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ACADIA PARISH SCHOOL BOARD

Crowley, Louisiana

Financial Report

Year Ended June 30, 2005

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

Release Date 12-14-05

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

Mr. John Bourque, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Parish School Board (the School Board), as of and for the year ended June 30, 2005, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 13, 2005 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions with laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The other supplementary information on pages 56 through 76 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards (pages 82-83) is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations", and is also not a required part of the basic financial statements of the School Board. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 13, 2005

REQUIRED SUPPLEMENTARY INFORMATION (RSI)

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2005

Management's Discussion and Analysis (MD&A) of the Acadia Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2005. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole. The reader should read this discussion in conjunction with the financial statements and the notes to the basic financial statements, which are all included in this report, to enhance their understanding of the Acadia Parish School Board's financial performance.

The MD&A is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board (GASB) Statement No. 34 (Statement). Certain comparative information between the current year (2004-05) and the prior year (2003-04) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Acadia Parish School Board's financial position continues to improve as the result of a combination of factors. The staff is continually monitoring expenditures and restructuring departments and positions whenever possible to maximize our potential to deliver the optimum educational opportunities to our students. The Board has also continued to adjust staffing levels in light of enrollment trends, providing sufficient resources in times of change.

The School Board's net assets increased by \$4.3 million from July 1, 2004 to June 30, 2005 as reported in the Statement of Activities on page 18. An analysis of the major revenues components is as follows:

Minimum Foundation Program (MFP) – MFP is the funding formula from the state for school systems in Louisiana. The funding is based on a formula with many variables and two (2) levels of funding. Level one (1) funding is based on the number of students enrolled in the school system. Level two (2) funding is based on the dollar amount of local funding. The more local tax support received by a District, the more state support (MFP) we receive through level two funding. The School Board receives a 25 percent match in level two funding from the state for local funding exceeding an established minimum amount. The School Board receives approximately \$3,995 for each student. The unrestricted portion of the MFP funding was \$37.1 million during 2004-05.

Operating Grants – Operating grants and contributions for the Acadia Parish School Board were \$16.3 million for 2004-05.

Ad Valorem Taxes – Ad valorem taxes collected for general and specific purposes, and for debt services was \$5.5 million for 2004-05.

Sales Taxes – Sales tax collections was \$7.4 million during the 2004-05 fiscal year. This amount includes an additional one-half cent sales tax that became effective on October 1, 2004. This new source of revenue is dedicated exclusively to salaries and benefits for employees and is accounted for in a separate fund. Distribution of the proceeds began in February of 2005.

Interest – With a stabilized fund balance and increasing rates, interest income is rising moderately, totaling \$335,815 for 2004-05.

Rentals, Leases and Royalties – 16th section revenues, which include oil and gas royalties, as well as agricultural crops, totaled \$234,475 for the 2004-05 fiscal year.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

General – The other revenues of the School Board remained relatively stable when compared to prior years.

The expenses of the School Board, as reported in the Statement of Activities, were \$64.7 million in 2004-05. The major expense components are as follows:

Salaries and related benefits - Salaries and related benefits are the School Board's largest expense items. Salaries and related benefits account for \$50.7 million or 78.4% of total expenses.

Recent State Legislation provided that "in fiscal years 2002-03, 2003-04 and 2004-05, not less than 50% of each school district's increased State funding from the implementation of the MFP formula is to be used to supplement and enhance full-time certificated staff salaries and retirement benefits". The cost to implement this increase during the 2004-05 fiscal year was \$402,627.

Group health insurance for active and retired employees continues to increase at an alarming rate. The board contributes over 60% of the cost. As a result of the premium increase, the School Board's contribution to the health insurance program increased from \$1.2 million in 2003-04 to \$1.3 million in 2004-05.

Debt Service Payments – The debt service activity remained relatively consistent with the previous year. No new debt has been incurred, and no specific plans for additional bonding is being considered at this time.

Capital Projects – No construction projects were accounted for in the Capital Projects Fund during the 2004-05 fiscal year.

USING THIS FINANCIAL REPORT

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

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

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

REPORTING THE SCHOOL BOARD AS A WHOLE

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the School Board as a whole and its activities in a way to try to inform the reader as to how the School Board did financially during the 2004-05 fiscal year. In short, is the School Board better off financially or is it worse off financially than it was this time last year? These statements report all assets and liabilities of the School Board on the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The analysis of the School Board's major funds begins on page 21. Fund Financial Statements provide detailed information about the School Board's major fund. The School Board uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School Board's most significant funds. The School Board's major governmental funds for the 2004-05 fiscal year is the General Fund and Title I.

The Acadia Parish School Board's non-major governmental funds for the 2005 fiscal year are the Titles II, III, IV, AND VI Funds, the Migrant Fund, the IDEA Fund, the Preschool Fund, the Consolidated Other Federal Funds, the Medicaid Special Education Fund, the Consolidated Other State Funds, the School Lunch Fund, the Fifth Ward Maintenance Fund, the Carl Perkins Fund, the CACFP, the Head Start Fund, the Debt Service Funds, and the Capital Projects Funds.

Governmental Funds

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

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

difference) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

THE SCHOOL BOARD AS TRUSTEE

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its School Activity Fund, Basile Tax Fund, and the Sales Tax Fund. All of the School Board's fiduciary activities are reported in a separate Combining Statement of Assets and Liabilities, accompanied by supporting schedules on pages 74 through 76. These activities have been excluded from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The School Board as a Whole

\$1.6 million of the \$25.5 million of net assets at June 30, 2005 were restricted. Restricted net assets are reported separately to show legal constraints from trust and debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. The following analysis focuses on the net assets (Table 1) and change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Governmental Activities
Net Assets
June 30, 2005

(With Comparative Totals for June 30, 2004)

	Year Ended	
	June 30	
	2005	2004
Assets		
Current and other assets	\$25,165,681	\$21,117,758
Capital assets	<u>19,633,285</u>	<u>20,414,927</u>
Total assets	<u>\$44,798,966</u>	<u>\$41,532,685</u>
Liabilities		
Current and other liabilities	\$ 8,589,439	\$ 8,326,309
Long-term liabilities	<u>10,714,243</u>	<u>11,980,347</u>
Total liabilities	<u>\$19,303,682</u>	<u>\$20,306,656</u>
Net assets		
Invested in capital assets, net of debt	\$13,621,541	\$13,709,927
Restricted	1,641,996	1,905,496
Unrestricted	<u>10,231,747</u>	<u>5,610,606</u>
Total net assets	<u>\$25,495,284</u>	<u>\$21,226,029</u>

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

The balance of \$10.2 million in unrestricted-undesignated assets represents the accumulated results of all past years' operations.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities on page 18. Table 2 reports the information from the Statement of Activities in a different format so that total revenue for the year can be more easily identifiable.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

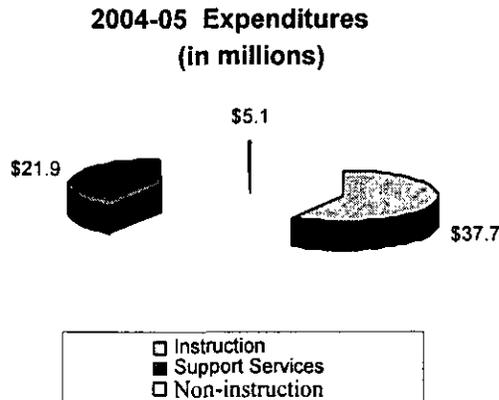
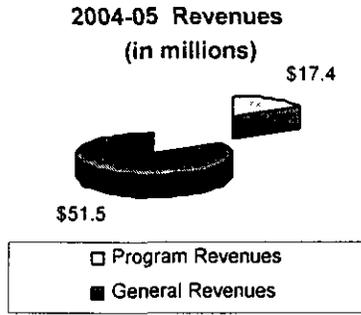
Table 2
Governmental Activities
Changes in Net Assets
Fiscal Year Ended June 30, 2005

(With Comparative Totals for June 30, 2004)

	Year Ended June 30	
	2005	2004
Revenues:		
Program revenues:		
Charges for services	\$ 1,207,429	\$ 1,297,645
Operating grants and contributions	16,279,075	15,201,928
General revenues:		
Ad valorem taxes	5,504,317	5,230,397
Sales taxes	7,364,361	5,295,754
State equalization	37,117,323	36,446,762
Other general revenues	<u>1,512,359</u>	<u>2,129,898</u>
Total revenues	<u>\$68,984,864</u>	<u>\$65,602,384</u>
Functions/Program Expenses:		
Instruction:		
Regular programs	24,062,406	27,767,251
Special education programs	7,118,893	6,802,477
Vocational programs	3,533,788	3,299,982
Other instructional programs	1,298,613	990,444
Special programs	1,476,569	1,970,731
Adult and continuing education programs	245,292	368,113
Support services:		
Pupil support services	4,064,090	3,146,218
Instructional staff support services	2,681,975	2,382,049
General administration	1,691,720	1,245,981
School administration	3,843,872	3,634,374
Business services	504,984	488,749
Operation and maintenance of plant services	5,618,426	5,961,439
Student transportation services	3,100,932	2,826,102
Central services	388,514	372,330
Non-instructional services:		
Food services	4,492,279	4,254,906
Facilities acquisition & construction	9,125	-
Community services programs	358,535	465,572
Interest on long-term obligations	<u>225,596</u>	<u>332,055</u>
Total expenses	<u>\$64,715,609</u>	<u>\$66,308,773</u>
Increase in net assets	<u>\$ 4,269,255</u>	<u>\$ 706,389</u>

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

A summary of Acadia Parish School Board's 2004-05 revenues and expenditures is presented below:



Governmental Activities

As reported in the Statement of Activities on page 18, the net cost of governmental activities this year was \$47.2 million. The taxpayers in the parish provided \$12.8 million in ad valorem and sales tax revenues to help meet the total cost of governmental activities. The state contributed \$37.1 million through the Minimum Foundation Program (MFP), which is the main funding source for the School Board. The balance of the cost of governmental activities for the year was provided through state and Federal grants.

The cost of governmental activities exceeding restricted state and Federal grants and charges for services must be paid by the citizens of Acadia Parish and unrestricted state grants. The following presentation shows the portion of governmental activities that must be paid by the citizens of Acadia Parish and unrestricted state grants.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

Funding of Governmental Activities
2004-05
(in millions)

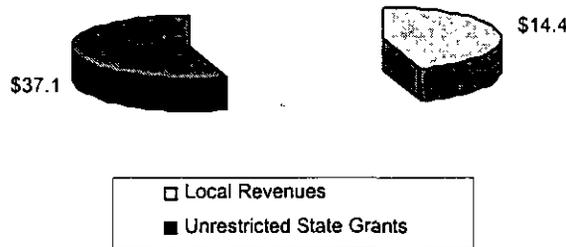


Table 3 presents the total cost of each of the School Board's five largest functions – regular programs, special education programs, school administration, plant services, and food services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the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

Table 3
Governmental Activities
Fiscal Year Ended June 30, 2005

(With Comparative Totals for June 30, 2004)

	Total Cost of Services		Net Cost of Services	
	2005	2004	2005	2004
Regular programs	\$24,062,406	\$27,767,251	\$22,097,079	\$27,219,823
Special education programs	7,118,893	6,802,477	5,770,862	4,596,032
Instructional staff support	2,681,975	2,382,049	1,451,724	1,206,194
Plant services	5,618,426	5,961,439	5,123,775	5,350,436
Student transportation services	<u>3,100,932</u>	<u>2,826,102</u>	<u>2,798,191</u>	<u>2,573,267</u>
Subtotal	\$42,582,632	\$45,739,318	\$37,241,631	\$40,945,752
All others	<u>22,132,977</u>	<u>20,569,455</u>	<u>9,987,474</u>	<u>8,863,448</u>
Total	<u>\$64,715,609</u>	<u>\$66,308,773</u>	<u>\$47,229,105</u>	<u>\$49,809,200</u>

The School Board Funds

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

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

General Fund - The General Fund is one of the School Board's major funds. The General Fund increased its fund balance by \$3.2 million, from \$9.6 million at June 30, 2004 to \$12.8 million at June 30, 2005. This represents a 33 percent increase in fund balance. In the previous year, the fund balance decreased by \$1.1 million or 11 percent. The increase in fund balance over the last year is largely due to the discontinuance of a two-year pay plan designed to provide employee compensation from accumulated surplus. As discussed in the financial highlights, the MFP funding increased by around \$0.6 million in 2004-05. Ad valorem tax revenue remained relatively consistent with the previous fiscal year. Even though we incurred additional costs for retirement and health care, the Board was able to increase the General Fund reserves.

