



Seated from left: Rebecca Duet, Rhoda Caldwell, Constance T. Williams, Dave DeFelice, Jr. (President), Loretta Duplantis, Dr. Judy G. Theriot, Martha S. Zeringue; Standing from left: John Danos, Paul Chiquet, G.A. Rodrigue, Jr., Aubrey J. Orgeron, Elmo Broussard (Superintendent), Jessie Fabiano, Louis E. Thibodaux (Vice President), Roy Landry, Dennis Jean Chiasson.

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ending June 30, 2002

### COMPREHENSIVE ANNUAL FINANCIAL REPORT

Basic Financial Statements For the Year Ended June 30, 2002 With Supplemental Schedules

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## LAFOURCHE PARISH SCHOOL BOARD Thibodaux, Louisiana

### COMPREHENSIVE ANNUAL FINANCIAL REPORT

### Basic Financial Statements For the Year Ended June 30, 2002 With Supplemental Schedules

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### Lafourche Parish School Board

**BUSINESS DEPARTMENT** 

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### Transmittal Letter

December 10, 2002

Members of the Lafourche Parish School Board 805 East Seventh Street Thibodaux, Louisiana

The Lafourche Parish School Board is required to issue a complete set of financial statements within six months of the fiscal year end. These statements have been prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Therefore, we issue this comprehensive annual financial report of the Lafourche Parish School Board for the fiscal year ended June 30, 2002 in fulfillment of all report requirements.

### MANAGEMENT REPRESENTATIONS

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

### **AUDITOR'S OPINION**

The School Board's financial statements are audited by Stagni & Company, LLC, a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Lafourche Parish School Board for the fiscal year ended June 30, 2002, are free of material

misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Lafourche Parish School Board's financial statements for the fiscal year ended June 30, 2002, are fairly presented in conformity with GAAP. The independent audit report is presented as the first component of the financial section of this report.

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

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

### PROFILE OF THE GOVERNMENT

The School Board is a legislative body authorized by Louisiana Revised Statute 17:51 to govern the public education system of Lafourche Parish, Louisiana. The 15 members on the board are elected and serve four-year concurrent terms. The main function of the School Board is to provide a full range of services appropriate for students in grade levels ranging from pre-school through grade 12. Services are also provided to students whose education experience has been interrupted to assume adult roles and responsibilities. The services provided include regular and enriched academic instruction, special instruction for handicapped children, as well as vocational instruction. Other services such as assessment, library, transportation and food services are provided to augment the primary services or to promote the welfare of the students. This report includes all funds of the School Board.

This report excludes the financial information for the other units of parish government, such as the parish council and the municipalities, because they have independently elected parish officials or because the School Board has no oversight responsibility. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine the local supplement to their salaries. Accordingly, the School Board is not included in any other governmental

reporting entity since the School Board members are elected by the public and have decision-making power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

### PHILOSOPHY, MISSION STATEMENT AND GUIDELINES

**Philosophy:** The philosophy of the Lafourche Parish School System is based on the belief that education is a cooperative effort among community, school personnel, parents, and students. This unique partnership must work in close harmony as a team. To nurture this ideal, the school system strives to promote a feeling of ownership as well as foster a desire for learning, while providing assistance to parents.

We believe all students can learn the basics of life. This learning best takes place in a safe environment where school personnel serve as positive role models. Such an environment encourages students to develop a sense of responsibility and an understanding of mutual dependence.

Both school and community recognize and respect the dignity and uniqueness of each student. This recognition and respect occur in a positive climate that is innovative, creative, and motivational for learning. As students are taught how to learn, they are encouraged to think critically, reach their potential, and learn to become functioning members of society.

We further believe that the school system shall have purpose and direction with clear goals and objectives in order to produce specific outcomes. The guiding principle in the decision-making process will always be what is in the best interest of the students.

Mission Statement: "To provide all students the opportunity to become fully functioning and contributing members of their society."

### Guiding principles:

- The community must share the responsibility for student learning.
- All school personnel are teachers.
- 3. All classroom teachers must share the responsibility for student learning.
- 4. All parents must share in the responsibility for their children's education.
- 5. All students can learn.
- All students must be given equal opportunity to learn.
- 7. All students must respect the rights of other students to learn.
- 8. All students must share in the responsibility of their learning.

### FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy: Lafourche Parish is located in South Louisiana approximately 50 miles west of New Orleans, which is the largest metropolitan area of the region. The largest segment of the economy is the oil and natural gas extraction industry but there are other aspects to the economy. LOOP, an offshore port, can offload tankers at a maximum rate of 100,000 barrels per hour and accommodate tankers that draught up to 115 feet. The Port Fourchon is located on 3,600 acres at the mouth of Bayou Lafourche. The companies that operate at this facility employ about 6,000 people. In addition to these segments, the parish has 59 farms operating on approximately 34,000 acres of sugar cane, and 1,600 fishing and 47 aquaculture producers that provide millions of dollars to the economy. The economy also includes agricultural-implement manufacturing, shipbuilding and machine fabrication.

The Louisiana Econometric Model predicts there will be a growth in employment of 3,300 new jobs in the Houma MSA in the years 2003 and 2004. The Model results are included in <a href="The Louisiana Economic Outlook: 2003 and 2004">The Louisiana Economic Outlook: 2003 and 2004</a> (Scott, Richardson, Jamal) published by the Division of Economic Development and Forecasting at LSU. The net assessed value of property in the parish has grown 45.7% in the last five years while sales and use tax revenue has increased by 8.5% during the same time period.

Long-term financial planning: The School Board has been working with the South Central Planning and Development Commission through its Transition Team to determine the student population and distribution in the coming years. The Team is trying to determine the optimal grade alignment and the related facility needs for the students of the parish. The first phase of the Transition Team's work has resulted in the renovation and expansion of the three high school facilities that now contain grades nine through twelve. The grade alignments and facility needs for the remaining students should be completed within the 2003 fiscal year.

The State of Louisiana will continue implementing its Assessment Program, which includes standardized student testing and school performance evaluation. The School Board has in-serviced its school administrators in interpreting the results of the standardized test taken during the fiscal year and provided continuing support in determining the weak areas in each school's curriculum. Each school has been given responsibility for including strategies to improve its curriculum in its School Improvement Plan, which is monitored by Central Office Administrators. School Board Staff have also helped standardize lesson plans and curriculum alignment to ensure the most efficient use of instructional time.

Cash Management: The School Board funds available for investment and the methods of investment are as follows:

	2002	2001
CATEGORY	(millions)	(millions)
Cash on hand and in		
demand deposits	\$9.7	<b>\$</b> 9.7
LAMP	44.8	52.8
Time Deposits	0.6	0.9
Total Cash Equivalents	<b>\$55.1</b>	\$63.4

The School Board has a policy of depositing funds in either interest bearing demand accounts or certificates of deposit in commercial banks secured by pledged securities and federal deposit insurance.

The School Board also deposits fund in the Louisiana Asset Management Pool (LAMP), which provides a higher rate than Certificates of Deposit with a maturity of less than one year and is safer than directly purchasing securities of the U.S. Treasury.

Most of the decrease in funds available is from expenditures in the construction fund as the projects are nearing completion.

**Risk Management**: The School Board provides workers compensation coverage for its employees using a self-insured retention of \$250,000 for each workers compensation claim with an aggregate limit of about \$1.7 million. The School Board uses F. A Richard and Associates for third-party administrative services for this program. The restricted net assets for worker's compensation reached \$3.5 million by June 30.

The School Board initiated a self-funded group health insurance program for its employees to stabilize and control premium cost. The program has a self-insured retention of \$150,000 for each medical claim with an aggregate attachment point of \$7.8 in claims cost. The School Board uses UnitedHealth Care for third-party administrative and re-insurance services for this program. The School Board began the plan year by transferring \$2 million in cash from the General Fund to the Group Health Insurance Fund. The restricted net assets total in the Group Health Insurance Fund was \$1.3 million at June 30.

The Board maintains a \$100,000 deductible for general liability, and automobile fleet losses with a \$2 million limit per occurrence, a \$2 million aggregate and a \$2 million umbrella excess limit. The School Board uses F. A Richard and Associates for third-party administrative services for these programs. The School Board also has a building and contents policy that has a \$500,000 deductible for building and content losses due to wind and hail, and a \$100,000 deductible for building and content losses from other perils. The policy has a \$60 million limit. These programs are accounted for

in the General Fund, which uses its unreserved fund balance of \$8.3 million at June 30 to serve the same purpose as the restricted net assets balance does in the Workers Compensation and Group Health Insurance Funds.

### **ACKNOWLEDGMENTS**

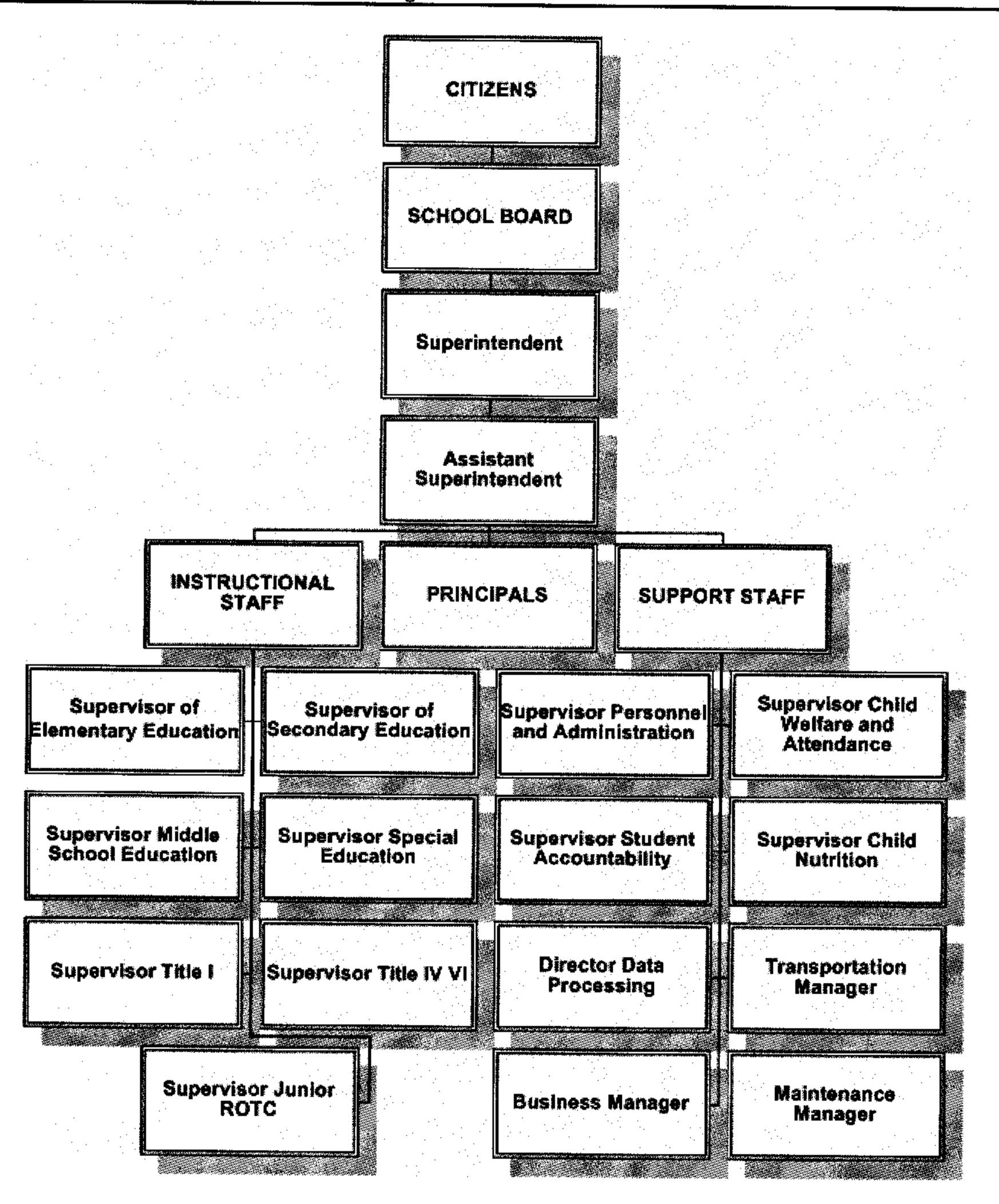
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Business Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,

Elmo Broussard Superintendent

Don Gaudet, CPA Business Manager

### Organizational Structure



## LAFOURCHE PARISH SCHOOL BOARD Thibodaux, Louisiana

### Principal Officials

Louis E. Thibodaux	SCHOOL BOARD MEMBERS	DISTRICT
Constance Thompson Williams	Louis E. Thibodaux	
Martha S. Zeringue         4           Jessie A. Fabiano         5           G. A. Rodrigue, Jr.         6           Dr. Judy G. Theriot         7           Dave J. DeFelice, Jr., President         8           Loretta Duplantis         9           Dennis 'Jean' Chiasson         10           Roy Landry         11           Aubrey Orgeron, Vice President         12           John Danos         13           Paul Chiquet         14           Rebecca Duet         15           ADMINISTRATORS         POSITION           Elmo Broussard         Supervisor of Elementary Education           Gary Babin         Assistant Superintendent           Francis Rodriguez         Supervisor of Secondary Education           Postrion         Supervisor of Middle Schools           Linda Dangerfield         Supervisor of Special Education           Van Cheramie         Supervisor of Special Education           Van Cheramie         Supervisor of Ittle IV &V           Lt. Col. Arthur Rice         Supervisor of Junior ROTC           Joann Matthews         Supervisor of Child Welfare           and Administration         Rupervisor of Child Welfare           and Attendance           Frank Pasqua	Rhoda Caldwell	2
Martha S. Zeringue         4           Jessie A. Fabiano         5           G. A. Rodrigue, Jr.         6           Dr. Judy G. Theriot         7           Dave J. DeFelice, Jr., President         8           Loretta Duplantis         9           Dennis 'Jean' Chiasson         10           Roy Landry         11           Aubrey Orgeron, Vice President         12           John Danos         13           Paul Chiquet         14           Rebecca Duet         15           ADMINISTRATORS         POSITION           Elmo Broussard         Supervisor of Elementary Education           Gary Babin         Assistant Superintendent           Francis Rodriguez         Supervisor of Secondary Education           Postrion         Supervisor of Middle Schools           Linda Dangerfield         Supervisor of Special Education           Van Cheramie         Supervisor of Special Education           Van Cheramie         Supervisor of Ittle IV &V           Lt. Col. Arthur Rice         Supervisor of Junior ROTC           Joann Matthews         Supervisor of Child Welfare           and Administration         Rupervisor of Child Welfare           and Attendance           Frank Pasqua	Constance Thompson Williams	
Jessie A. Fabiano	•	
G. A. Rodrigue, Jr		
Dr. Judy G. Theriot	+ m · + · · · · · - · - · ·	
Dave J. DeFelice, Jr., President 8 Loretta Duplantis 9 Dennis 'Jean' Chiasson 10 Roy Landry 11 Aubrey Orgeron, Vice President 12 John Danos 13 Paul Chiquet 14 Rebecca Duet 15  ADMINISTRATORS POSITION Elmo Broussard Superintendent Gary Babin Assistant Superintendent Francis Rodriguez Supervisor of Elementary Education Pamela Folse Supervisor of Middle Schools Linda Dangerfield Supervisor of Special Education Van Cheramie Supervisor of Title IV &V Lt. Col. Arthur Rice Supervisor of Personnel and Administration Ray Bernard Supervisor of Child Welfare and Attendance Frank Pasqua Supervisor of Student Accountability Dr. Faye Robichaux Supervisor of Child Nutrition Programs Britt Ledet Director of Data Processing	Dr. Judy G. Theriot	
Loretta Duplantis 9 Dennis 'Jean' Chiasson 10 Roy Landry 11 Aubrey Orgeron, Vice President 12 John Danos 13 Paul Chiquet 14 Rebecca Duet 15  ADMINISTRATORS POSITION Elmo Broussard Superintendent Gary Babin Assistant Superintendent Francis Rodriguez Supervisor of Elementary Education Leonard St. Pierre Supervisor of Special Education Pamela Folse Supervisor of Special Education Van Cheramie Supervisor of Title IV &V Lt. Col. Arthur Rice Supervisor of Personnel and Administration Ray Bernard Supervisor of Child Welfare and Attendance Frank Pasqua Supervisor of Student Accountability Dr. Faye Robichaux Supervisor of Child Nutrition Programs Britt Ledet Director of Data Processing	Dave J. DeFelice, Jr., President	
Dennis 'Jean' Chiasson 10 Roy Landry 11 Aubrey Orgeron, Vice President 12 John Danos 13 Paul Chiquet 14 Rebecca Duet 15  ADMINISTRATORS POSITION Elmo Broussard Superintendent Gary Babin Assistant Superintendent Francis Rodriguez Supervisor of Elementary Education Leonard St. Pierre Supervisor of Secondary Education Pamela Folse Supervisor of Special Education Van Cheramie Supervisor of Special Education Van Cheramie Supervisor of Title I John "Chris" Bowrman, III Supervisor of Junior ROTC Joann Matthews Supervisor of Personnel Ray Bernard Supervisor of Child Welfare and Administration Ray Bernard Supervisor of Student Accountability Dr. Faye Robichaux Supervisor of Child Nutrition Programs Britt Ledet Director of Data Processing	•	
Roy Landry	•	
Aubrey Orgeron, Vice President		
John Danos	Aubrev Orgeron, Vice President	
Paul Chiquet		
Rebecca Duet		
Elmo Broussard	•	
Elmo Broussard		
Gary Babin Assistant Superintendent Francis Rodriguez Supervisor of Elementary Education Leonard St. Pierre Supervisor of Secondary Education Pamela Folse Supervisor of Middle Schools Linda Dangerfield Supervisor of Special Education Van Cheramie Supervisor of Title I John "Chris" Bowman, III Supervisor of Title IV &V Lt. Col. Arthur Rice Supervisor of Junior ROTC Joann Matthews Supervisor of Personnel and Administration Ray Bernard Supervisor of Child Welfare and Attendance Frank Pasqua Supervisor of Student Accountability Dr. Faye Robichaux Supervisor of Child Nutrition Programs Britt Ledet Director of Data Processing	ADMINISTRATORS	POSITION
Francis Rodriguez		•
Leonard St. Pierre		•
Pamela Folse Supervisor of Middle Schools Linda Dangerfield Supervisor of Special Education Van Cheramie Supervisor of Title I John "Chris" Bowman, III Supervisor of Junior ROTC Joann Matthews Supervisor of Personnel and Administration Ray Bernard Supervisor of Child Welfare and Attendance Frank Pasqua Supervisor of Child Welfare and Attendance Marian Fertitta Supervisor of Student Accountability Dr. Faye Robichaux Supervisor of Child Nutrition Programs Britt Ledet Director of Data Processing	<del></del>	•
Linda Dangerfield	Leonard St. PierreS	Supervisor of Secondary Education
Van Cheramie Supervisor of Title I John "Chris" Bowman, III Supervisor of Title IV &V Lt. Col. Arthur Rice Supervisor of Junior ROTC Joann Matthews Supervisor of Personnel and Administration Ray Bernard Supervisor of Child Welfare and Attendance Frank Pasqua Supervisor of Child Welfare and Attendance Marian Fertitta Supervisor of Student Accountability Dr. Faye Robichaux Supervisor of Child Nutrition Programs Britt Ledet Director of Data Processing		•
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Joann Matthews Supervisor of Personnel and Administration Ray Bernard Supervisor of Child Welfare and Attendance Frank Pasqua Supervisor of Child Welfare and Attendance Marian Fertitta Supervisor of Student Accountability Dr. Faye Robichaux Supervisor of Child Nutrition Programs Britt Ledet Director of Data Processing	John "Chris" Bowman, III	Supervisor of Title IV &V
Ray Bernard	Lt. Col. Arthur Rice	Supervisor of Junior ROTC
Ray Bernard	Joann Matthews	Supervisor of Personnel
and Attendance Frank Pasqua Supervisor of Child Welfare and Attendance Marian Fertitta Supervisor of Student Accountability Dr. Faye Robichaux Supervisor of Child Nutrition Programs Britt Ledet Director of Data Processing		and Administration
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and Attendance  Marian FertittaSupervisor of Student Accountability  Dr. Faye RobichauxSupervisor of Child Nutrition Programs  Britt LedetDirector of Data Processing		and Attendance
Marian FertittaSupervisor of Student Accountability Dr. Faye RobichauxSupervisor of Child Nutrition Programs Britt LedetDirector of Data Processing	Frank Pasqua	Supervisor of Child Welfare
Dr. Faye RobichauxSupervisor of Child Nutrition Programs Britt LedetDirector of Data Processing		and Attendance
Britt LedetDirector of Data Processing	Marian FertittaS	supervisor of Student Accountability
	Dr. Faye RobichauxSup	ervisor of Child Nutrition Programs
	-	
		<del>-</del>
Don GaudetBusiness Manager	•	
Francis Hubbell Maintenance Manager	Francis Hubbell	Maintenance Manager

