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# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended  
June 30, 2008



## ST. TAMMANY PARISH SCHOOL BOARD

Covington, Louisiana

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

Release Date 1/28/09

FRONT COVER

**"BAYOU VIEW"**  
by Brandon Koen  
8th grade, Fontainebleau Jr,  
Teacher: Mrs. Adair Watkins

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**ST. TAMMANY PARISH  
SCHOOL BOARD**  
Covington, Louisiana

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**  
For the fiscal year ended  
June 30, 2008

Prepared by:  
DEPARTMENT OF BUSINESS AFFAIRS  
Brett M. Stoltz, CPA, CGFM, Director  
Terri Fortenberry, CPA, Chief Accountant



**"GOING FOR THE GOLD"**

by Dushon Kelly

Art II, FHS

**ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS**

	<u>Statement</u>	<u>Page</u>
<b>I. INTRODUCTORY SECTION</b>		
Transmittal Letter		vi-xii
Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting		xiii
Association of School Business Officials, International Certificate of Excellence in Financial Reporting		xiv
Organizational Chart		xv
List of Principal Officials		xvi
<b>II. FINANCIAL SECTION</b>		
Independent Auditors' Report		1-2
Required Supplementary Information - Management's Discussion and Analysis		3-12
Basic Financial Statements:		
Government-wide Financial Statements		
Statement of Net Assets	A	13
Statement of Activities	B	14
Fund Financial Statements		
Governmental Funds:		
Balance Sheet	C	15-16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	17
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	18-19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	20
Proprietary Funds-Internal Service Fund:		
Statement of Net Assets-With Comparative Totals	G	21
Statement of Revenues, Expenses, and Changes in Fund Net Assets-With Comparative Totals	H	22
Statement of Cash Flows-With Comparative Totals	I	23
Agency/Fiduciary Fund (School Activity Funds):		
Comparative Statement of Fiduciary Assets & Liabilities	J	24

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008**

TABLE OF CONTENTS - Continued

	<u>Schedule</u>	<u>Page</u>
<b>II. FINANCIAL SECTION (Continued)</b>		
Notes to Basis Financial Statements		25-54
Required Supplementary Information - Other:		
Budgetary Comparison Schedules		
General Fund	1-1	55-56
Sales Tax 1966	1-2	57
Sales Tax 1977	1-3	58
Katrina Funds	1-4	59
Notes to the Budgetary Comparison Schedules		60-63
Other Supplementary Information:		
Combining Non-major Governmental Funds - By Fund Types		
Combining Balance Sheets	1	64
Combining Schedule of Revenue, Expenditures and Changes In Fund Balance	2	65
Non-Major Special Revenue Funds:		
Combining Balance Sheet	3	66-67
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	4	68-69
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual:		
NCLB	5	70
IDEA Fund	6	71
TANF Fund	7	72
Vocational Education Fund	8	73
Miscellaneous Programs	9	74
8G Fund	10	75
School Food Service Fund	11	76
Community Education Fund	12	77
Non-Major Debt Service Funds:		
Combining Balance Sheet	13	78

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2008**

TABLE OF CONTENTS - Continued

	<u>Schedule</u>	<u>Page</u>
<b>II. FINANCIAL SECTION (Continued)</b>		
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	14	79
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual:		
Sales Tax Bond Sinking Fund	15	80
Sales Tax Bond Reserve Fund	16	81
Parishwide School District No. 12 Fund	17	82
Non-Major Capital Projects Funds		
Combining Balance Sheet	18	83-84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	19	85-86
Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual:		
1998 Construction Fund	20	87
2002 Construction Fund	21	88
2008 Construction Fund	22	89
Reroofing Construction Fund	23	90
Property Acquisition Fund	24	91
Parishwide Construction Fund	25	92
Non-Major Internal Service Funds:		
Combining Statement of Net Assets	26	93
Combining Statement of Revenues, Expenses, and Changes in Net Assets	27	94
Combining Statement of Cash Flows	28	95
Non-Major School Activity Agency Fund:		
Schedule of Changes in Assets and Liabilities	29	96
Schedule of Changes in Deposits-By School	30	97
Budgetary Comparison Schedule Major Capital Project Fund:		
2004 Construction Fund	31	98

