

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Basic Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 2003

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Basic Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 2003

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Independent Auditor's Report

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Natchitoches Parish School Board as of and for the year ended June 30, 2003, which collectively comprise the school board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the school board's management. My responsibility is to express an opinion on these financial statements based on my audit. I did not audit the Statement of Fiduciary Net Assets (Statement G) - School Activity Agency Fund, which represents 100 percent of the assets agency funds. That statement was audited by other auditors whose report has been furnished to me, and my opinion, insofar as it relates to the amounts included for the School Activity Agency Fund, is based solely on the report of other auditors.

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

NATCHITOCHEs PARISH SCHOOL BOARD
Independent Auditor's Report
(Continued)

In my opinion, based on my audit and the report of other auditors, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Natchitoches Parish School Board as of June 30, 2003, and the respective changes in financial position thereof for the year ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the basic financial statements, the Natchitoches Parish School Board adopted, effective July 1, 2002, the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, Statement No. 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus, and Statement No. 38, Certain Financial Statement Note Disclosures. Adoption of these standards results in a change in the format and content of the basic financial statements and additional disclosures.

Management's discussion and analysis and budgetary comparison information on pages 5 through 11 and 38 through 40, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the school board's basic financial statements. The combining and individual non-major fund financial statements are not a required part of the basic financial statements. The combining and individual non-major financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

NATCHITOCHEs PARISH SCHOOL BOARD
Independent Auditor's Report
(Continued)

In accordance with *Government Auditing Standards*, I have also issued a report dated December 17, 2003, on my consideration of internal control over financial reporting and my 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 my audit.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 17, 2003

REQUIRED SUPPLEMENTAL INFORMATION
PART I

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Management's Discussion and Analysis
June 30, 2003

FINANCIAL HIGHLIGHTS

The basic financial statements of the Natchitoches Parish School Board, as of and for the year ended June 30, 2003, provides the following insights into the financial position and the results of operations:

Governmental funds reported a surplus of \$24.471 million which includes a \$10.428 million surplus in the general fund. The \$24.471 million surplus for all governmental funds was a result of an \$8.00 million sale of general obligation bonds to be used for future construction and improvements of schools, and a \$2.540 million sale of certificates of indebtedness to finance current and future renovations to the school board's central office.

Total spending for all programs was \$52.463 million for the year. Most of the school board's taxes and State Minimum Foundation Program funds were used to support the net cost (after deducting restricted grants and fees charged to users) of these four areas: regular program instruction \$16.342 million, special program instruction \$5.174 million, plant services \$3.830 million, and student transportation services \$3.658 million.

The school board's budgeted revenues for the 2002-2003 school year includes a 1% increase in budgeted revenues and a 3% decrease in budgeted expenditures. The increase, in the budgeted revenues and expenditures is due to a general fluctuation in revenues and expenditures.

USING THIS ANNUAL REPORT

The school board's basic financial statements consists of a series of financial statements that show information for the school board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities (pages 12 and 13) provide information about the activities of the school board as a whole and present a longer-term view of the school board's finances. The fund financial statements of the school board begin on page 44. For the school board's governmental activities, these statements report how the school board finances its services in the short-term as well as what remains for future spending. Fund statements may also provide insights into the school board's overall financial position. Fund financial statements also report the school board's operations in more detail than the government-wide financial statements by providing information about the school board's most significant funds, such as the General Fund, the School Food Service Fund, and the Title I (Federal program). The remaining statement, the Statement of Fiduciary Net Assets, presents financial information about activities for which the school board acts solely as an agent for the benefit of others.

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Management's Discussion and Analysis (Continued)

STATEMENT OF NET ASSETS AND THE STATEMENT OF ACTIVITIES

The Statement of Net Assets and the Statement of Activities are reported using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are reported regardless of when cash is received and/or paid. These statements present the governmental activities of the school board which comprises all of the school board's services which include, instruction, plant services, transportation of students, and school food services. Property taxes, sales taxes, State Minimum Foundation Program funds, and federal and state grants finance these activities.

These statements report the school board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as a way to measure the school board's financial position. Increases or decreases in the school board's net assets, as reported in the Statement of Activities, are an indicator of whether the school board's financial position is improving or deteriorating. The difference between revenues and expenses presents the school board's operating results; however, the school board's objective is to provide services to the students, and not to generate profits as a commercial enterprise. Consideration should also be given to other nonfinancial factors, such as the quality of education provided and the safety of the students, to assess the overall financial condition of the school board.

FUND FINANCIAL STATEMENTS

The fund financial statements, beginning on page 44, provide detail information about the most significant funds of the school board, but not the school board as a whole. Some funds are required to be established by State law and bond covenants; however, the school board establishes other funds to enable it to control and manage financial resources for particular purposes or to demonstrate that it is meeting legal requirements for the expenditure of certain taxes, grants, and other restricted revenues.

The school board's services are reported in governmental funds which focus on showing how financial resources flow into and out of funds and the balances remaining at year-end that may be available for future spending, using the modified accrual basis of accounting, which measures cash and other financial assets that may be readily converted to cash. This basis of accounting provides a detailed short-term view of the school board's operations and the services it provides. The governmental fund information enables financial statement users to determine whether there are more or fewer financial resources that can be spent in the near future to finance the school board's programs. The relationship between governmental activities reported in the government-wide financial statements (Statement A and B) and the governmental funds in a reconciliation of Statements D and F.

FIDUCIARY RESPONSIBILITIES

The school board is the trustee, or fiduciary, for the student activity funds. Fiduciary activities are reported in a separate Statement of Fiduciary Net Assets (page 19). These financial activities are excluded from the school board's other financial statements because they cannot be used to finance its operations. The school board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 Management's Discussion and Analysis (Continued)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As reported on the Statement of Net Assets, page 12, the school board's net assets were \$27.805 million at June 30, 2003. Of this amount \$6.797 million was restricted. Restricted net assets are reported separately to show legal constraints from debt covenants, construction contracts, and enabling legislation that limit the school board's ability to use those net assets for day-to-day operations. The analysis below focuses on the net assets (Table 1) and the changes in net assets (Table 2) of the school board's governmental activities.

Table 1
 Net Assets
 June 30, 2003
 (in millions)

	Governmental Activities
Current and other assets	\$28.657
Capital assets (net of accumulated depreciation)	<u>44.779</u>
Total assets	<u>\$73.436</u>
Current and other liabilities	\$7.694
Long-term liabilities	<u>37.937</u>
Total liabilities	45.631
Net assets:	
Invested in capital assets, net of debt	3.335
Restricted	6.797
Unrestricted	<u>17.673</u>
Total net assets	<u>\$27.805</u>

The \$17.673 million in unrestricted net assets of governmental activities represents the accumulated results of all past year's operations. It means that if the school board had to pay off all of its bills (current liabilities) at June 30, 2003, a balance of \$9.979 million would be remaining. The school board will closely monitor future expenditures with strict adherence to the approved budget to ensure financial stability.

As reported in the Statement of Activities, page 13, the results of this year's operations for the school board reflected a decrease of \$2.091 million. Condensed financial information of that statement is present in Table 2.

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 Management's Discussion and Analysis (Continued)

Table 2
 Changes in Net Assets
 For the Year Ended June 30, 2003
 (in millions)

Revenues:	
Program revenues:	
Charges for services	5.534
State and Federal grants and entitlements	11.787
General revenues:	
Ad valorem taxes	5.048
Sales taxes	6.599
State equalization	24.438
Other general revenues	.885
Total revenues	<u>49.291</u>
Function/Program Expenses:	
Instruction:	
Regular programs	18.461
Special programs	9.231
Other instructional programs	3.980
Support services:	
Student services	1.856
Instructional staff support	1.963
General administration	1.984
School administration	2.460
Business services	.782
Plant services	3.995
Student transportation services	3.696
Central services	.237
Food services	3.181
Community services programs	.001
Interest on long-term debt	1.555
Total expenses	<u>61.382</u>
Increase (decrease) in net assets	<u>\$(2.091)</u>

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 Management's Discussion and Analysis (Continued)

As reported in the Statement of Activities, page 13, the cost of all governmental activities of the school board this year was \$51.382 million; however, the amount that taxpayers ultimately financed for these activities through school board taxes was only \$11.646 million because some of the cost was paid by those who benefitted from the programs (\$.534 million) or by other governments and organizations who subsidized certain programs with grants and contributions (\$11.737 million). The remaining "public benefit" portion of governmental activities were financed with \$11.646 million in taxes, \$24.437 million in State Minimum Foundation Program funds, and with other revenues such as interest and general entitlements.

The table below presents the cost of each of the school board's largest functions, as well as each program's net cost (total cost less revenues generated by the activities) of these functions. Providing this information allows users to consider the cost of each function in comparison to the benefits provided by that function.

	Year Ended June 30, 2003 (in millions)	
	Governmental Activities	
	Total Cost of Services	Net Cost of Services
Regular program instruction	\$16.461	\$16.342
Special program instruction	10.313	5.973
Other instructional programs	2.598	.779
Plant services	3.995	3.830
Student transportation services	3.595	3.658
Food services	3.182	.596
All others	10.838	9.058
Totals	<u>\$51.382</u>	<u>\$40.236</u>

As was noted earlier, the school board uses funds to assist in controlling and managing financial resources for particular purposes. This approach not only improves accountability over the resources from taxpayers and others but it provides additional insight into the school board's overall financial position.

At the completion of the 2002-2003 school year, the governmental funds reported a combined fund balance of \$24.471 million, which is an increase of \$7.711 million from the 2001-2002 school year. The primary reasons for these increases are:

The school board's General Fund remained fairly stable from the prior year, reporting a net increase of approximately \$.2349 million from June 30, 2002, including the issuance of \$2.645 million of certificates of indebtedness for the renovation of the central office. These improvements will be completed during the 2003-2004 school year.

The school board's special revenue funds remained fairly stable from the prior year, reporting a net increase of approximately \$.1327 million.

The school board's debt service funds reflect activity on the issuance of refunding bond issues totalling \$5.250 million for the Consolidated School District No. 7 of Natchitoches Parish and \$1.000 million for the Consolidated School District No. 8 of Natchitoches Parish.

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 Management's Discussion and Analysis (Continued)

The school board's capital projects funds reflect activity on the issuance of \$8.000 million of general obligation bonds for the Consolidated School District No. 7 of Natchitoches Parish for the purpose of constructing and improving school facilities in the district. The school board anticipates that the construction should be completed during the 2003-2004 school year.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the course of the year, the school board revised its budget as additional information becomes available and to deal with changes in revenues and expenditures. Schedules reporting the school board's original and final budget amounts, of its major funds, compared with actual amounts is presented on pages 38-40.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets - at June 30, 2003, the school board has invested \$67.103 million in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase of approximately \$11.280 million, or 20 percent, from prior year.

Capital Assets at Year-End

	Governmental Activities	
	2002	2003
Land	\$1,125,290	\$1,125,290
Construction in progress	778,922	11,323,922
Buildings	51,405,683	52,114,630
Furniture and equipment	<u>2,509,500</u>	<u>2,537,400</u>
Totals	<u>\$55,822,397</u>	<u>\$67,103,245</u>

Current year additions of \$11.281 million, included construction in progress of \$10.545 million. Certificates of indebtedness totaling \$2.545 million and general obligation bonds totaling \$8.000 million were issued in improving and constructing these capital assets. It is anticipated that these projects will be completed during the 2003-2004 school year.

Debt - at June 30, 2003, the school board has \$2.545 million in certificates of indebtedness and \$35.679 million in general obligation bonds outstanding. This compares to \$28.955 million outstanding at June 30, 2002, an increase of approximately 23%.

Outstanding Debt, at Year End

	Governmental Activities	
	2002	2003
Certificates of indebtedness	NONE	\$2,545,000
General obligation bonds	\$28,955,000	35,679,000
Total	<u>\$28,957,002</u>	<u>\$38,226,003</u>

The school board's general obligation bonds, backed by the school board, carry a bond rating (Moody's) of Aaa. The State of Louisiana limits the amount of general obligation debt that parishes may issue to 50 per cent of the assessed valuation of all taxable property within the parish. The school board's outstanding general obligation debt of \$38.265 million is significantly below the \$316.520 million statutorily-imposed limit.

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Management's Discussion and Analysis (Continued)

Other obligations include accrued vacation pay and sick leave. Detailed information on these long-term obligations is presented in the notes to the basic financial statements.