# LAFOURCHE PARISH SCHOOL BOARD Management's Discussion and Analysis June 30, 2002

### **FINANCIAL HIGHLIGHTS**

This section contains a narrative overview and analysis of the financial activities of the Lafourche Parish School Board for the fiscal year ended June 30, 2002. You, as the reader of these statements, are encouraged to consider the information presented here along with the information that is furnished in the letter of transmittal. This section is prepared to give you management's perspective of the information contained in the financial statements.

- » The total of assets reported in the government-wide statements is \$115.7 million (up \$3.3 million from preceding year) and net assets, the amount by which assets exceeded liabilities, is \$53.6 million (up \$5.4 million from preceding year).
- » Total governmental fund revenues in 2002 were \$107.5 million compared to \$103.6 million in 2001, an increase of \$3.9 million. The growth came from state sources which increased by \$3.6 million and federal sources which increased by \$1 million.
- » Total governmental fund expenditures in 2002 were \$113.9 million compared to \$115.1 million. Facilities Acquisition and Construction expenditures decreased by \$8.3 million but Instructional expenditures increased by \$2.9 million and Support Services expenditures increased by \$4.1 million.
- Sovernmental fund balances in 2002 were \$35.8 million compared to \$44.2 million in 2001. Reserved Fund balances expenditures were \$27.4 million compared to \$33.9 for the prior year. Most of the change in Reserved Fund balances is the result of the winding down of the activity in the 1997 Construction Fund.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS:** The government-wide financial statements are designed to provide readers with a broad overview of the Lafourche Parish School Board's finances, in a manner similar to a private-sector business.

The <u>Statement of Net Assets</u> (Statement A) presents information on all of the School Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Lafourche Parish School Board is improving or deteriorating.

The <u>Statement of Activities</u> (Statement B) presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements of the Lafourche Parish School Board present only functions principally supported by taxes and functions of the intergovernmental revenues (governmental activities). The School Board does not have any functions that are intended to recover all or a significant portion of their cost through user fees and charges (business type activities).

The government-wide financial statements include only Lafourche Parish School Board itself (known as the primary government). The School Board does not have any component units that need to be reported separately from the financial information of the primary government.

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

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

# LAFOURCHE PARISH SCHOOL BOARD Management's Discussion and Analysis June 30, 2002

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund <u>Balance Sheet: Governmental Funds</u> (Statement C) and the <u>Statement Of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds</u> (Statement D) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Lafourche Parish School Board maintains ten individual governmental funds. Information is presented separately in the <u>Balance Sheet: Governmental Funds</u> (Statement C) and in the <u>Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds</u> (Statement D) for the general fund and the construction fund, both of which are considered to be major funds. Data from the other six governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The School Board adopts an annual appropriated budget for its governmental funds. The <u>Combined Statement of Revenues</u>, <u>Expenditures</u>, <u>and Changes in Fund Balances- Budget and Actual</u> (Statement F) is a budgetary comparison statement that has been provided for the governmental to demonstrate compliance with this budget.

**Proprietary funds**. The Lafourche Parish School Board maintains two proprietary type funds. The School Board uses these internal service funds as accounting devices to accumulate and allocate costs internally among the School Board's various functions for its self-funded workers compensation and group health insurance programs. Because the services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. Statements G, H and I are the proprietary fund financial statements provide separate information for the Workers Compensation and Group Health Insurance Funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Lafourche Parish School Board's own programs. The

accounting used for fiduciary funds is much like that used for proprietary funds. Statements J and K are for the fiduciary funds.

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

Other information. In addition to the basic financial statements and accompanying notes the report also provides additional information. Schedules 1 and 2 are the combining statements referred to earlier in connection with non-major governmental funds. Schedule 3 presents information concerning board member compensation that is required by the state. Finally, Schedule 4 is the schedule federal assistance required as part of the "Single Audit".

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This section contains the analysis of the School Board's financial operations using the government-wide perspective. The following table presents key totals from Statement A Statement of Net Assets:

CATEGORY (\$millions)	June 30, 2002	June 30, 2001	Increase (decrease)
Current and other assets	\$57.0	\$65.0	(\$8.0)
Capital assets	8.7	47.4	11.3
Total assets	\$115.7	\$112.4	\$3.3
Current and other liabilities	\$16.6	\$17.5	(\$0.9)
Long-term liabilities	45.5	46.7	(1.2)
Total liabilities	\$62.1	\$64.1	(\$2.1)
Invested in capital assets, net of related			
debt	\$19.5	\$6.7	\$12.8
Restricted	9.5	11.3	(1.9)
Unrestricted	24.6	30.2	(5.6)
Total net assets	\$53.6	\$48.2	\$5.4

The majority of the decrease in current and other assets, the increase in capital assets, the decrease in current and other liabilities; and the decrease in restricted net assets was due to the activity in the 1997 Construction Fund. The projects in the 1997 Construction Fund which was funded by a \$44.4 million bond issue are nearly complete.

Cash and cash equivalents was the largest component of current and other assets amounting to \$49.9 million of the total. The largest segment of total liabilities was

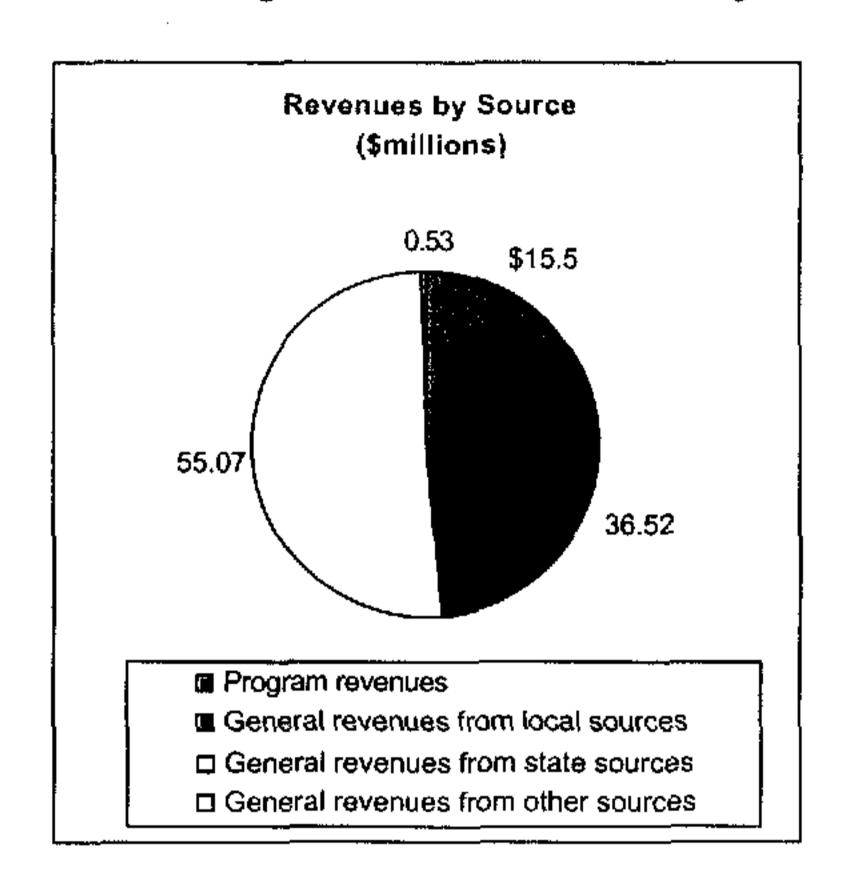
general obligations payable, which was about \$39.2 million. Salaries and wages payable was the next largest liability category amounting to \$11.2 million.

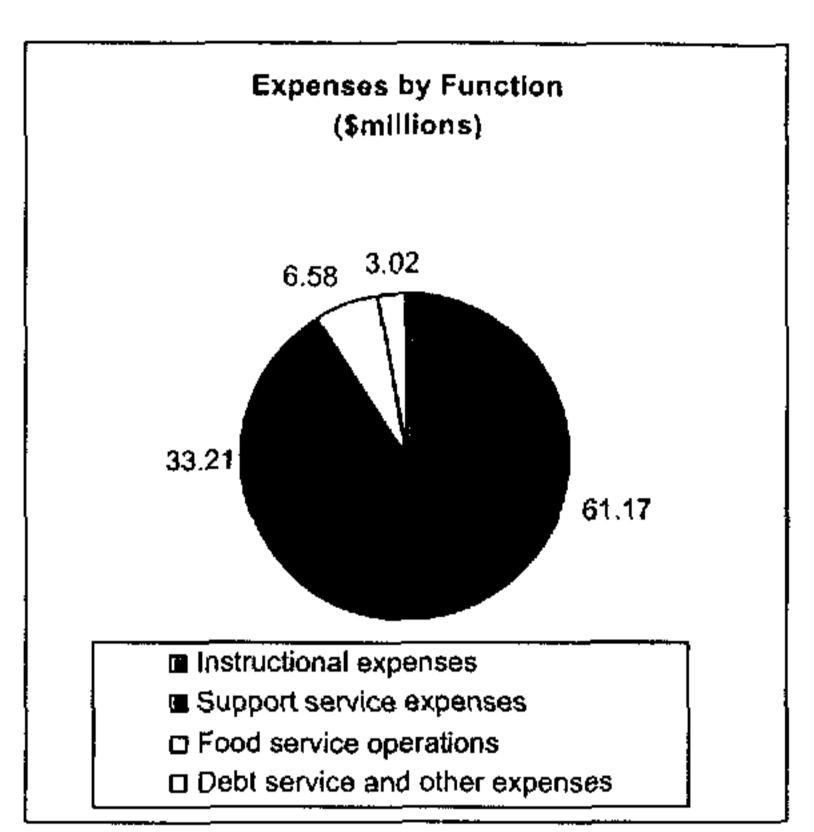
The Unrestricted net assets category is the largest segment of the net asset section. The restrictions on the \$24.6 million balance are not external; however you as the reader of the statements should consider the information presented in the fund financial statements to determine the internal restrictions. The internal restrictions are based on actions by the School Board and therefore do not qualify as restrictions of net assets in the basic financial statements.

The following represents a recap of the information presented in Statement B Statement of Activities:

Category (\$millions)	June 30, 2002	June 30, 2001	Increase (decrease)
Program revenues	\$15.5	\$14.3	\$1.2
General revenues from local sources	36.5	37.3	(0.8)
General revenues from state sources	55. <u>1</u>	51.7	3.4
General revenues from other sources	0.5	0.6	(0.0)
Total revenues	\$107 <u>.</u> 6	\$103.8	\$3.8
Instructional expenses	61.2	57.0	4.1
Support service expenses	31.5	29.8	1.6
Food service operations	6.6	6.3	0.3
Debt service and other expenses	3.0	1.8	1.3
Total expenses	\$102.2	\$94.9	\$7.3
Changes in net assets	5.4	8.9	(3.5)
Net Assets - beginning	48.2	39.3	8.9
Net Assets - ending	\$53.6	\$48.2	\$5.4

The following shows the distribution of governmental revenues and expenses:





The net affect of the activity in 2002 is an increase in net assets of \$3.6 million. Revenues increased by \$2.5 million because of tax growth. Both types of taxes collected were up; property taxes by \$1.2 million and sales and use taxes by \$1.3 million. State sources increased by \$3.4 million most of which was dedicated by the state for a mandated salary increase. The final major change was from Earnings on Investments which dropped \$2.3 million. Part of the decrease was from the \$8.7 million decline in Cash and Cash Equivalents (most of the decline due to the activities in the 1997 Construction Fund) and because of the general decline in interest rates.

Expenses also increased. Salaries and related benefits increased by \$3.7 million mostly due to various adjustments to the School Board's salary schedules. The most sweeping change in the salary schedules came from the state mandated raise which added \$2,060 per the schedules of certified employees. The Board also added another 1% on top of that increase. Benefits cost also increased by \$1.3 million due to the adjustments for accumulated compensated absences and for current deficits in the School Board's internal service Funds. The School Board also incurred additional contract cost of \$510,000 as it tried to provide enough certified substitute teachers.

There were other causes of the increase in expenditures that affected various categories. The cost of materials and supplies increased \$1.6 million mostly due

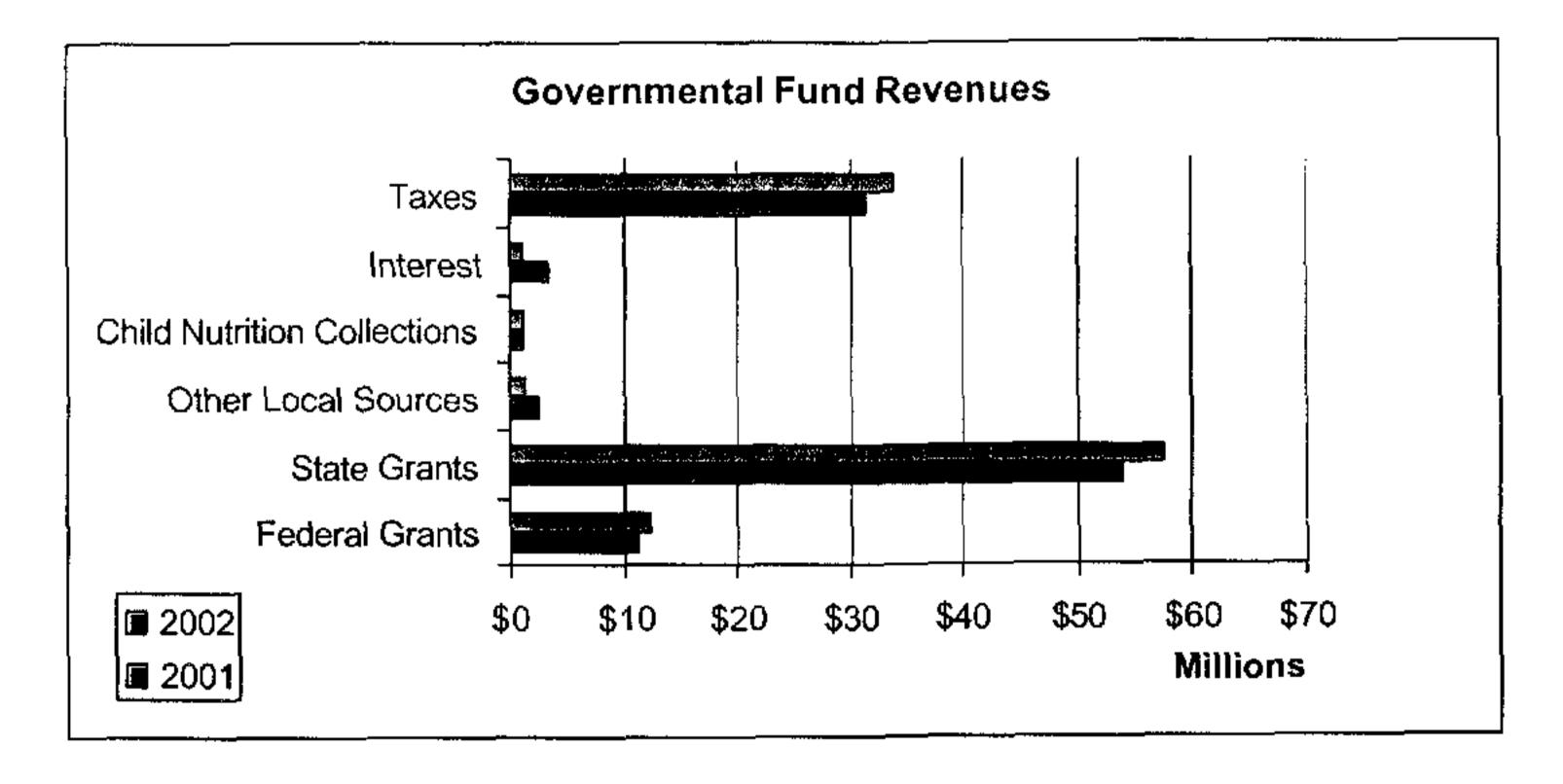
increases in program grants. Finally, construction cost that were not capitalized increased by \$853,000 and an increase in the leased bus program added \$547,000.

