11,338	3.60
Special Education Center	1982	48,120	6.00
Oak Terrace Special Education	1959	66,200	18.00
		<u>272,976</u>	<u>51.58</u>
Total Overall Instruction Sites		<u>5,836,114</u>	<u>1,410.32</u>

Unaudited – see accompanying independent auditors' report.

Table 16

CADDO PARISH SCHOOL BOARD
 Shreveport, Louisiana
 Schedule of Compensation Paid to Board Members
 Year ended June 30, 2003

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the General Fund and represents the amounts paid for the year ended June 30, 2003 and the office held at that time. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month, the vice-presidents receives \$850 per month, and the president receives \$900 per month for performing the duties of office. The extra \$50 and \$100 per month for the vice-presidents and the president is paid to each only in the event each attends the monthly executive committee meeting.

Willie Burton, President	\$ 10,500
Larry Ramsey, 1 st Vice-President**	5,050
Phillip Guin, 2 nd Vice-President	10,450
Ginger Armstrong	9,900
Jerry Tim Brooks	9,600
Pam Byrd** (resigned August 8, 2003)	4,800
Charlotte Crawley**	4,800
Eursla D. Hardy	9,600
Willie Henderson**	4,800
Miles Hitchcock*	4,800
Lola May**	4,800
Mark Milam*	4,800
Alvin Mims	9,600
Mike Powell	9,600
Mildred Pugh*	4,800
Michael Thibodeaux*	4,800
Wanda Wright*	4,800
Total	\$ <u>117,500</u>

* Term expired December 31, 2002

** Term began January 1, 2003

Unaudited – see accompanying independent auditors' report.



CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Schedule of Expenditures of Federal Awards
(Single Audit)

Year ended June 30, 2003

(With Independent Auditors' Reports Thereon)



CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

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333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

**Independent Auditors' Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Members of the Caddo Parish School Board
Shreveport, Louisiana:

We have audited the financial statements of the Caddo Parish School Board (School Board) as of and for the year ended June 30, 2003, and have issued our report thereon dated September 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 03-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the School Board in a separate letter dated September 12, 2003.



This report is solely for the information and use of management, members of the Caddo Parish School Board, the State of Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

September 12, 2003



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

**Independent Auditors' Report on Compliance With Requirements Applicable to Each
Major Program and on Internal Control Over Compliance in Accordance With
OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards**

Members of the Caddo Parish School Board
Shreveport, Louisiana:

Compliance

We have audited the compliance of the Caddo Parish School Board (School Board) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 of the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 03-2, 03-3, and 03-4.



Internal Control Over Compliance

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

We noted certain matters involving internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control over compliance that, in our judgment, could adversely affect the School Board's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 03-2, 03-3, and 03-4.

A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of internal control over compliance would not necessarily disclose all matters in 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 that none of the reportable conditions described above is a material weakness. We did note other matters involving the internal control over financial reporting, which we have reported to management of the School Board in a separate letter dated September 12, 2003.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the School Board as of and for the year ended June 30, 2003, and have issued our report thereon dated September 12, 2003. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, members of the Caddo Parish School Board, the State of Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

September 12, 2003

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
Year ended June 30, 2003

<u>Grant title</u>	<u>Federal CFDA number</u>	<u>Grant number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through Ender York, Inc. of Herdon, Virginia:			
Food Distribution (Cash in lieu of Commodities)	10.550	N/A	\$ 916,383
Passed through Louisiana Department of Education –			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	2,333,957
National School Lunch Program	10.555	N/A	8,111,284
Summer Food Program for Children	10.559	N/A	376,924
			<u>10,822,165</u>
Total U.S. Department of Agriculture			<u>11,738,548</u>
U.S. Department of Education			
Passed through Louisiana Department of Education:			
Adult Education:			
State Grant Program	84.002	0344-09	168,503
Federal Basic	84.002	0344-09-F	252,754
		0244-09-C	430
		0144-09-C	13,213
Correctional Facility	84.002	0344-09-C	87,921
One Stop Centers	84.002	0313-09	4,490
		0213-09	580
			<u>527,891</u>
Title I Grants to Local Educational Agencies	84.010	03-T1-09	11,074,008
		02-T1-09 c/o	2,807,705
		01-T1-09-1 c/o	1,168,864
			<u>15,050,577</u>
Special Education Cluster:			
Grants to States (Part B)	84.027	03-B1-09	4,383,647
		02-B1-09-S c/o	1,354,857
		01-B1-09-S	7,392
Preschool Grants	84.173	03-P1-09	205,190
		02-P1-09	110,890
		01-P1-09 c/o	3,250
			<u>6,065,226</u>
Special Education – Grants to States (Part C)	84.181	03-C5-09	18,385
Vocational Education:			
Basic Grants to States	84.048	0302-09	649,950
		0202-09-C	17,117
Tech-Prep Education	84.243	SB09/02-03TP	159,356
			<u>826,423</u>

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
Year ended June 30, 2003

<u>Grant title</u>	<u>Federal CFDA number</u>	<u>Grant number</u>	<u>Expenditures</u>
U.S. Department of Education, continued			
Title II (Eisenhower Professional Development)	84.367	03-50-09	\$ 1,875,037
Title II (Eisenhower Professional Development)	84.281	02-50-09	57,710
		02-50-09 c/o	91,820
		01-50-09 c/o	2,549
Title II LINC	84.367	03LC-09	2,278
			<u>2,029,394</u>
Title IV (Safe and Drug-Free Schools – State Grant)	84.186	03-70-09	215,118
		02-70-09	14,895
		01-70-09-D c/o	1,324
Title V Innovative Education Program	84.298	03-80-09	99,104
Innovative Education Program Strategies – Title VI	84.298	02-00-09	20,949
		02-00-09 c/o	17,036
			<u>368,426</u>
Class Size Reduction Program – Title VI	84.340	02-01-09	52,852
		02-01-09 c/o	801,887
			<u>854,739</u>
Education for Homeless Children and Youth (McKinney Homeless Assistance)	84.196	03-H1-09	69,895
		02-H1-09 & 01-H1-09-C	4,503
			<u>74,398</u>
Reading Excellence Act – Local Reading Improvement Supplement Carryover	84.338	00-R1-09-C	36,450
Host at Barret and Linwood Carryover	84.332	02-T4-09-C	73,061
Comprehensive School Reform Program (CSRP) Carryover	84.332	02-T6-09-C	268,934
Comprehensive School Reform Program (CSRP) at Woodlawn Carryover	84.332	02-T7-09-C	42,811
Comprehensive School Reform Demonstration (CSR D) Cohort 2 Carryover	84.332	01-T4-09-C	30,982
Comprehensive School Reform Demonstration (CSR D) Cohort 1 Carryover	84.332	01-T2-09-C	10,384
Comprehensive School Reform Demonstration (CSR D) Fund for the Improvement in Education Carryover	84.332	01-T3-09-C	1,559
			<u>427,731</u>
Technology Literacy Challenge Grant	84.318	0349-09	45,690
LEARN Local Improvement	84.276	2801-L1-09-C	76,683
Even Start	84.213	02-F1-09	40,558
		01-F1-09-C	5,688
			<u>46,246</u>
Total U.S. Department of Education			<u>26,448,259</u>

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana
Schedule of Expenditures of Federal Awards
Year ended June 30, 2003

<u>Grant title</u>	<u>Federal CFDA number</u>	<u>Grant number</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services			
Passed through the Louisiana Department of Education:			
TANF – Pre-GED/Skills Option Program	93.558	03-36-09	\$ 326,728
		02-00-09	1,105,215
TANF – Starting Points	93.558	0338-09	146,800
TANF – Family Math & Science Nights	93.558	03MS-09	56,823
TANF – MORE in the Middle	93.558	59-05-01	14,716
			<u>1,650,282</u>
Title XIX	93.778	N/A	255,924
Passed through the Office of Family Support			
Family Support Act – Project Independence	93.781	CFMS #583887	<u>221,197</u>
Total U.S. Department of Health and Human Services			<u>2,127,403</u>
U.S. Department of Labor			
Passed through the City of Shreveport – Workforce			
Investment Act	17.255	K2006	74,296
		K1006	<u>33,104</u>
Total U.S. Department of Labor			<u>107,400</u>
U.S. Department of Defense Direct Programs			
Department of the Army – ROTC	N/A	N/A	912,625
Corporation for National & Community Service			
Passed through the Louisiana Department of Education			
Learn & Serve America	94.004	LSPLA-201	37,858
Department of Housing and Urban Development			
Continuum of Care – Homeless Education Enhancement			
Program	14.235	LA48B902004	89,327
Other Cash Federal Awards			
Payments in Lieu of Taxes	N/A	N/A	<u>32,424</u>
Total expenditures			<u>\$ 41,493,844</u>

See accompanying notes to schedule of expenditures of federal awards.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2003

(1) General

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Caddo Parish School Board and is presented on the modified 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Subrecipients

Of the federal expenditures presented in the schedule, the Caddo Parish School Board provided federal awards to subrecipients as follows:

Program title	Federal CFDA number	Amount provided to subrecipients
Vocational Education (Tech Prep Education)	84.243	\$ 48,775

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

Section 1 – Summary of Auditors’ Results

Financial Statements

Type of report issued: unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Reportable condition(s) identified that are not considered to be material weakness(es)? Yes

Type of auditor’s report issued on compliance for major programs: unqualified opinion

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes

Identification of major programs:

<u>CFDA number</u>	<u>Name of federal program or cluster</u>
84.010	U.S. Department of Education – Title I
84.367	U.S. Department of Education – Title II
93.558	U.S. Department of Health and Human Services – Temporary Assistance for Needy Families
84.027 and 84.173	U.S. Department of Education – Special Education Program (IDEA Part B and Preschool Grant)

Dollar threshold used to distinguish between Type A and Type B programs: \$1,244,815

Auditee qualified as a low-risk auditee? Yes

Section 2 – Financial Statement Findings

Item: 03-1

Entity-wide or program / department specific: This comment applies to the Special Revenue Funds.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

Criteria or specific requirement: Louisiana R.S. 39:1305 states that each political subdivision shall cause to be prepared a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and for each special revenue fund. As part of the comprehensive budget, the chief executive or administrative officer shall include a budget document setting forth the proposed financial plan for the general fund and each special revenue fund. This should include a statement for the general fund and each special revenue fund showing the estimated fund balances at the beginning of the year, estimates of all receipts and revenues to be received; revenues itemized by source; recommended expenditures by agency, department, function, and character; or other financing sources and uses; and the estimated fund balance at the end of the fiscal year.