CONTACTING THE SCHOOL BOARD

The financial report is designed to provide citizens, taxpayers, parents, students, and investors and creditors with a general overview of the school board's finances and to show the school board's accountability for the financial resources it receives. Questions about this report or requests for additional financial information should be directed to Mr. John J. Vandarsypen, Director of Business Affairs, at the Natchitoches Parish School Board, 600 Royal Street, Natchitoches, LA 71457, telephone number (318) 352-2358.

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS
AS OF JUNE 30, 2003, AND FOR THE YEAR THEN ENDED

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Statement of Net Assets
June 30, 2003

ASSETS

Cash and cash equivalents	\$14,869,030
Investments	12,932,656
Receivables	656,057
Bus loans receivable	247,786
Inventory	52,653
Capital assets (net of accumulated depreciation):	
Land	1,125,290
Construction in progress	11,323,922
Buildings and improvements	31,717,735
Furniture and equipment	611,805

TOTAL ASSETS	<u>\$73,436,816</u>

LIABILITIES

Accounts, salaries, and other payables	\$3,727,479
Deferred revenue	458,336
Interest payable	1,601,703
Long-term liabilities:	
Due within one year	1,906,928
Due in more than one year	37,936,233

Total Liabilities	<u>46,630,678</u>

NET ASSETS

Invested in capital assets, net of related debt	3,353,858
Restricted for:	
Debt service	4,853,656
Other purposes	1,943,514
Unrestricted	17,674,510

TOTAL NET ASSETS	<u>\$27,805,137</u>

The accompanying notes are an integral part of these financial statements.

NATCHITOCHEE PARISH SCHOOL BOARD
Natchitoches, Louisiana

Statement of Activities
For the Year Ended June 30, 2003

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTIONS
Governmental activities:					
Instruction:					
Regular programs	\$16,461,141		\$119,039	(\$16,342,101)	
Special programs	9,230,399	\$8,060	4,043,958	(5,173,331)	
Vocational programs	913,798		125,414	(788,384)	
Adult and continuing education program	168,578		153,156	(10,420)	
Other programs	2,697,994		2,113,830	(779,164)	
Support services:					
Student services	1,656,269		826,466	(1,029,802)	
Instructional staff support	1,962,919		540,839	(1,422,079)	
General administration	1,984,318		270,763	(1,713,556)	
School administration	2,460,364		7,610	(2,452,754)	
Business services	782,442		134,400	(648,043)	
Plant services	3,995,173	129,183	35,816	(3,830,273)	
Student transportation services	3,695,138		36,993	(3,658,145)	
Central services	236,659		302	(236,356)	
Food services	3,181,669	396,321	2,133,894	(596,454)	
Community service programs	1,300			(1,300)	
Interest on long-term debt	1,653,656			(1,653,656)	
Total Governmental Activities	51,382,067	533,665	10,612,503	NCHE	(40,236,999)
General revenues:					
Taxes:					
Property taxes, levied for general purposes				2,221,241	
Property taxes, levied for debt services				2,626,259	
Sales and use taxes, levied for general purposes				6,698,569	
State revenue sharing				178,674	
Grants and contributions not restricted to specific purposes:					
Minimum Foundation Program				24,437,335	
Federal grant programs				604,254	
State grant programs				491,212	
Interest and investment earnings				795,971	
Miscellaneous				91,335	
Total general revenues and special items				38,144,961	
Changes in net assets				(2,091,038)	
Net assets - July 1, 2002				29,866,528	
Net assets - June 30, 2003				\$27,805,137	

The accompanying notes are an integral part of these financial statements.

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2003

	GENERAL FLND	SCHOOL FOOD SERVICE FUND	TITLE I FUNC	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS					
Cash and cash equivalents	\$1,719,324	\$469,130	\$360,079	\$12,320,376	\$14,869,020
Investments, at fair value	10,565,609	162,150		2,204,706	12,932,666
Receivables	392,900	7,073	28,868	126,216	555,057
Interfund receivables	551,024			57,557	608,581
Bus loans receivable	247,736				247,736
Inventory		52,553			52,553
TOTAL ASSETS	\$13,476,914	\$690,957	\$388,948	\$14,738,855	\$29,265,674
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries, and other payables	\$2,993,949	\$155,362	\$223,854	\$354,304	\$3,727,479
Interfund payables	56,543	1,914	153,111	397,023	608,581
Deferred revenues			11,983	446,362	458,335
Total Liabilities	3,050,492	157,276	388,948	1,197,689	4,794,395
Fund balances:					
Reserved for:					
Debt service				4,853,655	4,853,655
Worker's compensation	2,924				2,924
Signed but incomplete contracts	1,940,390				1,940,390
Unreserved - reported in:					
General Fund	8,483,109				8,483,109
Special Revenue Funds		533,632		199,773	733,459
Capital Projects Funds				3,457,742	3,457,742
Total Fund Balances	10,426,423	533,632	None	13,511,174	24,471,279
TOTAL LIABILITIES AND FLND BALANCES	\$13,476,914	\$690,957	\$388,948	\$14,738,855	\$29,265,674

The accompanying notes are an integral part of these financial statements.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2003

Total Fund Balances - Governmental Funds		\$24,471,279
Cost of capital assets	\$67,101,243	
Less - accumulated depreciation	(22,322,521)	44,778,722

Elimination of interfund assets and liabilities:		
Interfund receivables	(605,678)	
Interfund payables	605,678	NONE

Long-term liabilities:		
Compensated absences	(1,905,928)	
Bonds and certificates of indebtedness payable	(37,935,233)	
Accrued interest payable	(1,601,703)	(41,444,864)
	-----	-----
Net Assets		<u>\$27,805,137</u>

The accompanying notes are an integral part of these financial statements.

NATCHITOCHES PARISH SCHOOL BOARD
Natchitoches, Louisiana
GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2003

	GENERAL FUND	SCHOOL FOOD SERVICE FUND	TITLE I	OTHER GOVERNMENTAL FUNDS	TOTAL
REVENUES					
Local sources:					
Taxes:					
Ad valorem	\$1,399,269			\$3,647,531	\$5,047,500
Sales and use	6,598,569				6,598,569
Tuition	8,060				8,060
Rentals, leases, and royalties	119,133			10,060	129,133
Interest earnings	693,220	\$11,939	\$8,687	90,612	804,658
Food services		396,321			396,321
Contributions and donations	93,243		84	143,623	237,650
State sources:					
Unrestricted grant-in-aid	24,027,564	496,749		91,656	24,616,069
Restricted grants-in-aid	491,212			867,934	1,359,146
Federal sources:					
Grants-in-aid - direct	504,254				504,254
Grants-in-aid - subgrants		2,188,694	3,015,987	4,334,736	9,589,617
Total revenues	33,936,025	3,093,904	3,024,753	9,236,341	49,291,028
EXPENDITURES					
Current:					
Instruction:					
Regular programs	16,275,737			135,274	16,411,011
Special programs	5,178,288		1,953,943	2,026,014	9,228,245
Vocational programs	785,383			126,339	912,222
Adult and continuing education programs	10,420		362	157,796	168,578
Other programs	736,150		327,050	1,833,061	2,896,261
Support services programs:					
Pupil support services	1,029,302		301,054	525,412	1,856,269
Instructional staff services	1,413,457		227,935	318,997	1,960,339
General administration	572,309		977	12,970	586,757
School administration	2,432,459		4,033	3,643	2,440,135
Business services	367,351		30,152	334,439	732,442
Plant services	3,134,522		33,751	799,130	3,967,503
Student transportation services	3,625,227		5,204	31,769	3,662,920
Central services	227,211		265	96	228,274
Non-Instructional Services:					
Food service operations	48,464	3,094,565			3,143,029
Community service operations	1,300				1,300
Facilities acquisition and construction services	608,360			641,109	1,249,469
Debt service:					
Principal retirement				1,421,000	1,421,000
Advance refunding escrow				119,345	119,345
Interest and bank charges	65,450			1,339,325	1,404,775
Total expenditures	36,514,392	3,094,565	2,664,727	9,935,741	52,489,925

(Continued)

The accompanying notes are an integral part of these statements.

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2003

	GENERAL FUND	SCHOOL FOOD SERVICE FUND	TITLE I	OTHER GOVERNMENTAL FUNDS	TOTAL
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(\$2,578,367)	(\$661)	\$140,031	(\$759,399)	(3,198,897)
OTHER FINANCING SOURCES (Uses)					
Operating transfers in	268,728				268,728
Operating transfers out			(140,031)	(128,697)	(268,728)
Proceeds from sale of bonds and certificates	2,545,000			14,439,641	17,034,841
Payments to refunding escrow agent				(6,125,332)	(6,125,332)
Total other financing sources (uses)	2,813,728	NONE	(140,031)	8,235,613	10,909,510
SPECIAL ITEMS					
Sale of fixed assets					
Total Special Items	NONE	NONE	NONE	NONE	NONE
NET CHANGE IN FUND BALANCES	234,360	(661)	NONE	7,476,413	7,710,613
FUND BALANCE AT BEGINNING OF YEAR	10,191,562	534,343	NONE	6,034,761	16,760,666
FUND BALANCES AT END OF YEAR	<u>\$10,426,423</u>	<u>\$533,682</u>	<u>NONE</u>	<u>\$13,511,174</u>	<u>\$24,471,279</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

NATCHITOCHEE PARISH SCHOOL BOARD
Natchitoches, Louisiana

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

For the Year Ended June 30, 2003

Total net change in fund balances - governmental funds		\$7,710,613
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:		
Capital outlays	\$1,249,469	
Depreciation expense	(1,539,403)	(289,933)

Add accumulated depreciation on capital assets retired during the year		
Less cost basis of capital assets retired during the year		
Issuance of long-term debt (bonds, certificates, etc.) is an other financing source in the governmental funds, but is reported as a liability in the Statement of Net Assets		(17,034,841)
Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets		7,665,675
In the Statement of Activities, certain operating expenses - compensated absences (vacation and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$164,666) exceeded the amounts used (\$120,993) by \$43,673.		(43,673)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		(98,860)

Change in net assets of governmental activities		<u><u>(\$2,091,033)</u></u>

The accompanying notes are an integral part of these financial statements.

NATCHITOCHEE PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 FIDUCIARY FUNDS

Statement of Fiduciary Net Assets
 June 30, 2003

ASSETS	

Cash and cash equivalents	5444.419 =====
LIABILITIES	

Accounts payable	\$27.687
Deposits due others	416.732

TOTAL LIABILITIES	5444.419 =====

See independent auditor's report.

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
As of and for the Year Ended June 30, 2003

INTRODUCTION

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

The school board operates schools within the parish with a total enrollment of approximately 7029 pupils. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the school board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Natchitoches 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.

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

B. REPORTING ENTITY

GASB Statement No. 14, *The Reporting Entity*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the school board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the school board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The school board also has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the school board has a significant relationship.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

C. FUNDS

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

Funds of the school board are classified into two categories: governmental and fiduciary, as follows:

Governmental Funds

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

General Fund -- the general operating fund of the school board and accounts for all financial resources, except those required to be accounted for in other funds.

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

Debt service funds -- account for transactions relating to resources retained and used for the payment of principal and interest on general long-term debt recorded in the general long-term debt account group.

Capital projects funds -- account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

Fiduciary Fund Type

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the school board. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency fund has no measurement focus, but does use the modified accrual basis of accounting.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements - include the Statement of Net Assets (Statement A) and the Statement of Activities (Statement B). These financial statements report the financial position and results of operations for the school board as a whole. Fiduciary funds are not included at this level, as they are only reported in the Statement of Fiduciary Net Assets at the fund financial statement level.

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

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

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

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

Fund Financial Statements - governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fund financial statements report detailed information about the school board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds and the agency fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The school board considers all revenues available if they are collected within 90 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

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

Federal commodities are recognized as revenues in the accounting period they are received.

Food service income is recorded when collected. All food services income applicable to an accounting period is collected during the fiscal year.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. Taxes are normally collected in December, January, and February of the fiscal year.

Sales and use taxes are recorded in the month collected by the Natchitoches Parish Sales Tax Commission (collection agent) or by the Louisiana Department of Public Safety and Corrections, Public Safety Services.

Interest earnings on time deposits are recorded when the time deposits have matured and the income is available.

Substantially all other revenues are recorded when they are available to the school board.

Based on the above criteria, federal and state entitlements, ad valorem taxes, and sales and use tax are treated as susceptible to accrual by the school board.

Expenditures

Salaries are recorded as expenditures when earned. Teacher salaries are earned over a 9-month period, but are paid over a 12-month period.

Purchases of various operating equipment and supplies are recorded as expenditures in the accounting period they are purchased.