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

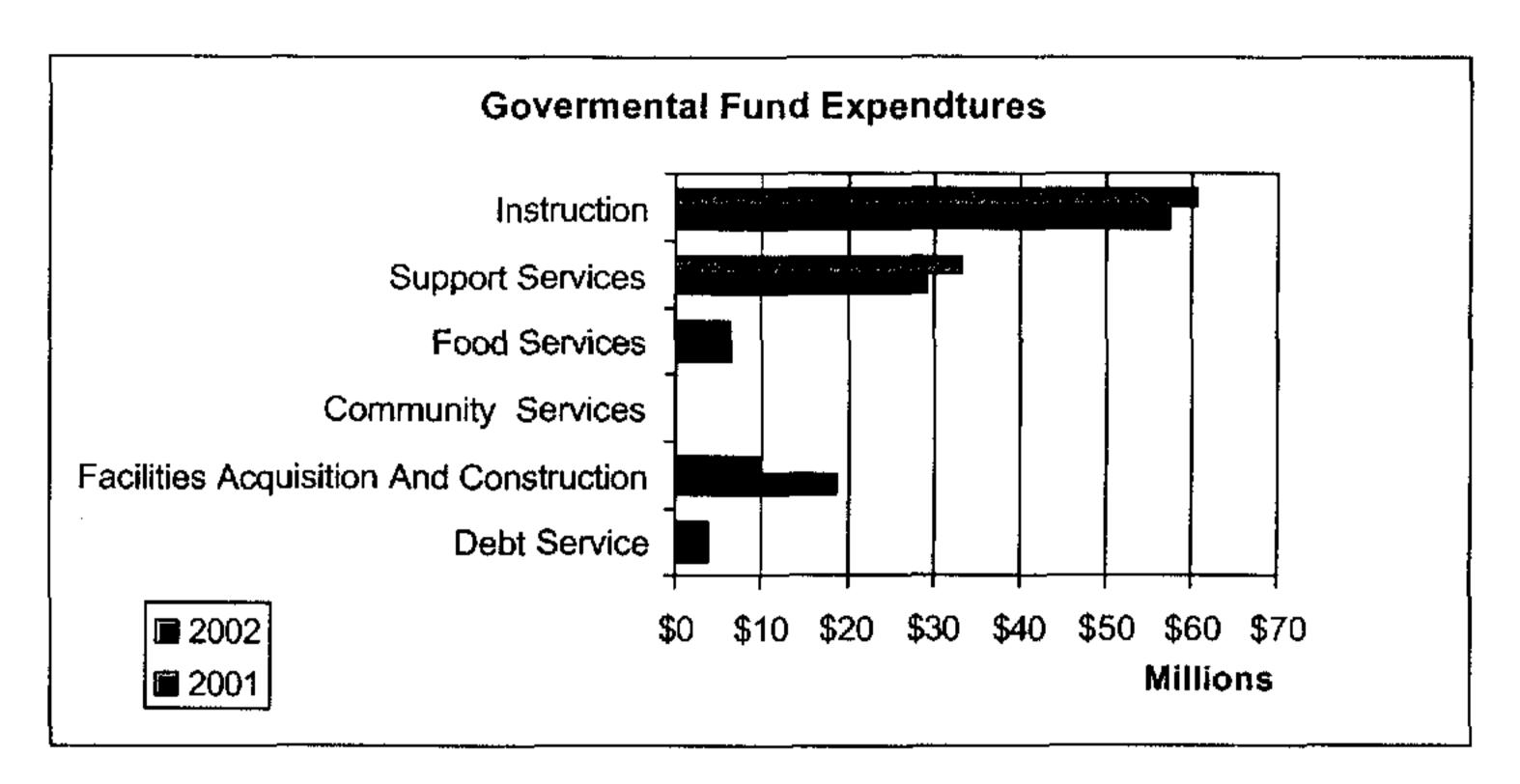
Governmental Funds: The focus of the Lafourche Parish School Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School Board's financing requirements. In particular, unreserved fund balance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

The following is a recap and analysis of revenues by source for the 2002 and 2001 fiscal years for all governmental fund types as shown in Table 2 and 2A:



The explanations of the changes in governmental revenues are the same as those stated for the changes in the government wide revenues.

The following is a recap and analysis of expenditures by program for the 2002 and 2001 fiscal years for all governmental fund types as shown in Table 1:



Governmental expenditures declined going from \$115.1 million in 2001 to \$113.9 million in 2002. The largest change was the result of the decrease in expenditures in the 1997 Construction Fund of \$8.5 million. This decrease was offset in part by the increase in salaries and related benefits of \$3.7 million as explained in the prior section. Also, the additional substitute contract expenditures of \$510,000, additional materials and supplies expenditures of \$1.6 million, and the additional leased buses expenditures of \$547,000 explained in the prior section apply here.

Proprietary Funds: The largest change in the proprietary funds was the addition of the Group Health Insurance Fund that ended the year with a net asset balance of \$1.3 million. The fund's revenues consisted of \$4.4 million in billed premiums and a \$2 million transfer from the general fund. The fund's expenses were higher than anticipated so that the ending asset balance was lower than the \$2 million transfer which was made as a safety net for the fund.

The Workers Compensation Fund ended with a fund balance of \$3.7 million, up \$228,000 from the prior year even though there were two negative aspects that had a major impact on the fund. The fund's interest revenue dropped by about \$60,000 due to the decline in rates and the fund experienced an increase in claims expense of about \$180,000.

Fiduciary Funds: The School Board has two fiduciary funds that it uses to account for the assets it holds in trust. The School Activities Fund accounts for the funds that

the individual schools handle. At June 30, the schools had assets equaling \$2.8 million, which is up from \$2.6 in the previous year.

The School Board also collects sales and use taxes for itself and the tax levying authorities in the parish. At June 30, the fund had total assets amounting to \$7.2 million or about \$199,000 less than last year. The total taxes collected for the fiscal year amounted to \$44.4 million which was \$3 million more than was collected in the previous fiscal year.

### **GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS**

Governmental Fund Balance: The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual (Statement F) displays an original and a final budget column. The following explains the changes to revenues:

CATEGORY (\$millions)	GENERAL	OTHER
Original Budget Revenues	\$81.5	\$23.1
Amendments		
Increased Minimum Foundation Program to reflect current award letter	0.2	
Increased Sales and Use Tax revenues to reflect current experience	1.2	
Increased Ad Valorem Tax revenues to reflect current experience	0.2	0.6
Decreased earnings on 16th Section property from because of		
exhausted wells	(0.6)	
Decreased Interest Earnings mostly due to declining		
interest rates	(0.5)	(0.3)
Increased Federal Grants to match award letters	0.7	1.3
Increased State Grants to match award letters	0.4	
Other revenue changes	(0.1)	
Total revenue amendments	1.5	1.6
Amended budget revenues	\$83.0	\$24.7

The following explains the changes to expenditures:

CATEGORY (\$millions)	GENERAL	OTHER_
Original Budget Expenditures	\$80.3	\$20.2
Amendments		
Increased salaries mostly due to salary schedule changes	1.7	8.0
Employee benefit changes (except group insurance)	0.4	
Increased Group Insurance for changes in rates	0.3	0.1
Increased purchased professional services mostly due to use of		
Kelly Services for secretary and janitor positions	0.9	
Included building renovation projects for roof and air		
conditioning replacements	1.0	1.3
Increased building and contents insurance due to higher premiums	0.2	
Increased Rental of Vehicles for buses added to lease contract	0.5	
All other changes mostly due to decrease in state grants	0.4	(0.5)
Total revenue amendments	5.4	1.7
Amended budget expenditures	\$85.7	\$21.9

### CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The net balance in capital assets for the School Board at June 30 was \$56.8 million. The following is a recap of the capital asset balances.

			NET BAL	ANCE
CATEGORY (\$millions)	COST	ACCUMULATED DEPRECIATION	2002	2001
Land	\$1.5		\$1.5	\$1.5
Buildings and Improvements	\$47.3	\$21	26.4	24.5
Furniture and Equipment	\$11.2	8.5	2.7	3.3
Construction in Progress	\$28.0		28.0	18.0
Total	\$88.0	\$29.4	\$58.6	\$47.3

The largest increase in net asset value was from building renovation and construction activities. The 1997 Construction Fund provided \$9 million for these activities with the General and Air Conditioning Maintenance Funds providing an additional \$2 million. The projects budgeted in the 1997 Construction Fund have nearly reached their completion with \$3.3 million of commitments remaining. The original issue was \$44.4 million and the fund has earned \$6 million in interest revenue.

Long-term Debt: The School Board had \$39.2 million in general obligation bonds payable on June 30, 2002 and it had a Debt Service Fund balance of \$9.5 million.

Debt service expenditures are only 3.5 of general governmental expenditures (governmental expenditures less 1997 Construction Fund expenditures). The School Board's ret bonded debt is 9.0% of assessed value, which is down from 11% in the prior year.

The Board's current bond rating from Moody's Investors Service is A3 and from Standard and Poor's is A-. The ratings have remained stable for the past five years.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Highlights of the 2003 Comprehensive Original Budget:

- The Minimum Foundation Formula will provide \$1.9 million more next year, however \$1 million of it is earmarked by the state for a yearly salary increase for certified personnel. The state is also providing \$328,000 for one-time pay supplements for non-certified personnel. The total revenue budget for 2003 is \$109.9 million.
- » The School Board has authorized a increase in the salary schedules for Certified personnel with a minimum \$673 for a 182 day contract and a maximum of \$887 for a 240 day contract added to each related salary schedule. Support personnel will receive a one-time payment with the being minimum \$477 for a 180 day contract and the maximum being \$636 for a 240 day contract given in a one-time payment. These two actions will increase salary expenditures by \$1.4 million and related benefits by \$177,800. The total expenditure budget for 2003 is \$108.7 million.
- » Ending fund balances in the General Fund budgeted for the 2003 fiscal year are as follows:

CATEGORY (\$millions)	BALANCE
	A
Reserves	\$3.7
Salaries	\$0.0
Textbooks	\$0.1
Technology	\$4.2
Air-conditioning maintenance	\$2.3
School food service	\$11.0
Debt service	
<u>Designations</u>	
16th section land maintenance	\$0.7
General contigencies	\$5.5
Unreserved/Undesignated	\$3.5
	\$30.9

The tax rates that will be effective in the 2003 fiscal year are as follows:

TYPE	RATE
Constitutional	3.93 Mills
Regular Maintenance	7.49 Mills
Salary Supplement	7.49 Mills
Air Conditioning Maintenance	7.49 Mills
Bond and interest	17.20 Mills
TOTAL	43.12 Mills
Sales and Use Tax	2%

The rates in effect for fiscal year 2003 are the same as they were in fiscal year 2002.

### **REQUEST FOR INFORMATION**

The financial report is designed to provide a general overview of the Lafourche Parish School Board's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Don Gaudet, CPA, CGFO, CLSBA Business Manager Lafourche Parish School Board P. O. Box 879 Thibodaux, LA 70302-0879



## STAGNI & COMPANY, LLC

### INDEPENDENT AUDITOR'S REPORT

To the Lafourche Parish School Board Thibodaux, Louisiana

We have audited the accompanying basic financial statements of the Lafourche Parish School Board as of June 30, 2002, and for the year then ended as listed in the financial section of the foregoing table of contents. These basic financial statements are the responsibility of the Lafourche Parish School Board's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Lafourche Parish School Board as of June 30, 2002, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Lafourche Parish School Board Page 2

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Lafourche Parish School Board taken as a whole. The accompanying schedules in the supplementary section and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of The Lafourche Parish School Board. Such information, except for the Statistical Section as marked in the table of contents 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, the information is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of accompanying financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the accompanying financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated December 10, 2002 on our consideration of the Lafourche Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Stagni & Company

Thibodaux, Louisiana December 10, 2002



### Statement of Net Assets

### For the Year Ended June 30, 2002

(With comparative totals for the year ended June 30, 2001)

Statement A

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES		
	6/30/02	6/30/01	
<u>ASSETS</u>	<b>*</b> * * * * * * * * * * * * * * * *	<b>#57 504 450</b>	
Cash and cash equivalents	\$48,858,563	\$57,521,153	
Cash with fiscal agents	81,803	25,183	
Receivables (net of allowance for uncollectibles)	4,751,567	4,033,715	
Due from agency fund	3,019,697	3,096,473	
Inventory, at cost	296,616	316,119	
Capital assets (net of accumulated depreciation)			
Land	1,508,537	1,486,197	
Buildings and improvements	26,447,333	24,554,037	
Equipment	2,745,200	3,312,696	
Construction in progress	27,979,063	18,010,069	
TOTAL ASSETS	\$115, <u>688,379</u>	\$112,355,642	
<u>LIABILITIES</u>	ΦΩ 400 <b>47</b> 0	\$4,156,739	
Accounts payable	\$3,408,478	• •	
Salaries and wages payable	11,198,993	12,708,292	
Accrued employee benefits - estimated liability	4 000 000	E 40 629	
for claims outstanding	1,668,909	548,638 70,794	
Intergovernmental payable	70,781	70,781	
Deposits subject to refund	277,849		
Non-current Liabilities		4.045.500	
Due within one year	1,943,392	1,845,526	
Due in more than one year	43,523,045	44,815,705	
Total Liabilities	62,091,447	64,145,681	
NET ASSETS			
Invested in capital assets, net of related debt	19,485,133	6,672,999	
Restricted for:			
Debt service	9,467,234	7,590,162	
Capital projects		3,751,243	
Unrestricted	24,644,565	30,195,557	
Total net assets	53,596,932	48,209,961	
	\$115,688,379	\$112,355,642	
TOTAL LIABILITIES AND NET ASSETS	\$110,000,319	Ψ 1 12,000,0°T	

### Statement of Activities

### For the Year Ended June 30, 2002

(With comparative totals for the year ended June 30, 2001)

Statement B

		CHARGES FOR	OPERATING GRANTS AND	PRIMARY GOT TOTAL GOVE ACTIVI	RNMENTAL
	EXPENSES	SERVICES	CONTRIBUTIONS	6/30/02	6/30/01
Instruction:					
Regular programs	\$38,643,134		\$2,286,112	\$(36,357,022)	\$(33,302,075)
Special programs	15,357,648		1,300,991	(14,056,657)	(13,569,708)
Other programs	7,170,448		4,667,637	(2,502,811)	(2,368,472)
Support services:					
Pupil support	4,207,692		375,430	(3,832,262)	(3,422,742)
Instructional staff support	5,925,235		1,657,810	(4,267,425)	(4,021,587)
General administration	3,295,176		8,840	(3,286,336)	(2,639,970)
School administration	4,815,513		58,958	(4,756,555)	(4,389,372)
Business services	1,259,012		31,744	(1,227,268)	(708,679)
Operation and maintenance	5,815,538		208,276	(5,607,262)	(7,721,175)
Pupil transportation	5,146,986		325,400	(4,821,586)	(4,264,577)
Central services	989,932	64 004 440	31,326	(958,606)	(600,427)
Food service operations	6,582,304	\$1,294,443	3,242,268	(2,045,593) (6,423)	(1,819,215)
Community service operations Facilities acquisition and	6,423			(6,423)	(10,705)
construction	852,857			(852,857)	522,686
Debt service:	002,007		•	(002,001)	022,000
Interest and bank charges	2,158,374			(2,158,374)	(2,274,899)
Total governmental activities	102,226,272	1,294,443	14,194,792	(86,737,037)	(80,590,917)
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		General revenu			
		Local sources:		42 9 <del>7</del> 0 677	12 644 120
		Ad valorem tax		13,870,677	12,644,130 18,235,375
		Sales and use Other	,	19,545,497 424,351	392,553
			a ravaltica	882,572	1,708,765
		Rentals, lease Eamings on in	•	1,317,425	3,596,092
		Other local	AG2ftilidilf2	480,316	704,615
		State sources:		700,510	704,013
			ecific to programs	54,587,364	51,211,532
		Revenue In lie	, -	450,491	401,751
			r on behalf of LEA	33,888	51,234
		Federal source		05,524	5 . <b>,_</b> \$ .
			ecific to programs	268,219	242,666
		•	n behalf of LEA	305,776	327,908
		Other:		777	
		Gain (loss) on	disposal		
		of capital ass	•	(42,568)	1,926
		Total genera	-	92,124,008	89,518,547
		_	net assets	5,386,971	8,927,630
		Net Assets - be		48,209,961	39,282,331
		Net Assets - er	•	\$53,596,932	\$48,209,961
			=		

# LAFOURCHE PARISH SCHOOL BOARD Balance Sheet: Governmental Funds For the Year Ended June 30, 2002

Statement C

(Continued on

next page)

(With comparative totals for the year ended June 30, 2001)

		1997	AIR		OTHER	TOTAL	_
	GENERAL	CONSTRUCTION FUND	MAINTENANCE	DEBT	GOVERNIMENTAL FUNDS	GOVERNMENTAL FUNDS 6/30/02	AL FUNDS 6/30/01
ash and cash equivalents ash with fiscal agents	\$18,851,484	\$4,066,305	\$6,425,350	\$9,561,720	\$3,824,964	\$42,729,823	\$53,637,238
Receivables Interfund receivable Inventory, at cost	2,231,023	1,014,080	6,586	15,125	2,498,833 106,161 296,616	4,751,567 6,099,089 296,616	4,033,715 4,150,287 316,119
TOTAL ASSETS AND OTHER DEBITS	\$26,064,222	\$5,080,385	\$6,431,936	\$9,576,845	\$6,726,574	\$53,879,962	\$62,145,571
LIABILITIES AND FUND BALANCES Liabilities:							
ccounts payable	\$817,512	\$1,806,628	\$555,093		\$98,008	\$3,277,241	\$4,133,711
afaries and wages payable	10,173,217				1,025,776	11,198,993	12,708,292
terfund payable	787,665		601,134		1,902,374	3,291,173	1,053,814
itergovernmental payable	377 67		701		70,781	70,781	70,781
eposits sabject to retund	17,116		47,731	109,611	47,731	277,849	
Total Liabilities	11,851,170	1,806,628	1,203,958	109,611	3,144,670	18,116,037	17,966,598
Fund Balances							
Reserved for encumbrances	1,502,776	3,273,757	546,087			5,322,620	10,731,359
Reserved for salaries	4,307,285				370,936	4,678,221	2,630,566
Reserved for textbooks	1,077					1,077	141,218
Reserved for technology	87,179					87,179	103,968
Reserved for air-conditioning maintenance			\$4,681,891			4,681,891	5,576,691
Reserved for school food service					3,210,968	3,210,968	3,395,491
Reserved for debt service				9,467,234		9,467,234	7,590,162
Reserved for capital projects							3,751,243
Unreserved - reported in General Fund	8,314,735					8,314,735	10,258,275
Total Equity and Other Credits	-	3,273,757	5,227,978	9,467,234	3,581,904	35,763,925	44,178,973
TOTAL LIABILITIES AND FUND EQUITY	\$26,064,222	\$5,080,385	\$6,431,936	\$9,576,845	\$6.726,574		