The general recommendation is usually to have at least 10% of the General Fund's budgeted expenditures in unrestricted fund balance. However, because of uncertainties in federal and state funding as well as declining enrollment trends, a higher percentage is being maintained.

Title I Fund - The Title I Fund is another one of the School Board's major funds. Federal funding for Title I has remained relatively consistent with the previous fiscal year.

Non-major Governmental Funds - The non-major funds' fund balances were generally stable with small increases in their fund balances.

General Fund Budgetary Highlights

The School Board, in accordance with state law, must adopt a budget on the General Fund and all Special Revenue Funds prior to September 15 of each year. In accordance with state law the School Board may have variances of 5 percent of total revenues or expenditures in a fund before it is legally required to amend the budget. The School Board adopted its 2004-05 budget on July 19, 2004, and revised the budget on June 6, 2005. The original budgeted revenues increased by 4% or 1.8 million from \$48.6 million to 50.4 million. The major change in budgeted revenue was an increase in federal revenues projected as the result of exacting program budgets after final approval by the Department of Education or other granting agencies. In accordance with State Law, 50% of the growth in MFP revenues was used to fund raises for certified staff. The budgeted expenditures increased from the original budget to the final budget by \$0.1 million or .3%. This increase was primarily generated by the raises granted as a result of the increase in MFP funding, and the increase in federal program grant budgets.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

At June 30, 2005 the School Board had \$19.6 million invested in land, buildings and improvements and furniture and equipment, net of depreciation. Net capital assets decreased by \$0.8 million or 4 percent during the current fiscal year. In accordance with State guidelines, effective with the 2002-03 fiscal year, items

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

costing less than \$5,000 are considered supplies and are not capitalized. Table 4 presents capital assets net of depreciation at June 30, 2005.

Table 4
Governmental Activities
Capital Assets at Year-end
Net of Depreciation
June 30, 2005

(With Comparative Totals for June 30, 2004)

	2005	2004
Land	\$ 1,068,245	\$ 1,068,245
Construction in progress	-	189,385
Buildings and improvements	17,815,296	18,428,514
Furniture and equipment	<u>749,744</u>	<u>728,783</u>
Total	<u>\$19,633,285</u>	<u>\$20,414,927</u>

Debt

At June 30, 2005, the school board had \$5,950,000 in general obligation bonds outstanding. Of this amount outstanding, \$785,000 is due within one year. Table 5 summarizes bonds and limited tax certificates of indebtedness outstanding at June 30, 2005.

Table 5
Governmental Activities
Outstanding Debt
June 30, 2005

(With Comparative Totals for June 30, 2004)

	2005	2004
General obligation bonds:		
School Refunding Bonds, Series 2002	\$1,775,000	\$1,960,000
School Refunding Bonds, Series 2003	2,135,000	2,335,000
School Refunding Bonds, Series 2003	1,685,000	1,890,000
School Refunding Bonds, Series 2002	<u>355,000</u>	<u>520,000</u>
Total	<u>\$5,950,000</u>	<u>\$6,705,000</u>

The state limits the amount of general obligation debt that school boards can issue to 35 percent of the assessed value of all taxable property within the School Board's corporate limits. At June 30, 2005, Acadia Parish School Board's maximum legal debt limit was \$94,599,771. The District's outstanding general obligation bonded debt of \$5,950,000 is well below the maximum debt limit. The School Board does not presently anticipate issuing any general obligation bonds in the near future.

Other long-term obligations of the School Board include accrued vacation pay and sick leave. We present more detailed information about our long-term obligations in note 7 to the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Management's Discussion and Analysis (Continued)
Fiscal Year Ended June 30, 2005

FOR THE FUTURE

The Acadia Parish School Board is continuing to make financial progress. The fund balance of the General Fund has grown over the last year. At the end of the 2004-05 fiscal year, the fund balance is almost 27% of the 2004-05 budgeted expenditures. The board is anticipating continued minimum increases in sales and property tax, and MFP funding which includes a nominal inflationary factor.

Even though the Board is experiencing an improved financial picture, there are some concerns for the near future. The board is continuing to experience an extraordinary increase in the cost of employee benefits. Health insurance, in particular, has increased significantly in each of the past few years. There is no indication that this trend will change. The board's share of group health insurance for active and retired employees increased by \$699,103 during the fiscal year.

The Legislature has mandated, starting in the 2002-03 fiscal year, that 50 percent of "new growth" money in the Minimum Foundation Program funding formula shall be used for certified staff pay raises. The certificated staff will receive an increase in pay of \$890 during the 2005-06 fiscal year from the "new growth" money.

The Acadia Parish School Board has made a commitment to upgrade various major software programs during the 2005-2006 fiscal year. Specifically, a complete upgrade of the district level accounting/payroll software, student information systems, and sales tax collection software will be implemented. Significant financial resources have been budgeted for those projects, which will occur in stages over the next fiscal year. This investment will increase the efficiency and accuracy of reporting data, both internally and to state and federal agencies.

Although we have some concerns about increasing expenditures in certain areas, overall, we feel that the future of the Acadia Parish School Board is steady, both financially and educationally.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information contact Michael A. Leoanrds, Business Director, Acadia Parish School Board, P.O. Drawer 309, Crowley, La. 70527

BASIC FINANCIAL STATEMENTS

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

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Statement of Net Assets
Governmental Activities
June 30, 2005

ASSETS

Cash and interest-bearing deposits	\$ 7,438,848
Investments	13,149,387
Receivables	3,846,913
Inventories	440,319
Prepaid expenses	80,000
Deferred expense	210,214
Capital assets, net	<u>19,633,285</u>
Total assets	<u>44,798,966</u>

LIABILITIES

Accounts, salaries and other payables	7,697,909
Deferred revenue	829,786
Interest payable	61,744
Long-term liabilities	
Due within one year	1,262,541
Due in more than one year	<u>9,451,702</u>
Total liabilities	<u>19,303,682</u>

NET ASSETS

Invested in capital assets, net of related debt	13,621,541
Restricted for:	
Debt service	518,788
Construction projects	855,255
Other	267,953
Unrestricted	<u>10,231,747</u>
Total net assets	<u>\$ 25,495,284</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Statement of Activities
For the Year Ended June 30, 2005

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Assets Governmental Activities
Governmental activities:				
Instruction:				
Regular programs	\$ 24,062,405	\$ 2,179	\$ 1,963,148	\$ (22,097,078)
Special education programs	7,363,578	-	1,348,031	(6,015,547)
Vocational education programs	3,533,788	-	2,112,471	(1,421,317)
Other instructional programs	1,298,613	19,935	1,302,568	23,890
Special programs	1,476,569	-	1,493,902	17,333
Adult and continuing education programs	245,292	-	211,180	(34,112)
Support services:				
Pupil support services	3,819,405	627,883	1,118,900	(2,072,622)
Instructional staff support services	2,681,976	-	1,230,251	(1,451,725)
General administration	1,691,719	-	696,762	(994,957)
School administration	3,843,872	-	-	(3,843,872)
Business services	504,984	-	78,274	(426,710)
Operation and maintenance of plant services	5,618,426	30,850	463,801	(5,123,775)
Student transportation services	3,100,932	-	302,741	(2,798,191)
Central services	388,514	-	4,618	(383,896)
Non-instructional service:				
Food services	4,492,279	526,582	3,267,102	(698,595)
Community service programs	358,536	-	342,617	(15,919)
Facilities acquisition and construction	9,125	-	342,709	333,584
Interest on long-term debt	225,596	-	-	(225,596)
Total governmental activities	<u>\$ 64,715,609</u>	<u>\$ 1,207,429</u>	<u>\$ 16,279,075</u>	<u>(47,229,105)</u>
Taxes:				
Ad valorem taxes, levied for general purposes				4,439,071
Ad valorem taxes, levied for special purposes				170,017
Ad valorem taxes, levied for debt service				895,229
Sales and use taxes, levied for general purposes				5,784,395
Sales and use taxes, levied for special purposes				1,579,966
State revenue sharing				255,283
Grants and contributions not restricted to specific programs:				
State source - Minimum Foundation Program				37,117,323
Interest and investment earnings				335,815
Miscellaneous				955,649
Loss on disposal of capital assets				<u>(34,389)</u>
Total general revenues				<u>51,498,359</u>
Change in net assets				4,269,254
Net assets - July 1, 2004				16,530,934
Prior period adjustment				<u>4,695,096</u>
Net assets - June 30, 2005				<u>\$ 25,495,284</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

MAJOR FUNDS DESCRIPTIONS

General Fund

The General fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Improving America's Schools Act (IASA):

Title I

Title I of the Improving America's Schools Act (IASA) is a program for economically and educationally deprived children which is federally financed, state administered, and locally operated by the School board. The Title I services are provided through various projects which are designed to supplement services rather than replace state and locally mandated programs.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Balance Sheet
Governmental Funds
June 30, 2005

	General	Title I	Other Governmental	Total
ASSETS				
Cash and interest-bearing deposits	\$ 5,142,708	\$ 6,745	\$ 2,289,395	\$ 7,438,848
Investments	12,442,259	-	707,128	13,149,387
Receivables	409,047	976,943	1,365,909	2,751,899
Due from other funds	1,804,310	-	589	1,804,899
Inventories	172,366	-	267,953	440,319
Prepaid expenses	80,000	-	-	80,000
Total assets	<u>\$20,050,690</u>	<u>\$ 983,688</u>	<u>\$ 4,630,974</u>	<u>\$25,665,352</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 214,692	\$ 23,839	\$ 84,974	\$ 323,505
Accrued salaries payable	5,991,465	403,472	848,786	7,243,723
Contract payable	114,431	-	-	114,431
Retainage payable	16,250	-	-	16,250
Due to other funds	113,590	556,377	1,134,932	1,804,899
Deferred revenue	800,144	-	29,642	829,786
Total liabilities	<u>7,250,572</u>	<u>983,688</u>	<u>2,098,334</u>	<u>10,332,594</u>
Fund balances:				
Reserved for -				
Inventory	172,366	-	267,953	440,319
Debt service	-	-	580,532	580,532
Capital improvements	-	-	855,255	855,255
Total fund balances reserved	<u>172,366</u>	<u>-</u>	<u>1,703,740</u>	<u>1,876,106</u>
Unreserved -				
Undesignated, reported in major funds	12,627,752	-	-	12,627,752
Undesignated, reported in nonmajor funds:				
Special Revenue	-	-	828,900	828,900
Total fund balances unreserved	<u>12,627,752</u>	<u>-</u>	<u>828,900</u>	<u>13,456,652</u>
Total fund balances	<u>12,800,118</u>	<u>-</u>	<u>2,532,640</u>	<u>15,332,758</u>
Total liabilities and fund balances	<u>\$20,050,690</u>	<u>\$ 983,688</u>	<u>\$ 4,630,974</u>	<u>\$25,665,352</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2005

Total fund balances for governmental funds at June 30, 2005		\$ 15,332,758
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:</p>		
Land	1,068,245	
Buildings and improvements, net of \$25,532,960 accumulated depreciation	17,944,299	
Machinery and equipment, net of \$1,310,991 accumulated depreciation	<u>620,741</u>	19,633,285
<p>Long-term liabilities at June 30, 2005:</p>		
Bonds payable	\$ (5,950,000)	
Accrued interest payable	(61,744)	
Compensated absences payable	(3,984,585)	
Workers compensation claims payable	<u>(779,658)</u>	(10,775,987)
<p>Sales taxes which are not "measurable" at year-end and therefore are not available soon enough to pay for current period expenditures.</p>		
		1,095,014
<p>Bond issue costs which are reported as expenditures in the year incurred in the governmental funds are deferred and amortized in the statement of activities.</p>		
Bond issue costs, net of accumulated amortization		<u>210,214</u>
Net assets at June 30, 2005		<u>\$ 25,495,284</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD

Crowley, Louisiana

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances
For The Year Ended June 30, 2005