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

Food costs are recognized as expenditures in the period in which the food is consumed.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Transfers between funds that are not expected to be repaid, sale of assets, and proceeds from the sale of bonds are accounted for as other financing sources (uses). These transactions are recognized at the time the underlying events occur.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

Deferred Revenues

The school board reports deferred revenues on its fund financial statements balance sheet. Deferred revenues arise when resources are received by the school board before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the school board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

E. BUDGETS

The school board adopts annual budgets on the General Fund and special revenue funds. The proposed budgets are prepared by the director of finance, the superintendent, and the finance committee of the school board during July and/or August of each year. During August and/or September, the availability of the proposed budgets for public inspection and the date of the public hearing on the budgets are advertised in the official journal. At its first meeting in September, the school board holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the results of the public hearing and the desires of the school board as a whole. The budgets are then adopted, and notice is published in the official journal.

The budgets are prepared on the modified accrual basis of accounting and all appropriations lapse at year end. Encumbrances are not formally recognized within the accounting system for budgetary control purposes; however, outstanding purchase orders are taken into consideration before expenditures are incurred to assure that applicable appropriations are not exceeded. Formal budgetary integration (within the accounting records) is employed as a management control device.

The superintendent of schools is authorized to transfer amounts between line items within a fund; however, when requested by the school board, budgetary comparisons are prepared and presented to the school board during a regular meeting. The school board reviews these comparisons and proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in the school board minutes published in the official journal. Budget amounts included in the accompanying financial statements include the final amended budget amounts.

F. ENCUMBRANCES

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

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

G. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposit, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those income-producing items with original maturities of usually 90 days or less. Under state law, the school board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the school board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. INVESTMENTS

In accordance with Louisiana Revised Statute (LSA-R.S.) 32:2955, the school board, upon determination of the availability of funds in excess of immediate cash requirements by its treasurer or chief financial officer and in the exercise of prudent judgment, may invest in direct United States Treasury obligations: bonds, debentures, notes, or other evidence of indebtedness guaranteed by federal agencies or United States government instrumentalities, provided that such obligations are backed by the full faith and credit of the United States government; and savings accounts and certificates of deposit of state banks organized under the laws of Louisiana or national banks having their principal offices in the state of Louisiana. Additionally, the school board may invest in mutual or trust fund institutions (limited to 25 per cent of the funds considered available for investment under this section) provided that they are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940 and have underlying investments consisting solely of securities of the United States government or its agencies. Investments are stated at fair value.

I. INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods and services provided or rendered. These receivables and payables are classified as interfund receivables and payables on the fund financial statements but are eliminated for reporting purposes on the government-wide financial statements.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

J. INVENTORY

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

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost (the extent to which fixed asset costs have been estimated and the methods of estimation should be disclosed) if historical cost is not available (or describe other method of valuation). Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The school board maintains a threshold level of \$5,000 or more for capitalizing capital assets for reporting purposes. Capital assets are recorded in the government-wide financial statements, but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the school board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land and construction in progress, are depreciated using a composite group rate which is applied to similar assets for the purpose of calculating depreciation expense. Interest costs on debt used to finance the construction of capital assets are not capitalized.

L. COMPENSATED ABSENCES

All 12-month employees earn 10 days of vacation leave each year. Upon separation, all unused vacation leave is forfeited.

All school board employees earn 10 days of sick leave each year. Sick leave for teachers and bus drivers may be accumulated without limitation, while all other employees are limited to 25 days accumulated sick leave. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee's current rate of pay. Under the Louisiana Teacher's Retirement, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefits computation as earned service.

Sabbatical leave may be granted for rest and recuperation 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 years of continuous service. Sabbatical leave benefits, being restricted in nature as a condition of the leave, are not subject to accrual and are recorded as expenditures in the period paid.

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

N. RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either, externally imposed by creditors (such as debt covenants, construction contracts, etc.), grantors, contributors, or laws or regulations of other governments and/or imposed by law through constitutional provisions or enabling legislation.

O. FUND EQUITY

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

P. EXTRAORDINARY AND SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the school board, which are either unusual in nature or infrequent in occurrence.

Q. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

R. SALES TAXES

The Natchitoches Parish Sales Tax Commission is authorized to collect, within Natchitoches Parish, the following sales and use taxes for the benefit of the Natchitoches Parish School Board:

A one percent (1%) sales and use tax, the proceeds of the tax are dedicated for the operation, maintenance, and upgrading of the public schools in Natchitoches Parish. The tax expires August 1, 2013.

A one-half of one per cent (1/2%) sales and use tax, the proceeds are dedicated for the payment of salaries and benefits of teachers and other employees of the school system in Natchitoches Parish.

NATCHITOCHEs PARISH SCHOOL BOARD
 Natchitoches, Louisiana

Notes to the Basic Financial Statements
 (Continued)

5. ESTIMATES

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

2. DEFICIT FUND EQUITY

The following individual funds have deficits in unreserved fund balance (net assets) as June 30, 2003:

Fund	Deficit Amount
Consolidated School District No. 6	\$13,799
Consolidated School District No. 7	52,370
Consolidated School District No. 8	13,938

3. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2003:

School District Maintenance Funds:	
School District No. 9	\$3,000
Consolidated No. 7	31,349
Medicaid	598
Early Childhood Development	42,080

4. CASH AND CASH EQUIVALENTS

As June 30, 2003, the school board has cash and cash equivalents (book balance) as follows:

Interest-bearing demand deposits	\$12,211,128
Money market funds	3,134,519
Total Cash and Cash Equivalents	<u>\$15,345,747</u>

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

The collected bank balances (cash and cash equivalents), at June 30, 2003, are secured as follows:

Description	Category			Bank	Book
	1	2	3	Balance	Balance
Demand deposits	\$660,716		\$7,396,536	\$7,957,251	\$12,211,128
Money market funds			3,134,619	3,134,619	3,134,619
Totals	\$660,716	NONE	\$10,531,155	\$11,091,870	\$15,345,747

Category 1 includes cash and cash equivalents that are insured or registered or for which the securities are held by the school board or its agent in the school board's name. Category 2 includes uninsured and unregistered cash and cash equivalents for which securities are held by the bank's trust department, broker-dealers, or agent in the school board's name. Category 3 includes uninsured and unregistered cash and cash equivalents for which the securities are held by the bank's trust department, broker-dealer, or by its agent but not in the school board's name.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodian bank to advertise and sell the pledged securities within 10 days of being notified by the school board that the fiscal agent has failed to pay deposited funds upon demand.

5. INVESTMENTS

At June 30, 2003, the school board holds the following investments:

Description	Category			Fair Value
	A	B	C	
Government securities	\$8,935,740	\$4,056,928	NONE	\$12,992,668

Category A includes investments that are insured or registered or for which the securities are held by the school board or its agent in the school board's name. Category B includes uninsured and unregistered investments for which securities are held by the broker's or dealer's trust department or agent in the school board's name. Category C includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the school board's name.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

6. RECEIVABLES

The receivables at June 30, 2003, are as follows:

Class of Receivable	General Fund	School Food Service Fund	Title I Fund	Other Governmental Funds	Total
Intergovernmental:					
State grants	\$319,841				\$319,841
Federal grants				\$14,429	14,429
Other	73,059	\$7,073	\$28,868	110,241	219,241
				1,546	1,546
Totals	\$392,900	\$7,073	\$28,868	\$126,216	\$555,057

7. CAPITAL ASSETS

Governmental capital assets and depreciation activity as of and for the year ended June 30, 2003, is as follows:

	Capital Assets - Beginning Balance	Additions	Retirements	Ending Balance
Land	\$1,125,290			\$1,125,290
Construction in Progress	778,922	\$10,545,000		11,323,922
Buildings and Improvements	51,406,685	707,847		52,114,530
Furniture and Equipment	2,509,500	27,900		2,537,400
Totals at Historical Cost	55,820,396	11,280,847	NONE	67,101,243
Less Accumulated Depreciation for:				
Buildings and Improvements	(18,999,363)	(1,397,562)		(20,396,925)
Furniture and Equipment	(1,783,755)	(141,841)		(1,925,596)
Total Accumulated Depreciation	(20,783,118)	(1,539,403)	NONE	(22,322,521)
Capital Assets - Net	\$35,037,278	\$9,741,444	NONE	\$44,778,722

Depreciation was charged to the governmental functions as follows:

Instruction	\$12,418
Support Services	1,438,345
Food service	38,640
Total depreciation charges to governmental activities	\$1,539,403

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

8. 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) and lunchroom workers are members of the Louisiana Teachers Retirement System (TRS); other school employees such as custodial personnel and bus drivers, are members of the Louisiana School Employees Retirement System (LSERS). These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

Teacher's Retirement System of Louisiana (TRS) -- consists of three membership plans: Regular Plan, Plan A, and Plan B. 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 by state statute. The TRS issues a publicly available financial report that includes the financial statements and required supplementary information for the TRS. This report may be obtained by writing the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6646.

Louisiana School Employees' Retirement System (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 by state statute. The LSERS issues a publicly available financial report that includes the financial statements and required supplementary information for the LSERS. This report may be obtained by writing the Louisiana School Employees' Retirement System, Post Office Box 44616, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484.

9. OTHER POSTEMPLOYMENT BENEFITS

The Natchitoches 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 State Group Benefits Program, whose monthly premiums are paid jointly by the employee and the school board. The school board recognizes the cost of providing these benefits (the board's portion of premiums) as an expenditure when the monthly premiums are due. For the year ended June 30, 2003, the cost of retiree benefits totaled \$1,240,324, for approximately 363 retirees.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

10. ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables at June 30, 2003, are as follows:

Classification	General Fund	School Food Service Fund	Title I Fund	Other Governmental Funds	Total
Accounts and related benefits payable	\$35,350		\$2,519	\$137,492	\$175,351
Salaries and withholdings payable	2,958,599	\$155,362	221,335	216,822	3,552,118
Total	\$2,993,949	\$155,362	\$223,854	\$354,314	\$3,727,479

11. LONG-TERM LIABILITIES

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

	Bonds and Certificates of Indebtedness	Compensated Absences	Total
Long-term liabilities payable at July 1, 2002	\$28,955,000	\$1,575,488	\$30,530,488
Additions	16,735,000	164,566	16,959,666
Deductions	(7,626,000)	(120,993)	(7,646,993)
Long-term liabilities payable at June 30, 2003	\$38,224,000	\$1,619,161	\$39,843,161

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2003:

Long-term liabilities			
Due within one year	\$1,737,000	\$109,925	\$1,906,928
Due in more than one year	36,427,000	1,509,233	37,936,233
Total	\$38,224,000	\$1,619,161	\$39,843,161

The individual issues, which are serial bonds, payable from their respective school district debt service funds and certificates of indebtedness, payable from the General Fund, are as follows:

NATCHITOCHE PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

Description	Original Issue	Interest Rate	Final Payments Date	Interest to Maturity	Principal Outstanding
Consolidated No. 7					
February 28, 2003	\$6,280,000	2-3.875%	02/01/2014	\$1,028,428	\$6,280,000
August 1, 2003	8,000,000	5.650-7%	02/01/2023	4,405,858	8,000,000
Consolidated No. 8					
October 29, 2002	1,000,000	0.100 - 5%	02/01/2012	186,924	919,000
School District No. 9:					
July 1, 1995	10,000,000	5 - 10%	02/01/2016	2,969,550	7,425,000
April 1, 1997	10,000,000	4.75 - 10%	02/01/2017	2,407,550	8,550,000
January 1, 1998	6,800,000	4.5 - 7.0%	02/01/2017	2,078,545	5,725,000
Total Bonded Debt				14,077,073	35,679,000
General Fund - Certificates of Indebtedness					
	2,545,000	3.60-3.890%	02/01/2017	777,423	2,545,000
Total Long-term Liabilities				\$14,854,496	\$38,224,000

Principal and interest requirements of the bonded debt are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. Principal and interest requirements of the certificates of indebtedness are funded through the General Fund. The bonds and certificates of indebtedness are due as follows:

Bonds and Certificates of Indebtedness	Principal Payments	Interest Payments	Total
Year Ending June 30:			
2004	\$1,797,000	\$1,601,703	\$3,398,703
2005	2,106,000	1,660,633	3,766,633
2006	2,210,000	1,554,073	3,744,073
2007	2,304,000	1,459,270	3,743,270
2008	2,413,000	1,358,443	3,751,443
2009-2013	13,744,000	4,961,545	18,705,545
2014-2018	10,820,000	1,900,401	12,720,401
2019-2023	2,830,000	418,428	3,248,428
Total	\$38,224,000	\$14,854,496	\$53,078,496

In accordance with R.S. 39:562, the school board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2003, the statutory limit is \$316,519,569, and outstanding bonded debt totals \$35,679,000.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Notes to the Basic Financial Statements
(Continued)

Bonded Debt - Defeasance

During the year ended June 30, 2003, the school board advance refunded (defeased) two general obligation bond issues with two separate general obligation bond refundings. The school board issued \$1,000,000 of Consolidated School District No. 8 of Natchitoches Parish, State of Louisiana, General Obligation Refunding Bonds (Series 2002) and \$5,200,000 of Consolidated School District No. 7 of Natchitoches Parish, State of Louisiana, General Obligation Refunding Bonds (Series 2003) to provide resources to purchase United States Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the financial statements of the school board. These advance refundings were undertaken to reduce the total debt service payments over the next 11 years by \$568,750 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds of \$458,046).