58,680,133 5,014,829 used by management to charge the cost of worker's compensation and group health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Amounts reported for governmental activities in the statement of net assets are different because: Net assets of governmental activitles (Statement A) Internal Service funds are

5,014,829 3,503,586 (45,861,955) (46,835,597) \$53,596,932 \$48,209,961

47,362,999

Comprehensive Annual Financial Statement

# LAFOURCHE PARISH SCHOOL BOARD Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds For the Year Ended June 30, 2002 (With comparative totals for the year ended June 30, 2001)

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	GENERAL	1997 CONSTRUCTION	AIR	OEBT	OTHER GOVERNIMENTAL	TO	TOTAL GOVERNMENTAL FUNDS
	END ON	FUND	MAINTENANCE	SERVICE	FUNDS	6/30/02	6/30/01
REVENUES							
Local sources:							
Taxes:							
Ad valorem	\$3,633,142		\$2,382,696	\$5,471,982	\$2,382,857	\$13,870,677	\$12,644,130
Sales and use	19,545,497					19,545,497	18,235,375
Other	424,351					424,351	392,553
Rentals, leases, royalties	882,572					882,572	1,708,765
Eamings on investments	489,269	\$236,409	\$151,211	\$223,890	87,564	1,188,343	3,407,209
Food service collections					1,294,443	1,294,443	1,279,323
Other local	480,316					480,316	704,615
State sources:							•
Unrestricted grants-in-aid	53,385,464				1,201,900	54,587,364	51,211,532
Restricted grants-in-aid	2,428,680				•	2,428,680	2,265,560
Revenue in lieu of taxes	450,491					450,491	401.751
Revenue for or on behalf of LEA	33,888					33,888	51,234
Federal sources:						•	
Unrestricted grants-in-aid - direct							15,876
Restricted grants-in-aid - direct	157,103				126,080	283,183	217,847
Restricted grants-in-aid - subgrants	1,500,748				10,250,400	11,751,148	10,757,962
Revenue for/on behalf of LEA					305,776	305,776	327,908
Total revenues	83,411,521	236,409	2,533,907	5,695,872	15,649,020	107,526,729	103,621,640
EXPENDITURES							
Instruction:							
Regular programs	37,084,157	397,348			734,247	38,215,752	35,145,134
Special programs	13,987,090				1,209,729	15,196,819	15,108,178
Other programs	3,714,841				3,386,704	7,101,545	6,921,969
Support services:							
Pupil support	3,817,753				349,039	4,166,792	3,745,520
instructional staff support	4,901,042				969,522	5,870,564	5,146,058
General administration	1,349,036		72,677	166,895	72,677	1,661,285	1,704,324
School administration	4,735,566				9,005	4,744,571	4,484,173

# LAFOURCHE PARISH SCHOOL BOARD Statement of Revenues, Expenditures, and Changes in Fund Balances: Governmental Funds For the Year Ended June 30, 2002 (With comparative totals for the year ended June 30, 2001)

Statement D (concluded)

	GENERAL	1997 CONSTRUCTION	AIR	T H H	OTHER GOVERNMENTAL	TO	TOTAL GOVERNMENTAL FUNDS
		FUND	MAINTENANCE	SERVICE	FUNDS	6/30/02	6/30/01
Business services	1,219,289		51		31,744	1,251,084	744,416
Operation and maintenance	7,030,273	81,607	2,152,198		226,99	9,331,055	7,908,676
Pupil transportation	5,029,252				82,920	5,112,172	4,704,512
Central services	952,861				29,155	982,016	631,211
Food service operations	141,251				6,379,465	6,520,716	6.254.568
Community service operations	6,423				•	6.423	10,705
Facilities acquisition and construction Debt service:	82,060	9,902,380	94'69			10,082,134	18,747,157
Principal retirement	52,235			1 495 000		4 EA7 10E	4 FO 4 OF
Interest and bank charges	1,469			2.156.905		2 158 374	400, 100, 1 0 077 680
Total expenditures	84,104,598	10,381,335	2,322,620	3,818,800	13,321,184	113,948,537	115,071,637
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$(693,077)	\$(10,144,926)	\$211,287	\$1,877,072	\$2,327,836	\$(6,421,808)	\$(11,449,997)
OTHER FINANCING SOURCES (Uses) Transfers in (out) Sales of fixed assets	(178,073)	1,039,080	(260,000)		(2,301,007)	(2,000,000)	1 026
Total other financing sources (uses)	(173,423)	1,039,080	(560,000)	NON	(2,298,897)	(1,993,240)	1,926
NET CHANGES IN FUND BALANCES	(866,500)	(9,105,846)	(348,713)	1,877,072	28,939	(8,415,048)	(11,448,071)
FUND BALANCES AT BEGINNING OF YEAR	15,079,552	12,379,603	5,576,691	7,590,162	3,552,965	44,178,973	55,627,044
FUND BALANCES AT END OF YEAR	\$14,213,052	\$3,273,757	\$5,227,978	\$9,467,234	\$3,581,904	\$35,763,925	\$44,178,973

# 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, 2002

(With comparative totals for the year ended June 30, 2001)

Statement E

	6/30/02	6/30/01
Amounts reported for governmental activities in the statement of activities (Statement B) are different because:		
Net change in fund balances - total governmental funds (Statement D)	(\$8,415,048)	(\$11,448,071)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current		
period.	11,317,134	18,323,272
The issuance of long-term debt (e. g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar item when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	973,642	1,540,137
Internal service funds are used by management to charge the costs of worker's compensation and group health insurance to individual funds. The revenues and expenditures of the internal service funds are included in governmental activities in the statement activities.	1,511,243	512,292
Changes in net assets of governmental activities (Statement B)	\$5,386,971	\$8,927,630

# LAFOURCHE PARISH SCHOOL BOARD Combined Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual For the Year Ended June 30, 2002

Statement F

(continued on next page)

		GENERAL FUND	0	AIR CONE	AIR CONDITIONING MAINTENANCE	TENANCE	۵	DEBT SERVICE	
	ORIGINAL BUDGET	FINAL	ACTUAL	ORIGINAL BUDGET	FINAL	ACTUAL	ORIGINAL BUDGET	FINAL	ACTUAL
REVENUES Local sources:									
Taxes:									
Ad valorem	\$3,377,800	\$3,605,300	\$3,633,142	\$2,214,600	\$2,364,400	\$2,382,696	\$5.087.600	\$5,430,100	\$5 471 982
Sales and use	17,800,000	19,000,000	19,545,497					20100100	70011100
Other	387,000	392,000	424,351						
Rentals, leases, royalties	1,356,000	718,000	882,572						
Earnings on investments	1,000,000	500,000	489,269	234,000	151,700	151,211	300.000	223,100	223 890
Food service collections				•	•		• • • • •		5
Other local	633,100	539,400	480,316						
State sources:									
Unrestricted grants-in-aid	53,181,000	53,385,400	53,385,464						
Restricted grants-In-aid	2,035,500	2,393,700	2,428,680						
Revenue in lieu of taxes	401,700	450,500	450,491						
Revenue for or on behalf of LEA	51,900	41,800	33,888						
Federal sources:									
Unrestricted grants-in-aid - direct	15,800	15,800							
Restricted grants-in-aid - direct	128,000	160,300	157,103						
Restricted grants-in-aid - subgrants	1,107,800	1,751,700	1,500,748						
Revenue for/on behalf of LEA									
Total revenues	81,475,600	82,953,900	83,411,521	2,448,600	2,516,100	2,533,907	5,387,600	5,653,200	5,695,872
EXPENDITURES									
Instruction:									
Regular programs	35,411,900	37,469,800	37,084,157						
Special programs	14,058,300	14,167,430	13,987,090						
Other programs	3,969,400	4,039,100	3,714,841						
Support services:									
Pupil support	3,553,600	3,867,100	3,817,753						
Instructional staff support	4,370,500	4,923,200	4,901,042						
General administration	1,406,800	1,427,100	1,349,036	69,500	73,200	72,677	170.100	167,800	166 895
School administration	4,559,000	5,018,900	4,735,566					) ) -	

LAFOURCHE PARISH SCHOOL BOARD
Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances- Budget and Actual
For the Year Ended June 30, 2002

Statement F (concluded)

		GENERAL FUND		AIR COND	AIR CONDITIONING MAINTENANCE	TENANCE		DEBT SERVICE	
	ORIGINAL BUDGET	FINAL	ACTUAL	ORIGINAL BUDGET	FINAL	ACTUAL	ORIGINAL BUDGET	FINAL	ACTUAL
Business services	\$755,400	\$1,000,700	\$1,219,289	\$500	\$500	\$51			
Operation and maintenance	6,501,300	6,385,200	7,030,273	2,732,300	1,771,100	2,152,198			
Pupil transportation	4,637,600	5,094,700	5,029,252	•					
Central services	741,800	903,000	952,861						
Food service operations	121,300	141,700	141,251						
Community service operations	8,700	8,700	6,423						
Facilities acquisition and construction	109,000	1,154,000	82,060	30,000	1,353,000	97,694			
<u>Dept service:</u>									
Principal retirement	120,100	120,100	52,235				41,495,000	\$1,495,000	\$1,495,000
Interest and bank charges	6,500	6,500	1,469				2,464,900	2,464,900	2,156,905
Total expenditures	80,331,200	85,727,230	84,104,598	2,832,300	3,197,800	2,322,620	4,130,000	4,127,700	3,818,800
EXCESS (DEFICIENCY) OF REVENUES									
OVER EXPENDITURES	1,144,400	(2,773,330)	(693,077)	(383,700)	(681,700)	211,287	1,257,600	1,525,500	1,877,072
OTHER FINANCING SOURCES (Uses)									
Transfers in (out)	2,236,075	216,139	(178,073)		(25,000)	(260,000)			
Sales of fixed assets			4,650						
(uses)	2,236,075	216,139	(173,423)	\$NONE	(25,000)	(260,000)	SNONE	SNONE	SNONE
EXCESS (DEFICIENCY) OF REVENUES AND									
OTHER USES	3 380 475	(2 557 191)	(866 500)	(382 700)	(706 700)	(674 GF6)	4 257 600	4 200	*
	21-120010	(12) (122)	(nac'nan)	(novinon)	(00,100)	(517,040)	000,762,1	000,020,1	7,0,7,8,1
FUND BALANCES AT BEGINNING OF YEAR	12,008,989	15,079,552	15,079,552	4,498,809	5,576,691	5,576,691	7,601,979	7,590,162	7,590,162
FUND BALANCES AT END OF YEAR	\$15,389,464	\$12,522,361	\$14,213,052	\$4,115,109	\$4,869,991	\$5,227,978	\$8,859,579	\$9,115,662	\$9,467,234

### LAFOURCHE PARISH SCHOOL BOARD Statement of Net Assets: Proprietary Fund Type For the Year Ended June 30, 2002

Statement G

(With comparative totals for the year ended June 30, 2001)

	GROUP HEALTH INSURANCE	WORKER'S COMPENSATION	TOTAL PRO	
	FUND	FUND	06/30/02	06/30/01
<u>ASSETS</u>				
Cash and cash equivalents	\$1,878,169	\$4,250,571	\$6,128,740	\$3,883,915
Cash with fiscal agents	50,000	28,936	78,936	16,971
Interfund receivable	\$211,781		211,781	· 
			, _ <u>, , , , , , , , , , , , , , , , , ,</u>	
TOTAL CURRENT ASSETS	\$2,139,950	<b>\$4,279,5</b> 07	\$6,419,457	\$3,900,886
<u>LIABILITIES</u> <u>Current Liabilities:</u>				
Accounts payable	\$131,237		\$131,237	\$23,028
Accrued employee benefits - estimated liability			<b>4</b> 10 1, <b>2</b> 01	420,020
for claims outstanding	726,286	\$547,105	1,273,391	374,272
Total Liabilities	857,523	547,105	1,404,628	397,300
<u>NET ASSETS</u>				
Restricted for group health insurance	1,282,427		1,282,427	
Restricted for worker's compensation		3,732,402	3,732,402	3,503,586
Total Equity and Other Credits	1,282,427	3,732,402	5,014,829	3,503,586
TOTAL LIABILITIES AND NET ASSETS	\$2,139,950	\$4,279,507	\$6,419,457	\$3,900,886

### Statement of Revenues, Expenses, and Changes in Fund Net Assets: Proprietary Fund Type For the Year Ended June 30, 2002 (With comparative totals for the year ended June 30, 2001)

Statement H

	GROUP HEALTH INSURANCE	WORKER'S COMPENSATION	TOTAL PRO	
	FUND	FUND	06/30/02	06/30/01
NON-OPERATING REVENUES Intergovernmental: Insurance premium				
billings	\$4,404,509	\$669,052	\$5,073,561	\$686,286
Interest	26,976	102,106	129,082	188,883
Transfers In	2,000,000	·	2,000,000	
Total Non-operating Revenues	6,431,485	771,158	7,202,643	875,169
NON-OPERATING EXPENSES Claims expense	<u>5,149,058</u>	542,342	5,691,400	362,877
CHANGES IN NET ASSETS	1,282,427	228,816	1,511,243	512,292
NET ASSETS AT BEGINNING OF YEAR		3,503,586	3,503,586	2,991,294
NET ASSETS AT END OF YEAR	\$1,282,427	\$3,732,402	\$5,014,829	\$3,503,586

#### LAFOURCHE PARISH SCHOOL BOARD Statement of Cash Flows: Proprietary Fund Type For the Year Ended June 30, 2002

Statement I

(With comparative totals for the year ended June 30, 2001)

	GROUP HEALTH INSURANCE	WORKER'S COMPENSATION	TOTAL PRO	
	FUND	FUND	06/30/02	06/30/01
Premiums collected, received or recovered  Transfers In	\$4,192,728	\$669,053	\$4,861,781	\$686,339
	2,000,000	(000 500)	2,000,000	
Claim expenses paid  Cash provided (used) by non-conital	(4,291,535)	(392,538)	(4,684,073)	(358,650)
Cash provided (used) by non-capital financing activities	1,901,193	276,515	2,177,708	327,689
CASH FLOWS FROM INVESTING _ACTIVITIES				
Interest Income	26,976	102,106	129,082	188,883
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	1,928,169	378,621	2,306,790	516,572
CASH BALANCE AT BEGINNING OF YEAR	<u> </u>	3,900,886	3,900,886	3,384,314
CASH BALANCE AT END OF YEAR	\$1,928,169	\$4,279,507	\$6,207,676	\$3,900,886
CASH AND EQUIVALENTS AT THE YEAR END CONSISTED OF:				
Cash in Bank	\$103,726	\$152,548	\$256,274	\$181,578
Deposits in LAMP	1,774,443	4,098,023	5,872,466	3,702,337
Cash with Fiscal Agents	50,000	28,936	78,936	16,971
Total Cash and Equivalents at the Year End	\$1,928,169	\$4,279,507	\$6,207,676	\$3,900,886

#### LAFOURCHE PARISH SCHOOL BOARD Statement of Net Assets: Fiduciary Fund Type For the Year Ended June 30, 2002

Statement J

(With comparative totals for the year ended June 30, 2001)

	SCHOOL	SALES	TO1 FIDUCIAR	
	ACTIVITY	TAX	06/30/02	06/30/01
<u>ASSETS</u>				
Cash and cash equivalents	\$2,827,236	\$3,409,754	\$6,236,990	\$5,945,900
Receivables	1,502	3,756,174	3,757,676	3,990,383
TOTAL ASSETS	\$2,828,738	\$7,165,928	\$9,994,666	\$9,936,283
	- · · · · ·			
<u>LIABILITIES</u>				
Accounts payable	\$51,748	\$1,347	\$53,095	\$2,533
Due to other funds		3,019,697	3,019,697	3,096,473
Deposits due others	2,776,990	4,028,528	6,805,518	6,777,383
Deposits subject to refund	<b>—</b>	116,356	116,356	59,894
TOTAL LIABILITIES	\$2,828,738	\$7,165,928	\$9,994,666	\$9,936,283

# LAFOURCHE PARISH SCHOOL BOARD Statement of Changes Net Assets: Fiduciary Fund Type For the Year Ended June 30, 2002 (With comparative totals for the year ended June 30, 2001)

Statement K

	FIDUCIARY FUND		
	SALES TAX	FUND	
	06/30/02	06/30/01	
<u>ADDITIONS</u>			
Collections of sales tax	\$44,363,144	\$41,314,671	
Fees received for tax collection	131,768	134,740	
Interest on Investments	2,177	7,050	
TOTAL ADDITIONS	\$44,497,089	\$41,456,461	
DEDUCTIONS			
Remittance of taxes collected	43,855,915	40,081,407	
Refunds of taxes collected	532,451	533,170	
Fees paid for tax collection	131,768	134,740	
Expenses of tax collection	230,868	188,004	
TOTAL DEDUCTIONS	\$44,751,002	\$40,937,321	
CHANGE IN NET ASSETS	(253,913)	519,140	
Net Assets - beginning	7,302,138	6,782,998	
Net Assets - ending	\$7,048,225	<b>\$7,302,138</b>	

# LAFOURCHE PARISH SCHOOL BOARD Notes to the Financial Statements June 30, 2002

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafourche Parish School Board was created under Louisiana Revised Statute (LRS) 17:51 for the purpose of providing free public education for the children within Lafourche Parish. The School Board is authorized by (LRS) 17:81 to establish policies and regulations for its own government that are 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 15 members who are elected from 15 districts for a term of four years.

The School Board operates 27 schools within the parish with a total enrollment of 15,178 pupils for the year. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

#### A. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. The School Board includes all funds, activities, et cetera, that are within the oversight responsibility of the School Board.

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

#### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct

expenses are those that are clearly identifiable with a specific function. Program revenues includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

### C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales and use tax revenues are recognized in the month that the tax is due. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Other financing sources (uses) are shown in the fund financial statements and represent non-revenue inflows and non-expenditure outflows that affect fund balance. This section includes items such as transfers between funds that are not expected to be repaid, capital lease transactions, insurance proceeds, debt extinguishments, long-term debt proceeds, et cetera. These other financing sources (uses) are recognized at the time the underlying events occur.

The Lafourche Parish School Board reports the following governmental funds:

#### **MAJOR**

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

Capital Projects Fund -- accounts for the financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other government funds.

Air Conditioning Maintenance Fund — is a special revenue fund that accounts for the proceeds of a special property tax, which is to be used to maintain the air conditioning systems of the schools in the parish. The tax is authorized for a ten-year period.