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008**

TABLE OF CONTENTS - Continued

	<u>Schedule Table</u>	<u>Page</u>
<b>III. STATISTICAL SECTION (UNAUDITED)</b>		
Net Assets by Component – Last Seven Fiscal Years	1	99
Changes in Net Assets – Last Seven Fiscal Years	2	100
Fund Balances of Governmental Funds – Last Ten Fiscal Years	3	101
Changes in Fund Balances of Governmental Funds and Tax Revenue By Source – Last Ten Fiscal Years	4	102-103
Assessed Value and Estimated Actual Value of Taxable Property- Last Ten Fiscal Years	5	104
Principal Property Taxpayers – Current Year Nine Years Ago	6	105
Property Tax Rates- Direct and Overlapping Governments- Last Ten Fiscal Years	7	106-107
Property Tax Levies and Collections – Last Ten Fiscal Years	8	108
Ratio of Outstanding Debt by Type – Last Ten Fiscal Years	9	109
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years	10	110
Computation of Legal Debt Margin – Last Ten Fiscal Years	11	111
Computation of Direct and Overlapping Debt	12	112
Pledged Revenue Coverage – Last Ten Fiscal Years	13	113
Demographic Statistics-Last Ten Fiscal Years	14	114
Principal Employers – Current Year and Nine Years Ago	15	115
General Fund Expenditures by Function – Last Ten Fiscal Years	16	116-117
General Fund Expenditures by Function Per Pupil – Last Ten Fiscal Years	17	118-119
Board Members Compensation	18	120
Full-Time Equivalents (FTE) Employees – Last Ten Fiscal Years	19	121-124
Capital Asset Information	20	125-127
Percentage of Students in Free and Reduced Lunch Program	21	128
History of High School Graduates – Last Ten Fiscal Years	22	129



**ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008**

**TABLE OF CONTENTS - Continued**

	<u>Page</u>
<b>IV. SINGLE AUDIT SECTION</b>	
Report on Internal Control and Compliance over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	130-131
Report on Compliance with Requirements Applicable to the Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	132-133
Schedule of Expenditures of Federal Awards	134-136
Notes to Schedule of Expenditures of Federal Awards	137
Schedule of Findings and Questioned Costs	138



**"FARMER'S MARKET"**  
by Andrew Vincent  
Art II, FHS



Gayle Sloan  
Superintendent  
W. L. "Trey" Folse, III  
Deputy Superintendent

District	Board Members
1	Neal M. Hennegan, President
15	Mary K. Bellisario, Vice President
2	Elizabeth B. Helntz
3	Michael J. Dirmann
4	Stephen J. "Jack" Loup, III
5	Charles T. Harrell
6	Donald J. Villere
7	Soroja "Jody" Palmer
8	Daniel G. Zechenelly
9	Carmen H. Johnson
10	Ronald "Ron" Bettencourt
11	Robert R. "Bob" Womack
12	James "Ronnie" Panks, Sr.
13	John C. Lamarque
14	Roy A. Alfred

December 22, 2008

The Members of the  
St. Tammany Parish School Board  
Covington, Louisiana:

The comprehensive annual financial report of the St. Tammany Parish School Board for the fiscal year ended June 30, 2008, is hereby submitted. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

Postlethwaite & Netterville, Certified Public Accountants, have issued an unqualified (clean) opinion on the St. Tammany Parish School Board's financial statements for the year ended June 30, 2008. The independent auditor's report is located at the front of the financial section of the report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133, are included in the single audit section of this report which begins on page 130.

vi  
*Learning to Last a Lifetime.®*

This report includes all funds and activities for which the School Board exercises financial accountability. The School Board is a legislative body authorized to govern the public education system of St. Tammany Parish, Louisiana. A fifteen-member board governs the School System with each member serving a concurrent four-year term. The current board's term will expire in 2011.

#### PROFILE OF SCHOOL BOARD

It is the responsibility of the School Board to make public education available to the residents of St. Tammany Parish, including instructional personnel, instructional facilities, administrative support, business services, operation and maintenance and bus transportation. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12. These include regular and enriched academic education, special education for handicapped children and vocational education. The school system has a current enrollment of 35,329 which includes 1511 pre-kindergarten students.

The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed and to determine the local supplement to their salaries. Accordingly, since the School Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for financial matters, the School Board is not included in any other governmental reporting entity. See footnote A for more information.

#### ECONOMIC CONDITION AND OUTLOOK

St. Tammany Parish is one of the southeastern parishes (counties) of Louisiana and covers an area of 1,141 square miles. St. Tammany Parish is located directly north of New Orleans on the north shore of Lake Pontchartrain. The Parish's population and economic base continues to expand. The population for St. Tammany Parish is estimated at 240,000.