In prior years, the school board defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the school board's financial statements. On June 30, 2003, a total of \$11,080,000 of bonds outstanding are considered defeased.

12. INTERFUND RECEIVABLES/PAYABLES

Interfund receivables/payables, reported on the fund financial statements are as follows:

Fund	Interfund Receivable	Interfund Payable
<i>Major Funds:</i>		
General Fund	\$551,024	\$56,543
School Food Service Fund		1,914
Title I Fund		153,111
<i>NonMajor Funds:</i>		
Federal Funds		266,808
State Funds		10,249
School District Maintenance Funds	21,189	119,967
Debt Service Funds	34,163	
Capital Projects Funds	2,205	
TOTALS	\$508,581	\$608,581

NATCHITOCHEs PARISH SCHOOL BOARD
 Natchitoches, Louisiana

Notes to the Basic Financial Statements
 (Continued)

13. RISK MANAGEMENT

The school board is exposed to various risks related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. With respect to the aforementioned risks, with the exception of property losses below the policy deductibles, and for injuries to employees (worker's compensation), the school board has obtained commercial insurance, and settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

With respect to injuries to employees (worker's compensation), the school board has initiated a risk management program for workers' compensation insurance. Operation of this program is accounted for within the General Fund and funds are available to pay claims, claim reserves, and administrative costs of the program. An excess coverage insurance policy covers claims in excess of \$200,000 with an aggregate limit of \$1,000,000. Interfund premiums are based primarily on the individual funds' payroll and are reported as expenditures in the individual funds.

14. FUND BALANCE DESIGNATIONS - GENERAL FUND

In accordance with a resolution adopted by the school board, a portion of the fund balance of the General Fund is designated for insurance loss to cover any potential property loss that may occur. At June 30, 2003, the comprehensive insurance policy deductible is \$100,000 per occurrence for buildings and contents. The changes in the fund balance for the year ended June 30, 2003, are as follows:

Designated for insurance deductible, July 1, 2002	\$2,258,582
Additions	78,915
Deductions	(1,000,010)
Designated for insurance deductible, June 30, 2003	<u>\$1,337,487</u>

A portion of the fund balance of the General Fund has also been designated by the school board for a contingency reserve to cover any possible contingency that may occur. The changes in the fund balance during the year ended June 30, 2003, is as follows:

Designated for contingency reserve, July 1, 2002	\$7,146,477
Additions	369,724
Reductions	NONE
Designated for contingency reserve, June 30, 2003	<u>\$7,516,201</u>

REQUIRED SUPPLEMENTAL INFORMATION
PART II

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana
GENERAL FUND

Budgetary Comparison Schedule
For the Year Ended June 30, 2023

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$9,834,344	\$10,191,562	\$10,191,562	NONE
Resources (inflows)				
Local sources	9,054,235	8,912,395	8,912,895	
State sources	24,212,052	24,518,376	24,518,875	
Federal sources	869,318	504,254	504,254	
Amounts available for appropriations	43,970,009	44,127,587	44,127,587	NONE
Changes to appropriations (outflows)				
Current:				
Instructional programs	22,327,632	22,986,479	22,986,479	
Support services programs	11,928,049	12,779,699	12,779,699	
Non-instructional programs	2,637	49,764	49,764	
Facilities acquisition and construction		608,360	608,360	
Interest and bank charges		65,450	65,450	
Total charges to appropriations	34,258,318	36,489,752	36,489,752	NONE
Other financing sources	NONE	2,813,728	2,813,728	NONE
BUDGETARY FUND BALANCES - ENDING	\$9,711,691	\$10,451,563	\$10,451,563	NONE

See independent auditor's report.

NATCHITOCHEE PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 SCHOOL FOOD SERVICE FUND

Budgetary Comparison Schedule
 For the Year Ended June 30, 2023

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	\$514,152	\$534,343	\$534,343	NONE
Resources (inflows)				
Local sources	413,429	396,122	406,261	\$12,139
State sources	496,749	496,749	496,749	
Federal sources	2,042,817	2,188,394	2,186,894	
Amounts available for appropriations	3,467,217	3,616,108	3,626,247	12,139
Changes to appropriations (outflows)				
Current - non-instructional programs	2,978,272	3,118,336	3,092,652	26,134
Total charges to appropriations	2,978,272	3,118,336	3,092,652	26,134
BUDGETARY FUND BALANCES - ENDING	\$488,945	\$497,272	\$536,595	\$14,045

See independent auditor's report.

NATCHITOCHEE PARISH SCHOOL BOARD
Natchitoches, Louisiana
TITLE : FUND

Budgetary Comparison Schedule
For the Year Ended June 30, 2003

	ORIGINAL	FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES - BEGINNING	NONE	NONE	NONE	NONE
Resources (inflows)				
Local sources		\$8,771	\$8,771	
Federal sources	\$2,405,731	3,015,986.39	3,015,987	
Amounts available for appropriations	2,405,731	3,024,758	3,024,758	NONE
Changes to appropriations (outflows)				
Current:				
Instructional programs	1,814,468	2,281,355	2,281,355	
Support services programs	479,390	603,372	603,372	
Total charges to appropriations	2,294,358	2,884,727	2,884,727	NONE
Other financing uses	111,373	140,031	140,031	NONE
BUDGETARY FUND BALANCES - ENDING	NONE	NONE	NONE	NONE

See independent auditor's report.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended June 30, 2003

SPECIAL REVENUE FUNDS

FEDERAL GRANT FUNDS

TITLE I - MIGRANT EDUCATION - BASIC STATE GRANT PROGRAM (CFDA NO. 84.011) - is a federally financed program whose objective is to assist States to ensure that migratory children have the opportunity to meet the same challenging State content and performance standards that all children are expected to meet. The Natchitoches Parish School Board serves as the Local Operating Agency (LOA) under the Louisiana State Plan.

TITLE II - IMPROVING TEACHER QUALITY - STATE GRANTS (CFDA NO. 84.367) - a federally financed program whose objective is to increase student academic achievement through strategies such as improving teacher and principal and increasing the number of highly qualified teachers in the classroom and principals in the schools.

TITLE III - ENGLISH LANGUAGE ACQUISITION GRANTS (CFDA NO. 84.365) - a federally financed program whose objective is to ensure that limited english proficient (LEP) children attain english proficiency and meet the same challenging state academic standards as all children are expected to meet.

TITLE VI - INNOVATIVE EDUCATION PROGRAM STRATEGIES (CFDA NO. 84.298) - is a federally financed program whose objective is to assist State and local educational agencies in the reform of elementary and secondary education.

EVEN START - STATE EDUCATIONAL AGENCIES (CFDA No. 84.213) - is a federally financed program whose objective is to help break the cycle of poverty and illiteracy and improve the educational opportunities of low-income families.

VOCATIONAL EDUCATION -- BASIC GRANTS TO STATES (CFDA NO. 84.048) - is a federally financed program whose objective is to develop more fully the academic, vocational, and technical skills of secondary and post secondary students who enroll in vocational and technical programs.

SAFE AND DRUG-FREE SCHOOLS AND COMMUNITIES -- STATE GRANTS (CFDA NO. 84.186) - is a federally financed program whose objective is to offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the use of illegal use of alcohol, tobacco, and drugs.

SPECIAL EDUCATION -- CHILDREN WITH DISABILITIES (CFDA NO. 84.009), GRANTS TO STATES (CFDA NO. 84.027), AND PRESCHOOL GRANTS (CFDA NO. 84.173) - are federally financed programs whose objectives include providing assistance to States as a means of providing a free appropriate public education to all children with disabilities.

CHALLENGE GRANTS FOR TECHNOLOGY IN EDUCATION - LOCAL INNOVATION (CFDA NO. 84.303) - is a federally financed program whose objective is to support the development, interconnection, implementation, improvement, and maintenance of an effective educational technology infrastructure.

NATCHITOCHE PARISH SCHOOL BOARD
SUPPLEMENTAL INFORMATION SCHEDULES
(Continued)

SPECIAL EDUCATION -- CHILDREN WITH DISABILITIES (CFDA NO. 84.181) - is a federally financed program whose objectives include providing assistance to States as a means of providing a free appropriate public education to all children with disabilities.

ADULT EDUCATION -- STATE GRANT PROGRAM (CFDA NO. 84.002) - is a federally financed program whose objective is to fund local programs of adult literacy and literacy services, including workplace literacy services, family literacy services, and English literacy and civics education programs.

READING EXCELLENCE (CFDA NO. 84.338) -- is a federally financed program whose objective is to award grants to States to provide children with the readiness skills and support they need in early childhood to learn to read once they enter school.

JOBS GRANT (CFDA NO. 93.561) -- is a federally financed program whose objective is to provide funding in order to reduce class size, particularly in the early grades, using highly qualified teachers to improve educational achievement.

SAFA - IMPACT AID (CFDA NO. 84.041) - is a federally financed program whose objective is to provide assistance to the local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities.

PREVENTIVE HEALTH -- HEALTH SERVICES BLOCK GRANT (CFDA NO. 93.991) - is a federally financed program whose objective is to provide States with the resources to improve the health status of the population of each grantee.

GOALS 2000 -- STATE AND LOCAL EDUCATION SYSTEMIC IMPROVEMENT (CFDA NO. 84.276) - is a federally financed program whose objective is to provide grants to State Education Agencies (SEA's) as a means of supporting the development and implementation of a comprehensive reform plan at the State, local, and school levels to improve teaching and learning of all students.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (CFDA NO. 93.558) -- is a federally financed program whose objective is to provide assistance to needy families with children so that children can be cared for in their own homes, to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and encourage the formation and maintenance of two-parent families.

COMPREHENSIVE SCHOOL REFORM DEMONSTRATION (CFDA 84.332) -- is a federally financed program whose objective is to provide financial incentives for schools that need to substantially improve student achievement, particularly Title I schools to implement comprehensive school reform programs.

STATE GRANT FUNDS

SPECIAL EDUCATION -- is a state financed program whose objective is to provide additional education to children with exceptionalities and other special educational requirements.

ADULT EDUCATION -- is a state financed program whose objective is to provide classes to individuals who are not high school graduates. Instruction is given until the student passes the GED test, which is equivalent to receiving a high school diploma.

QUALITY EDUCATION SUPPORT -- is a state financed program whose objective is to enhance the educational opportunities of all children by eliminating one or more educational problems.

SPECIAL PROGRAM TO UPGRADE READING -- is a state financed program whose objective is to provide programs for facilitating reading improvement throughout the state.

SCHOOL DISTRICT BUILDING AND EQUIPMENT FUNDS

MAINTENANCE FUNDS -- account for the proceeds of ad valorem taxes levied for maintaining and improving schools within each school district.

OTHER FUNDS

RAPIDES FOUNDATION - CLOUTIERVILLE -- accounts for the proceeds of grant funds, from the Rapides Foundation, a Louisiana nonprofit corporation, whose objective is to improve student achievement by producing high intellectual and challenging work with students and teachers.

RAPIDES FOUNDATION - LAKEVIEW JR/SR HIGH -- accounts for the proceeds of grant funds, from the Rapides Foundation, a Louisiana nonprofit corporation, whose objective is to improve student achievement by producing high intellectual and challenging work with students and teachers.

RAPIDES FOUNDATION - NSU ELEMENTARY -- accounts for the proceeds of grant funds, from the Rapides Foundation, a Louisiana nonprofit corporation, whose objective is to improve student achievement by producing high intellectual and challenging work with students and teachers.

RAPIDES FOUNDATION - HEALTH CLINIC -- accounts for the proceeds of grant funds, from the Rapides Foundation, a Louisiana nonprofit corporation, whose objective is to improve student achievement by providing basic health care benefits to needy students.

RAPIDES FOUNDATION - NATCHITOCHE CENTRAL -- accounts for the proceeds of grant funds, from the Rapides Foundation, a Louisiana nonprofit corporation, whose objective is to improve student achievement by producing high intellectual and challenging work with students and teachers.