Debt Service Fund — accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

#### **NON-MAJOR**

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

Additionally the Lafourche Parish School Board reports the following other fund types:

Internal service fund accounts for the workers compensation and group heath insurance services provided to other departments on a cost-reimbursement basis. Internal service funds are proprietary fund types that differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

Agency funds are used to account for the activities of the individual schools and for the collection of sales and use taxes, which are held for several other governmental agencies and the General Fund. Agency funds are a fiduciary fund type, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The School Board has elected not to follow subsequent private-sector guidance.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues included 1) charges to students or adults for food services 2) operating grants and contributions and 3) capital grants. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service funds are charges to the other funds for workers compensation and group health insurance. The operating cost of the internal service fund includes the claims and reinsurance expenses of the program. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### D. ASSETS, LIABILITIES, AND NET ASSETS

#### 1. Deposits and investments

Cash includes amounts in demand deposits, interest bearing demand deposits, and bank money market accounts. Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits within state banks organized under the laws of the state of Louisiana, and national banks having their principal offices in Louisiana.

#### 2. Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

#### 3. Inventories and Prepaid Items

Inventories of the Special Revenue - Child Nutrition Fund consist of food and supplies purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Education. The commodities are recorded as revenue when received (issued); however, all inventory is recorded as an expenditure when consumed. All purchased inventory items are valued at cost determined by specific identification and commodity inventory items are assigned values based on information provided by the United States Department of Agriculture.

All prepaid items are shown as expenditures in the year they are paid.

#### 4. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, and furniture and equipment are reported in the governmental activity column in the government-wide financial statements. The board includes all land and buildings in its capital asset inventory. Furniture and equipment must meet the all of the following criteria to be included:

- » The item will last more than one year.
- » It is nonexpendable; that is, if damaged or worn out, it can be repaired without being replaced.
- » It does not lose its identity through fabrication or incorporation into a different or more complex unit.
- » Its unit cost exceeds \$1000.

The land, buildings and improvements, and furniture and equipment are valued at historical cost. Donated items are valued at approximate fair market value at the time of donation. For all buildings and improvements that were acquired prior to June 30, 1998, an independent appraisal company has supplied the estimated dates of acquisition and estimated original costs that were developed from information provided by inspection of the property, and accepted appraisal costing techniques relating current cost of reproduction to historical cost of reproduction.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Buildings, other improvements and equipment are depreciated using the straight-line method over the following estimated useful lives:

Asset Type	Years
Buildings	25 to 45
Improvements other than buildings	10 to 25
Furniture and Equipment	5 to 20

#### 5. Compensated Absences

Vacation leave is earned based on policy GBRI of the Lafourche Parish School Board Policy Manual. It can be accumulated, and it vests. Sick leave is earned based on policy GBRIB and it both accumulates and vests. Twenty-five of the vested days are paid to the employee upon retirement. The remainder is used by the retirement systems in the calculation of benefits earned.

All 12-month full-time employees earn 5-20 days of annual leave depending on date of employment and length of service with the School Board. Annual leave can be accumulated without limit.

The cost of current sick leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditure in the governmental funds when leave is taken. The liability for these sick leave privileges not requiring current resources is recorded as long-term debt in the government-wide statements.

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

#### 6. Long-term Obligations

Long-term obligations expected to be financed from governmental funds are accounted for as liabilities in the government-wide statements. Expenditures for principal and interest payments for long-term debt are recognized in the governmental funds when due.

#### 7. Equity Classifications

Equity is classified as net assets and displayed in three components on the Government-wide Statements:

- » 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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- » Restricted net assets Consists of net assets with constraints placed on use by either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments: or (2) law through constitutional provisions or enabling legislation.
- » <u>Unrestricted net assets</u> Consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of debt".

Equity in the fund financial statements is classified as fund balance. Fund balances are further classified as reserved and unreserved.

### II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

# A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

	June 30, 2002	June 30, 2001
General obligation bonds Payable	\$39,195,000	\$40,690,000
Due to other government agency for		
capital purchase	15,800	31,600
Capital lease payable	4,196	40,631
Compensated absences	6,251,441	5,899,000
Accrued employee benefits - estimated		
liability for claims outstanding	395,518	174,366
	\$45,861,955	\$46,835,597

# B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

The details of this difference are as follows:

	June 30,	June 30,
	2002	2001
Capital outlay	\$12,668,046	\$20,072,405
Depreciation Expense	1,350,912_	1,749,133
Net adjustment to increase net changes in fund		
balances- total governmental funds to arrive at		
changes in net assets of governmental activities	\$11,317,134	\$18,323,272

#### III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. BUDGETARY INFORMATION

At the August meeting of the School Board, the superintendent submits a consolidated budget prepared on the modified accrual basis of accounting to the School Board, so they can review it before public inspection. The budget contains the estimate of revenues and proposed expenditures for the General, Special Revenue, and Debt Service funds.

A public hearing is conducted at the School Board office to obtain taxpayer comments. After this public hearing, the budget is enacted by the board. This process has to be completed by September 15 of the applicable budget year.

State law requires budget amendments if revenues will be short of estimates or if expenditures will exceed estimates by 5%. The superintendent is authorized to make changes within the various budget classifications provided that any reallocation of funds affecting more than five percent (5%) of the projected revenue collections must be approved in advance by action of the School Board. The results are compared monthly starting in September.

#### **B. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General, Air Conditioning Maintenance, and 1997 Construction Funds. Encumbrances and incomplete construction contracts outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

The balance of outstanding encumbrances at year-end is incorporated into the next year's budget. The same applies for those budget items, which have unexpended balances that can be carried forward. These balances are considered first when determining budget priorities.

## C. RESERVED AND DESIGNATED RETAINED EARNINGS/FUND BALANCES

The School Board reserves all of the retained earnings of the Workers' Compensation and the Group Health Insurance Funds which must be at least equal to the deductible on its excess policy and the amount of incurred unpaid claims as determined by F. A. Richard and Associates (for workers' compensation) or by UnitedHealth Care (for group health insurance).

The balance of the outstanding purchase orders is reserved for encumbrances in the General Fund.

The unexpended portion of the 1996 1¢ sales tax devoted to salaries is recorded in the reserve for salaries in the General Fund.

The unexpended portion of the 1996 1¢ sales tax devoted to textbooks is recorded in the reserve for textbooks in the General Fund.

The unexpended portion of the 1996 1¢ sales tax devoted to technology is recorded in the reserve for technology in the General Fund.

The unexpended proceeds of the property tax dedicated to maintaining the air conditioning systems of the schools are recorded as reserve for air conditioning maintenance in the Special Revenue Funds.

All of the unexpended funds used in the school food service program, which have not been encumbered, are recorded as reserve for school food service in the Special Revenue Funds.

All of the unexpended funds dedicated for debt service, which have not been encumbered, are recorded as reserve for debt service in the Debt Service Fund.

All of the unexpended proceeds for general obligation debt dedicated for the 1997 construction projects, which have not been encumbered, are recorded as reserve for capital projects in the 1997 Construction Fund.

#### D. SALES AND USE TAXES

On March 6, 1965, the voters of Lafourche Parish approved a one-percent sales and use tax to be levied and collected by the Lafourche Parish School Board. The proceeds of the tax are dedicated for the purpose of payment of salaries of teachers and other personnel employed by the School Board and/or for the general operations of the schools, excluding expenditures for capital improvements and purchases of automotive equipment.

The voters approved an additional one-percent sales and use tax for the School Board on April 29, 1995 to provide for salary increases (including related benefits) to all personnel except central office administrators. The tax also provides funding for textbook and technology upgrades.

The School Board also acts as the central collection agency for all sales taxes levied within the parish. The following table summarizes the sales tax rates and fees collected for other agencies:

AGENCY	TAX RATE	FEE	WHERE
Lafourche Parish Sheriff	1.0¢	.7%	unincorporated areas of the parish
Lafourche Parish Council	.7¢	.7%	unincorporated areas of the parish
Lafourche Parish Council Road District #2	1.0¢	.7%	within boundaries of Special Road District #2
Lafourche Parish Council Road District #3	1.0¢	.7%	within boundaries of Special Road District #3
Lafourche Parish Council Road District #5	1.0¢	.7%	within boundaries of Special Road District #5
Lafourche Parish Council Road District #6	1.0¢	.7%	within boundaries of Special Road District #6
Town of Golden Meadow	1.0¢	.7%	corporate limits
Lafourche Parish Tourist		<u>.</u>	
Commission	3.0¢	.7%	all hotels/motels
Town of Lockport	1.3¢	.7%	corporate limits
City of Thibodaux	2.0¢	.7%	corporate limits

#### E. LEVIED TAXES

Ad valorem taxes and the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

The taxes are generally collected in December, January, and February of the fiscal year. State revenue sharing is included in unrestricted state grants.

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

	AUTHORIZED	LEVIED	EXPIRATION
TYPE	RATE	RATE	DATE
Constitutional	3.93 Mills	3.93 Mills	None
Regular Maintenance	7.49 Mills	7.49 Mills	January 2009
Salary Supplement	7.49 Mills	7.49 Mills	January 2009
Air Condition Maintenance	7.49 Mills	7.49 Mills	January 2010
Bond and interest	17.20 Mills	17.20 Mills	None
TOTAL	43.60 Mills	43.60 Mills	

#### IV. DETAILED NOTES ON ALL FUNDS

#### A. DEPOSITS AND INVESTMENTS

On June 30, 2002, the School Board had cash and cash equivalents as follows:

	2002	2001
Cash on hand and in demand deposits	\$9,742,073	\$9,691,899
LAMP	44,776,423	52,843,571
Time Deposits	577,056	931,583
Total Cash Equivalents	\$55,095,553	\$63,467,053

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 pledged 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2002, the School Board had \$11,656,630 in deposits (collected bank balances). These deposits are secured from risk by \$519,334 in federal deposit insurance and \$14,854,941 in pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Included in cash and cash equivalents is a pooled cash account totaling \$6,878,379. The funds and amounts per fund included in the pooled cash account are as follows:

FUNDS	AMOUNTS
General Fund	\$2,615,575
Capital Projects Fund	23,956
Non Major Funds:	
Salary Supplement	656,889
Internal Service Fund	
Workers Compensation	152,547
Group Health Insurance	103,726
Agency Fund:	
Sales Tax Fund	3,325,686
Total	\$6,878,379

The School Board had \$44,776,423 invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP as of June 30, 2002 is not categorized in the three risk categories provided by GASB Codification 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., which is a nonprofit corporation organized under the laws of the State of Louisiana formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. 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. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Due to this immediate access feature, investments in LAMP are considered cash equivalents by the School Board.

#### **B. RECEIVABLES**

The receivables at June 30, 2002, are as follows:

CLASS OF RECEIVABLES	GENERAL FUND	AIR CONDITIONING MAINTENANCE	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL	AGENCY FUNDS
Sales Tax						\$3,756,174
Oil Royalties	\$132,481				\$132,481	,
Intergovernmental - Grants						
Federal	450,343		<del></del>	\$2,492,247	2,942,590	
State	981,530			""	981,530	
Property damage refund	222,910				222,910	
Unclaimed credit in the Teacher's Retirement System	424 251	· · · · · · · · · · · · · · · · · · ·				
	424,351		<u> </u>		424,351	····
Other	19,408	\$6,586	\$15,125	6,586	47,705	1,502
TOTAL	\$2,231,023	\$6,586	\$15,125	\$2,498,833	\$4,751,567	\$3,757,676

#### C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2002 was as follows:

	BALANCE AT BEGINNING OF YEAR	ADDITIONS	REDUCTIONS	ACCUMULATED DEPRECIATION	NET BALANCE
Land	\$1,486,197	\$22,340			\$1,508,537
Buildings and Improvements	44,430,128	2,883,665		\$20,866,460	26,447,333
Furniture and Equipment	11,449,716	331,775	538,728	8,497,563	2,745,200
Construction in Progress	18,010,069	12,643,100	2,674,106		27,979,063
Total	\$75,376,110	\$15,880,880	\$3,212,834	\$29,364,023	\$58,680,133

Depreciation was charged to general administration services in the statement of activities and recapped as follows:

	PRIOR	CURRENT EXPENSE	REDUCTIONS	ACCUMULATION
Buildings and Improvements	\$19,876,091	\$000 aco	······································	<b>#</b> 00 000 400
	Φ19,070,091	\$990,369		\$20,866,460
Furniture and Equipment	8,137,020	849,943	\$489,400	8,497,563
Total	\$28,013,111	\$1,840,312	\$489,400	\$29,364,023

CONSTRUCTION COMMITMENTS The Lafourche Parish School Board has active construction projects as of June 30, 2002. The projects cover new construction and renovations at the three high schools expended through the 1997 Construction Fund, and other such projects expended through the General

and Air Conditioning Maintenance Funds. At year-end, the School Board's commitments to the contractors were as follows:

PROJECT	CONTRACT	COST TO DATE EXPENDED	BALANCE
Re-roofing Central Lockport Lower Elementary	\$380,302	\$342,272	\$38,030
Re-roofing Central Office Annex	90,692	81,623	9,069
Alsphaltic Paving at Larose/Cut Off Junior High and Golden Meadow Junior High	71,658	6,824	64,834
Replacement of HVAC Equipment at various sites	696,084	478,452	217,632
Replacement of HVAC Equipment at various sites	652,214	323,759	328,455
Replacement of HVAC Equipment TOP South Campus	29,600	0	29,600
Expansion and renovation of South Lafourche High	12,701,826	11,883,756	818,070
Sewer Treatment Plant at South Lafourche High	89,450	77,085	12,365
Gym Floor South Lafourche High	82,100	56,250	25,850
Technology Upgrade South Lafourche High	162,000	133,788	28,212
Expansion and renovation of Thibodaux High	11,712,296	10,700,717	1,011,580
Expansion and renovation of Thibodaux High Field House	1,063,166	88,168	974,998
Technology Upgrade Thibodaux High	164,475	146,411	18,064
Total	\$27,895,863	\$24,319,105	\$3,576,759

#### D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual receivable/payable balances at June 30, 2002 are as follows:

RECEIVABLE FUND	PAYABLE FUND	AMOUNT
General	Improving Americans Schools Act: Title I	\$1,185,152
	Improving Americans Schools Act:	
General	Title IV and VI	159,356
General	Improving Americans Schools Act: Title II	39,082
General	Individuals with Disabilities Education Act	244,037
General	Indian Education Act	25,765
General	Child Nutrition	4,174
General	Salary Supplement Fund	235,451
General	Air Conditioning Maintenance	66,134
General	Sales Tax	3,019,697
1997 Construction	General	479,080
1997 Construction	Air Conditioning Maintenance	535,000
Improving Americans Schools Act: Title I	General	24,336
Individuals with Disabilities Education Act	General	1,638
Child Nutrition	General	70,830
Child Nutrition	Salary Supplement Fund	9,357
Group Health Insurance	General	211,781
	TOTAL	\$6,310,870

Interfund transfers made during the year ended June 30, 2002 are as follows:

TRANSFERRED IN	TRANSFERRED OUT	AMOUNT
General	Salary Supplement	\$2,032,788
1997 Construction	General	479,080
1997 Construction	Air Conditioning Maintenance	560,000
Child Nutrition	Salary Supplement	80,784
General	Improving Americans Schools Act: Title I	168,774
General	Improving Americans Schools Act: Title IV and VI	9,532
General	Improving Americans Schools Act: Title II	4,573
General	Individuals with Disabilities Act	79,965
General	Indian Education Act	5,375
Group Health Insurance	General	2,000,000
	TOTAL	\$5,420,871

#### E. LEASES

The School Board records items purchased using capital leases as a long-term obligation in the accompanying financial statement. There is one lease agreement currently outstanding. The basic terms are as follows:

EQUIPMENT PURCHASED	DATE	LENGTH (months)	ORIGINAL BALANCE
Printer	8/24/1998	60	\$16,295

The following is a schedule of future minimum lease payments under these capital leases, together with the present value of the net minimum lease payments, as of June 30, 2002:

YEAR	BALANCE
2002-03	\$4,087
2003-04	341
Total minimum lease payments	\$4,428
Less - amounts representing interest	232
Present value of net minimum lease payments	\$4,196

#### F. INTERGOVERNMENTAL PAYABLE

The Lafourche Parish School Board purchased the Health Unit building and land from the Lafourche Parish Council for \$158,000 due in 10 yearly installments beginning October 13, 1994 and ending on October 13, 2003. The balance at June 30, 2002 was \$15,800.

#### G. COMPENSATED ABSENCES

At June 30, 2002, employees of the School Board have accumulated and vested \$6,251,441 of employee leave benefits, which was computed in accordance with GASB Codification C60. The total amount paid during the fiscal year amounted to \$324,356. The liability for leave privileges not requiring current resources is recorded as long-term debt in the government-wide financial statements.

#### H. LONG-TERM DEBT

The School Board issues general obligation bonds to provide funds for the acquisition, construction or renovation of major capital facilities. The remaining amount issued for the bond issues outstanding at June 30 is \$39,195,000.

The balances of the outstanding issues are as follows:

ISSUE DATE	ORIGINAL ISSUE	INTEREST RATE	FINAL PAYMENT DATE	INTEREST TO MATURITY	PRINCIPAL OUTSTANDING
May 1,1978	\$12,500,000	5.00-5.50%	Mar. 1, 2003	\$275	\$5,000
June 1, 1997	10,000,000	4.10-8.00%	Mar. 1, 2017	4,044,418	8,690,000
February 1, 1998	25,000,000	4.45-8.00%	Feb. 1, 2018	10,471,037	21,930,000
August 1, 1999	9,400,000	4.70-7.00%	Feb. 1, 2018	4,389,685	8,570,000
TOTAL	\$56,900,000	· · · · · · · · · · · · · · · · · · ·		\$18,905,415	\$39,195,000

General obligation bonds are direct obligations with the principal and interest requirements funded in accordance with Louisiana law by the annual ad valorem tax assessment on taxable property within the parish. Bond principal and interest payable in the next fiscal year is \$1,580,000 and \$2,037,830, respectively. At June 30, 2002, the School Board had accumulated \$9,467,234 in the debt service fund for future debt requirements. The bonds are due, by year as follows:

YEAR	PRINCIPAL	INTEREST	TOTAL
2003	\$1,580,000	\$2,037,830	\$3,617,830
2004	1,670,000	1,914,755	3,584,755
2005_	1,755,000	1,814,315	3,569,315
2006	1,855,000	1,712,255	3,567,255
2007	1,965,000	1,608,947	3,573,948
2008-2012	11,620,000	6,417,871	18,037,874
2013-2017	15,300,000	3,195,404	18,495,405
2018-2019	3,450,000	204,038	3,654,038
	\$39,195,000	\$18,905,415	\$58,100,420

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of

the assessed value of taxable property. At June 30, 2002, the legal debt margin was \$120,299,395 and outstanding bonded debt totaled \$39,195,000.