The economy of St. Tammany Parish is primarily residential oriented, which has brought an influx of retail and service establishments, offices and shopping centers. However, there is a unique blend of residents employed in a variety of diverse industries ranging from agriculture to space-aged technology.

The Parish has seen significant changes due to the widespread relocation of residents from the eastern parts of the parish from the effects of Hurricane Katrina. Overall unemployment in the Parish has decreased slightly as the number of new jobs has increased. The new jobs are as a result of the rebuilding effort needed to reconstruct the New Orleans metropolitan area and relocating businesses from the surrounding low-lying areas. New and existing home sales in St.

Tammany Parish had increased significantly; although sales have leveled off. Because of the local governments ability to recover from the hurricane and to offer services quickly, St. Tammany Parish provides a quality place to live and work to migrant and local labor forces which resulted in a sizable increase in local taxes, property values, and taxes associated with property.

The School Board suffered significant damage to its facilities from Hurricane Katrina in 2005. The School Board continues to refurbish, repair and rebuild its damaged infrastructure.

The population growth, economic expansion, and storm recovery noted above present both opportunities and challenges for the School Board in the coming years.

#### **MAJOR INITIATIVES**

In 2005-06, the School Board began work on some new educational initiatives. These initiatives are designed to continue moving our schools towards higher achievement and expand on safety in our schools.

Some of the programs started in 2005-2006 and continues through 2007-2008 are the School Board's implementation of the guaranteed curriculum, increased elementary planning time, safe and caring schools, and higher pay for our teachers. The cost of these programs is relatively low when compared to the positive impact that is expected from these programs.

The School Board also started an energy conservation effort throughout the District. By educating our employees on the need to conserve energy and presenting them with ways to do so, the School Board has saved a significant amount of money spent on heating, cooling and lighting. Thus far, the amount saved on utilities exceeds \$2,000,000. In 2007-2008, the School Board and it's facilities received several distinguishing awards, such as Energy Star and Environmental Stewardship Award recognizing our efforts in energy conservation.

The School Board also elected out of the State Group Benefits health plan for the purpose of providing less costly, quality health benefits to our employees. Currently health insurance costs are a significant portion of our total budget. By switching to a self-insured plan, the School Board was able to offer greater benefits without an increase in cost. The School Board's new self-insurance health plan has saved the School Board and the employees millions of dollars.

The School Board continues to make progress on its major capital expansion programs of its existing school facilities. This expansion program started in 1996 and continues today. The School Board will have spent in excess of \$343 million on this initiative and an additional \$150 million is planned for the next four years with the addition of a new elementary school and extended learning center.

This expansion project has enabled the School Board to reduce the student/teacher ratio for all classrooms. The majority of elementary classrooms have on average no more than 20 students per classroom.

Student/teacher ratios are just one piece of the puzzle when it comes to achieving higher levels of success through student achievement. The School Board has over time become a magnet for attracting highly skilled, experienced, certified teachers and administrators. Virtually all of the School Board's nearly 2,603 full-time teachers are certificated and more than 40 percent of our teachers hold an advanced level degree. 63 percent of our teachers have more than 10 years teaching experience and all of our principals and assistant principals each holds at a minimum of both a masters degree and teacher certification.

The school system has experienced significant gains in student achievement levels by lowering the student teacher ratios across the board, retaining more qualified teachers and administrators, and dedicating our staff to reach higher goals. St. Tammany Parish School Board was ranked the number one District in the State of Louisiana for District Performance Scores (DPS) from 2003-2005 and continues to be consistently in the top 5 in the state.

Currently, the Southern Association of Colleges and Schools (SACS) have accredited all schools within the St. Tammany Parish School District. The St. Tammany Parish School System became the first school district in Louisiana to earn "district-wide" accreditation in 2005 and continues to be one of only a few in the nation to have such accreditation.

Not all of our successes can be attributable to our staff and teachers though. The School Boards Parent Involvement Program is utilized in every school in the system. The goal of this program is to involve parents in the child's education in whatever capacity the parents offer (first aid assistant, library aide, classroom tutor, parenting workshop, etc.). In each year, our parent volunteers donate the equivalent of millions of dollars in volunteer hours.