SHREVEPORT ARTS COUNCIL -- provides art appreciation instructional services for selected students. The program is funded through a local grant.

READING IS FUNDAMENTAL -- provides assistance to improve the reading ability of children. The program is funded through contributions from interested individuals.

NATCHITOCHEE PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Balance Sheet, June 30, 2003

	FEDERAL FUNDS	STATE FUNDS	SCHOOL DISTRICT BUILDING AND EQUIPMENT FUNDS	OTHER FUNDS	TOTAL
ASSETS					
Cash and equivalents	\$842,104	\$67,043	\$121,965	\$42,915	\$1,144,051
Investments, at fair value			135,701		135,701
Receivables	110,241	14,429	1,546		126,216
Interfund receivable			21,189		21,189
TOTAL ASSETS	\$952,344	\$81,472	\$320,421	\$42,915	\$1,397,158
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries, and other payables	\$302,314	\$49,823	\$677	\$1,190	\$353,904
Interfund payable	266,803	10,249	119,966		397,023
Deferred revenues	383,222	21,406		41,725	446,352
Total Liabilities	952,344	81,477	120,644	42,915	1,197,380
Fund Balance -					
Unreserved/Undesignated	NONE	NONE	199,778	NONE	199,778
TOTAL LIABILITIES AND FUND BALANCES	\$952,344	\$81,477	\$320,421	\$42,915	\$1,397,158

NATCHITOCHEE PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2023

	FEDERAL FUNDS	STATE FUNDS	SCHOOL DISTRICT BUILDING AND EQUIPMENT FUNDS	OTHER FUNDS	TOTAL
REVENUES					

Local sources:					
Ad valorem taxes			\$821,272		\$821,272
Rentals, leases, and royalties			10,050		10,050
Interest earnings	52,227		4,718	\$455	7,402
Contributions and donations	517	\$3,154	125	139,815	143,623
State sources:					
Unrestricted grants-in-aid			45,122		45,122
Restricted grants-in-aid		867,934			867,934
Federal sources:					
Grants-in-aid - direct					
Grants-in-aid - subgrants	4,334,736				4,334,736
	-----	-----	-----	-----	-----
Total revenues	4,337,460	871,098	861,238	140,272	6,230,139

EXPENDITURES					

Current:					
Instruction:					
Regular programs	3,900	115,139	16,235		135,274
Special programs	2,071,428	23,537	1,030		2,096,014
Vocational programs	125,414		925		126,339
Adult and continuing education programs	127,994	29,832			157,796
Other programs	1,035,859	657,790	41,232	48,130	1,693,061
Support services:					
Pupil support services	523,716	1,697			525,412
Instructional staff services	194,419	25,344	6,092	92,142	318,997
General administration	931	147	3,279		4,357
School administration	3,578		56		3,643
Business services	104,248		1,126		105,373
Plant services	2,065		797,054		799,130
Student transportation services	15,197	15,592			31,789
Central services	36		50		96
Non-Instructional services - food service operations					
Facilities acquisition and construction service			863		863
	-----	-----	-----	-----	-----
Total expenditures	4,258,763	871,098	868,011	140,272	6,138,164

(Continued)

NATCHITOCHEE PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2023

	FEDERAL FUNDS	STATE FUNDS	SCHOOL DISTRICT BUILDING AND EQUIPMENT FUNDS	OTHER FUNDS	TOTAL
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$128,697	NONE	13,277	NONE	\$141,974
OTHER FINANCING SOURCES (Uses)					
Operating transfers in					
Operating transfers out	(128,697)				(128,697)
Proceeds from sale of bonds and certificates					
Total other financing sources (uses)	(128,697)	NONE	NONE	NONE	(128,697)
EXCESS (Deficiency) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	NONE	NONE	13,277	NONE	13,277
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	136,500	NONE	136,500
FUND BALANCE AT END OF YEAR	NONE	NONE	\$139,778	NONE	\$139,778

(Concluded)

NATCHITOCHEE PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR - SPECIAL REVENUE FUNDS - FEDERAL GRANT FUNDS

Combining Balance Sheet, June 30, 2003

	MIGRANT	TITLE II	TITLE III	TITLE VI	EVEN STAR	VOCATIONAL EDUCATION	DRUG FREE SCHOOLS AND COMMUNITIES
ASSETS							
Cash and equivalents	\$22,936	\$105,323			\$13,131	\$78,139	\$9,021
Receivables	647	2,075		10,515	3,123	1,222	466
TOTAL ASSETS	\$23,583	\$107,398	NONE	\$10,515	\$16,254	\$79,361	\$9,486
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts, salaries, and other payables	\$14,321	\$77,706		\$980	\$10,935	\$78,137	\$7,471
Interfund payable	6,740	29,693		9,535	3,123	1,224	1,959
Deferred revenues	2,493				2,196		56
Total Liabilities	23,554	107,398	NONE	10,515	16,254	79,361	9,486
Fund Balances - Unreserved - undesignated	NONE	NONE	NONE	NONE	NONE	NONE	NONE
TOTAL LIABILITIES AND FUND BALANCES	\$23,554	\$107,398	NONE	\$10,515	\$16,254	\$79,361	\$9,486

(Continued)

SPECIAL EDUCATION	CHALLENGE GRANT	INFANT & TODDLER	ADULT EDUCATION	READING EXCELLENCE	JOBS GRANT	SAFA	MEDICAID	CHILD CARE & DEVELOPMENT
\$81,190 316	\$5,881	548	59,314 21	\$1,004	56 1,537	\$184,934	\$62,557	\$11,187
<u>\$81,506</u>	<u>\$5,881</u>	<u>548</u>	<u>59,335</u>	<u>\$1,004</u>	<u>\$1,593</u>	<u>\$184,934</u>	<u>\$62,557</u>	<u>\$11,187</u>
\$14,411 45,998 21,098	1,896 3,985	48	55,529 2,208 601	1,004	1,593	184,934	\$62,557	\$5,537 34 5,617
<u>81,506</u>	<u>5,881</u>	<u>48</u>	<u>9,335</u>	<u>1,004</u>	<u>1,593</u>	<u>184,934</u>	<u>62,557</u>	<u>11,187</u>
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
<u>\$81,506</u>	<u>\$5,881</u>	<u>548</u>	<u>59,335</u>	<u>\$1,004</u>	<u>\$1,593</u>	<u>\$184,934</u>	<u>\$62,557</u>	<u>\$11,187</u>

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR - SPECIAL REVENUE FUNDS - FEDERAL GRANT FUNDS
 Combining Balance Sheet, June 30, 2003

	SCHOOL REVENUE	GOALS 2000	TEMPORARY ASSISTANCE	TOTAL FEDERAL GRANT FUNDS
ASSETS				
Cash and equivalents	\$37,500		\$219,962	\$842,104
Receivables			90,268	110,241
TOTAL ASSETS	\$37,500	NONE	\$310,230	\$952,344
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	\$37,500		\$48,768	\$302,314
Interfund payable			154,354	266,808
Deferred revenues			97,068	383,222
Total Liabilities	37,500	NONE	310,230	952,344
Fund Balances - Unreserved - undesignated	NONE	NONE	NONE	NONE
TOTAL LIABILITIES AND FUND BALANCES	\$37,500	NONE	\$310,230	\$952,344

(Continued)

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR SPECIAL REVENUE FUNDS - FEDERAL GRANT PROGRAMS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2003

	MIGRANT	TITLE II	TITLE III	TITLE VI	EVEN START
REVENUES					
Local sources:					
Interest earnings	\$1				
Miscellaneous					
Federal sources:					
Grants-in-aid - direct	248,465	5567.093	\$4,322	545,670	\$316,097
Grants-in-aid - subgrants					
Total revenues	248,466	567.093	4,322	45,670	316,097
EXPENDITURES					
Current:					
Instruction:					
Regular programs	109,369	207.239	\$4,326		306,620
Special programs					7,867
Vocational education programs					1,928
Adult and continuing education programs		321.009			
Other					
Support services:					
Pupil support services				43,421	
Instructional staff services	38,139	6.554			135
General administration	96	25			1,445
School administration					55
Business services	91,614				48
Plant services	678				
Student transportation services					
Central services					
Total expenditures	240,115	536.827	4,326	43,421	316,097
EXCESS (Deficiency) OF REVENUES OVER					
EXPENDITURES	8,351	30.266	36	2,449	NONE
OTHER FINANCING SOURCES (Uses)					
Operating transfers out	(8,351)	(30.266)	(36)	(2,449)	
Total other financing sources (uses)	(8,351)	(30.266)	(36)	(2,449)	NONE
EXCESS (Deficiency) OF REVENUES AND OTHER					
SOURCES OVER EXPENDITURES AND OTHER USES	NONE	NONE	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR					
	NONE	NONE	NONE	NONE	NONE
FUND BALANCE AT END OF YEAR					
	NONE	NONE	NONE	NONE	NONE

(Continued)

VOCATIONAL EDUCATION	DRUG-FREE SCHOOLS AND COMMUNITIES	SPECIAL EDUCATION	CHALLENGE GRANT	INFANT & TODDLER	ADULT EDUCATION	READING EXCELLENCE	JOBS GRANT	SAFA
		\$502 517						\$790
\$125,414	\$117,352	1,241,916		\$914	\$49,866	\$36,456		
125,414	117,352	1,242,935	NONE	914	49,866	36,456	NONE	790
125,414		480,752				\$34,472		
		286,642			47,609			770
	107,906	323,194		866				
	6,743	72,267						
	22	566						20
	49	2,133						
	813	12,406				\$3		
		323						
		13,342				\$507		
		36						
125,414	114,534	1,191,665	NONE	866	47,609	34,983	NONE	790
NONE	2,818	51,270		43	2,277	1,474		NONE
	(2,818)	(51,270)		(43)	(2,277)	(1,474)		
NONE	(2,818)	(51,270)	NONE	(43)	(2,277)	(1,474)	NONE	NONE
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR SPECIAL REVENUE FUNDS - FEDERAL GRANT PROGRAMS

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
 For the Year Ended June 30, 2003

	SAFA	MEDICAID	GOALS 2000	TEMPORARY ASSISTANCE	SCHOOL REFORM	TOTAL
REVENUES						
Local sources:						
Interest earnings	\$790	\$791		\$143		\$2,227
Miscellaneous						517
Federal sources:						
Grants-in-aid - direct		51,741	\$30	1,566,638	\$10,423	4,384,736
Grants-in-aid - subgrants						
Total revenues	790	52,532	30	1,566,832	10,423	4,387,480
EXPENDITURES						
Current:						
Instruction:						
Regular programs				3,900		3,900
Special programs		46,362	30	672,363	9,875	2,071,428
Vocational education programs						125,414
Adult and continuing education programs				72,519		127,994
Other	770			475,511		1,085,859
Support services:						
Pupil support services		6,054		85,665		523,716
Instructional staff services				26,225		194,419
General administration	20	19		46		931
School administration						3,578
Business services		47		70		104,248
Plant services				4		2,065
Student transportation services				1,347		15,197
Central services						36
Total expenditures	790	52,532	30	1,537,720	9,875	4,256,783
EXCESS (Deficiency) OF REVENUES OVER						
EXPENDITURES						
	NONE	NONE	NONE	29,112	548	126,697
OTHER FINANCING SOURCES (Uses)						
Operating transfers out						
				(29,112)	(548)	(126,697)
Total other financing sources (uses)	NONE	NONE	NONE	(29,112)	(548)	(126,697)
EXCESS (Deficiency) OF REVENUE AND OTHER						
SOURCES OVER EXPENDITURES AND OTHER USES						
	NONE	NONE	NONE	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR						
	NONE	NONE	NONE	NONE	NONE	NONE
FUND BALANCE AT END OF YEAR						
	NONE	NONE	NONE	NONE	NONE	NONE

(Continued)

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 MAJOR - SPECIAL REVENUE FUNDS - STATE GRANT FUNDS

Combining Balance Sheet
 June 30, 2003

	SPECIAL EDUCATION	ADULT EDUCATION	QUALITY EDUCATION SUPPORT	SPECIAL PROGRAM TO UPGRADE READING	TOTAL
ASSETS					
Cash and equivalents	\$37,091	\$238	\$12,366	\$17,354	\$67,048
Receivables	14,429				14,429
TOTAL ASSETS	51,520	238	12,366	17,354	\$81,477
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries, and other payables	\$37,457		\$12,366		\$49,823
Interfund payable	10,249				10,249
Deferred revenues	3,814	238		17,354	21,406
Total Liabilities	51,520	238	12,366	17,354	81,477
Fund Balance -					
Unreserved - undesignated	NONE	NONE	NONE	NONE	NONE
TOTAL LIABILITIES AND FUND BALANCES	\$51,520	\$238	\$12,366	\$17,354	\$81,477