The following is a summary of the long-term debt transactions for the year ended June 30, 2002:

DESCRIPTION	BONDED DEBT	DUE TO OTHER GOVERNMENT AGENCIES	LEASE- PURCHASE AGREEMENTS	COMPENSATED ABSENCES	TOTAL
Long-term obligations at July 1, 2001	\$40,690,000	\$31,600	\$40,631	\$5,899,000	\$46,661,231
Additions				676,797	676,797
Deductions	1,495,000	15,800	36,435	324,356	1,871,591
Long-term obligations at June 30, 2002	\$39,195,000	\$15,800	\$4,196	\$6,251,441	\$45,466,437
Due within one year_	\$1,580,000	\$15,800	\$3,858	\$343,734	\$1,943,392
Due in more than one year	\$37,615,000	\$NONE	\$338	\$5,907,707	\$43,523,045

#### V. OTHER INFORMATION

#### A. RISK MANAGEMENT

The School Board is also exposed to various risks of loss related to personal injury to students and other individuals (not employees). Under the current program, the General Fund is responsible for a maximum of \$100,000 for each loss and for \$2 million in the aggregate. The School Board purchases commercial insurance for claims in excess of coverage provided by the General Fund. The School Board purchases commercial insurance for claims in excess of the coverage provided by the fund. Also, the School Board retains a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services.

The School Board is exposed to various risks of loss related to providing medical and indemnity payments as required by law for on-the-job related injuries. To account for and finance its uninsured risks of loss, the School Board has established a Workers' Compensation Fund (an internal service fund). Under this program, the Workers' Compensation Fund is responsible for \$250,000 of each workers compensation claim and has an aggregate limit of \$1.7 million. The School Board purchases commercial insurance for claims in excess of the coverage provided by the fund. Also, the School Board retains a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services. All funds that pay salaries participate in the program and make payments to the fund based on management's estimates of the amounts needed to pay prior and current year claims. These interfund "premiums" are reported as quasi-external transactions.

The School Board has established a Group Health Insurance Fund (an internal service fund) to account various risks of loss related to providing medical payments as required by the group health insurance program. Under this program, the Fund assumes \$150,000 for each claim with an aggregate limit of 1.25% of expected claims or \$7.8 million. The School Board purchases commercial insurance for claims in excess of the coverage provided by the fund. Also, the School Board retains a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services. All funds that that have budgets that include employee positions participate in the program and make payments to the fund based on management's estimates of the amounts needed to pay prior and current year claims. These interfund "premiums" are reported as quasi-external transactions.

At June 30, 2002, the outstanding claims liability accruing to the General, Worker's Compensation and Group Health Insurance Funds was \$1,668,909. The estimated claim liability has been determined by the third-party administrator based on historical information and anticipated payments. These liabilities are based on the requirements of Governmental Accounting Standards Board Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues" which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable and the amount of the loss can be reasonably estimated. The following table shows the changes in this liability for June 30, 2002:

	General Fund_	Worker's Compensation Fund	Group Insurance Fund	Total
Balance July 1	\$174,366	\$374,272	\$0	\$548,638
Current year claims and estimates	325,705	468,248	4,118,768	4,912,721
Claim payments	104,553	295,415	3,392,482	3,792,450
Balance June 30	\$395,518	\$547,105	\$726,286	\$1,668,909

The School Board is exposed to various risks of loss related to theft of, damage to and destruction of buildings and related contents. Under the current program, the General Fund provides coverage up to a maximum \$500,000 for each loss to its buildings due to wind and hail, and \$100,000 for all other building perils. The perils for the related contents, except for computer equipment (\$1,000 per occurrence) and band instruments (\$150 per occurrence), are funded in the same manner. The School Board purchases commercial insurance for claims in excess of coverage provided by the General Fund.

The School Board is self-funded for unemployment claims filed with the State. The claims are accounted for on the cash basis in the fund in which the original salary was paid. The School Board paid \$12,508 to the State for benefits claimed during the year ended June 30, 2002. The School Board retains a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services.

#### **B. CONTINGENT LIABILITIES**

The Lafourche Parish School Board received funding under grants from various federal and state governmental agencies. These grants specify the purpose for which the grant moneys are to be used and such grants are subject to audit by the granting agency or its representative. If the grant moneys received are not expended, the Lafourche Parish School Board may be required to reimburse the granting agency.

At June 30, 2002, the School Board was involved in several lawsuits. In the opinion of legal counsel for the School Board, the potential claims against the School Board, not covered by insurance, would not materially affect the financial statements.

## C. POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Lafourche Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through the Group Health Insurance Fund whose monthly premiums are paid jointly by the employee and by the School Board.

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 cost in 2002 was \$1,404,647 for retirees. The School Board's group plan enrollment at the end of the year included 853 retirees.

#### D. EMPLOYEE RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees, such as teachers and principals, are members of the Louisiana Teachers Retirement System; and 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:

#### 1. Teachers' Retirement System Of Louisiana (TRS)

Plan Description. The TRS consists of two membership plans: Regular Plan and Plan A. The TRS 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 and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the 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 Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 13.1 percent of annual covered payroll for the two membership plans. 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 deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board and employees' contributions to the TRS for the years ending June 30, 2002, 2001, and 2000 were \$11,256,621, \$11,294,358, and \$11,849,655, respectively, equal to the required contributions for each year.

#### 2. Louisiana School Employees Retirement System (LSERS)

Plan Description. The LSERS 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 and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the 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 6.35 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 0.00

percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employee contribution for the LSERS, is funded by the State of Louisiana through annual appropriations. The LSERS has temporarily suspended employer contribution because past overfunding.

The School Board and employees' contributions to the LSERS for the years ending June 30, 2002, 2001, and 2000 were \$299,804, \$242,793, and \$250,522, respectively, equal to the required contributions for each year.

#### 3. On-behalf Payments for Fringe Benefits and Salaries

The State of Louisiana contributes directly to the Teachers' Retirement System of Louisiana an amount equal to the employer portion of retirement due on the Professional Improvement Program (PIP) salary increments paid to the School Board's personnel. The School Board recognizes the amount contributed as a revenue and expenditure in the General Fund. The amount recognized in 2002 was \$33,888.

## LAFOURCHE PARISH SCHOOL BOARD Supplemental Information Schedules June 30, 2002

## OTHER GOVERNMENTAL FUNDS (continued next page)

#### IMPROVING AMERICA'S SCHOOLS ACT FUNDS

Title I of the Improving America's Schools Act (IASA) is a program for economically and educationally deprived school 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 meet the special needs of educationally deprived children. The activities supplement rather than replace state and local mandated activities.

Title IV and VI of the Improving America's Schools Act (IASA) is a program by which the federal government provides money to the school system based on a per-pupil allocation for audio-visual material and equipment, and library resources, and for drug awareness education.

Title II of the Improving America's Schools Act (IASA) provides funding for additional training of the science and math teachers in the parish.

#### INDIVIDUALS WITH DISABILITIES EDUCATION ACT FUND

Individuals with Disabilities Education Act 101-476 is a federally financed program of free education in the least restricted environment to children with exceptionalities.

#### INDIAN EDUCATION ACT FUND

The Indian Education Act is a federally financed program to encourage the preservation of Indian traditions and to develop pride in the Indian heritage among those Indian children located in the southern portion of the parish.

#### LAFOURCHE PARISH SCHOOL BOARD Supplemental Information Schedules June 30, 2002

## OTHER GOVERNMENTAL FUNDS (concluded)

#### SALARY SUPPLEMENT FUND

The Salary Supplement Fund is used to account for the proceeds of the sevenmill property tax levied for a period of ten years. The proceeds are to be used for salary increments.

#### CHILD NUTRITION FUND

The Child Nutrition Fund is used to account for the moneys received and expended in connection with the School Board's school nutrition program.

LAFOURCHE PARISH SCHOOL BOARD
Combining Balance Sheet: Other Governmental Funds
For the Year Ended June 30, 2002
(With comparative totals for the year ended June 30, 2001)

Schedule 1

				S INDRAID!					
	IMPRC	IMPROVING AMERICA'S	S	WITH DISABILITIES	INDIAN	\Q \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	<u>.</u>	TOTAL OTHER	THER THER
	TITE	TITLE IV & VI	III E II	ACT	ACT	SUPPLEMENT	NUTRITION	6/30/02 6/30/01	6/30/01
ASSETS Cash and cash equivalents						\$656,889	\$3,168,075	\$3,824,964	\$3,631,534
Receivables (net of allowances for uncollectibles)	\$1,679,569	\$262,389	\$67,873	\$407,053	\$42,240	982'9	33,123	2,498,833	1,718,992
Inventories	000-1			900,1			80,187 296,616	106,161 296,616	221 316,119
TOTAL ASSETS	\$1,703,905	\$262,389	\$67,873	\$408,691	\$42,240	\$663,475	\$3,578,001	\$6,726,574	\$5,666,866
LIABILITIES AND FUND BALANCES Liabilities:									
Accounts payable	\$39,498			\$30,856	\$3,939		\$23,715	\$98,008	\$42,717
Salaries and wages payable	479,255	\$103,033	\$28,791	63,017	12,536		339,144	1,025,776	946,810
Interfund payable	1,185,152	159,356	39,082	244,037	25,765	\$244,808	4,174	1,902,374	1,053,593
Intergovernment payable Deposits subject to refund				70,781		47 724		70,781	70,781
Total Liabilities	1,703,905	262,389	67,873	408,691	42,240	292,539	367,033	3,144,670	2,113,901
Fund balances: Reserved for salaries						370,936		370,936	157.474
Reserved for child nutrition		:					3,210,968	3,210,968	3,395,491
Total Fund Equity	NONE	NONE	NONE	NONE	NONE	370,936	3,210,968	3,581,904	3,552,965
TOTAL LIABILITIES AND FUND EQUITY	\$1,703,905	\$262,389	\$67,873	\$408,691	\$42,240	\$663,475	\$3,578,001	\$6.726.574	\$5.666.866

# LAFOURCHE PARISH SCHOOL BOARD

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances: Other Governmental Funds For the Year Ended June 30, 2002 (With comparative totals for the year ended June 30, 2001)

Schedule 2 (continued on next page)

THER L FUNDS 6/30/01	\$2,195,425 222,126 1,279,323	1,201,900	10,058,239 327,908	15,373,799	642,323	3,438,564	267,726	73,641
TOTAL OTHER GOVERNIMENTAL FUNDS 6/30/02 6/30/0	\$2,382,857 87,564 1,294,443	1,201,900	10,250,400 305,776	15,649,020	734,247	3,386,704	349,039	72,677 9,005
A STATION	\$70,710	1,201,900	3,239,186 305,776	6,112,015				
SALARY	\$2,382,857			2,399,711				72,677
INDIAN EDUCATION ACT		\$126,080		126,080	94,904		25 188	
INDIVIDUALS WITH DISABILITIES EDUCATION ACT			\$1,959,090	1,959,090	1.209.729		309,441	9,005
S THE			\$118,336	118,336		11,271	102 492	!
IMPROVING AMERICA'S SCHOOLS ACT			\$832,027	832,027	639,343	94,751	87.335	
IMPR			\$4,101,761	4,101,761		3,280,682	39,598	
	REVENUES  Local sources: Ad valorem tax  Earnings on investments Food service collections	Unrestricted grants-in-aid  Federal sources: Restricted grants-in-aid - direct	Restricted grants-in-aid - subgrants Revenue for/on behalf of LEA	Total revenues	EXPENDITURES Instruction: Regular programs Special programs	Other programs Support Services:	Pupil support Instructional staff support	General administration School administration

# LAFOURCHE PARISH SCHOOL BOARD

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances: Other Governmental Funds For the Year Ended June 30, 2002 (With comparative totals for the year ended June 30, 2001)

Statement 2

(concluded)

	IMPR	IMPROVING AMERICA'S	Sõ	INDIVIDUALS WITH DISABILITIES	INDIAN			TOTAL	₹ ₹
	TIME	SCHOOLS ACT	TILE	EDUCATION ACT	EDUCATION ACT	SALARY	CHILD NOTIFIED	GOVERNIMENTAL FUNDS 6/30/02	NTAL FUNDS 6/30/01
Business services	31,550	55			139			31.744	30.325
Operation and maintenance of plant	54,323	906		11,274	474			226,99	64,930
Pupil transportation	09	105		82,755				82,920	93,405
Central services				29,155				29,155	24,380
Food service operations				33			6,379,432	6,379,465	6,019,589
Total expenditures	3,932,987	822,495	113,763	1,879,125	120,705	72,677	6,379,432	13,321,184	12,897,883
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$168,774	\$9,532	\$4,573	\$79,965	\$5,375	\$2,327,034	(\$267,417)	\$2,327,836	\$2,475,916
OTHER FINANCING SOURCES (USES) Transfers in (out)	(168,774)	(9,532)	(4,573)	(79,965)	(5,375)	(2,113,572)	80,784	(2.301.007)	(2.146.316)
Sales of fixed assets							2,110	2,110	1,926
lotal other tinancing sources (uses)	(168,774)	(9,532)	(4,573)	(79,965)	(5,375)	(2,113,572)	82,894	(2,298,897)	(2,144,390)
EXCESS (DEFICIENCY) OF REVENUES  AND OTHER SOURCES OVER  EXPENDITURES AND OTHER  USES	NON	NON MA	N N	NON III	NON	213,462	(184,523)	28,939	331,526
FUND BALANCES AT BEGINNING OF YEAR	NON	NON		NON	NON	157,474	3,395,491	3,552,965	3,221,439
FUND BALANCES AT END OF YEAR	\$NONE	\$NONE	\$NONE	\$NONE	\$NONE	\$370,936	\$3,210,968	\$3,581,904	\$3,552,965

# LAFOURCHE PARISH SCHOOL BOARD Supplemental Information Schedules June 30, 2002

#### **COMPENSATION PAID BOARD MEMBERS**

The schedule of compensation paid to the School Board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly method payment of compensation. Under this method, the members of the School Board receive \$600 per month and the president receives \$700 per month.

Prior to January 1999, there was an executive committee. Each member of the executive committee was compensated a rate of \$50 per meeting attended with a maximum of one meeting per calendar month. In January of 1999, the executive committee was replaced with the advisory committee. The advisory committee members are not compensated.

#### LAFOURCHE PARISH SCHOOL BOARD Schedule of Compensation Paid Board Members For the Year Ended June 30, 2002

Schedule 3

BOARD MEMBER	AMOUNT
Rhoda Caldwell	\$7,200
Dennis Chiasson	7,200
Paul Chiquet	7,200
John Danos	7,200
Dave DeFelice, Jr., president	8,400
Rebecca Duet	7,200
Loretta Duplantis	7,200
Jessie Fabiano	7,200
Roy Landry	7,200
Aubrey Orgeron	7,200
G. A. Rodrigue, Jr.	7,200
Dr. Judy G. Theriot	7,200
Louis E. Thibodaux	7,200
Constance Williams	7,200
Martha Zeringue	7,200
Total	<u>\$109,200</u>



## STAGNI & COMPANY, LLC

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

To the Lafourche Parish School Board Thibodaux, Louisiana

We have audited the basic financial statements of the Lafourche Parish School Board as of and for the year ended June 30, 2002 and have issued our report thereon dated December 10, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether the Lafourche Parish School Board's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the schedule of findings and questioned costs as items 2002-1. We also noted certain immaterial instances of noncompliance that we have reported to management of the Lafourche Parish School Board in a separate letter dated December 10, 2002.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lafourche Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

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Lafourche Parish School Board Page 2

A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Stagni & Company

Thibodaux, Louisiana December 20, 2002

#### LAFOURCHE PARISH SCHOOL BOARD Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2002

Schedule 4 (continued on next page)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY	•
United States Department of Agriculture Nutrition Cluster: Passed Through Louisiana Department of Education:				
National School Lunch Program		10.555	\$2,603,528	*
School Breakfast Program		10.553	635,658	*
Total Nutrition Cluster		10.000	3,239,186	1
Passed through Louisiana			0,200,100	1
Department of Agriculture and Forestry:				
Food Distribution Program		10.550	305,776	
Total United States Department of		70100	000,110	
Agriculture		_	3,544,962	
United States Department of Defense Direct Program:				
R.O.T.C.		12.998	157,103	
Passed Through Louisiana			-	
Department of Education:				
Emergency Rehabilitation of Flood				
Control Works and Federally Authorized				
Costal Protection Works Rehabilitation Act		12.102		
Federal Emergency Management Act		83.516	99,887	
Total United States Department				
of Defense			256,990	
United States Department of  Education  Direct Programs: Indian Education - Formula				
Grants to Local Educational				
Agencies and Tribal Schools				
2002 Grant	S060A60511	84.060	126,080	
Passed Through Louisiana	0000/100011	04.000	120,000	
Department of Education:				
Vocational Education Act:				
Basic Grants				
2002 Grant	0202-29	84.048	187,099	

\* denotes major program

#### LAFOURCHE PARISH SCHOOL BOARD Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2002

Schedule 4 (continued on next page)

·			
FEDERAL GRANTOR/	O 53 & N.T.	0504	
PASS-THROUGH GRANTOR/	GRANT	CFDA	A ○TI\ /IT∨
PROGRAM NAME	NUMBER	NUMBER	ACTIVITY
Adult Education -			
State Administered Program 2002	0244-29	84.002A	\$161,775
State Administered Program 2001 Carryover	0144-29C	84.002A	10,908
State Administered Program			
One Stop Centers 2001 Carryover	0044-29-C	84.002A	9,562
State Administered Program			
One Stop Centers 2002	0213-29	84.002A	4,197
State Administered Program			
Technology	0222-29	84.002A	8,630
I. A. S. A. Title I - Special Education needs			
of Disadvantaged: Educationally Deprived Children			
2001 Grant	01-T1-29-1	84.010	196,042
2001 Carryover Grant	01-T1-29-1 C/O	84.010	533,017
2002 Grant	02-T1-29-1	84.010	3,062,960
Migrant Education			
2001 Grant	FY-01-M1-29-M	84.011	81,172
2001 Grant Carryover	01-M1-29-C	84.011	38,779
2002 Grant	02-M1-29	84.011	106,896
I. A. S. A. Title II Education for Economic Security	04 50 00	04.404	E 620
2001 Grant	01-50-29	84.164	5,620 112,716
2001 Grant	01-50-29	84.164	(12,710
I. A. S. A. Title IV - Drug Free Schools			
and Communities State Grant			
2001 Grant	01-70-29	84.186A	29,759
2002 Grant	02-70-29	84.186A	36,060
Even Start-State Educational Agencies			
2001 Grant	02-F1-29	84.213C	266,498
I. A. S. A. Title VI - Improving			
School Programs - State Block:			
2001 Grant	01-00-29	84.298A	12,078
2002 Grant	02-00-29	84.298A	102,003
			-

<sup>\*</sup> denotes major program

#### LAFOURCHE PARISH SCHOOL BOARD Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2002

Schedule 4 (continued on next page)

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY	
I. D. E. A Assistance for Educ-				
ation of Handicapped				
2001 Grant	01-B1-29	84.027	\$65,783	
2001 Grant	02-B1-29	84.027	1,668,166	
I. D. E. A Project E-Skill	02-B2-29	84.027A	57,668	
I. D. E. A Preschool				
2001 Grant	01-P1-29	84.173A	18,606	
2001 Grant	02-P1-29	84.173A	116,186	
Total Special Education Cluster		-	1,926,409	
I. D. E. A Infant/Toddler Part H				
2002 Grant - Direct Services	02-C3-29	84.181A	19,148	
2002 Grant - Evaluations	02-C5-29	84.181A	13,533	
Learn for the 21st Century				
Professional Development	2801PD-29	84.276A	5,965	-
Local Improvement	2800LI29-C	84.276A	266,904	
Local Improvement	01L1 29	84.276A	5,650	
Class Size Reduction Program				
2001 Grant	01-01-29	84.340A	33,522	*
2002 Grant	02-01-29	84.340A	618,605	*
Total United States Department				
of Education			7,981,587	
United States Department of Health and Human Resources Passed Through Louisiana				
Department of Social Services:				
Temporary Assistance for Needy Families				
Starting Points	0238-29	93.558	82,895	
Pre-GED/Skills Option Program	0236-29	93.558	250,320	
Find Work	4304	93.561	216,353	
Total United States Department of Health and Human Resources			549,568	

<sup>\*</sup> denotes major program

#### LAFOURCHE PARISH SCHOOL BOARD Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2002

Schedule 4 (Concluded)

For the Year Ended June 30, 2	2002		(Concluded)
FEDERAL GRANTOR/			
PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY
Corporation for National and Community Service Passed Through Louisiana Office of the Lieutenant Governor Learn and Serve America Schools-Based	0238-29	93.558	\$7,000
Total Program Activity		- -	\$12,340,107

## LAFOURCHE PARISH SCHOOL BOARD Notes to the Schedule of Expenditures of Federal Awards June 30, 2002

#### 1. BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting, which is consistent with the general purpose financial statements.