	General	Title I	Other Governmental	Totals
Revenues				
Local sources:				
Ad valorem taxes	\$ 4,439,071	\$ -	\$ 1,065,246	\$ 5,504,317
Sales taxes	6,863,468	-	-	6,863,468
Sales tax fees	266,652	-	-	266,652
Other	1,301,967	-	19,980	1,321,947
Total local sources	12,871,158	-	1,085,226	13,956,384
State sources	37,816,560	-	2,044,981	39,861,541
Federal sources	-	4,326,502	10,012,701	14,339,203
Other sources	-	-	627,883	627,883
Total revenues	<u>50,687,718</u>	<u>4,326,502</u>	<u>13,770,791</u>	<u>68,785,011</u>
Expenditures				
Current:				
Instruction -				
Regular programs	22,096,518	-	1,716,957	23,813,475
Special education programs	5,953,759	224,238	1,123,793	7,301,790
Vocational education programs	1,364,969	1,957,212	155,259	3,477,440
Other instructional programs	22,795	-	1,252,506	1,275,301
Special programs	-	586,126	907,776	1,493,902
Adult and continuing education programs	31,262	940	210,240	242,442
Support services -				
Pupil support services	2,057,734	311,635	807,265	3,176,634
Instructional staff support services	1,421,931	672,095	558,157	2,652,183
General administration	953,200	6,223	335,755	1,295,178
School administration	3,807,816	-	-	3,807,816
Business services	421,183	51,189	27,085	499,457
Operation and maintenance of plant services	5,037,484	123,759	418,948	5,580,191
Student transportation services	2,943,335	222	152,809	3,096,366
Central services	369,172	-	14,247	383,419
Food services	147,955	-	4,286,045	4,434,000
Facilities acquisition and construction	-	-	352,749	352,749
Non-instructional services -				
Community service programs	12,207	227,505	115,113	354,825
Indirect cost	-	165,358	223,454	388,812
Inkind	-	-	627,883	627,883
Debt service:				
Principal retirement	-	-	755,000	755,000
Interest and fiscal charges	-	-	201,907	201,907
Total expenditures	<u>46,641,320</u>	<u>4,326,502</u>	<u>14,242,948</u>	<u>65,210,770</u>
Excess (deficiency) of revenues over expenditures	<u>4,046,398</u>	<u>-</u>	<u>(472,157)</u>	<u>3,574,241</u>
Other financing sources (uses):				
Transfers in	776,086	-	862,165	1,638,251
Transfers out	(1,635,471)	-	(2,780)	(1,638,251)
Total other financing sources (uses)	<u>(859,385)</u>	<u>-</u>	<u>859,385</u>	<u>-</u>
Net change in fund balances	3,187,013	-	387,228	3,574,241
Fund balances, beginning	<u>9,613,105</u>	<u>-</u>	<u>2,145,412</u>	<u>11,758,517</u>
Fund balances, ending	<u>\$ 12,800,118</u>	<u>\$ -</u>	<u>\$ 2,532,640</u>	<u>\$ 15,332,758</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2005

Total net change in fund balances for the year ended June 30, 2005 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 3,574,241
Add: Facilities acquisition and construction costs which are considered as expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 517,829	
Less: Depreciation expense for year ended June 30, 2005	<u>(1,265,083)</u>	(747,254)
Add: Bond principal retirement considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balance		755,000
Less: Bond issue costs deferred and amortized in the statement of activities, where as governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is first issued		(29,433)
Less: Compensated absences used for year ended June 30, 2005		(48,462)
Add: Excess of insurance claims paid over claims incurred		559,566
Add: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		5,744
Add: Sales tax revenues which are collected several months after year-end and are not considered available in the governmental funds		234,241
Less: Gains or losses are not presented in this financial statement because they do not provide or use current financial resources, but they are presented in the statement of activities		<u>(34,389)</u>
Total change in net assets for the year ended June 30, 2005 per Statement of Activities		<u>\$ 4,269,254</u>

The accompanying notes are an integral part of the basic financial statements.

Acadia Parish School Board
Crowley, Louisiana

Statement of Fiduciary Net Assets
June 30, 2005

ASSETS	
Cash and cash equivalents	\$1,616,208
Receivables	<u>58,980</u>
Total assets	<u>\$1,675,188</u>
LIABILITIES	
Accounts payable	\$ 3,633
Due to other governmental units	409,746
Deposits due others	<u>1,261,809</u>
Total liabilities	<u>\$1,675,188</u>

The accompanying notes are an integral part of the basic financial statements.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Acadia Parish School Board (School Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions on or before November 30, 1989 have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

A. Financial Reporting Entity

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

The School Board operates 27 schools within the parish with a total enrollment of 9,619 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, the School Board is a separate governmental reporting entity, primary government.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the School Board, the primary government, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Fund financial statements report detailed information about the School Board.

The various funds of the School Board are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The School Board reports the following major governmental funds:

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

The Title I fund accounts for funds provided for a program for economically and educationally deprived children which is federally financed, state administered, and locally operated by the School Board. The Title I services are provided through various projects which are designed to supplement services rather than replace state and locally mandated programs.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Additionally, the School Board reports the following fund types:

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs.

Debt Service Funds

Debt service funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds

Capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

Fiduciary Funds

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The funds accounted for in this category by the School Board are the agency funds. The agency funds are as follows:

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

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

C. Measurement Focus/ Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, the governmental activities are presented using the economic resources measurement focus. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gain, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues

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

Allocation of indirect expenses

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

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means being collectible within the current period or within 60 days after year-end. Expenditures (including facilities acquisition and construction) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The governmental funds use the following practices in recording revenues and expenditures:

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state equalization and state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditures, are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the Vermilion Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned.

Sales and use tax revenues are recorded in the month collected by the School Board.

Substantially all other revenues are recorded when received.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term obligations are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sales of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Deferred Revenues

Deferred revenues arise when resources are received before the School Board has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when tuition is received in advance of the commencement of classes.

In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized. Recognition of revenue from ad valorem tax collections has been deferred in instances where the School Board has been advised by the tax collecting authority that certain amounts have been paid in protest. Recognition of revenue from minor federal and state grant advances has been deferred to the next fiscal year to allow proper matching of revenues and expenditures.

D. Assets, Liabilities and Equity

Cash and cash equivalents

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Investments

Trust fund investments are stated at fair value in accordance with GASB 31. Fair value is defined as the amount at which a financial instrument could be exchanged in a current asset transaction between willing parties. Fair value was determined based on quoted market prices.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Assets.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include ad valorem taxes, sales and use taxes, and federal and state grants.

Inventories

The cost of inventories is recorded as expenditures when consumed rather than when purchased. Reserves are established for an amount equal to the carrying value of inventories.

Inventory of the General Fund consists of instructional supplies maintained in the central warehouse for use of all schools and janitorial and electrical supplies maintained in the central warehouse for the use of all departments and schools. All inventory purchased are valued at cost (first-in, first-out).

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

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	15 - 40 years
Furniture and equipment	5 - 10 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as facilities capital outlay expenditures of the governmental fund upon acquisition.

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

Compensated Absences

All 12-month employees earn from 5 to 15 days vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated up to a maximum of forty (40) days. Upon retirement or termination of employment, the employee may choose to be paid for any unused accumulated vacation days or may convert such unused accumulated vacation leave to service credit for retirement purposes if allowed by the retirement system.

All employees earn form 10 days of sick leave each year, depending on the number of months of the school year they are employed by the School Board. Sick leave may be accumulated without limitation. Upon death or retirement, unused accumulated sick leave of up to 45 days is paid to employees (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Lunch Employees Retirement System, the total unused accumulated sick leave, including the 45 days paid, is used in the retirement benefit computation as earned service. Under the Louisiana Teachers' Retirement system and for sick leave earned under the Louisiana School Employees Retirement System all unpaid sick leave, which excludes the 45 days paid, is used in the retirement benefit computation as earned service.

Act 1341 of 1999 changed the extended sick leave (gayle pay) regulations for public school employees. The Act provides that if teachers and school bus operators

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

have no remaining sick leave, they are allowed up to 90 days extended sick leave in a six year period. During these 90 days, the employee is paid 65% of their pay at the time that the leave begins.

Act 1342 of 1999 changed the sabbatical leave regulation. The Act allows both sabbatical medical leave and professional and cultural development sabbatical for teachers. It provides for two sabbatical semesters immediately following twelve or more consecutive semesters of consecutive service or one semester immediately following six semesters of consecutive service. Sabbatical medical leave may be granted if the teacher's regular sick leave balance is forty-five days or less at the beginning of the sabbatical. No more than 5% of the work force can be on sabbatical at the same time. During sabbatical, the employee is paid 65% of their pay at the time the leave begins.

In the government-wide statements, the School Board accrues accumulated unpaid sick leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. In accordance with GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements," no compensated absences liability is recorded in the governmental fund financial statements.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable, accrued compensated absences, and workers' compensation claims payable. For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34, the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Bond discounts/issuance costs

In governmental funds, bond discounts and issuance costs are recognized in the current period. In the government-wide statements, bond discounts and issuance costs are deferred and amortized over the terms of the bonds to which such discounts and costs apply.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Budget Practices

The proposed budget for 2005 was completed and made available for public inspection at the School Board office prior to the required public hearing held for suggestions and comments from taxpayers. The School Board formally adopted the proposed fiscal year 2005 budget on July 19, 2004. In accordance with R.S.17:88(A), parish school boards must adopt the budget no later than September fifteenth of each year. The budget, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds' was published in the official journal ten days prior to the public hearing.

The budgets for the General and Special Revenue Funds for the fiscal year 2005 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

The level of control over the budget is exercised at the function or program level for the General and Special Revenue. The Superintendent and/or assistant

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

superintendents are authorized to transfer budget amounts within each fund; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget were not material.

F. Encumbrances

Encumbrance accounting, under which purchases orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is utilized for the General Fund, special revenue funds, and capital projects fund. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbered appropriations lapse at the close of the fiscal year but are appropriately provided for in the subsequent year's budget.

G. Revenue Restrictions

The School Board has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Ad valorem taxes	See Note 3
Sales taxes	See Note 8

The School Board uses unrestricted resources only when restricted resources are fully depleted.

H. Capitalization of Interest Expense

It is the policy of the School Board to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At June 30, 2005, there were no borrowings for assets under construction and no capitalized interest expense was recorded on the books.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

J. Interfund transfers

Permanent reallocation of resources between funds is classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual funds have been eliminated.

K. Impairments

The School Board evaluates long-term assets to be held and used for impairment when events or changes in economic circumstances indicate the carrying value of such assets may be unrecoverable. The School Board uses an estimate of the future undisclosed net cash flows to measure whether the assets are recoverable and measured for impairment by reference to fair value. Fair value is generally estimated using the School Board's expectations of discounted net cash flows. Long-term assets to be disposed of are carried at the lower of cost or fair value less the costs of disposal.

(2) Cash and Investments

A. Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in direct obligations of the United States government, bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government, and time certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2005, the School Board has cash and interest-bearing deposits (book balances) totaling \$9,055,056 as follows:

	Governmental Activities	Fiduciary Funds	Total
Demand deposits	\$ 7,438,648	\$ 364,055	\$ 7,802,703
Interest-bearing accounts	-	1,003,720	1,003,720
Time Deposits	-	248,433	248,433
Petty cash	200	-	200
Total	\$ 7,438,848	\$ 1,616,208	\$ 9,055,056

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates market. 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 market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2005, are secured as follows:

Bank balances	<u>\$ 9,999,962</u>
Federal deposit insurance	1,000,000
Pledged securities (Category 3)	<u>8,999,962</u>
Total federal insurance and pledged securities	<u>\$ 9,999,962</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the School Board's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

B. Investments

The School Board can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The School Board's investments are categorized to give an indication of the level of risk assumed by it at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School Board or its agent in the School Board's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the School Board's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the School Board's name.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

environment for the placement of public funds in short-term, high quality investments.