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - STATE GRANT FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2003

	SPECIAL EDUCATION	ADULT EDUCATION	QUALITY EDUCATION SUPPORT	SPECIAL PROGRAM TO UPGRADE READING	TOTAL
REVENUES					
Local sources - other		\$640		\$2,524	\$3,164
State sources - restricted grants-in-aid	658,583	529,190	180,161		867,934
Total revenues	658,583	29,830	180,161	2,524	871,098
EXPENDITURES					
Current:					
Instruction:					
Regular programs	99,578		15,561		115,139
Special programs	20,778		383	2,426	23,587
Adult and continuing education programs		29,802			29,802
Other programs	497,091		150,699		657,790
Support services:					
Pupil support services	1,697				1,697
Instructional staff services	22,826		3,518		26,344
General administration	21	28		98	147
Student transportation services	16,592				16,592
Total expenditures	658,583	29,830	180,161	2,524	871,098
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES					
	NONE	NONE	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR					
	NONE	NONE	NONE	NONE	NONE
FUND BALANCE AT END OF YEAR					
	NONE	NONE	NONE	NONE	NONE

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 MAJOR - SPECIAL REVENUE FUNDS - SCHOOL DISTRICT MAINTENANCE FUNDS
 Combining Balance Sheet, June 30, 2003

	CONSOLIDATED SCHOOL DISTRICTS					TOTAL
	SCHOOL DISTRICT NO. 6	SCHOOL DISTRICT NO. 7	SCHOOL DISTRICT NO. 8	SCHOOL DISTRICT NO. 10	SCHOOL DISTRICT NO. 9	
ASSETS						
Cash and equivalents	\$2,071		\$2,471	\$41,466	\$146,978	\$193,986
Investments, at fair value		\$5,981			99,720	105,701
Receivables					1,546	1,546
Interfund receivables		21,189				21,189
TOTAL ASSETS	\$2,071	\$27,171	\$2,471	\$41,466	\$247,244	\$320,421
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts, salaries, and other payables		(\$10)			\$687	\$677
Interfund payables	\$15,870	79,551	\$16,407	\$5,933	2,205	119,966
Total Liabilities	15,870	79,541	16,407	5,933	2,892	120,644
Fund Balances (deficit) - Unreserved - undesignated	(13,799)	(52,370)	(13,937)	35,632	244,351	199,778
TOTAL LIABILITIES AND FUND BALANCES	\$2,071	\$27,171	\$2,471	\$41,466	\$247,244	\$320,421

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - SCHOOL DISTRICT MAINTENANCE FUNDS

Combining Statement of Revenues, Expenditures, and Charges in Fund Balances
 For the Year Ended June 30, 2003

	CONSOLIDATED SCHOOL DISTRICT				SCHOOL DISTRICT	TOTAL
	NO. 6	NO. 7	NO. 8	NO. 10	NO. 9	
REVENUES						
Local sources:						
Ad valorem taxes	\$34,613	\$152,553	\$20,050	\$83,623	530,433	\$821,272
Rentals, leases and royalties		50		6,000	4,000	10,050
Interest earnings	100	380	26	377	3,635	4,718
Miscellaneous		125				125
State sources - unrestricted grants-in-aid			2,914		42,208	45,122
Total revenues	34,713	153,109	22,990	90,001	580,476	851,288
EXPENDITURES						
Current:						
Instruction:						
Regular programs		10,381			5,654	16,235
Special programs					1,000	1,000
Vocational programs					925	925
Other		2,235	1,947		37,100	41,282
Support services:						
Instructional					6,092	6,092
General administration	15	1,885	14	13	1,352	3,279
School administration		11			55	66
Business services	16	29	432	42	557	1,126
Plant services	16,355	175,216	18,559	58,666	528,267	797,064
Central services					60	60
Facilities acquisition and construction					683	883
Total expenditures	16,386	169,757	21,032	58,722	582,145	866,011
EXCESS (Deficiency) OF REVENUES OVER						
EXPENDITURES	18,327	(36,648)	1,938	31,279	(1,669)	13,277
OTHER FINANCING SOURCES (Uses)						
Sale of fixed assets						
Total other financing sources (uses)	NONE	NONE	NONE	NONE	NONE	NONE
EXCESS (Deficiency) OF REVENUE AND OTHER						
SOURCES OVER EXPENDITURES AND OTHER USES	18,327	(36,648)	1,938	31,279	(1,669)	13,277
FUND BALANCE AT BEGINNING OF YEAR						
	(32,126)	(15,722)	(15,924)	4,252	246,020	166,500
FUND BALANCE AT END OF YEAR						
	(\$13,799)	(\$52,370)	(\$13,937)	\$35,532	\$244,351	\$199,778

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR - SPECIAL REVENUE FUNDS - OTHER

Combining Balance Sheet, June 30, 2003

	RAPIDES FOUNDATION - CLOUETIERVILLE	RAPIDES FOUNDATION - LAKEYVIEW JR/SR HIGH	RAPIDES FOUNDATION - NSL ELEMENTARY	RAPIDES FOUNDATION - HEALTH CLINIC	RAPIDES FOUNDATION - NATCHITOCHES CENTRAL
ASSETS					
Cash and equivalents	\$19,799		\$1,910	\$16,871	
TOTAL ASSETS	<u>\$19,799</u>	<u>NONE</u>	<u>\$1,910</u>	<u>\$16,871</u>	<u>NONE</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts, salaries, and and other payables	\$19,799		\$1,910	\$16,871	
Deferred revenues					
Total Liabilities	<u>19,799</u>	<u>NONE</u>	<u>1,910</u>	<u>16,871</u>	<u>NONE</u>
Fund Balances - Unreserved - undesignated	NONE	NONE	NONE	NONE	NONE
TOTAL LIABILITIES AND FUND EQUITY	<u>\$19,799</u>	<u>NONE</u>	<u>\$1,910</u>	<u>\$16,871</u>	<u>NONE</u>

SHREVEPORT ARTS COUNCIL	SHELTERED WORKSHOP - INTERNATIONAL PAPER	ARCC GRANT	READING IS FUNDAMENTAL	TOTAL
\$1,190			\$3,144	\$42,915
\$1,190	NONE	NONE	\$3,144	\$42,915
\$1,190			3,144	\$1,190 41,725
1,190	NONE	NONE	3,144	42,915
NONE	NONE	NONE	NONE	NONE
\$1,190	NONE	NONE	\$3,144	\$42,915

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS - OTHER

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2003

	RAPIDES FOUNDATION - CLOUTIERVILLE	RAPIDES FOUNDATION - LAKEVIEW JR/SR HIGH	RAPIDES FOUNDATION - HSU ELEMENTARY	RAPIDES FOUNDATION - HEALTH CLINIC	RAPIDES FOUNDATION - NATCHITOCHEES CENTRAL
REVENUES					
Local sources:					
Interest earnings					
Contributions and donations	\$13,601	\$17,872	\$26,090	\$55,308	\$25,000
Total revenues	13,601	17,872	26,090	55,308	25,000
EXPENDITURES					
Current:					
Instructional services - other	2,341	15,033	6,569		21,981
Support services - instruction staff support	11,460	2,834	19,521	55,308	3,020
Total expenditures	13,801	17,867	26,090	55,308	25,000
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES					
	NONE	NONE	NONE	NONE	NONE
OTHER FINANCING SOURCES					
Sale of fixed assets	NONE	NONE	NONE	NONE	NONE
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES					
	NONE	NONE	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR					
	NONE	NONE	NONE	NONE	NONE
FUND BALANCE AT END OF YEAR					
	NONE	NONE	NONE	NONE	NONE

SHREVEPORT ARTS COUNCIL	READING IS FUNDAMENTAL	TOTAL
\$1,596	\$456 150	\$456 139,816
1,596	506	140,272
1,596	506	46,130
1,596	506	92,142
1,596	506	140,272
NONE	NCHE	NONE

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended June 30, 2003

GOVERNMENTAL FUND TYPE - DEBT SERVICE FUNDS

The debt service funds of the various school districts are used to accumulate monies for the payment of outstanding bond issues and certificates of indebtedness. The bonds and certificates of indebtedness were issued by the individual school districts to acquire land for building sites, erect and improve school buildings, and acquire the necessary equipment and furnishing thereof. The bond issues and certificates of indebtedness are financed by a special ad valorem property tax levied within the individual school districts.

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 GOVERNMENTAL FUND TYPE - DEBT SERVICE FUNDS
 Combining Balance Sheet, June 30, 2003

	CONSOLIDATED SCHOOL DISTRICTS			SCHOOL DISTRICT	TOTAL
	NO. 6	NO. 7	NO. 8	NO. 9	
ASSETS					
Cash and equivalents	\$5	\$485,859	\$161,971	\$2,212,298	\$2,870,153
Investments		264,273	49,795	1,635,292	1,949,360
Interfund receivables		34,163			34,163
TOTAL ASSETS	\$5	\$784,294	\$211,766	\$3,847,590	\$4,853,655
LIABILITIES AND FUND EQUITY					
Liabilities	NONE	NONE	NONE	NONE	NONE
Fund Equity - fund balances:					
Reserved for debt service		\$784,294	\$211,766	\$3,847,590	\$4,853,650
Unreserved - undesignated	\$5				5
Total fund equity	5	784,294	211,766	3,847,590	4,853,655
TOTAL LIABILITIES AND FUND EQUITY	\$5	\$784,294	\$211,766	\$3,847,590	\$4,853,655

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 MAJOR DEBT SERVICE FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2003

	CONSOLIDATED SCHOOL DISTRICT			SCHOOL DISTRICT	TOTAL
	NO. 6	NO. 7	NO. 8	NO. 9	
REVENUES					
Local sources:					
Ad valorem taxes		\$502,582	\$126,027	\$2,197,549	\$2,826,259
Interest earnings		13,320	3,103	53,746	70,169
State sources - unrestricted grants-in-aid					
				46,534	46,534
Total revenues	NONE	516,002	129,130	2,297,829	2,942,962
EXPENDITURES					
Current:					
Support services:					
General administration				8,614	8,614
Business services		183,596	34,543		218,539
Plant services					0
Debt service:					
Principal retirement		355,000	81,000	985,000	1,421,000
Advance refunding escrow		119,345			119,345
Interest and charges		148,485	39,143	1,201,598	1,389,326
Total expenditures	NONE	806,726	154,786	2,195,311	3,156,823
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES					
	NONE	(290,724)	(25,656)	102,518	(213,861)
OTHER FINANCING SOURCES					
Proceeds on the sale of bonds		5,250,000	1,000,000		6,250,000
Accrued interest on sale of bonds		29,586	20,558		50,544
Payment to refunding escrow agent		(5,145,990)	(979,342)		(6,125,332)
Total other financing sources	NONE	133,596	41,316	NONE	175,212
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES					
	NONE	(156,828)	15,660	102,518	(38,649)
FUND BALANCE AT BEGINNING OF YEAR					
	5	951,122	196,106	3,745,071	4,892,306
FUND BALANCE AT END OF YEAR					
	15	\$794,294	\$211,766	\$3,847,590	\$4,853,656

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended June 30, 2003

GOVERNMENTAL FUND TYPE - CAPITAL PROJECTS FUNDS

These individual school district capital projects funds account for financial resources used for facilities acquisition, construction, and improvements of public school facilities in the individual school districts.