Also, Louisiana R.S. 39:1307 requires that political subdivisions with total proposed expenditures of \$250,000 or more from the general fund and any special revenue funds shall afford the public an opportunity to participate in the budgetary process prior to adoption of the budget. The political subdivision must publish a notice stating the proposed budget is available for public inspection and this must be published at least ten days prior to the date of the first hearing. Publication shall be in the official journal of the political subdivision.

Condition: The School Board did not, for the 2002-2003 fiscal year, include all special revenue funds in its comprehensive budget. Also, the School Board did not, for the 2002-2003 fiscal year, adopt a budget for the CEEF Special Revenue Fund. As a result, the School Board did not publish a notice for the proposed budgets for the special revenue funds in the official journal of the School Board. The School Board has implemented a policy of placing special revenue funds in its comprehensive budget for the 2003-2004 school year and, as a result, will publish a notice for the proposed budgets for the special revenue funds in the official journal of the School Board.

Context: Total expenditures for the special revenue funds total \$52,513,401.

Effect: The School Board was not in compliance with state statutes.

Cause: The School Board's practice has been to adopt budgets for special revenue funds on an individual fund basis instead as part of the consolidated budget, except for the CEEF special revenue fund mentioned above. Therefore, notice of some special revenue fund budgets were not advertised in the official journal.

Recommendation: The School Board should include all special revenue funds in the annual comprehensive budget adoption process, which would cause all funds to be available for public inspection.

Section 3 – Federal Award Findings and Questioned Costs

Item: 03-2

Grant: Title I

CFDA number: 84.010

Criteria or specific requirement: Special Tests and Provisions – Comparability

Condition: The School Board may receive funds under Title I only if state and local funds will be used in participating schools to provide services that, taken as a whole, are at least comparable to services that the Local Educational Agency (LEA) is providing in schools not receiving Title I funds. In order to determine

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

comparability among schools, the secretary of the Title I Department prepares a schedule that compares the average number of students per instructional staff or the average staff salary per student in each school receiving Title I with those schools that do not receive Title I.

During testwork of this analysis, KPMG noted that there were three schools on the analysis that were determined to be “not comparable” and there were no follow-up procedures performed by the Title I Department to resolve the issue. Also, KPMG noted that someone other than the preparer did not formally review the analysis mentioned above for accuracy.

Context: To the extent Title I funds were utilized for the schools in question, those costs were subject to testing for allowability.

Questioned costs: N/A

Effect: The School Board was not in compliance with the comparability requirements of the Title I program.

Cause: Proper review and follow-up procedures of the comparability analysis were not performed by the Title I Department.

Recommendation: Title I requirements state that a local education agency (i.e. the School Board) is considered to have met the statutory comparability requirements if it has implemented the following:

- (1) an LEA-wide salary schedule
- (2) a policy to ensure equivalence among schools in teachers, administrators, and other staff; and
- (3) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies

Currently, the School Board has implemented items (1) and (2). By also implementing item (3), the School Board will be in compliance with Title I comparability requirements and the Title I Department would no longer have to complete the comparability analysis.

KPMG also recommends that any time a report or analysis is prepared for compliance purposes, someone at least one level above the preparer should review the report or analysis for accuracy.

Item: 03-3

Grant: Title I

CFDA number: 84.010

Specific requirement: Allowable Costs and Cost Principles

Condition: According *OMB Circular A-87 – Cost Principles for State, Local and Indian Tribal Governments*, where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications are to be prepared at least semi-annually and

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana
Schedule of Findings and Questioned Costs
Year ended June 30, 2003

should be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

Also, where employees work on more than one federal award or a federal award and a nonfederal award, a distribution of their salaries or wages must be supported by personnel activity reports or equivalent documentation. Personnel activity reports or equivalent documentation must reflect an after-the-fact distribution of the actual activity of each employee, must account for the total activity for which each employee is compensated, must be prepared at least monthly and must coincide with one or more pay periods, and must be signed by the employee. Such documentation would not be required by the School Board had a statistical sampling system or other substitute system been approved by the cognizant federal agency; yet, the School Board was not aware of any such substitute system.

During testwork, KPMG noted there was only one employee whose salary was paid from different programs. Personnel activity reports to support an after-the-fact distribution of the actual activity of the employee were only prepared for the months of January to June. None were prepared for the months of July through December.

Context: Charges to federal awards for salaries and wages should be based on proper documentation supporting such charges to the federal programs.

Questioned costs: For the one employee that did not have documentation to support an after-the-fact distribution for one half of the year, the questioned costs were determined to be \$14,856, which is one half of the employee's salary paid from Title I funds.

Effect: The School Board is not in compliance with *OMB Circular No. A-87 – Cost Principles for State, Local, and Indian Tribal Governments*.

Recommendation: The School Board should implement procedures to ensure that supporting documentation for time worked is maintained in accordance with the applicable requirements.

Item: 03-4

Grant: TANF

CFDA number: 93.558

Criteria or specific requirement: Reporting

Condition: LEA's are required to report financial information to the pass-through entity through a Project Completion Report. The Project Completion Report compares the final approved budget amounts for each expenditure category to the amounts actually disbursed for the year for each expenditure category. The total disbursement amount agrees to the sum of all reimbursement requests for the year. The School Board did not submit a project completion report for the Pre-GED program for the September 30, 2002 grant year.

Context: The project completion reports are to be submitted annually.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Schedule of Findings and Questioned Costs

Year ended June 30, 2003

Questioned costs: N/A

Effect: The School Board was not in compliance with the reporting requirements of the TANF program. Under TANF, there are four subprograms, which include Pre-GED, Starting Points, MORE in the Middle, and Adult & Family Literacy. KPMG viewed the September 30, 2002 project completion report for Starting Points due to the fact that the current year report was not required to be filed as of the date of this report. Adult & Family Literacy and MORE in the Middle are new programs and, therefore, reports were not required to be filed as of the date of this report.

Recommendation: KPMG recommends that a control be put in place to ensure that these reports are completed.



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

September 12, 2003

The Members of the Caddo Parish School Board
Shreveport, Louisiana:

We have audited the financial statements of Caddo Parish School Board (School Board) for the year ended June 30, 2003, and have issued our report thereon dated September 12, 2003. In planning and performing our audit of the financial statements of the School Board, we considered internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. An audit does not include examining the effectiveness of internal control and does not provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are summarized as follows:

FIXED ASSETS AND EQUIPMENT INVENTORY

During a review of internal audit reports, we noted certain exceptions regarding records as it relates to the comprehensive fixed asset listing. In some instances at certain schools, newly purchased fixed asset items had not been added to the fixed asset listing; items on the fixed asset listing could not be located at certain schools; and items tested at certain schools could not be located on the fixed asset listing. Also, the fixed asset records were not fully updated until year-end for purchases and disposals that occurred during the year.

The Accounting Department has made significant progress in updating its fixed asset records. Yet, in order to have better control over assets owned by the School Board, we encourage the Central Office, in conjunction with those at the school level with responsibility for fixed assets, to ensure all necessary information is maintained at the Central Office level. Also, steps should be taken to ensure the fixed asset listing is updated at least on a monthly basis throughout the year.

Management's Response: Maintenance of fixed asset records is a responsibility of personnel at all schools. In the upcoming months, the Accounting Department will conduct training sessions for school personnel on the use of our new fixed asset and inventory management software. This software is projected to meet the need for accurate and timely updating of the system's fixed assets and inventory items.



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YEAR END ACCRUALS

During our audit, we performed a search for unrecorded liabilities at June 30, 2003. During this process, we noted several amounts paid subsequent to June 30, 2003 that should have been accrued at year-end and were not. Adjusting entries were recorded to properly state the liability at June 30, 2003.

KPMG recommends that management take steps to ensure proper accruals are recorded at year-end. This can be achieved through better communication with employees, by keeping the books open for an extended period of time after year-end to capture late invoices and by performing an internal search for unrecorded liabilities by reviewing checks issued after year-end that relate to expenses incurred prior to June 30, 2003.

Management's Response: The Accounting Department will review payments made in the month following the close of the fiscal year to ensure that expenses are accrued in the prior year, if applicable.

OLD OUTSTANDING CHECKS

During our review of the School Board's payroll account bank reconciliation, we noted certain checks outstanding for periods from six months to ten years. At June 30, 2003, cash and related liabilities could be understated as these checks may never clear.

KPMG recommends that a periodic review be performed of all outstanding payroll checks at least quarterly, and a procedure implemented for dealing with these checks on a more timely basis in accordance with the state's escheat or other applicable requirements.

Management's Response: On a quarterly basis, old outstanding checks will be reviewed to determine if funds should be restored to cash or forwarded to the state's unclaimed property division.