The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. The fair value of the School Board's investment in LAMP is the same as the value of the pool shares. Normally, investments are required to be reported at fair value. For purposes of determining participants' shares, investments are valued at amortized cost. Investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

At June 30, 2005, the School Board's investments (book balance) totaled \$13,149,387. Investment information is as follows:

Description	Maturity Date	Interest Rate	Reported Amount
Louisiana Asset Management Pool (LAMP)	Various	Various	\$ 6,177,174
Louisiana State Treasury	Various	Various	688,150
Time deposits	Various	Various	<u>6,284,063</u>
Total investments			<u>\$ 13,149,387</u>

(3) Ad Valorem Taxes

The following ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2005, taxes were levied by the School Board in August 2004 and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed values determined by the Tax Assessor of Acadia Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

For the year ended June 30, 2005, taxes were levied on property with net assessed valuations totaling \$270,285,060 and were dedicated as follows:

Parishwide Taxes:	
Constitutional	5.14 mills
Maintenance	15.02 mills
School Tax	<u>5.01</u> mills
Total Special Revenue Funds	25.17 mills
School District No. 6 (Church Point) - debt service	26.30 mills
School District No. 7 (5th. Ward) - debt service	18.90 mills
School District No. 7 (5th. Ward) - maintenance	13.45 mills
School District No. 8 (Iota-Egan) - debt service	<u>3.40</u> mills
Total assessment	<u>87.22</u> mills

Gross taxes levied for the current fiscal year totaled \$5,630,813. After deductions for various pension distributions and uncollectible taxes and collections of back taxes, net taxes remitted to the School Board amounted to \$5,313,547.

(4) Receivables

Receivables at June 30, 2005 of \$3,846,913 consisted of the following:

Grants	\$ 3,302,639
Accounts	480,930
Accrued interest	<u>63,344</u>
Total receivables	<u>\$ 3,846,913</u>

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

(5) Capital Assets

Capital assets balances and activity for the year ended June 30, 2005 is as follows:

	(Restated) Balance July 1, 2004	Additions	Deletions	Balance June 30, 2005
Capital assets not being depreciated:				
Land	\$ 1,068,245	\$ -	\$ -	\$ 1,068,245
Construction in progress	189,385	-	189,385	-
Other capital assets:				
Building and improvements	42,876,898	560,637	89,279	43,348,256
Furniture and equipment	<u>1,956,086</u>	<u>146,577</u>	<u>41,928</u>	<u>2,060,735</u>
Total	<u>46,090,614</u>	<u>707,214</u>	<u>320,592</u>	<u>46,477,236</u>
Less accumulated depreciation:				
Buildings and improvements	24,448,384	1,139,467	54,891	25,532,960
Furniture and equipment	<u>1,227,303</u>	<u>125,616</u>	<u>41,928</u>	<u>1,310,991</u>
Total	<u>25,675,687</u>	<u>1,265,083</u>	<u>96,819</u>	<u>26,843,951</u>
Net capital assets	<u>\$ 20,414,927</u>	<u>\$ (557,869)</u>	<u>\$ 223,773</u>	<u>\$ 19,633,285</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 476,430
Special education programs	141,183
Vocational education programs	69,580
Other instructional programs	25,555
Special programs	29,856
Adult and continuing education programs	4,807
Pupil support services	68,441
Instructional staff support services	53,007
General administration	25,934
School administration	76,158
Business services	9,994
Operation and maintenance of plant services	111,582
Student transportation services	61,989
Central services	7,717
Food services	88,682
Facility acquisition and construction	7,084
Community service programs	<u>7,084</u>
Total depreciation expense	<u>\$ 1,265,083</u>

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

(6) Accounts, Salaries, and Other Payables

At June 30, 2005, accounts, salaries, and other payables of \$7,697,909 consisted of the following:

Salaries and benefits payable	\$7,243,723
Accounts payable	323,505
Contract payable	114,431
Retainage payable	<u>16,250</u>
Total payables	<u>\$7,697,909</u>

(7) Long-Term Liabilities

The School Board issued general obligation bonds to provide funds for the acquisition, construction or improvement of major capital facilities. These bonds are direct obligations and pledge the full faith and credit of the School Board. Long-term debt outstanding at June 30, 2005 is as follows:

\$2,160,00 General Obligation School Refunding Bonds, Series 2002, due in annual installments of \$185,000 to \$260,000 through March 1, 2013; at interest rates of 2.10% to 4.25% (to be retired from the proceeds of ad valorem taxes).	\$ 1,775,000
\$2,350,00 General Obligation School Refunding Bonds, Series 2003, due in annual installments of \$200,000 to \$280,000 through March 1, 2014; at interest rates of 1.30% to 3.75% (to be retired from the proceeds of ad valorem taxes).	2,135,000
\$1,905,00 General Obligation School Refunding Bonds, Series 2003, due in annual installments of \$205,000 to \$275,000 through March 1, 2012; at interest rates of 1.30% to 3.40% (to be retired from the proceeds of ad valorem taxes).	1,685,000
\$840,00 General Obligation School Refunding Bonds, Series 2002, due in annual installments of \$165,000 to \$180,000 through March 1, 2007; at interest rates of 2.65% to 4.00% (to be retired from the proceeds of ad valorem taxes).	<u>355,000</u>
	<u>\$ 5,950,000</u>
 Other liabilities:	
Accrued compensated absences	\$3,984,585
Claims payable	<u>779,658</u>
	<u>\$4,764,243</u>

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal payments</u>	<u>Interest payments</u>	
2006	\$ 785,000	\$ 186,253	\$ 971,253
2007	800,000	167,475	967,475
2008	655,000	145,633	800,633
2009	680,000	128,128	808,128
2010	710,000	96,675	806,675
2011-2014	<u>2,320,000</u>	<u>198,137</u>	<u>2,518,137</u>
Totals	<u>\$ 5,950,000</u>	<u>\$ 922,301</u>	<u>\$ 6,872,301</u>

Changes in General Long-Term Liabilities

During the year ended June 30, 2005, the following changes occurred in long-term liabilities transactions and balances:

	<u>Balance 7/1/2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2005</u>	<u>Due Within One Year</u>
General Obligation					
Bonds	\$ 6,705,000	\$ -	\$ 755,000	\$ 5,950,000	\$ 785,000
Compensated Absences	3,936,123	440,020	391,558	3,984,585	247,783
Claims Payable	<u>1,339,224</u>	<u>156,014</u>	<u>715,580</u>	<u>779,658</u>	<u>229,758</u>
	<u>\$11,980,347</u>	<u>\$ 596,034</u>	<u>\$ 1,862,138</u>	<u>\$10,714,243</u>	<u>\$ 1,262,541</u>

Compensated absences typically have been liquidated by the general fund and a few other governmental funds. Claims liabilities typically have been liquidated by the general fund.

All principal interest requirements on the general obligation bonds are funded in accordance with Louisiana law by an annual ad valorem tax levy on taxable property within the parish. At June 30, 2005, the School Board has accumulated \$518,788 in debt service funds for the future debt requirements.

(8) Sales and Use Taxes

The School Board is authorized to collect within the parish a one percent sales and use tax. The proceeds of the tax are dedicated to supplement salaries of teachers, school bus operators, and the expenditures of operating the schools, including salaries of other personnel. Also, effective October 1, 2004, the School Board is authorized to collect within the parish an additional one-half cent sales tax to supplement salaries and benefits of employees.

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

The sales tax department of the School Board is also authorized to collect sales and use taxes levied by various municipalities located in Acadia Parish. The municipalities pay the School Board a one and one-half percent fee for collecting their sales and use taxes. The collection and distribution of the above sales taxes are accounted for in the Sales Tax Agency Fund.

(9) Retirement Plans

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description: The TRS consists of four membership plans: Regular Plan, Plan A, Plan B, and Optional Retirement Plan. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for the retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy: Plan members are required to contribute 8.0 percent and 9.1 percent of their annual covered salary for the Regular and Optional Retirement Plans and Plan A, respectively. The School Board is required to contribute an actuarially determined rate. The current rate is 15.5 percent of annual covered payroll for the Regular Plan and Plan A. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deducting from local ad valorem taxes, and by remittances from the School Board. The School Board's contributions to the TRS for the years ending June 30, 2005, 2004, and 2003 were \$5,207,329, \$4,763,910, and \$4,606,488, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LASERS)

Plan Description: The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established by state statute. The LASERS issues a publicly available financial report that included financial statements are required supplemental information for the LASERS. That report may be obtained by writing

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

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

Funding Policy: Plan members are required to contribute 7.5 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 14.8 percent of annual covered payroll. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LASERS is funded by the State of Louisiana through annual appropriations. The School Board's contributions to the LASERS for the years ending June 30, 2005, 2004, and 2003 were \$321,181, \$184,994, and \$-0-, respectively, which equal the required contributions for each year.

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

The School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 40 percent) and the School Board (approximately 60 percent). The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The School Board's cost of providing these benefits to retirees totaled \$1,346,905 for 2005 and encompasses 572 former employees receiving such benefits as of the end of the year.

(11) Operating Leases

The School Board is obligated under three operating leases. Two of the leases are leases of premises for the purpose of Head Start centers. These leases are for a term of twelve months, beginning July 1, 2004 and ending June 30, 2005 with a monthly payment of \$1,900 and \$1,250. These leases will continue monthly thereafter. The third lease was entered into as of September 2004 for five school buses for a period of five years with annual payments of \$10,475 per bus. Rental expense for the year ended June 30, 2005 was \$90,050.

The minimum future payments for these agreements are as follows:

2006	\$ 52,375
2007	52,375
2008	52,375
2009	<u>52,375</u>
Total	<u>\$209,500</u>

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

(12) Commitments and Contingencies

A. Litigation

There are no lawsuits presently pending against the School Board.

B. Grant Audits

The School Board receives federal and state grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the School Board, such disallowances, if any, will not be significant.

(13) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2005 are as follows:

	Interfund Receivables	Interfund Payables
Major funds:		
General Fund	\$ 1,804,310	\$ 113,590
Title I	-	556,377
Total major funds	1,804,310	669,967
Nonmajor funds:		
Title II	-	117,112
Title IV	-	5,928
Title VI	-	64,599
Migrant	-	7,409
IDEA	-	271,346
Preschool	-	12,129
Consolidated other federal programs	-	67,004
Medicaid special education	-	231,600
Consolidated other state programs	-	242,805
School Lunch	589	115,000
Total nonmajor funds	589	1,134,932
Total	\$ 1,804,899	\$ 1,804,899

The amounts due to the General Fund from various other funds are for reimbursements owed for expenditures paid for those funds.

ACADIA PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

B. Transfers consisted of the following at June 30, 2005:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major funds:		
General Fund	\$ 776,086	\$ 1,635,471
Nonmajor funds:		
Consolidated other state programs	24,457	-
School lunch	537,708	-
Fifth Ward Maintenance	-	2,780
Roofing projects	300,000	-
Total nonmajor funds	<u>862,165</u>	<u>2,780</u>
Total	<u>\$ 1,638,251</u>	<u>\$ 1,638,251</u>

Transfers are used to (a) 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 to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

(14) Risk Management

A. Commercial Insurance Coverage

The School Board purchases commercial insurance for property coverage, general liability, and automobile liability. The deductibles per occurrence for these coverages are \$100,000, \$25,000, and \$25,000, respectively. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

B. Workers' Compensation

Acadia Parish School Board has established a Workers' Compensation Self-Insurance Program for the purpose of providing medical and indemnity payments as required by law for on-the-job related injuries. The School Board has a contract with F.A. Richard for plan administration services. Under the program, the School Board has obtained reinsurance coverage for the excess workers' compensation and employer's liability. The retention for the policy for fiscal year ended June 30, 2005 is \$400,000 per occurrence.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

At June 30, 2005, the amount of the workers' compensation benefits liability was \$779,658. This liability is the School Board's best estimate based on available information. Changes in the unpaid claims liability during the last three years ended June 30, are as follows:

	2005	2004	2003
Unpaid claims, beginning	\$ 1,339,224	\$ 1,377,798	\$ 1,110,688
Current year claims and changes in estimates	156,014	570,625	451,066
Claims paid	<u>(715,580)</u>	<u>(609,199)</u>	<u>(183,956)</u>
Unpaid claims, ending	<u>\$ 779,658</u>	<u>\$ 1,339,224</u>	<u>\$ 1,377,798</u>

(15) U.S.D.A. Commodities

The School Board receives U.S.D.A. commodities from the U.S. Department of Agriculture. During the year, the School Board received \$243,770 in commodities, consumed \$140,298 and had a balance of \$103,472 of commodities in inventory at June 30, 2005. The commodities are reflected in inventory in the School Lunch Fund.