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 GOVERNMENTAL FUND TYPE - CAPITAL PROJECTS FUNDS
 Combining Balance Sheet, June 30, 2003

	CONSOLIDATED SCHOOL DISTRICT NO. 7	SCHOOL DISTRICT NO. 9	TOTALS
ASSETS			
Cash and equivalents	\$8,094,545	\$211,645	\$8,306,192
Investments, at fair value		149,645	149,645
Interfund receivables		2,205	2,205
	<u>\$8,094,545</u>	<u>\$363,495</u>	<u>\$8,458,042</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$300		\$300
Total liabilities	\$300	NONE	\$300
Fund Balances - unreserved undesignated	\$8,094,245	363,496	8,457,742
	<u>\$8,094,545</u>	<u>\$363,496</u>	<u>\$8,458,042</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$8,094,545</u>	<u>\$363,496</u>	<u>\$8,458,042</u>

NATCHITOCHES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 MAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2003

	CONSOLIDATED SCHOOL DISTRICT NO. 7	SCHOOL DISTRICT NO. 9	TOTALS
REVENUES			
Interest on investments	NONE	\$13,241	\$13,241
EXPENDITURES			
Current - supporting services - business services	\$58,165	2,351	60,527
Facilities acquisition and construction	36,887	603,339	640,226
Total expenditures	95,052	605,701	700,753
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(95,052)	(592,450)	(687,512)
OTHER FINANCING SOURCES			
Proceeds from the sale of bonds	8,189,298	NONE	8,189,298
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	8,094,246	(592,450)	7,501,786
FUND BALANCE AT BEGINNING OF YEAR	NONE	955,956	955,956
FUND BALANCE (Deficit) AT END OF YEAR	\$8,094,246	\$363,496	\$8,457,742

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended June 30, 2003

FIDUCIARY FUND TYPE - AGENCY FUNDS

SCHOOL ACTIVITY FUND

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

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 FIDUCIARY FUND TYPE - AGENCY FUNDS - SCHOOL ACTIVITY FUNDS

Combining Schedule of Changes in Deposit Balances
 For the Year Ended June 30, 2003

	BALANCE JUNE 30, 2002	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2003
Cloutiersville	\$15,606	\$89,545	(\$97,141)	\$8,009
East Natchitoches Junior High School	21,653	29,176	(27,274)	23,556
Fairview-Alpha Elementary	37,441	62,797	(67,765)	32,472
Goldonna Elementary	15,196	31,671	(37,163)	9,907
Lakeview High	23,674	245,672	(206,467)	60,379
Marthaville Elementary	29,430	76,411	(76,867)	26,954
Natchitoches Central High	123,941	507,993	(602,965)	128,949
Natchitoches Junior High	17,275	56,014	(62,967)	10,325
Natchitoches Educational Center	2,551	8,159	(6,669)	4,041
North Natchitoches Elementary	26,519	46,022	(36,561)	33,960
Northwestern Elementary Laboratory	24,059	57,957	(55,532)	26,484
Northwestern Middle Laboratory	11,392	48,132	(51,063)	8,461
Perks Elementary	10,806	40,457	(42,813)	8,445
Proveral Elementary	23,706	84,370	(86,555)	22,492
Weaver Elementary	15,914	56,554	(60,653)	11,798
	-----	-----	-----	-----
Total	\$399,167	\$1,541,140	(\$1,523,575)	\$416,732
	=====	=====	=====	=====

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES

As of and For the Year Ended June 30, 2003

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The 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 payment method of compensation. Under this method, the members of the school board receive \$650 per month. In addition, the president receives \$50 per month for exercising the duties of the office.

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana

Schedule of Compensation Paid Board Members
 For the Year Ended June 30, 2003

BOARD MEMBER	AMOUNT
Billy Berafie'd	\$3,900
Millard C. Bienvenu	7,800
Carroll Daniels	8,100
Russell E. Danzy	7,800
Julia Hilcebrand	7,800
Carl Means	3,900
Emile E. Metoyer	7,800
Gladys Revels	7,800
Bobby R. Thomas	3,900
Cecil H. Walker	7,800
Dorothy Wilkerson	3,900
Joelle Wilson	7,800
Ralph D. Wilson	8,100

Total	\$86,400

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain reports on internal control structure and compliance with laws and regulations required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The reports are based solely on the audit of the general purpose financial statements.

HERBIE W. WAY
CERTIFIED PUBLIC ACCOUNTANT

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

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

I have audited the general purpose financial statements of the Natchitoches Parish School Board as of and for the year ended June 30, 2003, and have issued my report thereon dated December 17, 2003. I conducted my 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 financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the school board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as items 2003-1 and 2003-1.

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Compliance and Internal Control Report
(Continued)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

Prior Year Audit Findings

The audit for the year ended June 30, 2002, disclosed no instances of noncompliance that were required to be reported under Government Auditing Standards or matters involving the internal control over financial reporting and its operation that were considered to be material weaknesses. The audit report disclosed reportable conditions relating to the reconciliation of certain bank accounts. These reportable conditions have not been resolved by management and they have been repeated in this audit report as reportable condition 2003-1 and 2003-2.

General

This report is intended for the information of the audit committee, management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 17, 2003

OTHER REPORTS REQUIRED BY
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

The following pages contain reports on the schedule of federal financial assistance, consideration of internal control, and compliance with laws and regulations required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the *Single Audit Act*, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

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CERTIFIED PUBLIC ACCOUNTANT

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

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

I have audited the compliance of Natchitoches 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 the major federal programs for the year ended June 30, 2003. Natchitoches 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 school board's management. My responsibility is to express an opinion on the school board's compliance based on my audit.

I conducted my 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 Nonprofit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the school board's compliance with those requirements and performing other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the school board's compliance with those requirements.

In my opinion, the school board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Internal Control over Compliance

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

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana
A-133 Report
(Continued)

My 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. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
December 17, 2003

NATCHITOCHE PARISH SCHOOL BOARD
Natchitoches, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2003

NATCHITOCHEE PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2003

GRANTOR AGENCY	PROGRAM TITLE

United States Department of Agriculture	

Passed through Louisiana Department of Agriculture and Forestry	Food Distribution
Passed through Louisiana Department of Education	School Breakfast Program
Passed through Louisiana Department of Education	National School Lunch Program
Total United States Department of Agriculture	

United States Department of Education	

Direct Programs	Impact Aid
Passed through Louisiana Department of Education	Adult Education - State Grant Program
Passed through Louisiana Department of Education	Adult Education - State Grant Program
Passed through Louisiana Department of Education	Adult Education - State Grant Program
Passed through Louisiana Department of Education	Title I Grants to Local Educational Agencies
Passed through Louisiana Department of Education	Title I Grants to Local Educational Agencies
Passed through Louisiana Department of Education	Title I Grants to Local Educational Agencies
Passed through Louisiana Department of Education	Title I Grants to Local Educational Agencies
Passed through Louisiana Department of Education	Title I Grants to Local Educational Agencies
Passed through Louisiana Department of Education	Title I Grants to Local Educational Agencies
Passed through Louisiana Department of Education	Title I Grants to Local Educational Agencies
Passed through Louisiana Department of Education	Migrant Education - State Grant Program
Passed through Louisiana Department of Education	Migrant Education - State Grant Program
Passed through Louisiana Department of Education	Migrant Education - State Grant Program
Passed through Louisiana Department of Education	Migrant Education - State Grant Program
Passed through Louisiana Department of Education	Migrant Education - State Grant Program
Passed through Louisiana Department of Education	Vocational Education - Basic Grants to States
Passed through Louisiana Department of Education	Vocational Education - Basic Grants to States
Passed through Louisiana Department of Education	Special Education - Preschool Grants
Passed through Louisiana Department of Education	Special Education - Preschool Grants
Passed through Louisiana Department of Education	Special Education - Preschool Grants
Passed through Louisiana Department of Education	Special Education - Preschool Grants
Passed through Louisiana Department of Education	Special Education - Preschool Grants
Passed through Louisiana Department of Education	Special Education - Preschool Grants
Passed through Louisiana Department of Education	Special Education - Grants for Infants & Families with Disabilities
Passed through Louisiana Department of Education	Safe and Drug-Free Schools and Communities - State Grants
Passed through Louisiana Department of Education	Safe and Drug-Free Schools and Communities - State Grants
Passed through Louisiana Department of Education	Safe and Drug-Free Schools and Communities - State Grants
Passed through Louisiana Department of Education	Safe and Drug-Free Schools and Communities - State Grants
Passed through Louisiana Department of Education	Even Start - State Educational Agencies
Passed through Louisiana Department of Education	Even Start - State Educational Agencies
Passed through Louisiana Department of Education	Even Start - State Educational Agencies
Passed through Louisiana Department of Education	State and Local Education Systematic Improvement Grants
Passed through Louisiana Department of Education	Innovative Education Program Strategies
Passed through Louisiana Department of Education	Comprehensive School Reform Demonstration
Passed through Louisiana Department of Education	Reading Excellence
Passed through Louisiana Department of Education	Reading Excellence
Passed through Louisiana Department of Education	Reading Excellence
Passed through Louisiana Department of Education	Class Size Reduction
Passed through Louisiana Department of Education	Teacher and Principal Training
Passed through Louisiana Department of Education	Teacher and Principal Training
Total United States Department of Education	

(Continued)

CFDA NUMBER	GRANT NUMBER	ISSUES/ EXPENDITURES
10.550	COMMODITIES	\$194,510
10.553	BREAKFAST	472,280
10.555	LUNCH	1,522,103

		2,188,894

84.041		790
84.002	C344-35	45,952
84.002	C244-35C	1,525
84.002	C14435C	1,405
84.010	C2T135	201,384
84.010	C20135	54,116
84.010	INTEREST	3,509
84.010	C20135C	54,649
84.010	C2T635C	203,140
84.010	C3RE35	130,345
84.010	C3T135	2,372,612
84.011	C2MI35	27,642
84.011	INTEREST	1
84.011	C1MI35C	5,220
84.011	C3MI35	201,895
84.011	C2MI35C	12,709
84.048	C30235	122,214
84.048	C20235C	3,200
84.173	C2B135	97,881
84.173	INTEREST	1,019
84.173	C3B135	804,195
84.173	C2P135	2,470
84.173	C3P135	43,946
84.173	C35G35	283,421
84.131	C3C535	914
84.136	C37035	14,653
84.136	C27935C0	85,386
84.136		20
84.136	C27935	15,293
84.213	C3F135	275,507
84.213	C2F135	37,121
84.213	C2F135C	5,469
84.276	TEACHER GRANT	30
84.298		45,870
84.332	C2T635	10,423
84.338	C0R235C	3,271
84.338	C0R135C	10,935
84.338	C0R135	17,251
84.340	C36035	4,392
84.357	C35035	555,186
84.357	C25035	10,906

		5,792,874

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2003

GRANTOR AGENCY	PROGRAM TITLE
United States Department of Health and Human Services	
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Temporary Assistance for Needy Families
Passed through the Louisiana Department of Education	Preventive Health and Health Services Block Grant
Total United States Department of Health and Human Services	
Other Financial Assistance	
United States Department of Interior	Direct Program - Payments in Lieu of Taxes
United States Department of Interior	Direct Program - Timber Sales
Total United States Department of Interior	
United States Department of Defense	Direct Program - ROTC
Total Federal Financial Assistance	

Notes to the schedule:

1. The schedule, consistent with the preparation of the school board's financial statements, is prepared on the modified accrual basis of accounting.
2. The school board received USDA commodities (CFDA No. 10.550), a non-cash federal award during the year.

(Continued)

CFDA NUMBER	GRANT NUMBER	ISSUES/ EXPENDITURES
93.558	TANF STARTING POINTS	\$52,179
93.558	C30395	65,812
93.558	C34935	35,512
93.558	TANF PREGED	113,184
93.558	TANF SUMMER READ	35,587
93.558	TANF LA4	655,653
93.558	TANF ASFA	124,424
93.558	TANF FAMILY NIGHTS	15,663
93.558	TANF EDUCATION FIRST	83,156
93.558	TANF TEEN PREGENY	42,988
93.558	TANF HIPPIY	74,331
93.558	TANF LEA PARTNERSHIP	45,875
93.558	TANF LA4 IMPROVEMENT	207,265
93.558	TANF - SYSTEM POINT	5,200
93.291	MEDICAID	52,532

		1,619,364

15.000		397,296
15.000		7,974

		405,272

12.000		93,983

		\$10,105,387
		=====

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NATCHITOCHE PARISH SCHOOL BOARD
 Natchitoches, Louisiana

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued.

Unqualified

Internal control over financial reporting:

Material weakness identified?

No

Reportable condition identified not considered a material weakness?

Yes

2003-1 PAYROLL BANK ACCOUNT -- the school board is not reconciling the bank account related to the payroll activities of the school board.

A discussion with personnel in the accounting department disclosed that this account had not been reconciled since the former accounting supervisor retired.

All bank accounts should, to provide the school board with assurances that monies are being expended in accordance with management's intentions, be reconciled on a monthly basis and these reconciliations should be reviewed by an employee at least one level above the classification of the individual performing the reconciliations.

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Schedule of Findings and Questioned Costs
(Continued)

The school board should, giving consideration to the proper separation of duties, assign specific employees with the responsibility to reconcile these bank statements, with oversight and review to be provided by the Director of Finance for Business Affairs.

Management of the Natchitoches Parish School Board has provided assurances that the aforementioned recommendations will be implemented and that the bank accounts will be reconciled as soon as possible.