#### 2. DEFINITION OF CLUSTER

A cluster of programs means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development, student financial aid, and other clusters. "Other clusters" are defined by the Office of Management and Budget (OMB) in the compliance supplement or as designated by a State for Federal Awards the State provides to a subrecipient that meet the definition of a cluster of programs.



#### STAGNI & COMPANY, LLC

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

To the Lafourche Parish School Thibodaux, Louisiana

#### Compliance

We have audited the compliance of the Lafourche Parish School Board with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs as of and for the year ended June 30, 2002. The Lafourche Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Lafourche Parish School Board's management. Our responsibility is to express an opinion on the Lafourche Parish 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 Lafourche Parish 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 legal determination on the Lafourche Parish School Board's compliance with those requirements.

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To the Lafourche Parish School Page 2

In our opinion, the Lafourche Parish 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, 2002. However, the results of auditing procedures disclosed an instance of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2002-1.

#### **Internal Control over Compliance**

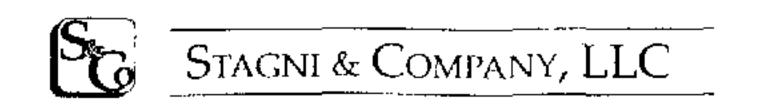
The management of the Lafourche Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Lafourche Parish 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 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 management, the Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Stagni & Company

Thibodaux, Louisiana December 10, 2002



#### LAFOURCHE PARISH SCHOOL BOARD

#### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2002

We have audited the financial statements of the Lafourche Parish School Board as of and for the year ended June 30, 2002, and have issued our report thereon dated December 10, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. Our audit of the financial statements as of June 30, 2002 resulted in an unqualified opinion.

#### Section I Summary of Auditor's Reports

a. Report on Internal Control and	d Compliance Material	to the Financial	Statements
Internal Control  Material Weaknesses	<u> </u>		□ Yes ⊠ No
b. Federal Awards			
Internal Control Material Weaknesses	nce Unqualifie Disclaime be reported in accord	ed 🖾 Qualit r 🗀 Adver	se 🗆
c. Identification of Major Prograi	ms:		
Child Nutrition Cluster: National School Lunch Prog	gram CFDA # 10.555	Total \$2,603,	528
School Breakfast Program:	CFDA # 10.553	Total \$635,65	58
Class Size Reduction	CFDA # 84.340A	Total \$652,12	27

#### LAFOURCHE PARISH SCHOOL BOARD

#### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2002

Dollar threshold used to distinguish between Type A and Type B Programs: \$370,203 Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☑Yes ☐ No

#### Section II Financial Statement Findings

2002-1 Retroactive Pay Increases

Criteria: Article VII, Section 14 of the Louisiana Constitution of 1974

prohibits the gratuitous alienation of property, funds or things. Retroactive pay increases to employees are viewed as a gratuity, which violates the above-mentioned article of the Louisiana Constitution. The Third Circuit Court of Appeals ruled: "Payments to be legal must be in the form of salary increases for

the future, not extra compensation for past services rendered."

Condition: During the year, the Lafourche Parish School Board granted

retroactive pay increases to its employees totaling \$619,682.

Effect: The client violated Article VII, Section 14 of the Louisiana

Constitution of 1974.

Cause: The client based the pay increases on past experienced increases to

legally grant a 13<sup>th</sup> check to school employees. Although similar,

these increases do not qualify as a 13<sup>th</sup> check.

Questioned Costs: \$33,547

Recommendation: We recommend that the Lafourche Parish School Board refrain

from making payments for salary increases retroactive.

Section III Federal Award Findings and Questioned Costs

2002-1 Retroactive Pay Increases

See Above

# Carourche Parish School Board General Governmental Expenditures by Program Last Ten Fiscal Years (1) UNAUDITED

FISCAL YEAR	INSTRUCTION	SUPPORT SERVICES	FOOD SERVICES	COMMUNITY SERVICES	FACILITIES ACQUISITION AND CONSTRUCTION	GRANT TO SPECIAL EDUCATION DISTRICT 1	DEBT SERVICE	TOTAL
1993	<b>\$35,414</b> ,839	(2) \$22,123,807	\$5,312,131	\$31,344	\$285,635	\$140,930	\$2,809,146	\$66,117,832
1994	37,845,421	19,265,694	4,918,187	44,208	1,174,311	88,798	2,802,751	66,139,370
1995	39,851,359	20,814,625	5,565,610	13,437	626,335		2,771,141	69,642,507
1996	44,304,784	21,847,127	5,714,203	49,228	472,687		2,783,775	75,171,804
1997	50,243,838	24,996,933	5,980,669	11,300	1,420,702		2,823,188	85,476,630
1998	56,351,152	27,114,064	6,455,071	13,787	4,625,692		2,766,955	97,326,721
1999	56,257,376	26,700,208	6,273,618	8,698	3,762,557		3,056,638	96,059,095
2000	58,231,285	27,603,700	6,121,824	8,746	11,395,726		3,513,672	106,874,953
2001	57,175,281	29,068,890	6,254,568	10,705	18,747,157		3,815,036	115,071,637
2002	60, <b>11</b> 6, <b>768</b>	33,119,539	6,520,716	6,423	10,479,482		3,705,609	113,948,537

<sup>(1)</sup> Includes general, special revenue, debt service and construction funds.

<sup>(2)</sup> Includes \$2,585,000 of cost associated with the settlement of oil royalty litigation.

#### LAFOURCHE PARISH SCHOOL BOARD General Governmental Revenues by Source Last Ten Fiscal Years (1)

Table 2

UNAUDITED

FISCAL YEAR	TAXES	INTEREST	CHILD NUTRITION COLLECTIONS	OTHER LOCAL	STATE GRANTS	FEDERAL GRANTS	TOTAL
1993	\$13,942,678	\$561,832	\$889,630	(2) \$5,943,191	\$39,134,712	\$6,985,880	\$67,457,923
1994	14,156,775	533,497	939,729	862,120	39,973,850	8,665,630	65,131,601
1995	14,985,461	662,007	1,013,614	938,902	42,916,560	8,731,193	69,247,737
1996	23,355,564	971,713	1,054,648	746,658	42,571,272	9,940,757	78,640,612
1997	25,073,588	818,668	1,144,892	1,939,281	47,955,731	9,941,538	86,873,698
1998	27,917,045	1,663,149	1,176,985	1,540,293	51,962,971	9,411,609	93,672,052
1999	28,211,305	3,290,585	1,216,763	2,111,044	53,609,602	10,326,335	98,765,634
2000	29,535,011	3,755,734	1,379,062	2,950,100	52,691,175	10,734,995	101,046,077
2001	31,272,058	3,407,209	1,279,323	2,413,380	53,930,077	11,319,593	103,621,640
2002	33,840,525	1,188,343	1,294,443	1,362,888	57,500,423	12,340,107	107,526,729

<sup>(1)</sup> Includes general, special revenue, debt service and construction funds.

# LAFOURCHE PARISH SCHOOL BOARD General Governmental Tax Revenues by Source Last Ten Fiscal Years (1) UNAUDITED

Table 2A

			1% OF		
			COLLECTIONS		
FISCAL	PROPERTY	SALES	BY		
YEAR	TAX	TAX	SHERIFF	TOTAL	
					•
1993	\$7,669,388	\$6,035,597	\$237,693	\$13,942,678	
1994	7,677,017	6,243,611	236,147	14,156,775	
1995	8,177,490	6,576,397	231,574	14,985,461	
1996	8,314,198	14,796,355	245,011	23,355,564	
1997	8,749,727	16,071,176	252,685	25,073,588	
19 <del>9</del> 8	9,623,520	18,010,299	283,226	27,917,045	
1999	10,350,021	17,542,016	319,268	28,211,305	
2000	11,463,446	17,710,680	360,885	29,535,011	
2001	12,644,130	18,235,375	392,553	31,272,058	
2002	13,870,677	19,545,497	424,351	33,840,525	

<sup>(2)</sup> Includes \$5,500,000 of revenue associated with the settlement of oil royalty litigation.

# LAFOURCHE PARISH SCHOOL BOARD Property Tax Levies and Collections Last Ten Fiscal Years UNAUDITED

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAX COLLECTED TO LEVY	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTED TO LEVY
1993	\$8,011,752	\$7,662,526	95.64%	\$6,863	\$7,669,389	95.73%
1994	7,964,408	7,668,601	96.29	8,416	7,677,017	96.39
1995	8,055,221	7,775,801	96.53	401,689	8,177,490	101.52
1996	8,233,674	8,114,645	98.55	199,553	8,314,198	100.98
1997	8,703,345	8,560,956	98.36	188,771	8,749,727	100.53
1998	9,766,631	9,584,216	98.13	39,304	9,623,520	98.53
1999	10,566,932	10,277,511	97.26	72,510	10,350,021	97.95
2000	11,664,400	11,369,509	97.47	93,937	11,463,446	98.28
2001	12,937,693	12,439,034	96.15	205,096	12,644,130	97.73
2002	14,322,860	13,855,166	96.73	15,511	13,870,677	96.84

Classification	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Land	\$40,685,420	\$39,396,510	\$38,674,840	\$37,542,710	\$37,526,210	\$37,161,670	\$33,451,520	\$32,910,790	\$32 385 GAD	432 128 170
Improvements	167,759,200	158,497,800	138,026,780	124,289,500	121 441 900	116.067.820	106 171 240	402 455 200	04,000,040	0.04,0470
Invontorios	40 444 440	10 700 040	000 701 17		>>>i-+-i	020, 100, 1	100, 17, 1,40	097'004'001	97,080,850	90,042,310
	19,717,170	16,705,810	15,734,660	14,146,730	14,318,230	12,129,550	10,910,240	10,553,370	10,151,600	9,939,210
Machinery & Equipment	17,713,580	17,224,340	14,332,000	13,422,980	11,436,930	9,510,930	8.520.850	7,606,200	9 788 840	8 772 900
Business Furniture & Fixtures	3,751,950	3,818,120	3,250,110	3,013,520	2.992.190	2.806.940	2,380,990,00	2418 560	2,703,510	2 125 900
Miscellaneous Personal Property	7,986,190	8,317,920	8.882.110	9.619.620	10.791.760	10 280 990	10 302 090	12 080 000	44 450 760	7,143,000
Credits (Insurance & Finance	•			2126		200,200,00	10,304,030	12,003,030	14,139,760	14,384,710
Co,)	71,110	69,280	93,450	96,580	77,650	90.390	75.850	10.390	91.310	78 990
Leased Equipment	2,161,520	2,088,940	2,128,410	1,686,010	1,741,660	1.132.330	974.660	909 160	671,310	632,200
Pipelines	8,742,000	7,972,560	8,169,150	7,820,690	9,034,980	9,040,760	9.186.810	9.651.370	9 912 680	10 022,230
Oil & Gas Surface Equipment	3,256,590	3,180,000	3,188,220	3,229,270	4.395.420	4.346.610	4.383.080	4.649.110	4 094 440	5 250 440
Watercraft	68,093,230	59,365,250	43,796,630	35,177,550	16,891,530	9,639,160	9 723 570	7 922 820	8 755 060	0,400,440
Aircraft	2,206,460	1,911,050	2,121,960	1,952,640	1,254,600	1,065,130	1.044.970	1 181 210	0,100,200 BR5 ABO	1 261 000
Financial Institutions	15,303,750	17,796,780	17 796 780	13 388 500	13 407 080	11 608 260	010'1-0'1	012,101,1	004,400	1,201,050
Defiling Dige	000 000 0	440,000	100,100	10,000,030	006,104,01	11,000,200	9,080,850	9,187,180	7,841,140	6,010,010
	7,009,000	1,78,820	066,187	1,033,300	291,250	295,950	368,340	402,990	271,040	893,460
Oil & Gas Wells	25,602,170	20,311,290	21,568,340	26,858,610	27,640,920	25,292,740	23,299,320	21,947,880	21,123,010	20.009.220
Public Service Corporations	69,758,050	64,438,570	62,392,050	58,915,450	55,708,760	51,386,210	50,278,940	49,512,760	50,587,880	50,165,830
Total Grossed Assessed Value	\$455,698,270	\$422,875,040	\$380,942,840	\$352,193,750	\$328,951,970	\$301,853,440	\$280,759,320	\$274,405,960	\$270,792,710	\$268,407,040
Homestead Exepmtion	127,192,300	122,835,770	111,743,650	108,322,720	103,550,840	100,991,570	94,012,390	91,799,460	90,152,920	88,851,870
										•
Net Assessed Value	\$328,505,970	\$300,039,270	\$269,199,190	\$243,871,030	\$225,401,130	\$200,861,870	\$186,746,930	\$182,606,500	\$180,639,790	\$179,555,170

The assessor then The assessor adds property to the ad valorem tax rolls by first determining the fair market value of property as it becomes subject to ad valorem tax. The percentages are: able value. applies the appropriate assessed valuation percentage to property's fair market value to determine gross tax

10% for land, and improvements for residential purposes

15% for electric cooperative properties, excluding land, and other property

25% for public service properties, excluding land The homestead exemption of \$7,500 is then deducted from property subject to the exemption in determining the net assessed value.

The reassessment of the 2003 the ad valorem tax every four years. Under the laws of the State of Louisiana the assessor is required to re-appraise all property subject to roll will be completed during the 2004 fiscal year.

Source: Lafourche Parish Assessor's Office

# LAFOURCHE PARISH SCHOOL BOARD Property Tax Levies Direct and Overlapping Governments Last Ten Fiscal Years UNAUDITED

Table 5

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Lafourche Parish Schools:					•					
Constitutional Tax	\$3.93	\$3.93	\$4.11	<b>\$4</b> .11	\$4.11	\$4.11	\$4.18	\$4.18	\$4.18	\$4.26
Parishwide Maintenance Consolidated School District	7.49	7.49	7.34	7.34	7.34	7.34	7.47	7.47	7.47	7.62
No. I Maintenance Consolidated School District No. I Air Conditioning	7.49	7.49	7.34	7.34	7.34	7.34	7.47	7.47	7.47	7.62
Maintenance Consolidated School District	7.49	7.01	7.34	7.34	7.34	7.34	7.47	7.47	7.47	7.62
No. I Bonds	17.20	17.20	17.20	17.20	17.20	17.20	17.50	17.50	17.50	17.50
	\$43.60	\$43.12	\$43.33	\$43.33	\$43.33	\$43.33	\$44.09	\$44.09	\$44.09	\$44.62
Overlapping, Parishwide Taxes	s:									
Law Enforcement District	\$10.37	\$10.37	\$10.37	\$10.37	\$10.37	\$10.37	\$10.37	\$10.37	\$10.37	\$10.37
Health Unit	0.90	0.90	0.94	0.94	0.94	0.94	0.96	0.96	0.96	0.98
Library	8.50	8.50	8.91	8.91	8.91	1.92	1.91	1.91	1.91	1.95
with all y						4.00	1.91	1.91	1.91	1.95
•	1.82	1.82	1.91	1.91	1.88	1.88	1.51	1.01	1.01	
Recreation	1.82 2.75	1.82 2.75	1.91 2.88	1.91 2.88	1.88 2.83	2.83	2.88	2.88	2.88	2.94
Recreation Public Buildings Juvenile Justice										2.94 3.20
Recreation Public Buildings	2.75	2.75	2.88	2.88	2.83	2.83	2.88	2.88	2.88	
Recreation Public Buildings Juvenile Justice	2.75 3.20	2.75 3.20	2.88 3.20	2.88 3.20	2.83 3.20	2.83 3.20	2.88 3.14	2.88 3.14	2.88 3.14	3.20
Recreation Public Buildings Juvenile Justice Drainage	2.75 3.20 3.68	2.75 3.20 3.68	2.88 3.20 3.85	2.88 3.20 3.85	2.83 3.20 3.78	2.83 3.20 3.78	2.88 3.14 3.85	2.88 3.14 3.85	2.88 3.14 3.85	3.20 3.93

Source: Lafourche Parish Assessor's Office

#### LAFOURCHE PARISH SCHOOL BOARD Principal Property Tax Payers June 30, 2002 UNAUDITED

Table 6

COMPANY	TYPE OF BUSINESS	2001 ASSESSMENT	% OF ASSESSMENT
Alpha Marine Services LLC	Oilfield Services	\$11,536,800	2.5%
Loop, Inc.	Oil	10,222,170	2.2%
Edison Chouses Offshore, Inc.	Oil Pipeline	9,697,740	2.1%
Mars Oil Pipeline Company	Pipeline	9,363,250	2.1%
Locap Inc.	Oil Pipeline	9,355,950	2.1%
Entergy Louisiana, Inc.	Electric Utility	8,940,640	2.0%
Chevron U.S.A. Production Co.	Oil and Gas	6,966,760	1.5%
Hibernia National Bank	Bank	8,148,830	1.8%
Discovery Gas Distribution LLC	Gas	6,416,000	1.4%
Lafourche Telephone Co., Inc.	Telephone Utility	5,673,090	1.2%
		\$86,321,230	18.9%

Source: Lafourche Parish Assessor's Office

# LAFOURCHE PARISH SCHOOL BOARD Computation of Legal Debt Margin June 30, 2002 UNAUDITED

Gross Assessed Value	\$455,698,270
Debt Limitation 35% of Gross Assessed Value Less Bonded Debt Issued and Outstanding	\$159,494,395 39,195,000
Legal Debt Margin	\$120,299,395

#### LAFOURCHE PARISH SCHOOL BOARD

#### Ratio of Net General Obligation Debt to Assessed Value and Net General Obligation Debt Per Capita

Table 8

#### Last Ten Fiscal Years UNAUDITED

FISCAL YEAR	(1) POPULATION	NET ASSESSED VALUE	GROSS BONDED DEBT	LESS DEBT SERVICE	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1993	86,556	\$179,555,170	¢11 000 000	\$200 <b>70</b> 6	<b>\$40.070.004</b>	0.00	<b>#</b> 400
	•	, ,	\$11,080,000	\$200,796	\$10,879,204	6.06	\$126
1994	86,985	180,639,790	9,010,000	483,023	8,526,977	4.72	98
1995	87,362	182,699,500	6,845,000	972,508	5,872,492	3.21	67
1996	87,497	186,746,930	4,555,000	1,566,984	2,988,016	1.60	34
1997	88,032	200,861,870	12,150,000	2,339,514	9,810,486	4.88	111
1998	88,230	225,401,130	35,020,000	3,487,474	31,532,526	13.99	357
1999	88,422	243,871,030	34,010,000	4,713,564	29,296,436	12.01	331
2000	88,614	269,199,190	42,110,000	6,074,979	36,035,021	13.39	407
2001	90,236	300,039,270	40,690,000	7,590,162	33,099,838	11.03	367
2002	90,573	328,505,970	39,195,000	9,467,234	29,727,766	9.05	328

<sup>(1) ©</sup> Woods and Poole Economics, Inc. 2002. Woods and Poole Economics, Inc. does not guarantee the accuracy of the information and that the use of the Information, and any conclusions drawn therefrom, are solely the responsibility of the Lafourche Parish School Board.