(16) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2005 follows:

	Amount
John Quebodeaux	\$ 2,700
Roland Boudreaux	4,200
Gene Daigle	4,200
Shirley F. Vigie, Jr.	4,200
Robert Mcmanus	4,200
Ezora Proctor	4,200
Abraham Shamsie	4,200
Lyle Johnson	4,800
John Suire	1,050
Shirley Quebodeaux	<u>1,050</u>
	<u>\$ 34,800</u>

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Basic Financial Statements (Continued)

(17) Education Excellence Fund

On August 27, 2003, the Joint Education Committee approved the School Board's plans regarding their share of the Millennium Trust Fund, referred to as the Education Excellence Trust Fund. For each fiscal year through the end of fiscal year 2006-2007, appropriations shall be made to the state superintendent of education and distributed to city, parish, and other local school systems in accordance with the formulas stipulated in the Millennium Trust. Such monies appropriated shall be restricted to expenditure for pre-kindergarten through twelfth grade instructional enhancement for students, including early childhood educational programs focused on enhancing the preparation of at-risk children for school, remedial instruction, and assistance to children who fail to achieve the required scores on any test passage of which are required pursuant to state law or rule for advancement to a succeeding grade or other educational programs approved by the legislature. For the year ended June 30, 2005, \$588,262 is included in deferred revenue for future expenditure in accordance with the Millennium Trust document.

(18) Headstart Funding

At June 30, 2005, the School Board had Headstart funds available under the current project period which were unexpended. The total unexpended funds totaled \$69.

(19) Prior Period Adjustment

Net assets in the government-wide financial statements at the beginning of the fiscal year June 30, 2005 has been adjusted to correct an error in a prior year. In 2004, net capital assets were understated; therefore a prior period adjustment of \$4,695,096 is necessary to increase net assets. The reason for this increase is due to revaluation of asset costs and correction of prior period accumulated depreciation.

(20) Individual Fund Deficit

The following fund had deficit fund balance at June 30, 2005:

Medicaid Special Education	\$203,621
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The deficit is expected to be funded by future program revenues and/or local support monies.

(21) Subsequent events – Hurricane Rita

During September 2005, Hurricane Rita damaged several schools administered by the Acadia Parish School Board. The School Board estimates the cost of these damages to be approximately \$500,000. The School Board anticipates the majority of these costs to be reimbursed by the Federal Emergency Management Agency (FEMA). At the present time the amount of reimbursements is unknown.

**OTHER REQUIRED
SUPPLEMENTARY INFORMATION**

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2005

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Parish sources:				
Ad valorem taxes	\$ 4,090,200	\$ 4,090,200	\$ 4,439,071	\$ 348,871
Sales and use taxes	5,350,000	7,211,500	6,863,468	(348,032)
Sales tax fees	225,000	225,000	266,652	41,652
Other	1,085,400	1,121,800	1,301,967	180,167
Total parish sources	10,750,600	12,648,500	12,871,158	222,658
State sources	37,900,990	37,785,925	37,816,560	30,635
Total revenues	48,651,590	50,434,425	50,687,718	253,293
Expenditures				
Current:				
Instruction -				
Regular programs	22,884,300	22,094,800	22,096,518	(1,718)
Special education programs	5,206,385	5,953,085	5,953,759	(674)
Vocational education programs	1,394,200	1,391,300	1,364,969	26,331
Other instructional programs	30,500	30,300	22,795	7,505
Special programs	40,950	-	-	-
Adult and continuing education programs	38,200	31,200	31,262	(62)
Support services -				
Pupil support services	1,830,215	2,120,115	2,057,734	62,381
Instructional staff support services	1,968,700	1,506,600	1,421,931	84,669
General administration	960,400	852,800	953,200	(100,400)
School administration	3,799,400	3,894,300	3,807,816	86,484
Business services	438,900	465,300	421,183	44,117
Operation and maintenance of plant services	4,771,300	4,948,300	5,037,484	(89,184)
Student transportation services	3,027,400	3,256,400	2,943,335	313,065
Central services	392,900	373,000	369,172	3,828
Non-instructional services -				
Food services	158,200	146,820	147,955	(1,135)
Community service programs	14,000	14,300	12,207	2,093
Facilities acquisition and construction	1,000	1,000	-	1,000
Total expenditures	46,956,950	47,079,620	46,641,320	438,300
Excess of revenues over expenditures	1,694,640	3,354,805	4,046,398	691,593
Other financing sources (uses)				
Transfers in	331,200	1,114,000	776,086	(337,914)
Transfers out	(1,231,652)	(2,080,552)	(1,635,471)	445,081
Total other financing sources (uses)	(900,452)	(966,552)	(859,385)	107,167
Excess of revenues and other sources over expenditures and other uses	794,188	2,388,253	3,187,013	798,760
Fund balances, beginning	9,613,105	9,613,105	9,613,105	-
Fund balances, ending	\$ 10,407,293	\$ 12,001,358	\$ 12,800,118	\$ 798,760

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Title I Special Revenue Fund
Budgetary Comparison Schedule
Year Ended June 30, 2005

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
Revenues				
Federal sources	4,112,337	4,425,637	4,326,502	(99,135)
Expenditures				
Current:				
Instruction -				
Special education programs	107,393	212,104	224,238	(12,134)
Vocational education programs	1,639,130	1,717,781	1,957,212	(239,431)
Special programs	587,413	641,197	586,126	55,071
Adult and continuing education programs	1,982	940	940	-
Support services -				
Pupil support services	335,708	325,173	311,635	13,538
Instructional staff support services	780,106	793,808	672,095	121,713
General administration	15,000	37,348	6,223	31,125
Business services	60,134	113,540	51,189	62,351
Operation and maintenance of plant services	198,863	179,725	123,759	55,966
Student transportation services	-	600	222	378
Non-instructional services -				
Community service programs	229,626	234,825	227,505	7,320
Indirect cost	156,982	168,596	165,358	3,238
Total expenditures	4,112,337	4,425,637	4,326,502	99,135
Excess (deficiency) of revenues over expenditures	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -

OTHER SUPPLEMENTARY INFORMATION

OTHER FINANCIAL INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Governmental Funds

Combining Balance Sheet
June 30, 2005

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and interest-bearing deposits	\$ 1,394,546	\$ 39,594	\$ 855,255	\$ 2,289,395
Investments	176,338	530,790	-	707,128
Receivables	1,355,761	10,148	-	1,365,909
Due from other funds	589	-	-	589
Inventories	267,953	-	-	267,953
Total assets	<u>\$3,195,187</u>	<u>\$ 580,532</u>	<u>\$ 855,255</u>	<u>\$ 4,630,974</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 84,974	\$ -	\$ -	\$ 84,974
Accrued salaries payable	848,786	-	-	848,786
Due to other funds	1,134,932	-	-	1,134,932
Deferred revenue	29,642	-	-	29,642
Total liabilities	<u>2,098,334</u>	<u>-</u>	<u>-</u>	<u>2,098,334</u>
Fund balances:				
Reserved for inventory	267,953	-	-	267,953
Reserved for construction projects	-	-	855,255	855,255
Reserved for debt service	-	580,532	-	580,532
Unreserved	828,900	-	-	828,900
Total fund balances	<u>1,096,853</u>	<u>580,532</u>	<u>855,255</u>	<u>2,532,640</u>
Total liabilities and fund balances	<u>\$3,195,187</u>	<u>\$ 580,532</u>	<u>\$ 855,255</u>	<u>\$ 4,630,974</u>

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2005

	Special Revenue	Debt Service	Capital Projects	Totals
Local sources -				
Ad valorem taxes	\$ 170,017	\$895,229	\$ -	\$ 1,065,246
Interest income	7,317	11,050	-	18,367
Other	1,613	-	-	1,613
State sources	2,044,981	-	-	2,044,981
Federal sources	10,012,701	-	-	10,012,701
Other sources	627,883	-	-	627,883
Total revenues	12,864,512	906,279	-	13,770,791
Expenditures				
Current:				
Instruction -				
Regular programs	1,716,957	-	-	1,716,957
Special education programs	1,123,793	-	-	1,123,793
Vocational education programs	155,259	-	-	155,259
Other instructional programs	1,252,506	-	-	1,252,506
Special programs	907,776	-	-	907,776
Adult and continuing education programs	210,240	-	-	210,240
Support services -				
Pupil support services	807,265	-	-	807,265
Instructional staff support services	558,157	-	-	558,157
General administration	301,726	34,029	-	335,755
Business services	27,085	-	-	27,085
Operation and maintenance of plant services	378,678	-	40,270	418,948
Student transportation services	152,809	-	-	152,809
Central services	14,247	-	-	14,247
Food service operations	4,286,045	-	-	4,286,045
Community Service Programs	115,113	-	-	115,113
Indirect cost	223,454	-	-	223,454
Inkind	627,883	-	-	627,883
Facilities acquisition and construction	352,749	-	-	352,749
Debt service:				
Principal retirement	-	755,000	-	755,000
Interest and fiscal charges	-	201,907	-	201,907
Total expenditures	13,211,742	990,936	40,270	14,242,948
Deficiency of revenues over expenditures	(347,230)	(84,657)	(40,270)	(472,157)

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Year Ended June 30, 2005

	Special Revenue	Debt Service	Capital Projects	Totals
Other financing sources (uses)				
Transfers in	562,165	-	300,000	862,165
Transfers out	-	-	(2,780)	(2,780)
Total other financing sources	562,165	-	297,220	859,385
Excess (deficiency) of revenues and other sources over expenditures and other uses	214,935	(84,657)	256,950	387,228
Fund balances, beginning	881,918	665,189	598,305	2,145,412
Fund balances, ending	\$ 1,096,853	\$580,532	\$855,255	\$ 2,532,640

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for special revenues that are legally restricted to expenditures for expenditures for specific purposes.

Improving America's Schools Act (IASA):

Title II

Title II of the IASA is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science, computer learning, and to increase the accessibility of such instructions to all students.

Title III

Title III of the IASA is a program to help ensure that children who are limited English proficient, including immigrant children and youth, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging state academic content and student academic achievement standards as all children are expected to meet.

Title IV

Title IV of the IASA is a program by which the federal government provides funds to the School Board for the Drug Free Schools program.

Title VI

Title VI of the IASA is a program by which the federal government provides funds to the School Board for an afterschool tutorial homework assistance program and staff development. This fund also accounts for revenues and expenditures of the Class Size Reduction program designed to help local elementary schools reduce class size by hiring additional highly qualified teachers.

Migrant

An educational program which focuses on the needs of children of migratory workers.

Individuals With Disabilities Education Act (IDEA) Fund

The IDEA Fund is a federally funded program which provides for special education services to accommodate children with disabilities.

Preschool Fund

Preschool Fund is a program by which funds are used to provide special education handicapped services for preschool aged children. The fund also provides for pre-kindergarten and kindergarten classes designed to prepare at-risk four-year old children for kindergarten.

(continued)

NONMAJOR SPECIAL REVENUE FUNDS (continued)

Consolidated Other Federal Programs

This category accounts for federal grants such as Adult Education Basic Grants, Family Literacy Grants, Technology and professional development grants and other grants which are not accounted for in other special revenue funds.

Medicaid Special Education

Funds are generated by providing services to medicaid-eligible students. This money is used to provide health-related services and for special needs students sent to other parishes.

Consolidated Other State Programs

This category accounts for state funded programs which provide for summer remediation, instructional enhancements for students, state mandated Pre-Ged/Options 3 program, and other programs which are not accounted for in other special revenue funds.

School Lunch Fund

The School Food Service makes nutritious breakfasts and lunches available to all students at 12 central kitchens and 13 satellite locations. Funding is provided through collections at the schools from students and teachers, federal reimbursement of certain costs, USDA commodities, and transfer from the General Fund.

Fifth Ward Maintenance

Fifth Ward Maintenance Fund is a maintenance fund created for the Fifth Ward School District, originating in the 1997-98 fiscal year. Funds are available for maintenance, improvements, and instructional needs of the four schools in the district. Unused funds are accumulating for the future.

Carl Perkins

Carl Perkins Fund accounts for federal funds used for career and tech ed programs at the secondary level, such as business, home economics, health and agriculture. Tech-prep has been added to enhance integrated learning techniques.

CACFP

Provides meals for Headstart classes.