* * * * *

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the School Board's organization gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of the members of the School Board, management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

KPMG LLP



Ollie S. Tyler
Superintendent

CADDO PARISH SCHOOL BOARD

POST OFFICE BOX 32000 • 1961 MIDWAY STREET • SHREVEPORT, LOUISIANA 71130-2000

AREA CODE 318 • TELEPHONE 603-6300 • FAX 631-5241

December 16, 2003

WILLIE D. BURTON
President
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Shreveport, LA 71107
District 3

LARRY RAMSEY
First Vice President
9006 Marlow Drive
Shreveport, LA 71118
District 10

PHILLIP R. GUIN
Second Vice President
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District 1

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District 11

JERRY TIM BROOKS
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District 7

GARD WAYT
705 Cobblestone
Shreveport, LA 71106
District 9

CHARLOTTE CRAWLEY
4741 Thornhill
Shreveport, LA 71106
District 4

EURSLA D. HARDY
106 Holcomb
Shreveport, LA 71103
District 2

WILLIE HENDERSON
3530 Twilight Lane
Shreveport, LA 71119
District 12

LOLA MAY
2828 Judson
Shreveport, LA 71109
District 5

ALVIN MIMS
633 Eden Boulevard
Shreveport, LA 71106
District 6

MIKE POWELL
108 Patton
Shreveport, LA 71105
District 8

Mr. Steven C. Gullatt, CPA
KPMG LLP
333 Texas Street, Suite 1900
Shreveport, Louisiana 71101-3692

Dear Mr. Gullatt:

Our responses to June 30, 2003 Single Audit Findings are as follows:

Item 03-01

- A) Name of Contact Responsible - Ben Wreyford
- B) Corrective Action - A comprehensive budget for 2003-04 including all Special Revenue Funds and CEEF was adopted by the Caddo Parish School Board on May 20, 2003.
- C) Completion Date - May 2003

Item 03-02

- A) Name of Contact Responsible - Janis Parker
- B) Corrective Action - After the completion of the Comparability Report, calculations are verified by the Title I Director and results are reviewed with the Finance Director. The most recent Comparability Report in October 2003 reflects that all Title I schools are comparable to non-Title I schools.
- C) Completion Date - October 2003

Item 03-03

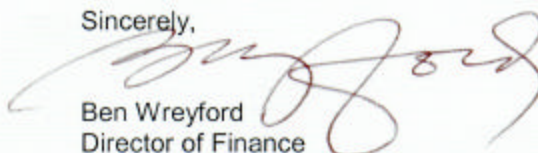
- A) Name of Contact Responsible - Ben Wreyford
- B) Corrective Action - Personnel Activity Reports were implemented in January 2003 to verify activity of employees whose salaries are paid from grant funds. These reports document activity in accordance with OMB Circular A-87.
- C) Completion Date - January 2003

Item 03-04

- A) Name of Contact Responsible - Harry Monroe
- B) Corrective Action - Unlike other grants, TANF reimbursements are based on student contact hours. Since there is no state approved budget breakdown, CPSB personnel have made numerous contacts with state department personnel to obtain directives for reporting requirements and formats. No direction has been given from the state, however, data will be reported for the current year.
- C) Completion Date - July 2004

Please contact me if you have further questions.

Sincerely,



Ben Wreyford
Director of Finance

BW:mt
231-03



CADDO PARISH SCHOOL BOARD

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December 17, 2003

Ollie S. Tyler
Superintendent

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Mr. Steven C. Gullatt, CPA
KPMG LLP
333 Texas Street, Suite 1900
Shreveport, Louisiana 71101-3692

Dear Mr. Gullatt:

Listed below is a status report of corrective action on the 2001-2002 single audit.

Item 02-01

- A) Name of Contact Responsible - Ben Wreyford
- B) Corrective Action Planned - A comprehensive budget including Special Revenue Funds will be developed for the 2003-04 budget adoption process.
- C) Corrective Action Taken - A comprehensive budget including all funds was adopted by the Board on May 22, 2003.

Item 02-02

- A) Name of Contact Responsible - Ben Wreyford
- B) Corrective Action Planned - Certifications are normally performed twice per year, once each semester. The certification for fall 2002 has already been performed. Also, a Personnel Activity report has been developed for each employee whose salary is paid from more than one fund.
- C) Corrective Action Taken - Personnel Activity Reports were implemented in January 2003.

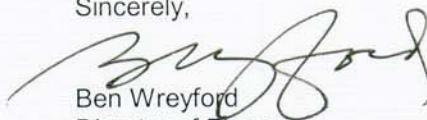
Item 02-03

- A) Name of Contact Responsible - Janis Parker
- B) Corrective Action Planned - A procedure is already in place to maintain this documentation. Due to employee turnover in the past year, documentation was misplaced.
- C) Corrective Action Taken - Records are maintained by the Title I Director after completion of the attendance area selection and are readily available for review.

Item 02-04

- A) Name of Contact Responsible - Ben Wreyford
- B) Corrective Action Planned - The system currently has in place a district-wide salary schedule and a district-wide staffing policy. In order to complete the statutory comparability requirements, a policy will be developed to ensure equivalence among schools in the provision of curriculum materials and supplies.
- C) Corrective Action Taken - In lieu of a new policy, we have continued to complete the Comparability Report. The latest Comparability Report, October 2003, shows that all Title I schools are comparable to Title I schools.

Sincerely,



Ben Wreyford
Director of Finance

BW:mt
239-03



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Members of the Caddo Parish School Board
Shreveport, Louisiana:

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Caddo Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Caddo Parish School Board's compliance with the requirements for preparing the performance and statistical data schedules accompanying this report as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was conducted 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.

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

1. We judgmentally selected a sample of 30 transactions from the general ledger accounts that comprise the amounts from Schedule 1, as identified below, and compared the items selected to invoices, payroll records, or third party documentation of revenue amounts received.

Categories tested:

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue



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a member of KPMG International, a Swiss association.

Sample selected:

Expenditures

	<u>Date</u>	<u>Amount</u>	<u>Description of Charge</u>
1	9/13/2002	\$ 66,629.86	Elementary Teachers
2	6/16/2003	35,430.32	Elementary Teachers
3	3/14/2003	56,828.57	Elementary Teachers
4	7/12/2002	5,940.00	Kindergarten Teachers
5	1/15/2003	32,087.00	Special Education Teachers
6	3/14/2003	22,859.36	Other Program Teachers
7	5/15/2003	23,046.21	Special Education Teachers Aides
8	11/15/2002	881,315.11	Elementary/Secondary Retirement Contribution
9	10/31/2002	2,470.00	Elementary/Secondary Professional/Technical Services
10	2/5/2003	8,595.36	Elementary/Secondary Textbooks
11	3/10/2003	2,300.00	Elementary/Secondary Equipment
12	12/9/2002	130.88	Special Education Travel Expense Reimbursement
13	9/11/2002	3,950.10	Pupil Support Materials and Supplies
14	12/2/2002	4,680.00	Instructional Staff Materials and Supplies
15	4/8/2003	1,891.01	Pupil Support Equipment

Revenues

	<u>Date</u>	<u>Amount</u>
1	1/9/2003	\$ 5,778,144.45
2	1/9/2003	11,544,008.03
3	4/16/2003	355,094.52
4	7/16/2002	7,030.91
5	12/18/2002	126,659.89
6	4/2/2003	263,216.94
7	4/16/2003	14,895.56
8	2/11/2003	1,614,302.27
9	4/16/2003	330,662.78
10	6/23/2003	35,566.34
11	5/29/2003	169,825.44
12	4/16/2003	285,289.60
13	1/9/2003	921,064.47
14	9/30/2002	4,066,929.90
15	12/18/2002	252,908.99

No exceptions were found as a result of applying procedure 1.

Education Levels of Public School Staff (Schedule 2)

2. We agreed the total number of full-time classroom teachers from the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers as presented in Schedule 2 and to School Board payroll records as of October 1, 2002.
3. We agreed the combined total of principals and assistant principals from the schedule "Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals as presented in Schedule 2.
4. We selected a judgmental sample of 25 teachers from a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2002, utilized in preparing Schedule 2, and compared the individual's education level on the list to the individual's personnel file.

Sample selected:

	<u>Name</u>		<u>Name</u>
1	Frazier, Cindy	14	Bowman, Linda
2	Hollis, Barbara	15	Clayton, Elizabeth
3	Dodd, Reginald	16	Arceneaux, Theresa
4	Cox, Sarah	17	Sinclair, Jacquelyn
5	Lariviere, Therese	18	Dear, Angela
6	Jones, Ronald	19	Gootee, Julie
7	Woodham, Wendy	20	Guillot, Debrah
8	Smith, Tonya	21	Butterfield, Sheila
9	Jackson, Tammie	22	Holladay, Gwynn
10	Hendrix, Michelle	23	Oneal, Kathy
11	Martinez, Todd	24	McCain, James
12	Jones-Rogers, Jackie	25	Parisy, Rose
13	Gardner, Rebecca		

No exceptions were found as a result of applying procedures 2, 3, and 4.

Number and Type of Public Schools (Schedule 3)

5. We compared a list of schools by type utilized in preparing Schedule 3 to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

No exceptions were found as a result of applying procedure 5.

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

6. Utilizing the same sample of 25 teachers as in procedure 4, we compared the individual's experience level on the list described in procedure 4 to the individual's personnel file.

No exceptions were found as a result of applying procedure 6.

Public School Staff Data (Schedule 5)

7. We traced a judgmental sample of 25 teachers selected from a list of all classroom teachers, which included their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent status, from which Schedule 5 was prepared and compared the individual's salary, extra compensation, and full-time equivalent status to a payroll report included in the individual's personnel file.

Sample selected:

	<u>Name</u>		<u>Name</u>
1	Adams, Vanessa	14	Bowman, Linda
2	Rogers, Mary	15	Clayton, Elizabeth
3	Shepard, Emma	16	Arceneaux, Theresa
4	Bernard, Glenda	17	Sinclair, Jacquelyn
5	Lariviere, Therese	18	Dear, Angela
6	Jones, Ronald	19	Gootee, Julie
7	Woodham, Wendy	20	Guillot, Debrah
8	Smith, Tonya	21	Butterfield, Sheila
9	Jackson, Tammie	22	Holladay, Gwynn
10	Hendrix, Michelle	23	Oneal, Kathy
11	Martinez, Todd	24	McCain, James
12	Jones-Rogers, Jackie	25	Parisy, Rose
13	Gardner, Rebecca		

8. We recalculated the average salaries and full-time equivalents reported in Schedule 5 from the list described in procedure 7.

No exceptions were found as a result of applying procedures 7 and 8.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size from which Schedule 6 was prepared, agreed the school type classifications to the list from which Schedule 3 was prepared, and agreed the classification on this list for a judgmental sample of 10 classes to the October 1, 2002 roll books for the selected classes.