# LAFOURCHE PARISH SCHOOL BOARD Ratio of Annual Debt Service Expenditures For General Obligation Bonded Debt to Total General Governmental Expenditures Last Ten Fiscal Years

UNAUDITED

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE	(1) TOTAL GENERAL GOVERNMENTAL EXPENDITURES	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
1993	\$1,980,000	\$717,853	\$2,697,853	\$66,116,597	4.08
1994	2,070,000	616,731	2,686,731	66,139,370	4.06
1995	2,165,000	505,771	2,670,771	69,642,507	3.55
1996	2,290,000	385,717	2,675,717	75,171,804	3.16
1997	2,405,000	261,241	2,666,241	84,675,350	2.87
1998	2,130,000	523,765	2,653,765	93,046,776	2.86
1999	1,010,000	1,919,501	2,929,501	92,791,430	3.04
2000	1,300,000	2,086,841	3,386,841	96,249,475	3.52
2001	1,420,000	2,267,480	3,687,480	96,218,408	3.83
2002	1,495,000	2,156,905	3,651,905	103,567,202	3.53

<sup>(1)</sup> Includes general, special revenue and debt service funds

## LAFOURCHE PARISH SCHOOL BOARD Statement of Direct, Overlapping and Underlying Bonded Debt UNAUDITED

Name of Government Unit	Outstanding Balance	% Attributable	School Board's Share of Debt
Direct			
Lafourche Parish School Board	\$39,195,000	100%	\$39,195,000
Overlapping and Underlying (1)			
Special Education District No. I	165,000	100%	165,000
Hospital Service District No. 1	3,455,000	100%	3,455,000
Hospital Service District No. 3	100,000	100%	100,000
Recreation District No. 2	1,025,000	100%	1,025,000
Recreation District No. 11	246,000	100%	246,000
Fire Protection District No. 1	520,000	100%	520,000
Fire Protection District No. 6	580,000	100%	580,000
	\$45,286,000	_	\$45,286,000

<sup>(1)</sup> Source: Fiscal Services, Inc. Balances through April 2, 2002

### LAFOURCHE PARISH SCHOOL BOARD Demographic Statistics UNAUDITED

Form of Government:	Parish School Board
Geographic Area:	1,472 Square Miles
Population: (1)	90,573
Membership:	15,178
Number of Schools:	28
Total Full Time Employees: (2) Teachers Only:	2,205 1,147

		(1) (3)		
		PER .		(1)
FISCAL	(1)	CAPITA	SCHOOL	TOTAL
YEAR	POPULATION	INCOME	ENROLLMENT	<b>EMPLOYMENT</b>
1993	86,744	\$15,054	16,218	33,650
1994	87,179	16,036	16,269	34,169
1995	87,699	16,698	16,443	35,430
1996	87,717	18,001	16,251	36,872
1997	88,548	19,683	16,076	39,032
1998	89,266	21,015	15,782	40,912
1999	89,618	21,027	15,612	40,965
2000	89,998	22,035	15,453	41,221
2001	90,284	22,767	15,229	41,423
2002	90,573	23,590	15 <b>,1</b> 78	41,602

<sup>(1) ©</sup> Woods and Poole Economics, Inc. 2002. Woods and Poole Economics, Inc. does not guarantee the accuracy of the information and that the use of the Information, and any conclusions drawn therefrom, are solely the responsibility of the Lafourche Parish School Board.

<sup>(2) 2002</sup> PEP Budget Report

<sup>(3)</sup> In current dollars.



#### STAGNI & COMPANY, LLC

December 10, 2002

To the Lafourche Parish School Board Thibodaux, Louisiana

We have audited the basic financial statements of the Lafourche Parish School Board as of and for the year ended June 30, 2002, and have issued our report thereon dated December 10, 2002. 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.

As part of our examination, we have issued our report on the financial statements, our report on internal control and compliance with laws, regulations, and contracts according to *Government Auditing Standards* and our report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133, all dated December 10, 2002.

During the course of our examination, we became aware of the following matters, which represent immaterial deviations of compliance or suggestions for improved internal controls.

#### Suggestion 2002-2 Asset Disposals

Criteria: R.S. 17:87.6 requires that schools boards dispose of, at public or

private sale, any school site, facility, or personal property which is not used and, in the judgment of the school board, is not needed in

the operation of any school or schools within its jurisdiction.

Condition: The Lafourche Parish School Board disposed of assets with a net

book value of \$49,328 that were not declared surplus or offered for

sale to the public or private or by auction.

Cause: Included in the assets disposed of was broken and abandoned

items. The client was unaware that broken items needed to be

declared surplus and properly disposed of in the above manner.

Effect: The above referenced items were disposed of improperly.

Recommendation: We recommend that the Lafourche Parish School Board formulate

and implement a policy for all items deemed as surplus to be declared as surplus items and disposed of according to state laws.

Lafourche Parish School Board Page 2

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendation.

Stagni & Company

Thibodaux, LA

# LAFOURCHE PARISH SCHOOL BOARD

Status of Prior Audit Findings For the Year Ended June 30, 2002

Planned Corrective	Action/Partial	Corrective	Action Taken
	Corrective	Action Taken	(Yes, No, Partially)
			Description of Finding
Fiscal Year	Finding	Initially	Occurred
		Reference	Number

- Internal Control and Compliance Material to the Financial Statements: NONE Section I

- Internal Control and Compliance Material to Federal Awards: Section II

NOT APPLICABLE

Section III - Management Letter:

NONE

# LAFOURCHE PARISH SCHOOL BOARD

Current Year Findings, Recommendations and Corrective Action Plan For the Year Ended June 30, 2002

Reference Number	Description of Finding	Corrective Action Planned	Name(s) of Contact Person(s)	Anticipated Completion Date
ection I -	Section I - Internal Control and Compliance Material to the Financial Statements:	aterial to the Financial Statements:		
2002-1	Retroactive Pay Increases School Board employees were granted retroactive pay increases.	The School Board will no longer make pay increases rectroactive.	Don Gaudet	12/23/02
Section II - 2002-1	Section II - Internal Control and Compliance Material  2002-1 Retroactive Pay Increases The S School Board employees were make granted retroactive pay increases.	faterial to Federal Awards:  The School Board will no longer make pay increases rectroactive.	Don Gaudet	12/23/02
ection III	Section III - Management Letter:			
2002-2	Asset Disposals Approximately \$49,328 (net	The School Board will change is policy and require capital	Don Gaudet	1/8/02

regardless of disposal reason.

that were not declared surplus.

disposed of during the year

book value) of assets were

assets be declared surplus

before being disposed of

# So

#### STAGNI & COMPANY, LLC

#### INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Management of the Lafourche Parish Public School Board

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

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

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

- 1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported 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.

#### Noted no differences.

#### 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.

#### Noted no differences.

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.

#### Noted no differences,

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.

#### Noted no differences.

#### 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.

#### Noted no differences.

#### 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.

#### Noted no differences.

#### 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.

#### Noted no differences.

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

#### Noted no differences.

#### 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.

#### Noted no differences.

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

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

#### Noted no differences.

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

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

#### Noted no differences.

#### The Iowa Tests (Schedule 9)

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

#### Noted no differences.



Lafourche Parish School Board Page 4

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

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

Stagni & Company

Thibodaux, Louisiana December 27, 2002

Schedule 1

### General Fund Instructional and Support Expenditures and Certain Local Revenue Sources For the Year Ended June 30, 2002

GENERAL FUND INSTRUCTIONAL EQUIPMENT AND EX	PENDITURES	<u>}</u>
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:	Φ05 575 504	
Classroom teacher salaries	\$35,575,584	
Other instructional staff salaries	4,666,200	
Employee benefits  Burchased professional and technical continue	8,909,640	
Purchased professional and technical services	1,010,699	
Instructional materials and supplies Instructional equipment	2,783,939	
Total Teacher and Student Interaction Activities	330,880	\$53,276, <del>9</del> 42
Total Teacher and Oldgent interaction Activities		φυυ, <u>Σ</u> 10, <del>υ4</del> Ζ
Other Instructional Activities		429,556
Pupil Support Activities	3,817,752	
Less Equipment for Pupil Support Activities	<u>.</u>	•
Net Pupil Support Activities		3,817,752
Instructional staff services	4,608,330	
Less Equipment for Instructional staff services	(4,993)	
Net Instructional staff services		4,603,337
Total General Fund Instructional Expenditures:		\$62,127,587
Total General Fund Equipment Expenditures		\$525,021
CERTAIN LOCAL REVENUE SOURCES		
Local taxation sources:		
Constitutional ad valorem tax		\$1,250,284
Renewable ad valorem tax		7,148,410
Debt Service ad valorem tax		5,471,982
Up to 1% of collections by the sheriff on taxes other than so	chool taxes	424,351
Sales and use taxes		19,545,497
Total local taxation revenue		\$33,840,524
Local earnings on investment in real Property:		<b>#</b> 000 570
Earnings on 16th section property		\$882,572
Earnings from other real property  Total local cornings on inventment in real property		<u> </u>
Total local earnings on investment in real property		\$882,572
State revenue in lieu of taxes:		
Revenue Sharing - Constitutional Tax		\$161,635
Revenue Sharing - Other Taxes		288,856
Revenue Sharing - Excess Portion		
Other Revenue in lieu of taxes		<u> </u>
Total state revenue in lieu of taxes		<u>\$450,491</u>
Non-public Textbook Revenue		\$75,817
Non-public Transportation Revenue		\$236,069
•		

Schedule 2

#### Educational Levels of Public School Staff As of October 1, 2001

	Full-ti	me Class	room Tea	achers	Principa	als and As	ssistant P	rincipals
		tified		rtified	Cer	tified	Unce	rtified
Category	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree		[	3	2%				<del></del>
Bachelor's Degree	747	79%	190	97%				· · · · · <u>- ·</u>
Master's Degree	111	12%	3	2%	1	2%		
Master's Degree +30	88	9%		·	56	98%		
Specialist in Education	3	0%						
Ph. D. or Ed. D.	2	0%						" •
Total	951	100%	196	100%	57	100%		

#### Schedule 3

#### Number and Type of Public Schools For the Year Ended June 30, 2002

Туре	Number
Elementary	17
Middle/Jr. High	7
Secondary	3
Combination	1
Total	28

Schedule 4

#### Experience of Public Principals and Full-time Classroom Teachers As of October 1, 2001

Туре	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Number
Assistant Principals			6	3	4	7	10	30
Principals				2	4	7	14	27
Classroom teachers	207	115	337	113	95	98	182	1,147
Total	207	115	343	118	103	112	206	1,204

Schedule 5

#### Public School Staff Data For the Year Ended June 30, 2002

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom		
Teacher's Salary Including		
Extra Compensation	\$32,980	\$32,920
Average Classroom		<b>"</b>
Teacher's Salary Excluding		
Extra Compensation	\$32,96 <u>8</u>	\$32,908
Number of Teacher Full-time		
Equivalents (FTEs) used in		
Computation of Average Salaries	1,147	1,140

Schedule 6

#### Class Size Characteristics As of October 1, 2001

" ·					Class	Size Ran	ige			- · · - ·	
	1-	20	21	-26	27	-33	34 or	more		Total	
Category	Percent	Number	Percent	Number	Percent	Number			Percent	Number	
Elementary	17.9%	• •	10.1%		2.5%				30.4%		981
Elementary Activity Classes	1.5%	49	1.1%	35	0.4%	12	0.1%	3	3.1%		99
Middle/Jr. High	6.1%	198	19.0%	611	5.2%	166			30.3%		975
Middle/Jr. High Activity Classes	0.5%	17	1.8%	59	1.4%		1.0%	33	4.8%		155
High	10.7%	346	9.8%	317	7.7%	249			28.3%		912
High Activity Classes	0.9%	29	0.7%	24	0.9%	29	0.6%	19	3.1%		101
Combination											
Combination Activity Classes			<del></del>								
Total	37.7%	1,216	42.5%	1,370	18.1%	582	1.7%	55	100%	3.2	223

# Louisiana Educational Assessment program (LEAP) for the 21st Century For the Year Ended June 30, 2002

Results 2002 Students % #		אורבו וני	English Language Arts	ts T				Mathematics	natics					Science	JCe					Social	Social Studies		
%		2001	1	2000	0,	2002	72	2001	01	2000	8	200	2002	2001	<u>-</u>	2000	9	8	2002	20	2001	  20  20	2000
Grade 4	#	%	#	%	#	%	#	%	#	%	*	<b> </b> %	#	%	#	%	#	%	*	%	#	8	#
			:		-	1										1				֭֭֡֟֟֝֟֟֟	-	2	
Advanced 3	40	1	10	-	11	2	28	-	20	-	9	3	38	-	15	-	6	F	8	F	7	F	6
Proficient 16 2	211	13	178	13	150	6	128	10	139	8	88	6	127	10	138	6	104	ဖ	75	8	106	_	68
Basic 34 4	462	41	549	39	468	35	467	40	538	39	467	4	592	40	527	42	507	45	209	45	593	43	509
Approaching Basic 32 4	428	27	363	27	318	27	371	22	294	23	278	31	420	35	467	34	406	78	375	24	319	27	318
Unsatisfactory 15 2	209	18	236	21	248	26	356	26	345	29	341	13	176	14	184	14	168	2	286	23	307	ន	267
Total 100 1,3	,350	100	1,336	100	1,195	100	1,350	100	1,336	100	1,194	100	1,353	100	1,331	100	1,194	100	1,351	199	1,332	95	1,192

District Achievement		Enç	glish La	English Language Arts	Arts				Mathe	Mathematics					Sci	Science					Social	Social Studies		
Results	2	2002	7	2001	2(	2000	20(	202	X 	2001	2	2000	72	2002	X 	2001	   	2000	×	2002	7	2001	2(	2000
Students	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#
Grade 8				:																			2	:
Advanced	1	13	0	3	-	12	-	10	*****	18	2	22	<b>*</b>	14	0	3		5	-		0	2	0	-
Proficient	15	170	13	161	43	163	3	35	က	42	4	20	14	160	6	109	#	177	^	79	6	113	~	96
Basic	32	371	38	474	40	526	33	411	33	518	39	502	38	431	37	455	99	467	45	508	40	490	4	537
Approaching Basic	39	452	33	416	34	441	29	355	24	326	24	312	30	341	33	403	28	368	26	297	26	322	24	314
Unsatisfactory	13	156	16	196	12	158	35	428	33	439	32	413	17	193	21	261	22	280	22	249	25	303	27	348
Total	100	1,162	100	1,250	100	1,300	100	1,239	100	1,343	100	1,299	100	1,139	100	1,231	100	1,297	100	1,140	100	1.230	100	1 296

The Graduation Exit Examination for the 21st Century (GEE21) For the Year Ended June 30, 2002

District Achievement Level			<u> </u>	English Language Arts	S				Math	Mathematics			
Results	20	2002	2(	2001		2000	20	2002	20	2001	<u> </u>	2000	
Students	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Nimber	Percent	Number	_
Grade 10					7								
Advanced	1%	8	%0	3			2%	50	2%	15			
Proficient	13%	131	%6	62			10%	112	10%				
Basic	43%	428	45%	387			31%	336	37%	3			
Approaching Basic	76%	255	79%	223			18%	197	15%	127			
Unsatisfactory	17%	172	20%	169			36%	397	37%	319			
Total	100%	994	100%	861			100%	1.092	100%	861			

District Achievement Level	:		Sci	ence					Socia	Social Studies		
Results	70	2002	7	2001	7	2000	20	2002	2(	2001		000
Students	Percent	Number	Percent	Number								
Grade 11							1					
Advanced	2%		:				%0	2				
Proficient	12%						5%	44				
Basic	32%						35%	300				
Approaching Basic	23%	191					28%	233				
Unsatisfactory	32%						32%	268				
Total	100%	848					100%	847				

#### Schedule 9

#### The lowa Tests For the Year Ended June 30, 2002

Туре		Composite	е
Туре	2002	2001	2000
Test of Basic Skills (ITBS)			
Grade 3	53	52	49
Grade 4	N/A	N/A	N/A
Grade 5	51	48	44
Grade 6	49	48	46
Grade 7	48	46	48
Test of Educational Development (ITED)			<u></u>
Grade 9	46	51	46
Total			•