Headstart

Headstart provides an early childhood environment for 400 three and four year old at-risk children in the communities of Church Point, Rayne, Crowley, and Estherwood. This federal program, which receives funding through the regional Headstart office in Dallas, offers an additional source of preschool experience for children in the parish. This fund also accounts for funds for training/technical assistance for staff development and Headstart training conferences for employees, parents, and policy council members.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet
June 30, 2005

	Improving America's Schools Act				
	Title II	Title III	Title IV (Drug Free Schools)	Title VI	Migrant
ASSETS					
Cash and interest-bearing deposits	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Receivables	260,291	-	15,777	136,361	7,681
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 260,291</u>	<u>\$ -</u>	<u>\$ 15,777</u>	<u>\$ 136,361</u>	<u>\$ 7,681</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 6,440	\$ -	\$ 858	\$ 3,265	\$ 272
Accrued salaries payable	136,739	-	8,991	68,497	-
Due to other funds	117,112	-	5,928	64,599	7,409
Deferred revenue	-	-	-	-	-
Total liabilities	<u>260,291</u>	<u>-</u>	<u>15,777</u>	<u>136,361</u>	<u>7,681</u>
Fund balances:					
Reserved for inventory	-	-	-	-	-
Unreserved	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 260,291</u>	<u>\$ -</u>	<u>\$ 15,777</u>	<u>\$ 136,361</u>	<u>\$ 7,681</u>

<u>IDEA</u>	<u>Preschool</u>	<u>Consolidated Other Federal Programs</u>	<u>Medicaid Special Education</u>	<u>Consolidated Other State Programs</u>	<u>School Lunch Fund</u>	<u>Fifth Ward Maintenance</u>	<u>Carl Perkins</u>
\$ -	\$ 16,610	\$ -	\$ 27,979	\$ 437,175	\$664,679	\$ 178,027	\$ -
-	-	-	-	-	-	176,338	-
336,142	22,419	80,343	-	231,519	570	1,417	9,060
-	-	-	-	-	589	-	-
-	-	-	-	-	267,953	-	-
<u>\$ 336,142</u>	<u>\$ 39,029</u>	<u>\$ 80,343</u>	<u>\$ 27,979</u>	<u>\$ 668,694</u>	<u>\$933,791</u>	<u>\$ 355,782</u>	<u>\$ 9,060</u>
\$ 4,700	\$ 403	\$ 4,312	\$ -	\$ 944	\$ 14,261	\$ 864	\$ -
60,096	25,697	9,027	-	92,303	240,909	-	-
271,346	12,129	67,004	231,600	233,745	115,000	-	9,060
-	-	-	-	29,642	-	-	-
<u>336,142</u>	<u>38,229</u>	<u>80,343</u>	<u>231,600</u>	<u>356,634</u>	<u>370,170</u>	<u>864</u>	<u>9,060</u>
-	-	-	-	-	267,953	-	-
-	800	-	(203,621)	312,060	295,668	354,918	-
-	800	-	(203,621)	312,060	563,621	354,918	-
<u>\$ 336,142</u>	<u>\$ 39,029</u>	<u>\$ 80,343</u>	<u>\$ 27,979</u>	<u>\$ 668,694</u>	<u>\$933,791</u>	<u>\$ 355,782</u>	<u>\$ 9,060</u>

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Special Revenue Funds

Combining Balance Sheet (continued)
June 30, 2005

	CACFP	Headstart	Total
ASSETS			
Cash and interest-bearing deposits	\$68,288	\$ 1,788	\$ 1,394,546
Investments	-	-	176,338
Receivables	-	254,181	1,355,761
Due from other funds	-	-	589
Inventories	-	-	267,953
Total assets	<u>\$68,288</u>	<u>\$255,969</u>	<u>\$3,195,187</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 48,655	\$ 84,974
Accrued salaries payable	-	206,527	848,786
Due to other funds	-	-	1,134,932
Deferred revenue	-	-	29,642
Total liabilities	<u>-</u>	<u>255,182</u>	<u>2,098,334</u>
Fund balances:			
Reserved for inventory	-	-	267,953
Unreserved	68,288	787	828,900
Total fund balances	<u>68,288</u>	<u>787</u>	<u>1,096,853</u>
Total liabilities and fund balances	<u>\$68,288</u>	<u>\$255,969</u>	<u>\$3,195,187</u>

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2005

	Improving America's Schools Act				
	Title II	Title III	Title IV (Drug Free Schools)	Title VI	Migrant
Revenues					
Local Sources:					
Taxes:					
Ad valorem tax	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-
Food services	-	-	-	-	-
Other	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	1,149,646	1,611	140,698	390,782	34,158
Other sources	-	-	-	-	-
Total revenues	<u>1,149,646</u>	<u>1,611</u>	<u>140,698</u>	<u>390,782</u>	<u>34,158</u>
Expenditures					
Current:					
Instruction -					
Regular programs	846,907	-	115	244,430	-
Special education programs	-	-	-	8,909	-
Vocational education programs	-	-	-	-	-
Other instructional programs	-	-	-	38,505	-
Special programs	109,683	1,544	-	63,867	34,158
Adult and continuing education programs	-	-	-	-	-
Support services -					
Pupil support services	-	-	130,119	-	-
Instructional staff support services	147,686	-	6,138	20,000	-
General administration	-	-	538	-	-
Business services	-	-	408	-	-
Operation and maintenance of plant services	-	-	1,017	-	-
Student transportation services	-	-	-	-	-
Central services	-	-	-	-	-
Food service operations	-	-	-	-	-
Community service programs	-	-	-	-	-
Indirect cost	45,370	67	2,363	15,071	-
Inkind	-	-	-	-	-
Facility acquisition and construction					
Total expenditures	<u>1,149,646</u>	<u>1,611</u>	<u>140,698</u>	<u>390,782</u>	<u>34,158</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources					
Transfers in					
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IDEA	Preschool	Consolidated Other Federal Programs	Medicaid Special Education	Consolidated Other State Programs	School Lunch Fund	Fifth Ward Maintenance	Carl Perkns
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,017	\$ -
-	-	-	-	-	2,901	4,416	-
-	-	-	-	-	-	-	-
-	-	-	-	-	1,613	-	-
-	-	-	62,281	1,391,851	574,388	-	-
1,945,605	175,896	486,416	-	-	2,902,844	-	160,177
-	-	-	-	-	-	-	-
<u>1,945,605</u>	<u>175,896</u>	<u>486,416</u>	<u>62,281</u>	<u>1,391,851</u>	<u>3,481,746</u>	<u>174,433</u>	<u>160,177</u>
1,294	521	127,898	-	457,273	-	25,572	1,659
740,419	43,527	-	86,073	174,988	-	-	-
-	-	3,474	-	-	-	-	151,785
-	-	-	-	150,770	-	-	-
92,758	115,535	159,310	-	330,921	-	-	-
-	-	151,720	-	58,520	-	-	-
408,415	27,525	-	-	43,403	-	-	-
202,929	3,865	34,659	429	69,334	-	-	5,572
8,801	-	-	-	-	-	-	193
-	-	-	-	-	-	-	-
53,165	41	3,351	-	8,909	-	38,636	-
35,567	250	2,607	-	1,429	-	-	968
711	-	429	-	-	-	9,629	-
-	-	-	-	-	3,969,593	-	-
-	-	-	-	-	-	-	-
58,837	5,979	2,968	-	51	-	-	-
-	-	-	-	-	-	-	-
342,709	-	-	-	-	-	10,040	-
<u>1,945,605</u>	<u>197,243</u>	<u>486,416</u>	<u>86,502</u>	<u>1,295,598</u>	<u>3,969,593</u>	<u>83,877</u>	<u>160,177</u>
-	(21,347)	-	(24,221)	96,253	(487,847)	90,556	-
-	-	-	-	24,457	537,708	-	-
-	-	-	-	24,457	537,708	-	-
-	(21,347)	-	(24,221)	120,710	49,861	90,556	-
-	22,147	-	(179,400)	191,350	513,760	264,362	-
<u>\$ -</u>	<u>\$ 800</u>	<u>\$ -</u>	<u>\$ (203,621)</u>	<u>\$ 312,060</u>	<u>\$ 563,621</u>	<u>\$ 354,918</u>	<u>\$ -</u>

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Year Ended June 30, 2005

	<u>CACFP</u>	<u>Headstart</u>	<u>Total</u>
Revenues			
Local Sources:			
Taxes:			
Ad valorem tax	\$ -	\$ -	\$ 170,017
Interest income	-	-	7,317
Food services	-	-	-
Other	-	-	1,613
State sources	16,461	-	2,044,981
Federal sources	231,356	2,393,512	10,012,701
Other sources	-	627,883	627,883
Total revenues	<u>247,817</u>	<u>3,021,395</u>	<u>12,864,512</u>
Expenditures			
Current:			
Instruction -			
Regular programs	-	11,288	1,716,957
Special education programs	-	69,877	1,123,793
Vocational education programs	-	-	155,259
Other instructional programs	-	1,063,231	1,252,506
Special programs	-	-	907,776
Adult and continuing education programs	-	-	210,240
Support services -			
Pupil support services	-	197,803	807,265
Instructional staff support services	-	67,545	558,157
General administration	-	292,194	301,726
Business services	-	26,677	27,085
Operation and maintenance of plant services	7,206	266,353	378,678
Student transportation services	-	111,988	152,809
Central services	452	3,026	14,247
Food service operations	240,783	75,669	4,286,045
Community Service Programs	-	115,113	115,113
Indirect cost	-	92,748	223,454
Inkind	-	627,883	627,883
Facility acquisition and construction	-	-	352,749
Total expenditures	<u>248,441</u>	<u>3,021,395</u>	<u>13,211,742</u>
Excess (deficiency) of revenues over expenditures	<u>(624)</u>	<u>-</u>	<u>(347,230)</u>
Other financing sources			
Transfers in	-	-	562,165
Total other financing sources	<u>-</u>	<u>-</u>	<u>562,165</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>(624)</u>	<u>-</u>	<u>214,935</u>
Fund balances (deficit), beginning	<u>68,912</u>	<u>787</u>	<u>881,918</u>
Fund balances (deficit), ending	<u>\$ 68,288</u>	<u>\$ 787</u>	<u>\$1,096,853</u>

NONMAJOR DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for the payment of bonded debt principal, interest, and related costs.

Church Point School District No. 6

To accumulate monies for the payment of the General Obligation School Refunding Bonds, Series 2002 and 2003 issued in the amounts of \$2,160,000 and \$2,350,000, respectively. The bonds were issued for the purpose of refinancing the 1993 and 1994 bond issuances initially used for capital improvements. The bonds are financed by specifically dedicated ad valorem tax levies.

Fifth Ward School District No. 7

To accumulate monies for the payment of the General Obligation School Refunding Bonds, Series 2003 issued in the amount of \$1,905,000. The bonds were issued for the purpose of refinancing the 1997 bond issuance initially used for capital improvements. The bonds are financed by specifically dedicated ad valorem tax levies.

Iota - Egan School District No. 8

To accumulate monies for the payment of the General Obligation School Refunding Bonds, Series 2002 issued in the amount of \$840,000. The bonds were issued for the purpose of refinancing the 1992 bond issuance initially used for capital improvements. The bonds are financed by specifically dedicated ad valorem tax levies.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Debt Service Funds

Combining Balance Sheet
June 30, 2005

	Church Point School District No. 6	Fifth Ward School District No. 7	Iota - Egan School District No. 8	Total
ASSETS				
Cash and interest-bearing deposits	\$ 32,155	\$ 3,962	\$ 3,477	\$ 39,594
Investments	225,605	256,949	48,236	530,790
Accounts receivable	6,542	1,462	2,144	10,148
Total assets	<u>\$ 264,302</u>	<u>\$ 262,373</u>	<u>\$ 53,857</u>	<u>\$ 580,532</u>
LIABILITIES AND FUND BALANCE				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Reserved for debt retirement	264,302	262,373	53,857	580,532
Total liabilities and fund balance	<u>\$ 264,302</u>	<u>\$ 262,373</u>	<u>\$ 53,857</u>	<u>\$ 580,532</u>

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2005

	Church Point School District No. 6	Fifth Ward School District No. 7	Iota - Egan School District No. 8	Total
Revenues				
Local Sources:				
Taxes:				
Ad valorem tax	\$ 514,235	\$ 233,036	\$ 147,958	\$ 895,229
Interest income	<u>4,614</u>	<u>5,035</u>	<u>1,401</u>	<u>11,050</u>
Total revenues	<u>518,849</u>	<u>238,071</u>	<u>149,359</u>	<u>906,279</u>
Expenditures				
Current:				
Support services -				
General administration	19,679	8,478	5,872	34,029
Debt service:				
Principal retirement	385,000	205,000	165,000	755,000
Interest and fiscal charges	<u>135,492</u>	<u>46,620</u>	<u>19,795</u>	<u>201,907</u>
Total expenditures	<u>540,171</u>	<u>260,098</u>	<u>190,667</u>	<u>990,936</u>
Deficiency of revenues over expenditures	(21,322)	(22,027)	(41,308)	(84,657)
Fund balance, beginning	<u>285,624</u>	<u>284,400</u>	<u>95,165</u>	<u>665,189</u>
Fund balance, ending	<u>\$ 264,302</u>	<u>\$ 262,373</u>	<u>\$ 53,857</u>	<u>\$ 580,532</u>

NONMAJOR CAPITAL PROJECTS

Capital projects are used to account for capital asset acquisition, construction, and improvements of public school facilities.