Sample selected:

	<u>School</u>	<u>Teacher</u>	<u>Course Code</u>
1	Caddo Heights Elementary School	Mary Glover	600000
2	Judson Fundamental Elementary School	Tracee Dickard	700000
3	Forest Hill Elementary School	Ranita Wilson	700010
4	Mooretown Elementary Professional Development School	Holly Halfen	700010
5	Pine Grove Elementary School	Dorothy McQuitty	700010
6	University Elementary School	Jessica Rice	700010
7	Captain Shreve High School	LaJuana Hamilton	040225
8	Northwood High School	Shannon Wall	120331
9	J.S. Clark Middle School	Martha Gibbs	150878
10	Ridgewood Middle School	Diana Gingles	160378

The list of classes by school, school type, and class size from which Schedule 6 was prepared was from the “Louisiana Department of Education Annual School Report – Class Size Data for School Year 2002-2003”. This report listed class sizes for each school in total rather than by individual classes. In order to obtain our sample, we obtained a detail of individual classes by teacher by school from the Louisiana State Department of Education. The School Board reconciled the information for the ten schools selected from the State Department of Education’s detail report to the “Louisiana Department of Education Annual School Report – Class Size Data for School Year 2002-2003”.

We noted that the number of classes reported for elementary schools, the number of classes reported for high schools and the number of classes reported for combination schools on Schedule 6 did not agree to the “Louisiana Department of Education Annual School Report – Class Size Data for School Year 2002-2003”. This was due to reclassification of one school from the “combination” category to the “elementary” category and the reclassification of two schools from the “combination” category to the “high school” category for preparation of Schedule 6. In the “Louisiana Department of Education Annual School Report – Class Size Data for School Year 2002-2003”, these three schools were reported as combination schools while the School Board reported this school’s classes in the “elementary school” or “high school” categories, based on the definition provided by the state of Louisiana.

We also noted that the “Louisiana Department of Education Annual School Report – Class Size Data for School Year 2002-2003” listed the class selected for testwork from J.S. Clark for Martha Gibbs (Course #150878) as having a class size of 27. However, upon review of the actual roll book, only 26 students were noted.

No other exceptions were noted as a result of applying procedure 9.

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

10. We agreed the summation of test scores as reported in Schedule 7 to the summation of test scores provided by the State of Louisiana as testing authority.

No exceptions were found as a result of applying procedure 10.

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

11. We agreed the summation of test scores as reported in Schedule 8 to the summation of test scores provided by the State of Louisiana as testing authority.

No exceptions were found as a result of applying procedure 11.

The Iowa Tests (Schedule 9)

12. We agreed the summation of test scores as reported in Schedule 9 to the summation of test scores provided by the State of Louisiana as testing authority.

No exceptions were found as a result of applying procedure 12.

* * * * *

We were not engaged to, and did not, conduct 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 Caddo 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.

KPMG LLP

September 12, 2003

Schedule 1**CADDO PARISH SCHOOL BOARD**

Shreveport, Louisiana

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

As of and for the year ended June 30, 2003

	<u>Data</u>
General Fund instructional and equipment expenditures:	
General Fund instructional expenditures:	
Teacher and student interaction activities:	
Classroom teacher salaries	\$ 116,822,176
Other instructional staff salaries	14,444,444
Instructional staff employee benefits	38,667,356
Purchased professional and technical services	3,595,791
Instructional materials and supplies	4,693,131
Instructional equipment	<u>477,548</u>
Total teacher and student interaction activities	178,700,446
Other instructional activities	209,853
Pupil support activities	10,989,425
Less: equipment for pupil support activities	<u>(16,606)</u>
Net pupil support activities	10,972,819
Instructional staff services	15,209,600
Less: equipment for instructional staff services	<u>(1,541,165)</u>
Net instructional staff activities	<u>13,668,435</u>
Total General Fund instructional expenditures	\$ <u>203,551,553</u>
Total General Fund instructional equipment expenditures	\$ <u><u>2,035,319</u></u>

Note:

This schedule includes General Fund instructional and equipment expenditures. This data is presented annually in the MFP 70% Expenditure Requirement Report.

(Continued)

Schedule 1**CADDO PARISH SCHOOL BOARD**
Shreveport, Louisiana

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

As of and for the year ended June 30, 2003

	<u>Data</u>
Certain local revenue sources:	
Local taxation revenue:	
Constitutional ad valorem tax	\$ 7,672,793
Renewable ad valorem tax	55,577,132
Debt service ad valorem tax	7,910,613
Up to 1% collections by the Sheriff on taxes other than school taxes	1,324,320
Sales and use taxes	53,014,154
Total local taxation revenue	\$ <u>125,499,012</u>
Local earnings on investment in real property:	
Earnings from 16th section property	\$ —
Earnings from other real property	—
Total local earnings on investment in real property	\$ <u>—</u>
State revenue in lieu of taxes:	
Revenue sharing – constitutional tax	\$ 445,971
Revenue sharing – other taxes	1,833,955
Revenue sharing – excess portion	76,156
Other revenue in lieu of taxes	—
Total state revenue in lieu of taxes	\$ <u>2,356,082</u>
State revenue for nonpublic education:	
Nonpublic textbook revenue	\$ 101,062
Nonpublic transportation revenue	—
Total state revenue for nonpublic education	\$ <u>101,062</u>

Note:

This schedule includes local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used in the Minimum Foundation Program (MFP) formula.

See accompanying independent accountants' report on applying agreed-upon procedures.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Education Levels of Public School Staff

As of October 1, 2002

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Un-certificated		Certificated		Un-certificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	19	0.7%	28	6.7%	0	0.0%	0	0.0%
Bachelor's Degree	1593	61.4%	333	80.1%	0	0.0%	0	0.0%
Master's Degree	581	22.4%	53	12.8%	46	30.1%	0	0.0%
Master's Degree + 30	370	14.3%	1	0.2%	94	61.4%	0	0.0%
Specialist in Education	20	0.8%	1	0.2%	5	3.3%	0	0.0%
Ph.D. or Ed.D.	11	0.4%	0	0.0%	8	5.2%	1	100.0%
Total	2594	100.0%	416	100.0%	153	100.0%	1	100.0%

Notes:

- (1) This schedule provides the number and percentage of full-time classroom teachers, differentiating those having a teaching certificate and those without a teaching certificate, as well as the number and percentage of full-time classroom teachers and the number and percentages of principals and assistant principals with education levels.
- (2) Full-time classroom teachers, employed as of October 1, are defined with Louisiana Accounting and Uniform Governmental Handbook (LAUGH) guidelines as having an object code of 112 and an accompanying function code within the 1000 series and assigned teaching responsibilities that comprise more than 50% of the individual's duties.
- (3) Principals and assistant principals, employed as of October 1, are defined in accordance with LAUGH guidelines as having an object code of 111 with an accompanying function code of 2410 and 2420. These employees are concerned with directing and managing the operation of a particular school. If the principal or assistant principal is also assigned teaching responsibilities that comprise more than 50% of his or her duties, then the principal should be included in the count as a classroom teacher.
- (4) Certificated Teachers / Principals / Assistant Principals: Teaching certificates are issued to those qualified professionals authorized to teach or perform designated duties in the schools under the jurisdiction of the Louisiana State Board of Elementary and Secondary Education based on their completion of an approved teacher education program and all other legal requirements. These requirements are referred to in the Louisiana Standards for State Certification of School Personnel – Bulletin 746 published by the State Department of Education.

See accompanying independent accountants' report on applying agreed-upon procedures.

Schedule 3**CADDO PARISH SCHOOL BOARD**
Shreveport, LouisianaNumber and Type of Public Schools
As of and for the year ended June 30, 2003

<u>Type</u>	<u>Number</u>
Elementary Schools	47
Middle/Junior High Schools	10
High Schools	16
Combination Schools	<u>1</u>
Total	74

Notes:

- (1) This schedule includes the number of elementary, middle/junior high, secondary (high) and combination schools in operation during the fiscal year. This data is currently reported to the Louisiana Legislature in the Annual Financial and Statistical Report (AFSR).
- (2) Elementary School – Any school whose grade structure falls within the range PK-8 and does not fit the definition for Middle/Junior High School.
- (3) Middle/Junior High School – Any school whose grade structure within the range 4-9, includes grades 7 or 8, and excludes PK-3 and 10-12.
- (4) High School – Any school whose grade structure falls within the range 6-12 and includes grades in 10-12 range, or any school that includes only grade 9.
- (5) Combination School – Any school whose grade structure falls within the range PK-12 and is not described by any of the above definitions. These schools generally contain some grades in the K-6 range and some grades in the 9-12 range. Examples include grade structures such as K-12; K-3 plus 9-12; and 4-6 plus 9-12. Nongraded schools (schools with no grade structure) are also considered combination schools.

See accompanying independent accountants' report on applying agreed-upon procedures.

Schedule 4**CADDO PARISH SCHOOL BOARD**

Shreveport, Louisiana

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

As of October 1, 2002

Category	Total Years Experience							Total
	0-1	2-3	4-10	11-14	15-19	20-24	25 +	
Principals	—	—	—	6	10	13	46	75
Assistant Principals	—	—	11	10	9	10	39	79
Classroom Teachers	251	257	826	362	336	298	680	3010
Total	251	257	837	378	355	321	765	3164

Notes:

- (1) This schedule includes the number of public school principals, assistant principals, and full-time classroom teachers grouped by varying years of experience in the teaching profession. Selective criteria for employees reported on this schedule are (a) be employed as of October 1, (2) have job responsibilities within their assigned classification that comprise more than 50% of the individual's job duties, and (3) meet the definitions contained within the LAUGH for their respective job classification.
- (2) Principals and assistant principals, employed as of October 1, are defined in accordance with LAUGH guidelines as having an object code of 111 with an accompanying function code of 2410 and 2420. These employees are concerned with directing and managing the operation of a particular school. If the principal or assistant principal is also assigned teaching responsibilities that comprise more than 50% of his or her duties, then the principal should be included in the count as a classroom teacher.

See accompanying independent accountants' report on applying agreed-upon procedures.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Public School Staff Data

As of and for the year ended June 30, 2003

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average classroom teacher's salary including extra compensation	\$42,287.16	\$42,059.35
Average classroom teacher's salary excluding extra compensation	\$41,983.10	\$41,751.05
Number of teacher full-time equivalents (FTEs) used in computation of average salaries	3,000.1	2,951.8

Note:

- (1) This schedule depicts the full-time equivalent (FTE) and calculated average salaries (with and without extra compensation) for all classroom teachers and for all classroom teachers excluding ROTC and rehired retirees. The schedule reflects district staff data reported to the Louisiana Department of Education in the End-of-Year Profile of Education Personnel (PEP) Report, which is subsequently reported to the Legislature in the AFSR. The data excludes day-to-day substitutes and temporary employees.