2003-2 ACCOUNTS PAYABLE BANK ACCOUNT -- the school board is not reconciling the bank account related to the payroll activities of the school board.

A discussion with personnel in the accounting department disclosed that this account had not been reconciled since the former accounting supervisor retired.

All bank accounts should, to provide the school board with assurances that monies are being expended in accordance with management's intentions, be reconciled on a monthly basis and these reconciliations should be reviewed by an employee at least one level above the classification of the individual performing the reconciliations.

The school board should, giving consideration to the proper separation of duties, assign specific employees with the responsibility to reconcile these bank statements, with oversight and review to be provided by the Director of Finance for Business Affairs.

Management of the Natchitoches Parish School Board has provided assurances that the aforementioned recommendations will be implemented and that the bank accounts will be reconciled as soon as possible.

NATCHITOCHEs PARISH SCHOOL BOARD
 Natchitoches, Louisiana
 Schedule of Findings and Questioned Costs
 (Continued)

Noncompliance material to the financial statements noted?	No
Federal Awards	
Internal Control over major programs:	
Material weakness identified?	No
Reportable condition identified not considered to be a material weakness?	No
Type of auditor's report issued on compliance for major programs.	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section 510(a)?	No
School Breakfast Program (CFDA 10.553), National School Lunch Program (CFDA 10.555), Title II, Part A, Teacher and Principal Training (CFDA 84.357), and Temporary Assistance for Needy Families (CFDA 93.558) were considered as major programs of the agency.	
Dollar threshold used to distinguish between Type A and Type B Programs.	\$300,000
Auditee qualified as low risk auditee?	Yes

Section II - Financial Statement Findings

The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

The audit disclosed no findings or questioned costs relating to expenditure of Federal Awards.

Herbie W. Way

Herbie W. Way
 Alexandria, Louisiana
 December 17, 2003

NATCHITOCHEs PARISH SCHOOL BOARD

Independent Accountant's Report On Applying Agreed-Upon Procedures
For the Year Ended June 30, 2003

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana

Independent Accountant's Report Required by Louisiana
Legislative Auditor-School Board's Performance Measures
As of and for the Year Ended June 30, 2003

C O N T E N T S

	<u>Schedule</u>	<u>Page No.</u>
Report on Applying Agreed-Upon Procedures relating to School Board's Performance Measures		1
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	I	5
Education Levels of Public School Staff	II	7
Number and Type of Public Schools	III	8
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Public Staff Data	V	10
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INDEPENDENT ACCOUNTANT'S REPORT

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

I have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Natchitoches 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 Natchitoches Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions. 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, I 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. My 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 I)

I 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.

NATCHITOCHEs PARISH SCHOOL BOARD
Natchitoches, Louisiana
Independent Accountant's Report
(Continued)

Education Levels of Public School Staff (Schedule II)

I 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.

I 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.

I obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. I 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.

Number and Type of Public Schools (Schedule III)

I obtained a list of schools by type as reported on the schedule. I compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application.

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

I 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.

Public Staff Data (Schedule V)

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

Class Size Characteristics (Schedule VI)

I 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. I 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.

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana
Independent Accountant's Report
(Continued)

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

I 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 Natchitoches Parish School Board.

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

I 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 Natchitoches Parish School Board.

The Iowa Tests (Schedule IX)

I 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 Natchitoches Parish School Board.

General

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

Due to problems encountered with the school board's data base as it relates to the requirements of these procedures, the report could not be included in the annual financial report of the school board. These problems were corrected by the school board's consultant on January 12, 2004.

This report is intended solely for the use of management of Natchitoches 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.

Herbie W. Way

Herbie W. Way
Alexandria, Louisiana
January 12, 2004

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

SCHEDULES OF PERFORMANCE MEASURES
For the Year Ended June 30, 2003

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2003

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$16,732,486
Other Instructional Staff Activities	839,130
Employee Benefits	4,388,654
Purchased Professional and Technical Services	286,007
Instructional Materials and Supplies	681,127
Instructional Equipment	77,850

Total Teacher and Student Interaction Activities	\$23,005,254
--	--------------

Other Instructional Activities	93,776
--------------------------------	--------

Pupil Support Activities	1,029,512
Less: Equipment for Pupil Support Services	(4,395)

Net Pupil Support Activities	1,025,117
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Instructional Staff Services	1,418,506
Less: Equipment for Instructional Staff Services	(1,410)

Net Instructional Staff Services	1,417,096
----------------------------------	-----------

Total General Fund Instructional Expenditures	\$26,541,243
---	--------------

Total General Fund Equipment Expenditures	\$5,805
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(Continued)

See Independent Accountant's Report

JHAUDITED

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2003

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$511,736
Renewable Ad Valorem Taxes	1,591,842
Debt Service Ad Valorem Taxes	2,826,047
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	117,873
Sales and Use Taxes	6,593,569

Total Local Taxation Revenue	\$11,646,069
------------------------------	--------------

Local Earnings on Investment in Real Property:

Earnings from 16th Section Land	\$62,083
Earnings from Other Real Property	NONE

Total Local Earnings on Investment in Real Property	\$62,083
---	----------

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$65,506
Revenue Sharing - Other Taxes	63,044
Revenue Sharing - Excess Portion	NONE
Other Revenue in Lieu of Taxes	NONE

Total State Revenue in Lieu of Taxes	\$133,552
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Nonpublic Textbook Revenue	\$3,856
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Nonpublic Transportation Revenue	\$16,343
----------------------------------	----------

(Concluded)

See Independent Accountant's Report

JHAUDITED

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

Education Levels of Public School Staff
As of October 1, 2002

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree			3	100.00%				
Bachelor's Degree	289	51.23%						
Master's Degree	104	22.03%			3	14.29%		
Master's Degree + 30	72	15.25%			15	71.43%		
Specialist in Education	3	0.64%			1	4.76%		
Ph. D. or Ed. D.	4	0.85%			2	9.52%		
Total	472	100.00%	3	100.00%	21	100.00%	N/A	N/A

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NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, LouisianaNumber and Type of Public Schools
For the Year Ended June 30, 2003

Type	Number
Elementary	7
Middle/Jr. High	2
Secondary	1
Combination	5
Total	15

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NATCHITOCHEE PARISH SCHOOL BOARD
Natchitoches, Louisiana

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2002

Type	0-1 Yrs.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	3		1	2				6
Principals	2	5	4	1	2	1		15
Classroom Teachers	33	37	110	50	55	56	129	476
Total	43	42	115	53	57	57	129	496

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NATCHITOCHE PARISH SCHOOL BOARD
Natchitoches, Louisiana

Public School Staff Data
For the Year Ended June 30, 2023

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$38,347	\$38,308
Average Classroom Teachers' Salary Excluding Extra Compensation	\$36,516	\$36,445
Number of Teacher Full-time Equivalents (FTEs) Used in Computation of Average Salaries	514	500

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NATCHITOCHEE PARISH SCHOOL BOARD
Natchitoches, Louisiana

Class Size Characteristics
As of October 1, 2002

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	23.69%	27	38.05%	43	10.62%	12	27.43%	31.0
Elementary Activity Classes								
Middle/Jr. High	45.24%	75	41.07%	69	13.69%	23		
Middle/Jr. High Activity Classes	39.29%	11	14.29%	4	25.00%	7	21.43%	6
High	37.23%	140	33.78%	127	28.99%	109		
High Activity Classes	20.63%	5	20.33%	8	20.63%	5	37.50%	9
Combination	43.90%	252	31.36%	180	24.74%	142		
Combination Activity Classes	37.50%	13	16.67%	6	14.58%	7	31.25%	15

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NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana

Louisiana Educational Assessment Program
 (LEAP) for the 21st Century
 For the Year Ended June 30, 2003

English Language Arts

District Achievement Level Results	2003		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students:								
Grade 4								
Advanced	3	0.55%	9	1.62%	9	1.44%	4	0.81%
Mastery	54	9.96%	81	14.62%	46	7.37%	63	12.73%
Basic	197	36.35%	162	29.24%	232	37.18%	163	32.93%
Approaching Basic	162	29.89%	214	38.63%	162	25.96%	124	25.05%
Unsatisfactory	126	23.25%	88	15.88%	175	28.04%	141	28.48%
Total	542	100.00%	554	100.00%	624	100.00%	495	100.00%

Science

District Achievement Level Results	2003		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students:								
Grade 3:								
Advanced	2	0.42%	3	0.61%	0	0.00%	0	0.00%
Mastery	47	9.83%	69	14.11%	35	7.23%	47	9.85%
Basic	170	35.56%	154	31.49%	154	31.82%	131	27.46%
Approaching Basic	140	29.29%	142	29.04%	138	28.51%	136	28.51%
Unsatisfactory	119	24.90%	121	24.74%	157	32.44%	163	34.17%
Total	478	100.00%	489	100.00%	484	100.00%	477	100.00%

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Mathematics

2003		2002		2001		2000	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
4	0.74%	6	1.08%	8	1.28%	6	1.21%
58	10.68%	40	7.23%	39	6.25%	46	9.29%
205	37.75%	203	36.71%	200	32.05%	149	30.10%
147	27.07%	131	23.69%	143	22.92%	114	23.03%
129	23.76%	173	31.28%	234	37.50%	180	36.36%
543	100.00%	553	100.00%	624	100.00%	495	100.00%

Social Studies

2003		2002		2001		2000	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
2	0.42%	4	0.82%	3	0.62%	4	0.84%
33	6.90%	45	9.18%	50	10.33%	32	6.71%
184	38.49%	208	42.45%	185	38.43%	192	40.25%
132	27.62%	114	23.27%	125	26.03%	115	24.11%
127	26.57%	119	24.29%	119	24.59%	134	28.09%
478	100.00%	490	100.00%	484	100.00%	477	100.00%

NATCHITOCHEES PARISH SCHOOL BOARD
 Natchitoches, Louisiana

The Graduation Exit Exam for the 21st Century
 For the Year Ended June 30, 2003

District Achievement Level Results	English Language Arts							
	2003		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students:								
Grade 10:								
Advanced	1	0.22%	4	1.13%	2	0.59%	N/A	N/A
Mastery	37	8.03%	54	15.21%	36	10.65%	N/A	N/A
Basic	168	36.63%	138	38.87%	138	40.83%	N/A	N/A
Approaching Basic	121	26.42%	81	22.82%	62	18.34%	N/A	N/A
Unsatisfactory	131	28.60%	78	21.97%	100	29.59%	N/A	N/A
Total	458	100.00%	355	100.00%	338	100.00%	NA	NA

District Achievement Level Results	Science							
	2003		2002		2001		2000	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Students:								
Grade 11:								
Advanced	3	0.91%	4	1.12%	N/A	N/A	N/A	N/A
Mastery	26	7.90%	39	10.96%	N/A	N/A	N/A	N/A
Basic	131	39.82%	107	30.06%	N/A	N/A	N/A	N/A
Approaching Basic	74	22.43%	95	26.69%	N/A	N/A	N/A	N/A
Unsatisfactory	95	28.83%	111	31.18%	N/A	N/A	N/A	N/A
Total	329	100.00%	356	100.00%	NA	NA	NA	NA

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Mathematics

2003		2002		2001		2000	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
16	3.38%	22	5.60%	9	2.66%	N/A	N/A
38	8.02%	28	7.12%	42	12.43%	N/A	N/A
167	35.23%	119	30.28%	105	31.07%	N/A	N/A
111	23.42%	56	14.25%	52	15.36%	N/A	N/A
142	29.96%	168	42.75%	130	38.46%	N/A	N/A
474	100.00%	393	100.00%	338	100.00%	NA	NA

Social Studies

2003		2002		2001		2000	
Number	Percent	Number	Percent	Number	Percent	Number	Percent
3	0.91%	3	0.85%	N/A	N/A	N/A	N/A
35	10.51%	27	7.65%	N/A	N/A	N/A	N/A
136	41.21%	154	43.63%	N/A	N/A	N/A	N/A
77	23.33%	76	21.53%	N/A	N/A	N/A	N/A
79	23.94%	93	25.35%	N/A	N/A	N/A	N/A
330	100.00%	353	100.00%	N/A	N/A	N/A	N/A

NATCHITOCHEES PARISH SCHOOL BOARD
Natchitoches, Louisiana

The IOWA Tests
For the Year Ended June 30, 2003

	Composite			
	2003	2002	2001	2000
Test of Basic Skills (ITBS):				
Grade 3	51	47	50	45
Grade 5	54	48	48	43
Grade 6	41	49	46	50
Grade 7	43	46	46	45
Tests of Educational Development (ITED):				
Grade 9	43	48	49	46

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