#### **FINANCIAL INFORMATION**

**Internal Controls.** Management of the School Board is responsible for establishing and maintaining internal controls designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

**Single Audit.** As a recipient of federal, state and local financial assistance, the School Board also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As a part of the School Board's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal programs, as well as to determine that the School Board has complied with applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 2008 provided no instances of material weaknesses in internal controls or significant violations of applicable laws and regulations. The report for this year is located on pages 130-133.

**Budgeting Controls.** In addition, the School Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the annual appropriated budgets, including all subsequent amendments, approved by the School Board. Activities of the General Fund, major Special Revenue Funds, Debt Service Funds and Capital Projects Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the function or project level within the individual funds. The School Board also maintains an encumbrance accounting system as one technique of accomplishing budgetary control throughout the year. Encumbered amounts in all funds lapse at year-end; however, encumbrances generally are reappropriated as part of the next year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

**Debt Administration.** At June 30, 2008 the School Board had a number of debt issues outstanding totaling \$163.2 million. Not included in the School Board's long-term debt are \$73.4 million in defeased debt. The Notes to the Financial Statements contain more detailed information on these bonds.

The School Board is limited by state statute from issuing sales tax bonds in excess of seventy-five percent of the anticipated sales tax revenues. As of June 30, 2008, the School Board had paid off all of its outstanding sales tax bonds. Meanwhile, sales tax collections exceeded \$93 million dollars in 2008. The one-cent sales and use tax of which a portion was dedicated to service the bonds was made permanent in April 2004.

**Cash Management.** Cash temporarily idle during the year was invested in demand deposits, government securities, certificates of deposit and Louisiana Asset Management Program ("LAMP"). The average yield on investments was 4.3 percent and the School Board earned

interest revenue of \$ 8.7 million on its investments for the year ended June 30, 2008.

The School Board's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or secured by the pledge of securities owned by the financial institution. These pledged securities are held by a mutually agreed upon third-party financial institution in the name of the School Board. All of the investments held by the School Board during the year and at June 30, 2008 are classified in the category of the lowest credit risk as defined by the Governmental Accounting Standards Board.

**Risk Management.** In fiscal year 1988, the School Board initiated a limited risk management program for workers' compensation. As part of this comprehensive plan, resources began to be accumulated in an Internal Service Fund to meet potential losses. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$250,000.

In addition, in fiscal year 1990, the School Board initiated a limited risk management program for general liability and property damage. Resources are transferred from the General Fund and accumulated in an Internal Service Fund to pay potential claims. Third party coverage of commercial insurance for individual claims in excess of \$250,000 for general liability and \$5 million for property damage is maintained by the School Board.

In 2007, the School Board became self-insured for health care benefits offered to its employees and retirees. The plan is managed by a third-party administrator and excess cost coverage is purchased by the School Board to limit its liability.

#### **OTHER INFORMATION**

**Independent Audit.** State statutes require an annual audit by independent certified public accountants. The accounting and auditing firm of Postlethwaite and Netterville, APAC performed the fiscal year 2007 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act, as amended and related OMB Circular A-133. The independent auditors' report on the financial statements is included in the financial section of this report. The independent auditors' reports related specifically to the Single Audit Act are included in the Single Audit Section which begins on page 130.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the St. Tammany Parish School Board for its comprehensive annual financial report for the fiscal year ended June 30, 2007.



In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The St. Tammany Parish School Board was also awarded a Certificate of Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2007 by the Association of School Business Officials, International (ASBO).

The award certifies that the school system has presented its comprehensive annual financial report to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO. Receiving the award is recognition that the school system has met the highest standards of excellence in school financial reporting.

Both a Certificate of Achievement (GFOA) and a Certificate of Excellence (ASBO) are valid for a period of one year only. The St. Tammany Parish School Board has received both certificates for the last nineteen consecutive years. We believe our current comprehensive annual financial report continues to conform to the program requirements of both organizations and we are submitting it to GFOA and ASBO to determine its eligibility for each of the certificates.

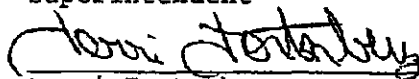
**Acknowledgments.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Business Affairs Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In addition, our gratitude is extended to the Arts Department for their valued assistance in the design of this report and to the students whose art is displayed throughout the report.

In closing, without the leadership and support of the Members of the School Board, both individually and collectively, preparation of this report would not have been possible.