See accompanying independent accountants' report on applying agreed-upon procedures.

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Class Size Characteristics

As of October 1, 2002

Category	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	48.0%	1508	45.3%	1424	6.7%	211	0.0%	0
Elementary Activity Classes	37.0%	261	52.0%	367	5.8%	41	5.2%	37
Middle/Jr. High	37.0%	675	40.5%	740	22.5%	411	0.0%	0
Middle/Jr. High Activity Classes	24.3%	79	20.0%	65	30.5%	99	25.2%	82
High	42.8%	1307	22.6%	690	34.7%	1060	0.0%	0
High Activity Classes	40.2%	119	18.9%	56	23.3%	69	17.6%	52
Combination	100.0%	132	0.0%	0	0.0%	0	0.0%	0
Combination Activity Classes	77.8%	14	11.1%	2	11.1%	2	0.0%	0

Note:

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

See accompanying independent accountants' report on applying agreed-upon procedures.

Schedule 7

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

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

As of and for the year ended June 30, 2003

4th Grade Students	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	41	1.1%	122	3.1%	59	1.5%	106	2.9%	111	2.8%	84	2.1%
Mastery	518	14.3%	599	15.1%	582	14.8%	486	13.5%	386	9.7%	445	11.3%
Basic	1,563	43.1%	1,453	36.7%	1,709	43.4%	1,467	40.4%	1,438	36.3%	1,466	37.2%
Approaching Basic	1,010	27.8%	1,202	30.3%	1,001	25.4%	843	23.2%	952	24.1%	919	23.4%
Unsatisfactory	<u>498</u>	13.7%	<u>585</u>	14.8%	<u>589</u>	14.9%	<u>726</u>	20.0%	<u>1,073</u>	27.1%	<u>1,023</u>	26.0%
Total	3,630		3,961		3,940		3,628		3,960		3,937	

4th Grade Students	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	111	3.1%	179	4.5%	118	3.0%	94	2.6%	70	1.8%	79	2.0%
Mastery	553	15.2%	476	12.0%	516	13.1%	467	12.9%	367	9.3%	487	12.4%
Basic	1,239	34.2%	1,544	39.0%	1,400	35.6%	1,506	41.6%	1,659	41.9%	1,606	40.7%
Approaching Basic	1,282	35.4%	1,191	30.1%	1,355	34.4%	951	26.2%	1,013	25.6%	943	23.9%
Unsatisfactory	<u>438</u>	12.1%	<u>571</u>	14.4%	<u>547</u>	13.9%	<u>605</u>	16.7%	<u>847</u>	21.4%	<u>828</u>	21.0%
Total	3,623		3,961		3,936		3,623		3,956		3,943	

Note:

This schedule represents student performance testing data and district summary scores for grade 4 in English Language Arts, Mathematics, Science, and Social Studies.

(Continued)

Schedule 7

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

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

As of and for the year ended June 30, 2003

8th Grade Students	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	27	0.9%	33	1.1%	35	1.1%	99	3.0%	42	1.2%	83	2.2%
Mastery	456	15.7%	507	16.3%	446	13.6%	176	5.3%	95	2.7%	145	3.9%
Basic	963	33.3%	869	28.0%	1,050	31.9%	1,086	32.8%	1,052	29.4%	1,236	33.1%
Approaching Basic	962	33.2%	1,254	40.4%	1,198	36.4%	770	23.3%	1,026	28.7%	896	24.0%
Unsatisfactory	<u>491</u>	16.9%	<u>440</u>	14.2%	<u>561</u>	17.0%	<u>1,178</u>	35.6%	<u>1,357</u>	38.0%	<u>1,374</u>	36.8%
Total	2,899		3,103		3,290		3,309		3,572		3,734	

8th Grade Students	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	33	1.2%	44	1.5%	29	0.9%	9	0.3%	35	1.2%	30	0.9%
Mastery	387	13.8%	441	14.8%	411	13.0%	289	10.3%	322	10.9%	410	12.9%
Basic	896	31.9%	863	29.0%	1,021	32.2%	1,108	39.6%	1,102	37.2%	1,198	37.8%
Approaching Basic	846	30.1%	861	28.9%	883	27.8%	720	25.7%	748	25.2%	756	23.8%
Unsatisfactory	<u>644</u>	23.0%	<u>769</u>	25.8%	<u>829</u>	26.1%	<u>674</u>	24.1%	<u>758</u>	25.5%	<u>779</u>	24.6%
Total	2,806		2,978		3,173		2,800		2,965		3,173	

Note:

This schedule represents student performance testing data and district summary scores for grade 8 in English Language Arts, Mathematics, Science, and Social Studies.

See accompanying independent accountants' report on applying agreed-upon procedures.

Schedule 8**CADDO PARISH SCHOOL BOARD**

Shreveport, Louisiana

The Graduation Exit Examination for the 21st Century (GEE 21)

As of and for the year ended June 30, 2003

10th Grade Students	English Language Arts						Mathematics					
	2003		2002		2001		2003		2002		2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	22	1%	67	2%	31	1%	217	6%	223	6%	174	6%
Mastery	306	9%	483	14%	420	15%	382	10%	315	8%	363	13%
Basic	1,047	33%	1,042	31%	1,100	39%	863	23%	845	23%	750	27%
Approaching Basic	734	23%	744	22%	620	22%	621	17%	532	14%	377	13%
Unsatisfactory	1,111	34%	1,028	31%	655	23%	1,647	44%	1,826	49%	1,162	41%
Total	3,220		3,364		2,826		3,730		3,741		2,826	

11th Grade Students	Science						Social Studies					
	2003		2002		2001		2003		2002		2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Advanced	67	2%	90	4%	0	0	61	2%	40	2%	0	0
Mastery	344	13%	320	12%	0	0	347	13%	311	12%	0	0
Basic	878	33%	763	30%	0	0	959	36%	937	36%	0	0
Approaching Basic	587	22%	577	22%	0	0	630	23%	569	22%	0	0
Unsatisfactory	824	30%	838	32%	0	0	711	26%	733	28%	0	0
Total	2,700		2,588		0		2,708		2,590		0	

Note:

This schedule represents student performance testing data and district summary scores for grades 10 and 11 in English Language Arts, Mathematics, Science, and Social Studies. Testing for Science and Social Studies did not begin until 2002.

See accompanying independent accountants' report on applying agreed-upon procedures.

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

The Iowa Tests

As of and for the year ended June 30, 2003

	Composite					
	2003		2002		2001	
	Number	Percent	Number	Percent	Number	Percent
Test of Basic Skills (ITBS)						
Grade 3	3,306	55%	2,918	50%	3,164	50%
Grade 5	3,377	57%	2,815	52%	2,410	54%
Grade 6	3,680	41%	2,498	53%	2,833	48%
Grade 7	2,895	51%	2,780	47%	2,713	48%
Tests of Educational Development (ITED)						
Grade 9	2,669	50%	2,544	50%	2,512	54%

Note:

The Iowa Tests used in Louisiana are norm-referenced achievement tests that are standardized nationally, allowing the comparison of performance between students tested within the national sample. (Students included in the norm-referenced reports are those that take The Iowa Tests without most accommodations/modifications such as extended time allowances, etc., to the testing conditions.)

The summary score reported is the National Percentile Rank, showing relative position or rank as compared to a large representative sample of students in the same grade from the entire nation.

See accompanying independent accountants' report on applying agreed-upon procedures.



333 Texas Street, Suite 1900
Shreveport, LA 71101-3692

Independent Accountants' Report on Applying Agreed-Upon Procedures

Members of the Caddo Parish School Board
Shreveport, Louisiana:

We have performed the procedures enumerated below, which were agreed to by the Caddo Parish School Board solely to assist the Caddo Parish School Board in evaluating the effectiveness of the School Board's compliance with Act 743 of 1995 concerning the Caddo Educational Excellence Fund (CEEF) (a permanent fund of the Caddo Parish School Board) for the year ended June 30, 2003. Management is responsible for the Caddo Parish School Board's compliance with those requirements. 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 Caddo Parish School Board. 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.

Procedures:

1. Obtained the balances and a summary of the activity of the CEEF funds from the School Board as of and for the year ended June 30, 2003 (Attachment 1).
2. Judgmentally selected twelve receipts from the riverboats from the CEEF general ledger covering eleven different months during the fiscal year ended June 30, 2003, totaling \$668,211 or 50% of total boarding fees collected, and compared these to a validated deposit slip and supporting letter received from the riverboats. LSA-R.S. 4:552 requires that:
 - a. An admission fee of up to three dollars per passenger was levied by the riverboats in Caddo Parish.
 - b. The Caddo Parish School Board received 12.5% of the revenues collected by the riverboats in Caddo Parish for such boarding fee.



Sample selected:

	<u>Date</u>	<u>Amount Deposited</u>
Harrah's:	July 8, 2002	\$ 92,827.35
	September 9, 2002	101,639.96
	November 11, 2002	85,187.31
	January 10, 2003	97,667.33
	March 12, 2003	93,356.02
	May 14, 2003	85,327.92
Casino Magic:	August 28, 2002	19,337.82
	October 2, 2002	19,246.90
	October 28, 2002	16,705.74
	February 24, 2003	18,314.63
	April 24, 2003	19,699.06
	June 23, 2003	18,901.04
		<u>\$ 668,211.08</u>

3. Agreed the amount of interest removed from the CEEF general ledger and the School Board's CEEF bank account to the amount deposited into the CEEF Operating Special Revenue Fund general ledger and the School Board's sweep bank account in January 2003 from which disbursements are made. LSA-R.S. 17:408.1A requires that:
 - a. The CEEF was established.
 - b. The CEEF is a permanent trust fund.
 - c. The bank account for the CEEF is in the official repository of the Caddo Parish School Board.
 - d. The monies in the CEEF were held and invested on behalf of the Caddo Parish School Board.
 - e. The investment income from the CEEF account was withdrawn by the Caddo Parish School Board only during January of the calendar year.
4. Compared the investments of the monies held in the CEEF bank account to the types of investments allowed by the State of Louisiana. LSA-R.S. 17:408.1B requires that:
 - a. The monies in the CEEF were invested in the same manner as monies in the state general fund.
 - b. The amount of earnings in the CEEF was kept account of separately from the fund principal.
5. Obtained a list of the activity of the CEEF funds at each individual school (Attachment 2). From this, we judgmentally selected 100 expenditures (Attachment 3) for 63 different schools, totaling \$94,126 or 40% of total CEEF disbursements, and agreed the expenditure amount to the invoice and its classification on the schedule, considering that CEEF earnings are to be expended solely for the purposes of instructional enhancement as defined below:

Enhancement may include:

- Provision for materials and supplies, including computers and other technological upgrades;
- Training for students, faculty, and administrators on the use of materials;
- Professional development of teachers;
- Establishment of exemplary programs of instruction.