Hurricane Lili Repair Fund

This fund is used for the costs of repairing various School Board properties due to the extensive damage of Hurricane Lili on October 3, 2002. Funds are provided by property insurance coverage, by reimbursements from FEMA (75%) and the State (10%) and by transfers from the General Fund.

Roofing Projects

The General Fund transfers funds into the Roofing Projects fund where all roofing costs are tracked. Unused funds will accumulate here, building a reserve for future needs.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Capital Projects Fund

Combining Balance Sheet
June 30, 2005

	Hurricane Lili Repair Fund	Roofing Projects	Total
ASSETS			
Cash and interest-bearing deposits	\$ -	\$ 855,255	\$ 855,255
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Fund balance:			
Reserved for construction projects	-	855,255	855,255
Total liabilities and fund balance	\$ -	\$ 855,255	\$ 855,255

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Nonmajor Capital Projects

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended June 30, 2005

	Hurricane Lili Repair Fund	Roofing Projects	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues	\$ -	\$ -	\$ -
Expenditures			
Current:			
Support services -			
Operation and maintenance of plant services	-	40,270	40,270
Total expenditures	<u>-</u>	<u>40,270</u>	<u>40,270</u>
Deficiency of revenues over expenditures	-	(40,270)	(40,270)
Other financing sources (uses):			
Transfers in	-	300,000	300,000
Transfers out	<u>(2,780)</u>	<u>-</u>	<u>(2,780)</u>
Total other financing sources (uses)	<u>(2,780)</u>	<u>300,000</u>	<u>297,220</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,780)	259,730	256,950
Fund balance, beginning	<u>2,780</u>	<u>595,525</u>	<u>598,305</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 855,255</u>	<u>\$ 855,255</u>

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore can not be used to support the School Boards own programs.

Agency Funds

School Activity Fund

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

Sales Tax Fund

The Sales Tax Fund accounts for the collection and distribution of sales tax that the School Board has the responsibility of collecting. Effective December 1, 1967, the School Board was appointed the central sales tax collecting agency for all taxing bodies within Acadia Parish. The cost of collecting the taxes is divided among all of the taxing bodies based upon their respective sales and use tax in relation to the combined total.

Basile Tax Fund

The Basile Tax Fund accounts for the collection and distribution of property tax revenues that the Acadia Parish School Board collects for the Evangeline Parish School Board.

Acadia Parish School Board
Crowley, Louisiana
Agency Funds

Combining Statement of Assets and Liabilities
June 30, 2005

	School Activity	Sales Tax	Basile Tax	Totals
ASSETS				
Cash and cash equivalents	\$1,252,153	\$ 363,728	\$ 327	\$1,616,208
Receivables	-	58,980	-	58,980
Total assets	\$1,252,153	\$ 422,708	\$ 327	\$1,675,188
LIABILITIES				
Accounts payable	\$ -	\$ 3,306	\$ 327	\$ 3,633
Due to other governmental units	-	409,746	-	409,746
Deposits due others	1,252,153	9,656	-	1,261,809
Total liabilities	\$1,252,153	\$ 422,708	\$ 327	\$1,675,188

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
School Activity Agency Fund

Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2005

Schools	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
Alternative School	\$ 1,720	\$ 1,425	\$ 1,397	\$ 1,748
Armstrong Middle	43,563	109,766	96,966	56,363
Branch Elementary	35,904	73,132	70,889	38,147
Central Rayne Kindergarten	62,810	49,218	34,982	77,046
Church Point Elementary	19,457	82,923	83,904	18,476
Church Point High	56,726	322,351	301,068	78,009
Church Point Middle	5,314	65,263	55,116	15,461
Crowley High	96,499	286,810	292,970	90,339
Crowley Middle	57,215	97,108	102,576	51,747
Crowley Kindergarten	19,746	24,701	22,261	22,186
Egan Elementary	20,517	69,657	59,505	30,669
Estherwood Elementary	49,536	77,316	82,453	44,399
Evangeline Elementary	21,120	45,741	43,819	23,042
Iota Elementary	36,375	89,000	91,141	34,234
Iota High	71,937	302,547	299,167	75,317
Iota Middle	38,794	48,249	41,738	45,305
Martin Petitjean Elementary	20,213	51,392	53,733	17,872
Mermentau Elementary	31,033	34,839	29,639	36,233
Midland High	129,669	214,962	197,151	147,480
Mire Elementary	28,771	109,716	104,858	33,629
Morse Elementary	12,691	51,516	50,111	14,096
North Crowley Elementary	34,397	75,079	70,708	38,768
Rayne High	168,409	386,464	382,390	172,483
Richard Elementary	10,071	61,605	60,321	11,355
Ross Elementary	14,175	53,789	51,406	16,558
South Crowley Elementary	19,706	63,721	58,477	24,950
South Rayne Elementary	27,325	78,417	69,501	36,241
Total balances	<u>\$ 1,133,693</u>	<u>\$ 2,926,707</u>	<u>\$ 2,808,247</u>	<u>\$ 1,252,153</u>

Acadia Parish School Board
Crowley, Louisiana
Agency Funds

Combining Schedule of Cash Receipts and Disbursements
June 30, 2005

	Sales Tax	Basile Tax	Totals
Receipts:			
Sales taxes	\$24,690,389	\$ -	\$24,690,389
Ad valorem taxes	-	934,540	934,540
Total receipts	24,690,389	934,540	25,624,929
Disbursements:			
Tax proceeds distributed to taxing authorities, net of collection costs	24,690,389	934,325	25,624,714
Other disbursements	246,028	-	246,028
Total disbursements	24,936,417	934,325	25,870,742
Increase (decrease) in cash	(246,028)	215	(245,813)
Cash balance, beginning	609,756	112	609,868
Cash balance, ending	\$ 363,728	\$ 327	\$ 364,055

**INTERNAL CONTROL,
COMPLIANCE
AND
OTHER MATTERS**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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

* A Professional Accounting Corporation

Mr. John Bourque, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Parish School Board, (the School Board) as of and for the year ended June 30, 2005, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated October 13, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the School Board's ability to record process, summarize, and report financial data consistent with the assertions of management in the financial statements. The Reportable condition is described in the accompanying summary schedule of current and prior year audit findings as item 05-1(IC).

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We believe the reportable condition identified as item 05-1(IC) in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan is a material weakness.

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Compliance and Other Matters

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 13, 2005

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

Mr. John Bourque, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

Compliance

We have audited the compliance of the Acadia Parish School Board (the School Board), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

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Internal Control Over Compliance

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

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

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

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 13, 2005

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
<u>United States Department of Education:</u>			
Passed through State Department of Education:			
ESEA Title I	04-T1-01 CO 2005	84.010A	\$ 648,530
	04-T1-01	84.010A	312,426
	28-05-T1-01	84.010A	<u>3,365,546</u>
Total for ESEA Title I Cluster			<u>4,326,502</u>
ESEA Title VI	03-80-01 CO	84.298A	25,825
	04-80-01	84.298A	21,312
	28-05-80-01	84.298A	25,811
	28-05-RE-01	84.298A	289,197
	04-80-01 CO	84.298A	<u>28,637</u>
Total for ESEA Title VI Cluster			<u>390,782</u>
Migrant Education	05-M1-27	84.011	32,374
	03-M1-27	84.011	910
	04-M1-27-C	84.011	<u>874</u>
Total for Migrant Education Cluster			<u>34,158</u>
Special Education	28-04-B1-01	84.027A	75,334
	03-B1-01	84.027A	534,079
	28-05-B1-01	84.027A	484,573
	28-04-B1-01	84.027A	<u>851,618</u>
Total for Special Education Cluster			<u>1,945,604</u>
Preschool	28-04-P1-01	84.173A	3,898
	03-P1-01	84.173A	11,070
	28-05-P1-01	84.173A	50,630
	28-04-P1-01	84.173A	<u>12,411</u>
Total for Preschool Cluster			<u>78,009</u>
Adult Education	28-05-EP-1	84.002A	24,187
	0444-01	84.002A	21,343
	0423-01	84.002A	106
	280344-01-C	84.002A	10,000
	28-05-44-01	84.002A	85,384
	28-05-23-01	84.002A	<u>5,585</u>
Total for Adult Education Cluster			<u>146,605</u>
Drug Free Schools	28-05-70-01	84.186A	57,142
	28-05-70-01 CO	84.186A	22,110
	03-70-01 CO	84.186A	39,265
	04-70-01	84.186A	<u>22,181</u>
Total for Drug Free Schools Cluster			<u>140,698</u>
Vocational Education	28-05-02-01	84.048	160,177
	28-04-02-01	84.048	<u>3,474</u>
Total for Vocational Education Cluster			<u>163,651</u>

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule of Expenditures of Federal Awards (continued)
Year Ended June 30, 2005

Federal Grantor/Pass-Through Grantor/ Program Title	Project Number	CFDA Number	Expenditures
Technology Improvement	0448-01	84.318X	3,614
	0403-01	84.318X	51,781
	0449-01	84.318X	14,336
	0449-01	84.318X	3,124
	28-05-49-01	84.318X	81,576
Total for Technology Improvement Cluster			<u>154,431</u>
English Language Acquisition Grants	28-04-53-01	84.365A	3,187
	04-53-01	84.365A	1,611
Total for English Language Acquisition Cluster			<u>4,798</u>
Improving Teacher Quality	04-50-01 CO	84.367A	419,464
	28-05-50-01	84.367A	589,031
	03-50-01 CO	84.367A	58,145
	04-50-01	84.367A	83,009
Total for Improving Teacher Quality Cluster			<u>1,149,649</u>
Even Start	04-F1-01	84.213	21,565
	05-F1-01	84.213C	133,578
	28-04-FO-1	84.213C	13,176
	VPSB	84.213C	4,130
Total for Even Start Cluster			<u>172,449</u>
Total United States Department of Education			<u>8,707,336</u>
<u>United States Department of Health & Human Services:</u>			
Headstart	06-CH044/10	93.600	2,356,814
	06-CH0444	93.600	36,698
Total for Headstart Total			<u>2,393,512</u>
Passed through State Department of Education:			
Starting Points Preschool/TANF	280535	93.558	97,887
	2804EP-01	93.558	6,268
Total for Starting Points Preschool/TANF Cluster			<u>104,155</u>
Total United States Department of Health & Human Services			<u>2,497,667</u>
<u>United States Department of Agriculture:</u>			
Passed through State Department of Education:			
National School Lunch & School Milk Program	N/A	10.555L	2,659,074
Child & Adult Care Food Program	CC98-578	10.558	231,356
Passed through State Department of Agriculture:			
USDA Commodities	N/A	10.550	243,770
Total Department of Agriculture			<u>3,134,200</u>
TOTAL FEDERAL AWARDS			<u>\$14,339,203</u>

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2005

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Acadia Parish School Board (the School Board). The School Board reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2005. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The following programs are considered major federal programs of the School Board: Headstart, Title I, and Special Education.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2005.

(5) Noncash Programs

The commodities received, which are noncash revenues, are valued using pricing provided by the United States Department of Agriculture.

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

Part I. Summary of Auditor's Results:

1. An unqualified report was issued on the basic financial statements.
2. A reportable condition in internal control was disclosed by the audit of the basic financial statements.
3. There were no material instances of noncompliance.
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the basic financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings required to be reported under Section 510(a) of Circular A-133.
7. The following programs were considered to be major programs:
U.S. Department of Health and Human Services : Headstart, CFDA 93.600.
U.S. Department of Education/State Department of Education: Title I, CFDA 84.010;
Special Education, CFDA 84.027.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$417,234.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings –

There were no compliance findings.