Enhancement may not include:

- Costs of additional administrators;
 - Increases in salaries or benefits for employees, or maintenance or custodial costs.
6. Recalculated the amount of interest being removed from the CEEF as recorded in the CEEF general ledger.
 7. Compared approval of expenditures tested in step 5 to the School Board's required policy.

Findings:

1. No exceptions.
2. No exceptions were noted when comparing twelve receipts from the riverboats selected from the CEEF general ledger to a validated deposit slip and supporting letter from the riverboats.

Effective July 1, 1997, the method of calculating fees to be assessed from the two riverboats in Caddo Parish was changed under two contractual agreements entered into by the riverboats and the City of Shreveport and the Caddo Parish Commission. Even though the School Board began accepting revenues as calculated under these contractual agreements in April 1998, the School Board chose not to participate as a party in either of the contractual agreements.

For the 2000, 2001, and 2002 calendar years, the School Board personnel performed an analysis to determine the effects of the changes in the calculation of the fees, specifically, the change in the amount of revenue received by the CEEF funds as it relates to one of the casinos. According to the 2000 analysis, the calculation under the contractual agreement exceeded the amount of revenue to be received by the CEEF fund under the calculation specified in the statute. Yet, for the 2001 and 2002 analyses, the calculation under the contractual agreement was less than the amount of revenue to be received by the CEEF fund under the calculation specified in the statute. Despite this finding, School Board officials determined to continue receiving CEEF monies according to the contracts described above rather than receive the monies as specified by state statute until the analysis provides evidence of a trend that the revenues being received according to the contracts is constantly less than if the revenues had been received according to state statute. Because the School Board was not a party to the contracts between the riverboats and the City of Shreveport and the Caddo Parish Commission, it is the opinion of management and legal counsel of the School Board that the School Board will not be prohibited from reverting to the calculation as specified in LSA-R.S. 4:552 in the event that the calculations specified in the contractual agreements cease to be beneficial to the CEEF fund.

3. No exceptions noted.
4. No exceptions noted.
5. During our review of invoices for disbursements, we noted certain disbursements for which it was not clearly apparent that they were for the purpose of instructional enhancement as defined by the statute. A list of these disbursements follows:

<u>Description of purchase</u>	<u>Amount</u>
Postage	\$ 555.00
Electric typewriters	557.00
Multimedia workstation	329.99
Public address system	1,800.00
Expandable legal size file folder	75.80
Certificate jackets	71.97
Planners / organizers	139.98

Upon request, management provided, in writing, explanations for each of the above expenditures. The School Board believed these expenditures to be within the guidelines of instructional enhancement, with the exception of the purchase for postage, which was made in error and reimbursed by the school in September 2003.

6. No exceptions noted.
7. No exceptions noted.

* * * * *

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the School Board's compliance with Act 743 of 1995 concerning the Caddo Educational Excellence Fund (a permanent fund of the Caddo Parish School Board) for the year ended June 30, 2003. 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 use of the specified users listed above and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

KPMG LLP

September 12, 2003

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Balance Sheet

June 30, 2003

(Unaudited)

Assets	Caddo Educational Excellence Permanent Fund	Caddo Educational Excellence Special Revenue Fund
Cash held at Bank One	\$ 9,074,670	298,310
Accounts receivable	104,933	—
Total assets	\$ 9,179,603	298,310
Liabilities and Fund Balance		
Fund balance – reserved for instructional enhancement	\$ 9,179,603	298,310
Total liabilities and fund balance	\$ 9,179,603	298,310

(Continued)

CADDO PARISH SCHOOL BOARD
Shreveport, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
CEEFF Operating Special Revenue Fund

Year ended June 30, 2003

(Unaudited)

Expenditures – current – instruction and support services – instruction	\$ 236,633
Operating transfers in	<u>126,332</u>
Excess of expenditures over revenues and operating transfers	(110,301)
Fund balance, beginning of year	<u>408,611</u>
Fund balance, end of year	<u><u>\$ 298,310</u></u>

(Continued)

CADDO PARISH SCHOOL BOARD

Shreveport, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Caddo Educational Excellence – Permanent Fund

Year ended June 30, 2003

(Unaudited)

Revenues:

Fees:

Harrah's

\$ 1,122,705

Casino Magic

216,324

Interest earnings

117,215

Total operating revenues

1,456,244

Expenditures – administration

210

Excess of revenues over expenditures

1,456,034

Operating transfers to other funds

126,332

Net change in fund balance

1,329,702

Fund balance, beginning of year

7,849,901

Fund balance, end of year

\$ 9,179,603

See accompanying independent accountants' report on applying agreed-upon procedures.

CEEFF 2002-2003

SCHOOL	EXPENDITURES											CEEFF Bal. 06/30/03
	CEEFF Bal. 6/30/02	Adjustments	CEEFF Bal. 6/30/02	Distribution (2002-03)	Funds Available	M&S	Textbooks & Software	Travel & Training	Computers/ Tech/Eqpt	Computers/Technology/ Equipment Description	Total	
ALEXANDER LEARNING CTR	0.00	9,141.86	9,141.86	0.00	9,141.86	0.00	0.00	0.00	0.00		0.00	9,141.86
ARTHUR CIRCLE	3,899.86		3,899.86	1,431.09	5,330.95	0.00	0.00	0.00	0.00		0.00	5,330.95
ATKINS	5,185.14		5,185.14	1,931.09	7,116.23	2,577.23	0.00	0.00	0.00		2,577.23	4,539.00
BARRET	7,678.51		7,678.51	1,431.09	9,109.60	6,064.97	0.00	0.00	437.39	office supplies	6,502.36	2,607.24
BETHUNE	3,280.32		3,280.32	1,931.09	5,211.41	3,223.25	248.95	0.00	0.00		3,472.20	1,739.21
BICKHAM	4,624.52		4,624.52	1,931.09	6,555.61	3,815.66	0.00	0.00	0.00		3,815.66	2,739.95
BLANCHARD	2,818.07		2,818.07	1,431.09	4,249.16	3,814.85	0.00	0.00	0.00		3,814.85	434.31
BROADMOOR	8,322.32		8,322.32	1,931.09	10,253.41	5,815.65	0.00	0.00	0.00		5,815.65	4,437.76
BYRD	4,488.33		4,488.33	2,431.12	6,919.45	1,115.25	0.00	0.00	0.00		1,115.25	5,804.20
HAMILTON TERRACE	8,563.15		8,563.15	1,431.09	9,994.24	333.43	0.00	0.00	0.00		333.43	9,660.81
CADDDO CAREER CTR.	98.17		98.17	1,931.09	2,029.26	2,028.83	0.00	0.00	0.00		2,028.83	0.43
CADDO EXCEPTIONAL	8,245.12	(9,141.86)	(896.74)	1,431.09	534.35	534.35	0.00	0.00	0.00		534.35	0.00
CADDO HEIGHTS	5,780.86		5,780.86	1,931.09	7,711.95	4,228.66	0.00	0.00	1,499.00	X1 Infocus Projector	5,727.66	1,984.29
CADDO MAGNET HIGH	11,394.40		11,394.40	1,931.09	13,325.49	1,560.00	0.00	0.00	0.00		1,560.00	11,765.49
CADDO MIDDLE MAGNET	4,288.57		4,288.57	1,931.09	6,219.66	0.00	0.00	0.00	0.00		0.00	6,219.66
CAPTAIN SHREVE	111.83		111.83	2,431.11	2,542.94	0.00	0.00	0.00	0.00		0.00	2,542.94
CENTRAL	9,872.86		9,872.86	1,431.09	11,303.95	5,040.00	0.00	0.00	0.00		5,040.00	6,263.95
CHEROKEE PARK	5,897.88		5,897.88	1,431.09	7,328.97	5,193.35	0.00	0.00	2,010.43	AFICO 350 Copy machine and various office supplies	7,203.78	125.19
CLAIBORNE	3,374.75		3,374.75	1,431.09	4,805.84	325.42	0.00	0.00	981.98	Printers	1,307.40	3,498.44
J. S. CLARK	8,557.03		8,557.03	1,931.09	10,488.12	3,413.63	0.00	0.00	640.97	Panasonic VCR and Fanon 800 yard range	4,054.60	6,433.52
CRESWELL	6,029.02		6,029.02	1,431.09	7,460.11	4,373.22	0.00	340.00	0.00		4,713.22	2,746.89
EDEN GARDENS	5,678.86		5,678.86	1,431.09	7,109.95	946.62	0.00	0.00	0.00		946.62	6,163.33
EIGHTY-FIRST STREET	5,600.52		5,600.52	1,431.09	7,031.61	0.00	0.00	0.00	1,512.87	Ricoh Copier	1,512.87	5,518.74
FAIRFIELD	3,138.54		3,138.54	1,431.09	4,569.63	2,074.05	0.00	960.00	0.00		3,034.05	1,535.58
FAIR PARK	11,834.29		11,834.29	1,931.09	13,765.38	0.00	415.80	0.00	0.00		415.80	13,349.58
FOREST HILL	4,457.54		4,457.54	1,931.09	6,388.63	2,727.55	0.00	0.00	489.97	HP Scanjet	3,217.52	3,171.11
GREEN OAKS	3,828.17	1,131.19	4,959.36	1,931.09	6,890.45	3,844.80	0.00	0.00	0.00		3,844.80	3,045.65
HENDRIX	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
HERNDON	9,204.48		9,204.48	1,931.09	11,135.57	0.00	0.00	0.00	0.00		0.00	11,135.57
HILLSDALE	10,507.82		10,507.82	1,431.09	11,938.91	0.00	0.00	0.00	0.00		0.00	11,938.91
HOLLYWOOD	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
HOLLYWOOD Career & Tech	6,397.13		6,397.13	1,431.09	7,828.22	604.00	0.00	0.00	0.00		604.00	7,224.22
HOSSTON	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
HOSSTON	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
HUNTINGTON	12,490.57		12,490.57	2,431.12	14,921.69	201.26	0.00	0.00	7,337.00	KM-4530Kycera Copier and P149-3277 Bretford Multimedia P	7,538.26	7,383.43
INGERSOLL	3,105.85		3,105.85	1,431.09	4,536.94	245.32	0.00	0.00	0.00		245.32	4,291.62
JUDSON	2,275.79		2,275.79	1,431.09	3,706.88	2,537.16	0.00	0.00	0.00		2,537.16	1,169.72
KEITHVILLE	14,383.59		14,383.59	1,931.09	16,314.68	6,843.09	0.00	0.00	2,014.53	AWS Weathernet Building Site License/Modem Option	8,857.62	7,457.06
LAKESHORE	4,296.28		4,296.28	1,931.09	6,227.37	3,984.07	0.00	0.00	0.00		3,984.07	2,243.30
LAUREL			0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
LAUREL ST. (capt) to Green Oaks	0.00	(1,131.19)	(1,131.19)	1,431.09	299.90	0.00	0.00	0.00	299.90	black ink	299.90	0.00
LINEAR	5,873.02		5,873.02	1,431.09	7,304.11	994.11	0.00	0.00	802.43	table booth, lamp, and s/h	1,796.54	5,507.57
LINWOOD	5,262.87		5,262.87	1,931.09	7,193.96	4,435.17	0.00	0.00	0.00		4,435.17	2,758.79
MIDWAY M/S	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
MIDWAY ELEM	3,314.27		3,314.27	1,431.09	4,745.36	1,431.09	0.00	0.00	3,314.27	Ricoh Priport JP1230 Digital Cuplicator	4,745.36	0.00

(Continued)

CEEFF 2002-2003

SCHOOL	EXPENDITURES											CEEFF Bal. 06/30/03
	CEEFF Bal. 6/30/02	Adjustments	CEEFF Bal. 6/30/02	Distribution (2002-03)	Funds Available	M&S	Textbooks & Software	Travel & Training	Computers/ Tech/Eqpt	Computers/Technology/ Equipment Description	Total	
MOORETOWN PDC	8,034.94		8,034.94	1,431.09	9,466.03	531.77	5,086.15	0.00	1,679.02	Dell Optiplex and printer	7,296.94	2,169.09
MOORETOWN ECE	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
MOORINGSPO	2,642.26		2,642.26	1,431.09	4,073.35	3,260.05	0.00	0.00	0.00		3,260.05	813.30
NORTH CADD	9,385.08		9,385.08	1,431.09	10,816.17	1,305.71	348.35	0.00	0.00		1,654.06	9,162.11
NORTH HIGHLANDS	5,931.35		5,931.35	1,431.09	7,362.44	5,779.20	0.00	0.00	0.00		5,779.20	1,583.24
NORTHSIDE	3,103.43		3,103.43	1,431.09	4,534.52	1,195.30	0.00	0.00	476.62	computer accessories	1,671.92	2,862.60
NORTHWOOD	1,830.04		1,830.04	1,931.09	3,761.13	0.00	0.00	0.00	299.99	749-011 EYY Xerox Work Center - XL 2120 Copier	299.99	3,461.14
OAK PARK	987.51		987.51	1,431.09	2,418.60	974.33	0.00	0.00	0.00		974.33	1,444.27
OIL CITY	9,872.86		9,872.86	1,431.09	11,303.95	0.00	0.00	0.00	8,785.33	Dell Optiplex GX150 and NCS Learn Software	8,785.33	2,518.62
PINE GROVE	379.98		379.98	1,431.09	1,811.07	364.90	0.00	0.00	0.00		364.90	1,446.17
QUEENSBOROUGH	3,626.06		3,626.06	1,431.09	5,057.15	2,689.62	0.00	0.00	0.00		2,689.62	2,367.53
RIDGEWOOD	3,598.98		3,598.98	1,931.09	5,530.07	0.00	0.00	0.00	0.00		0.00	5,530.07
RIVERSIDE	4,979.86		4,979.86	1,431.09	6,410.95	4,910.31	0.00	0.00	0.00		4,910.31	1,500.64
RUTHERFORD HOUSE	2,396.11		2,396.11	1,431.09	3,827.20	703.39	0.00	0.00	0.00		703.39	3,123.81
SHREVE ISLAND	749.77		749.77	1,931.09	2,680.86	783.53	0.00	0.00	1,897.33	HP LaserJet 4600N	2,680.86	0.00
SHREVEPORT JOB CORPS	3,314.27		3,314.27	1,431.09	4,745.36	0.00	0.00	0.00	0.00		0.00	4,745.36
NEWTON SMITH	132.93		132.93	1,431.09	1,564.02	0.00	0.00	0.00	0.00		0.00	1,564.02
SOUTH HIGHLANDS	1,644.93		1,644.93	1,431.09	3,076.02	0.00	0.00	1,644.93	0.00		1,644.93	1,431.09
SOUTHERN HILLS	3,942.86		3,942.86	1,931.09	5,873.95	152.23	0.00	0.00	4,126.90	SoundTech 6 Channel	4,279.13	1,594.82
SOUTHWOOD	5,036.35		5,036.35	2,431.12	7,467.47	481.07	0.00	0.00	1,944.00	Optiplex Pentium 4 (2)	2,425.07	5,042.40
A. C. STEERE	9,872.86		9,872.86	1,431.09	11,303.95	3,308.95	0.00	0.00	0.00		3,308.95	7,995.00
STONER HILL	2,238.16		2,238.16	1,431.09	3,669.25	3,632.41	0.00	0.00	0.00		3,632.41	36.84
SUMMERFIELD	128.53		128.53	1,431.09	1,559.62	114.00	0.00	0.00	0.00		114.00	1,445.62
SUMMER GROVE	10,365.37		10,365.37	1,931.09	12,296.46	10,417.06	0.00	0.00	0.00		10,417.06	1,879.40
SUNSET ACRES	9,666.66		9,666.66	1,431.09	11,097.75	8,503.60	0.00	0.00	0.00		8,503.60	2,594.15
TIMMONS	7,656.66		7,656.66	1,431.09	9,087.75	5,040.12	0.00	0.00	0.00		5,040.12	4,047.63
TURNER	12,558.18		12,558.18	1,931.09	14,489.27	8,001.93	2,033.00	315.00	2,214.00	Scantron Model 888PT	12,563.93	1,925.34
UNIVERSITY	744.91		744.91	1,931.09	2,676.00	980.07	0.00	80.00	0.00		1,060.07	1,615.93
VIVIAN	11,904.56		11,904.56	1,931.09	13,835.65	9,066.35	0.00	0.00	0.00		9,066.35	4,769.30
WALNUT HILL	3,454.27		3,454.27	2,431.12	5,885.39	2,412.64	0.00	0.00	1,032.16	Printers HP940C (9)	3,444.80	2,440.59
B. T. WASHINGTON	1,679.31		1,679.31	1,931.09	3,610.40	3,546.43	0.00	0.00	0.00		3,546.43	63.97
WERNER PARK	5,673.43		5,673.43	1,931.09	7,604.52	5,595.35	0.00	0.00	0.00		5,595.35	2,009.17
WEST SHREVEPORT	4,993.14		4,993.14	1,431.09	6,424.23	2,215.18	0.00	440.00	603.00	Children's indoor book return	3,258.18	3,166.05
WESTWOOD	10,442.75		10,442.75	1,431.09	11,873.84	7,672.78	0.00	0.00	0.00		7,672.78	4,201.06
WOODLAWN	12,496.78		12,496.78	1,931.09	14,427.87	389.70	0.00	0.00	0.00		389.70	14,038.17
YOUREE DR.	7,216.57		7,216.57	1,931.09	9,147.66	0.00	0.00	0.00	0.00		0.00	9,147.66
HARVILLE/OAK TERRACE	1,769.62		1,769.62	1,431.09	3,200.71	1,968.11	0.00	0.00	0.00		1,968.11	1,232.60
HOSSTON ALT			0.00	1,431.09	1,431.09	0.00	0.00	0.00	0.00		0.00	1,431.09
Reserve	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00	0.00
TOTALS	408,611.63	0.00	408,611.63	126,331.89	534,943.52	180,322.13	8,132.25	3,779.93	44,399.09		236,633.40	298,310.12

See accompanying independent accountants' report on applying agreed-upon procedures.

CADDO PARISH SCHOOL BOARD

Disbursements

Year ended June 30, 2003

Item #	School Name	School 0000	Category	Vendor Number	Invoice Number	Amount
1	Cherokee Park	145	Equipment	12000	35010	1,650.00
2	Eighty-First Street	181	Equipment	12000	34967	1,350.00
3	Huntington	280	Equipment	60330	46758	6,659.00
4	Huntington	280	Equipment	16430	1308045	599.99
5	Keithville	315	Equipment	58098	10461	1,814.53
6	Linear	330	Equipment	58923	41310	629.88
7	Midway Elem	351	Equipment	12000	644462	3,314.27
8	Mooretown PDC	370	Equipment	4663201	205550420	1,451.34
9	Oil City	440	Equipment	84468	3150295	3,790.00
10	Oil City	440	Equipment	84468	3150295	520.00
11	Oil City	440	Equipment	4663201	883154502	2,902.68
12	Oil City	440	Equipment	4663201	910137777	938.67
13	Shreve Island	531	Equipment	60837	92701185	1,995.15
14	Southern Hills	570	Equipment	5634301	62594	1,800.00
15	Southern Hills	570	Equipment	60837	92692116	1,199.91
16	Southern Hills	570	Equipment	4663201	358055516	725.67
17	Southwood	575	Equipment	4663201	348722019	1,845.34
18	Turner	618	Equipment	28630	99294264	2,195.00
19	Walnut Hill	640	Equipment	4019201	92154939	1,032.16
20	A.C.Steere	580	Materials and Supplies	19490	50236707	324.00
21	Atkins	30	Materials and Supplies	4021003	185778990-001	239.10
22	B.T. Washington	650	Materials and Supplies	14230	38632A	510.00
23	B.T. Washington	650	Materials and Supplies	27370	706214	799.80
24	Barret	40	Materials and Supplies	22950	467347-0	557.00
25	Barret	40	Materials and Supplies	59307	00021771	540.00
26	Bethune	60	Materials and Supplies	44592	19028952	720.00
27	Bickham	65	Materials and Supplies	18300	690973-1	355.91
28	Bickham	65	Materials and Supplies	18640	RP34612977	959.11
29	Blanchard	70	Materials and Supplies	51813	29007990	224.92
30	Borne	151	Materials and Supplies	9721040203	51813	325.42