B. Internal Control Findings –

See summary schedule of current and prior year audit findings item 05-1(IC).

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings and questioned costs related to federal programs.

ACADIA PARISH SCHOOL BOARD

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 2005

Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Ref. No.					

CURRENT YEAR (6/30/05) --

Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards
Compliance

There are no compliance findings to be reported.

Internal Control Over Financial Reporting

05-1(C)	2004	Depreciation report was not updated and did not include all of the assets, which exceeded the capitalization threshold of \$5,000. It appears that an adequate set of procedures to capture the items above the threshold have not been established. Policies and procedures should be adopted in order to accurately capture and record the assets, which fall within the Board's capitalization policy.	Yes	Acadia Parish School Board will adopt a checklist to make sure all assets over \$5,000 are capitalized and included in depreciation.	Michael A. Leonards	6/30/2006
---------	------	---	-----	--	---------------------	-----------

Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported.

PRIOR YEAR (6/30/04) --

Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards
Compliance

04-3(C)	2004	Financial Report FYE June 30, 2004 was not filed with Legislative Auditor's office within six months of end of fiscal year.	Yes	Acadia Parish School Board will make every effort to assure that all information needed for the year end audit will be available in a timely manner.	Michael A. Leonards	6/30/2005
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(continued)

ACADIA PARISH SCHOOL BOARD

Summary Schedule of Current and Prior Year Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 2005

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
----------	--	------------------------	-------------------------	---------------------------	------------------------	-----------------------------

PRIOR YEAR (6/30/04) --

Internal Control Over Financial Reporting:

04-1(IC)	2004	Depreciation report was not updated and did not include all of the assets, which exceeded the capitalization threshold of \$5,000. It appears that an adequate set of procedures to capture the items above the threshold have not been established. Policies and procedures should be adopted in order to accurately capture and record the assets, which fall within the Board's capitalization policy.	No	Acadia Parish School Board will adopt a checklist to make sure all assets over \$5,000 are capitalized and included in depreciation.	Michael A. Leonards	6/30/2005
04-2(IC)	2004	An employee who was not rehired for the 2004-2005 school year was still receiving payements through the payroll system.	Yes			

Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(g) of Circular A-133:

04-4(IC)	2004	Headstart In-kind voucher sheets tested contained clerical errors resulting in incorrect amounts being reported. In addition, per diem and square footage amounts were not verified by management as accurate resulting in additional errors. As a result, the original Form 259 was filed incorrectly. A system should be established to ensure that the in-kind vouchers are received, recorded, and verified for accuracy on a timely basis. In addition, the recap of the vouchers should be checked for accuracy on a monthly basis and amounts monitored on a regular basis.	Yes			
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**SUPPLEMENTAL SCHEDULES
OF
PERFORMANCE MEASURES**

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

* A Professional Accounting Corporation

Mr. John Bourque, Superintendent,
and Members of the Acadia Parish School Board
Crowley, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Acadia Parish School Board and the Legislative Auditor, State of Louisiana, for the year ended June 30, 2005. 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 those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

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

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

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

There were no exceptions noted.

II. Education Levels of Public School Staff (Schedule 2)

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

183 South Beadle Road
Lafayette, LA 70508
Phone (337) 232-4141
Fax (337) 232-8660

113 East Bridge Street
Breaux Bridge, LA 70517
Phone (337) 332-4020
Fax (337) 332-2867

133 East Waddil
Marksville, LA 71351
Phone (318) 253-9252
Fax (318) 253-8681

1234 David Drive, Suite 105
Morgan City, LA 70380
Phone (985) 384-2020
Fax (985) 384-3020

408 W. Cotton Street
Ville Platte, LA 70586
Phone (337) 363-2792
Fax (337) 363-3049

332 W Sixth Avenue
Oberlin, LA 70655
Phone (337) 639-4737
Fax (337) 639-4568

200 South Main Street
Abbeville, LA 70510
Phone (337) 893-7944
Fax (337) 893-7946

There were no exceptions noted.

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

There were no exceptions noted.

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

There were no exceptions noted.

III. Number and Type of Public Schools (Schedule 3)

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

There were no exceptions noted.

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

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

There were no exceptions noted.

V. Public Staff Data (Schedule 5)

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

There were no exceptions noted.

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

There were no exceptions noted.

VI. Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

There were no exceptions noted.

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

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

There were no exceptions noted.

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

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

There were no exceptions noted.

IX. The Iowa Tests (Schedule 9)

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

There were no exceptions noted.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the specified elements, accounts, or items. 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 information and use of management of Acadia Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by anyone other than the specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Abbeville, Louisiana
October 13, 2005

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 1

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2005

General Fund Instructional and Equipment Expenditures

General fund instructional expenditures:

Teacher and student interaction activities -

Classroom teacher salaries	\$20,430,742
Other instructional staff salaries	1,286,155
Employee benefits	6,563,714
Purchased professional and technical services	21,741
Instructional materials and supplies	1,091,876
Instructional equipment	<u>75,114</u>

Total teacher and student interaction activities \$29,469,342

Other instructional activities:

Pupil support activities	2,057,734	
Less: Equipment for pupil support activities	<u>-</u>	
Net pupil support activities		2,057,734
Instructional staff services	1,421,937	
Less: Equipment for instructional staff services	<u>-</u>	
Net instructional staff services		<u>1,421,937</u>

Total general fund instructional expenditures \$32,971,808

Total general fund equipment expenditures \$ 75,114

Certain Local Revenue Sources

Local taxation revenue:

Constitutional ad valorem taxes	\$ 906,508
Renewable ad valorem tax	3,702,581
Debt service ad valorem tax	895,229
Up to 1% of collections by the Sheriff on taxes other than school taxes	107,989
Sales and use taxes	<u>6,863,468</u>
Total local taxation revenue	<u>\$12,475,775</u>

Local earnings on investment in real property:

Earnings from 16th section property	\$ 234,475
Earnings from other real property	<u>2,315</u>
Total local earnings on investment in real property	<u>\$ 236,790</u>

State revenue in lieu of taxes:

Revenue sharing - constitutional tax	\$ 135,553
Revenue sharing - other taxes	<u>119,730</u>
Total state revenue in lieu of taxes	<u>\$ 255,283</u>

Nonpublic textbook revenue \$ 57,023

Nonpublic transportation revenue \$ 149,710

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 2

Education Levels of Public School Staff
As of October 1, 2004

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a bachelor's degree	-	0%	-	0%	-	0%	-	0%
<i>Bachelor's degree</i>	482	81%	24	92%	-	0%	-	0%
Master's degree	76	13%	2	8%	9	23%	-	0%
Master's degree + 30	19	3%	-	0%	17	44%	-	0%
Specialist in education	14	2%	-	0%	11	28%	-	0%
Ph. D. or Ed. D.	2	1%	-	0%	2	5%	-	0%
<i>Total</i>	593	100%	26	100%	39	100%	-	0%

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 3

Number and Type of Public Schools
For the Year Ended June 30, 2005

Type	Number
Elementary	17
Middle/Junior high	4
Secondary	5
Combination	1
Total	27

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

ACADIA PARISH SCHOOL BOARD

Crowley, Louisiana

Schedule 4

Experience of Public Principals and Full-time Classroom Teachers

As of October 1, 2004

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant principals	-	-	-	2	2	2	6	12
Principals	-	-	-	-	1	3	23	27
Classroom teachers	71	62	184	70	75	51	106	619
Total	71	62	184	72	78	56	135	658

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 5

Public School Staff Data
For the Year Ended June 30, 2005

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average classroom teachers' salary including extra compensation	\$35,781	\$35,781
Average classroom teachers' salary excluding extra compensation	\$35,615	\$35,615
Number of teacher full-time equivalents (FTEs) used in computation of average salaries	629	629

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

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 6

Class Size Characteristics
As of October 1, 2004

<i>School Type</i>	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	50%	707	37%	523	4%	54	0%	1
Elementary activity classes	5%	72	2%	27	1%	8	1%	12
Middle/Junior high	34%	195	36%	204	13%	77	0%	-
Middle/Junior high activity classes	8%	44	6%	36	3%	14	0%	1
High	41%	388	24%	222	13%	125	0%	1
High activity classes	19%	182	1%	13	1%	11	1%	8
Combination	65%	29	9%	4	4%	2	4%	2
Combination activity classes	18%	8	0%	-	0%	-	0%	-

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

ACADIA PARISH SCHOOL BOARD

Crowley, Louisiana

Schedule 7

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2005

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	8	1%	9	1%	5	1%	15	2%	7	1%	23	3%
Proficient	149	19%	119	16%	89	12%	105	13%	113	15%	121	16%
Basic	359	45%	355	49%	404	53%	410	51%	320	44%	376	50%
Approaching basic	203	25%	151	21%	211	28%	165	21%	172	24%	170	22%
Unsatisfactory	79	10%	94	13%	51	6%	103	13%	116	16%	70	9%
Total	798	100%	728	100%	760	100%	798	100%	728	100%	760	100%

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	25	3%	6	0%	11	1%	2	0%	8	1%	6	1%
Proficient	128	16%	107	16%	113	15%	52	6%	96	13%	87	11%
Basic	426	53%	382	44%	372	49%	434	55%	400	55%	448	59%
Approaching basic	183	23%	181	24%	224	30%	223	28%	138	19%	167	22%
Unsatisfactory	36	5%	51	16%	40	5%	85	11%	85	12%	52	7%
Total	798	100%	727	100%	760	100%	796	100%	727	100%	760	100%

(continued)

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 7 (Continued)

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2005

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	5	1%	1	0%	3	0%	13	2%	8	1%	22	3%
Proficient	77	11%	58	9%	79	13%	31	4%	39	6%	44	7%
Basic	298	42%	278	42%	296	47%	374	52%	366	53%	313	48%
Approaching basic	239	34%	236	35%	207	33%	171	24%	144	21%	157	24%
Unsatisfactory	86	12%	93	14%	43	7%	130	18%	134	19%	116	18%
Total	705	100%	666	100%	628	100%	719	100%	691	100%	652	100%

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	9	1%	7	1%	4	1%	-	0%	3	0%	-	0%
Proficient	100	14%	99	15%	83	13%	65	9%	44	7%	35	6%
Basic	275	40%	253	38%	262	42%	317	46%	266	40%	309	50%
Approaching basic	209	30%	171	26%	209	34%	155	22%	188	29%	188	30%
Unsatisfactory	105	15%	132	20%	64	10%	161	23%	161	24%	89	14%
Total	698	100%	662	100%	622	100%	698	100%	662	100%	621	100%

ACADIA PARISH SCHOOL BOARD

Crowley, Louisiana

Schedule 8

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2005

District Achievement Level Results	English Language Arts						Mathematics					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	6	1%	5	1%	1	0%	32	5%	30	5%	30	5%
Proficient	78	13%	83	16%	51	9%	94	15%	62	11%	74	11%
Basic	279	46%	228	43%	267	45%	248	41%	229	42%	250	38%
Approaching basic	152	25%	119	23%	139	24%	71	12%	80	15%	116	18%
Unsatisfactory	93	15%	90	17%	133	22%	164	27%	150	27%	181	28%
Total	608	100%	525	100%	591	100%	609	100%	551	100%	651	100%

District Achievement Level Results	Science						Social Studies					
	2005		2004		2003		2005		2004		2003	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	16	3%	6	1%	6	1%	5	1%	3	1%	2	0%
Proficient	56	12%	70	14%	50	9%	34	7%	32	6%	42	8%
Basic	193	41%	222	43%	244	45%	249	52%	308	60%	283	53%
Approaching basic	123	26%	130	25%	154	29%	111	24%	99	19%	126	23%
Unsatisfactory	88	18%	87	17%	86	16%	77	16%	72	14%	86	16%
Total	476	100%	515	100%	540	100%	476	100%	514	100%	539	100%

ACADIA PARISH SCHOOL BOARD
Crowley, Louisiana
Schedule 9

The IOWA Tests
For the Year Ended June 30, 2005

	Composite		
	2005	2004	2003
Test of basic skills (ITBS)			
Grade 3	57	55	53
Grade 5	61	57	56
Grade 6	48	47	42
Grade 7	50	48	48
Tests of educational development (ITED)			
Grade 9	47	45	47

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