(Continued)

CADDO PARISH SCHOOL BOARD

Disbursements

Year ended June 30, 2003

Item #	School Name	School 0000	Category	Vendor Number	Invoice Number	Amount
31	Broadmoor	81	Materials and Supplies	58806	58330	423.38
32	Broadmoor	81	Materials and Supplies	12000	151996	1,917.98
33	Byrd	100	Materials and Supplies	40696	CPSB19029	555.00
34	Caddo Career Ctr	105	Materials and Supplies	16430	1297896	329.99
35	Caddo Exceptional	110	Materials and Supplies	4021003	194066162-001	75.80
36	Caddo Heights	120	Materials and Supplies	12116	32830	299.90
37	Caddo Magnet High	122	Materials and Supplies	12000	645505	900.00
38	Caddo Magnet High	122	Materials and Supplies	12000	645505	660.00
39	Central	140	Materials and Supplies	59718	826	3,185.00
40	Central	140	Materials and Supplies	59718	826	1,006.00
41	Cherokee Park	145	Materials and Supplies	28680	12318422	198.00
42	Cherokee Park	145	Materials and Supplies	00094	809-80510110	630.00
43	Creswell	170	Materials and Supplies	40039	A3245	1,438.56
44	Eden Gardens	174	Materials and Supplies	13190	U671077	242.46
45	Fairfield	190	Materials and Supplies	60486	ORD#955579	730.70
46	Forest Hill	205	Materials and Supplies	59451	00034047	35.96
47	Green Oaks	215	Materials and Supplies	14230	37322A	135.00
48	Hamilton Terrace	102	Materials and Supplies	17790	52252-0	149.95
49	Harville/Oak Terr	925	Materials and Supplies	24890	676226	99.99
50	Hollywood C & T	262	Materials and Supplies	28840	054482	572.00
51	Huntington	280	Materials and Supplies	26130	201977390101	71.97
52	Ingersol		Materials and Supplies	40210	160354850-001	53.48
53	J S Clark	160	Materials and Supplies	4021003	186319378-001	227.40
54	Judson	311	Materials and Supplies	56595	001626	268.50
55	Keithville	315	Materials and Supplies	31650	733737	810.00
56	Keithville	315	Materials and Supplies	28580	12688117	627.62
57	Keithville	315	Materials and Supplies	28620	INV0298850	1,104.00
58	Lakeshore	322	Materials and Supplies	27820	PDM09700	101.40
59	Linear	330	Materials and Supplies	40210	192931259-001	139.98
60	Linwood	340	Materials and Supplies	32220	545410	195.84

(Continued)

CADDO PARISH SCHOOL BOARD

Disbursements

Year ended June 30, 2003

Item #	School Name	School 0000	Category	Vendor Number	Invoice Number	Amount
61	Midway Elem	351	Materials and Supplies	30250	51842646	59.95
62	Mooretown PDC	370	Materials and Supplies	4021003	197640674-001	132.96
63	Mooringsport	380	Materials and Supplies	14230	35991A	344.00
64	North Caddo	390	Materials and Supplies	24630	996104	110.00
65	North Highlands	400	Materials and Supplies	4344901	E853638H02	640.50
66	North Highlands	400	Materials and Supplies	4344901	E853638H02	865.26
67	Northside	410	Materials and Supplies	60663	15740	279.95
68	Oak Park	420	Materials and Supplies	60492	0010529	111.90
69	Pine Grove	470	Materials and Supplies	80940	238307	249.30
70	Queensborough	500	Materials and Supplies	54990	ORD068814	699.95
71	Riverside	510	Materials and Supplies	33400	044128840001	1,004.48
72	Riverside	510	Materials and Supplies	60216	4006889258	787.50
73	Rutherford House	515	Materials and Supplies	59613	M10301480101	149.95
74	Shreve Island	531	Materials and Supplies	4067501	809-80490670	316.00
75	Southern Hills	570	Materials and Supplies	51813	29950062	139.95
76	Southwood	575	Materials and Supplies	60735	B030449468V1	408.10
77	Stoner Hill	591	Materials and Supplies	59862	151149A	31.96
78	Summer Grove	600	Materials and Supplies	26480	656086-0	342.19
79	Summer Grove	600	Materials and Supplies	26480	656086-0	548.95
80	Summerfield	595	Materials and Supplies	27770	23583	104.00
81	Sunset Acres	610	Materials and Supplies	11470	9205002667	8,503.60
82	Timmons	615	Materials and Supplies	40039	A3610	1,900.00
83	Turner	618	Materials and Supplies	58350	INV1991443	534.00
84	Turner	618	Materials and Supplies	17240	623218	1,999.00
85	University	623	Materials and Supplies	10390	4007820035	711.07
86	Vivian	630	Materials and Supplies	4663201	293966488	2,177.01
87	Vivian	630	Materials and Supplies	47829	2513992.01	1,199.80
88	Walnut Hill	640	Materials and Supplies	26870	C-209	818.50
89	Werner Park	660	Materials and Supplies	11470	9204800176	4,194.00
90	Werner Park	660	Materials and Supplies	11470	9204800176	752.00

(Continued)

CADDO PARISH SCHOOL BOARD

Disbursements

Year ended June 30, 2003

Item #	School Name	School 0000	Category	Vendor Number	Invoice Number	Amount
91	West Shreveport	670	Materials and Supplies	45441	00116132	513.49
92	Westwood	680	Materials and Supplies	24240	4007162535	749.75
93	Woodlawn	690	Materials and Supplies	30410	129435-0	389.70
94	Bethune	60	Textbooks and Software	46833	191659	240.95
95	Fair Park	200	Textbooks and Software	33150	725405	396.00
96	Mooretown PDC	370	Textbooks and Software	24890	679169	239.90
97	North Caddo	390	Textbooks and Software	18300	539070F-5	335.40
98	Turner	618	Textbooks and Software	17240	616136	119.95
99	Fairfield	190	Travel and Training	9822803	54072	840.00
100	South Highland	561	Travel and Training	29670	103887	1,030.00
						<u>94,125.68</u>

See accompanying independent accountants' report on applying agreed-upon procedures.



Ollie S. Tyler
Superintendent

CADDO PARISH SCHOOL BOARD

POST OFFICE BOX 32000 • 1961 MIDWAY STREET • SHREVEPORT, LOUISIANA 71130-2000
AREA CODE 318 • TELEPHONE 603-6300 • FAX 631-5241

January 12, 2004

WILLIE D. BURTON
President
417 Indian Trail
Shreveport, LA 71107
District 3

LARRY RAMSEY
First Vice President
9006 Marlow Drive
Shreveport, LA 71118
District 10

PHILLIP R. GUIN
Second Vice President
8089 Chickamauga Trail
Shreveport, LA 71107
District 1

GINGER ARMSTRONG
9800 Chase Way
Shreveport, LA 71118
District 11

JERRY TIM BROOKS
4605 Curtis Lane
Shreveport, LA 71109
District 7

GARD WAYT
705 Cobblestone
Shreveport, LA 71106
District 9

CHARLOTTE CRAWLEY
4741 Thornhill
Shreveport, LA 71106
District 4

EURSLA D. HARDY
106 Holcomb
Shreveport, LA 71103
District 2

WILLIE HENDERSON
3530 Twilight Lane
Shreveport, LA 71119
District 12

LOLA MAY
2828 Judson
Shreveport, LA 71109
District 5

ALVIN MIMS
633 Eden Boulevard
Shreveport, LA 71106
District 6

MIKE POWELL
108 Patton
Shreveport, LA 71105
District 8

Mr. Steven C. Gullatt, CPA
KPMG LLP
333 Texas Street, Suite 1900
Shreveport, Louisiana 71101-3692

Dear Mr. Gullatt:

Listed below is a status report of corrective action taken regarding 2001-2002 management letter comments.

FIXED ASSETS AND EQUIPMENT INVENTORY

- A) Name of Contact Responsible - Harry Monroe
- B) Corrective Action Planned - We are in the process of installing new inventory tracking software at each school to allow for better access to information at the school level. Each school will be able to maintain its records at the classroom level. The central office will test the accuracy of each school's inventory on a periodic basis.
- C) Corrective Action Taken - Installation of software at schools has been completed. Training of personnel is underway, and we anticipate that a current and complete inventory will be available by year end.

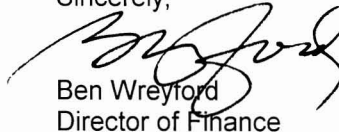
SCHOOL ACTIVITY FUNDS AND BOOSTER CLUB FUNDS

- A) Name of Contact Responsible - Jeff Howard
- B) Corrective Action Planned - The Internal Audit Department will continue to monitor the handling of student activity funds and report all material deficiencies in internal controls that are noted.
- C) Corrective Action Taken - The Internal Audit Department completed 42 audits of school activity funds in the year ended June 30, 2002, and approximately 30 school activity fund audits have been completed for the year ended June 30, 2003. The department will continue to monitor these funds and report material deficiencies in internal controls.

ADDITIONAL PAYMENTS TO SCHOOL BOARD EMPLOYEES - SCHOOL ACTIVITY FUNDS

- A) Name of Contact Responsible - Ben Wreyford
- B) Corrective Action Planned - Schools will again be notified that extra work must be reported and paid through the Payroll Department.
- C) Corrective Action Taken - In March 2003 a memo was sent to principals and school bookkeepers clarifying that all salary payments must be processed through the central office payroll department as specified in the School Activity Funds Accounting Manual.

Sincerely,


Ben Wreyford
Director of Finance

BW:mt
10-04

Copy to: Ollie S. Tyler, Superintendent