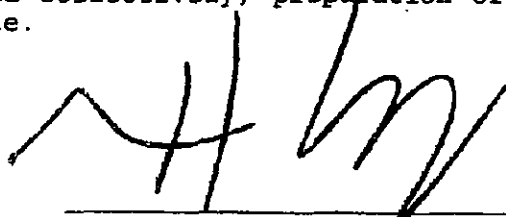
Respectfully submitted,



Gayle Sloan  
Superintendent



Terri Fortenberry, CPA  
Chief Accountant



Brett M. Stoltz, CPA, CGFM  
Dir. of Business Affairs

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Tammany Parish  
School Board  
Louisiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

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



*Oliver S. Cox*

President

*Jeffrey R. Egan*

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**ST. TAMMANY PARISH SCHOOL BOARD**

**For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2007**

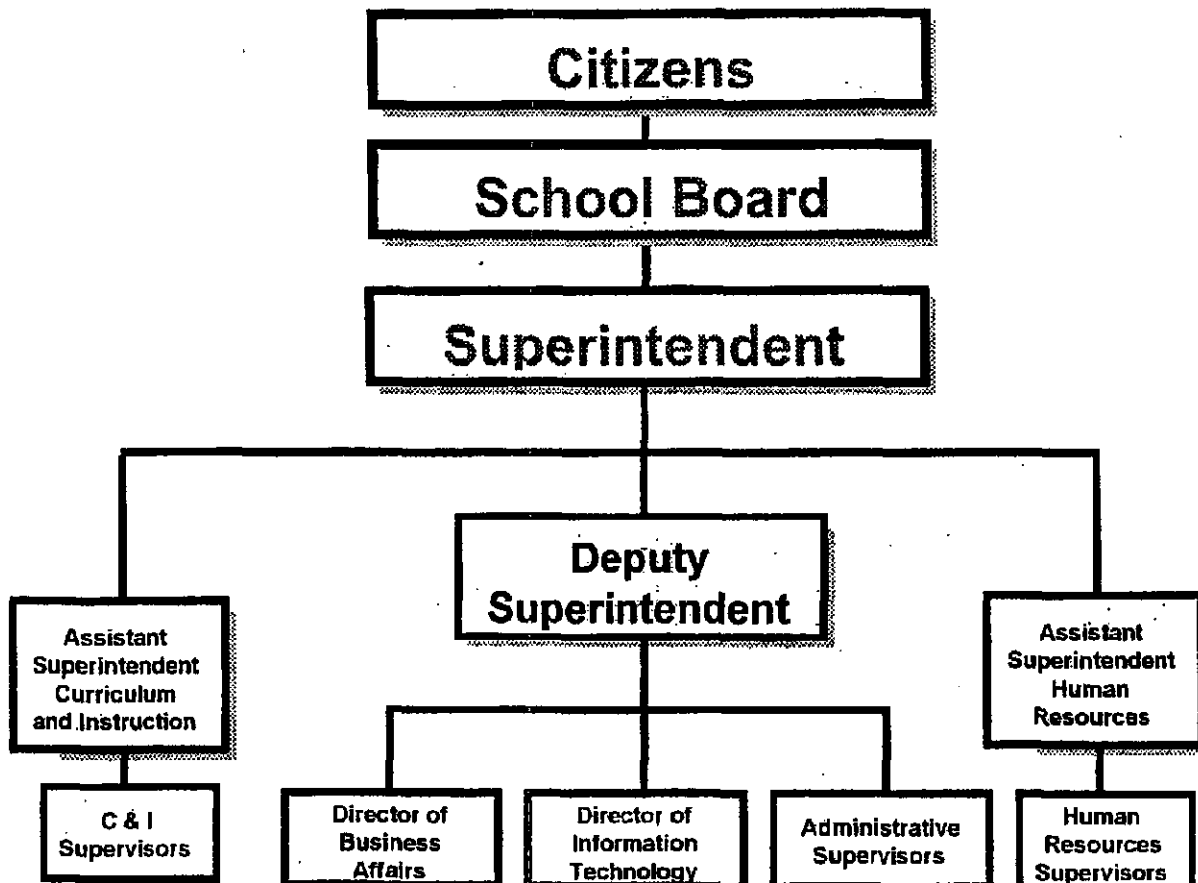
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director



**St. Tammany Parish Public School System**



# St. Tammany Parish School Board Principal Officials

## School Board Members

<b>Neal M. Hennegan - <i>President</i></b>	<b>District 1</b>
<b>Mary K. Bellisario - <i>Vice President</i></b>	<b>District 15</b>
<b>Elizabeth B. Heintz</b>	<b>District 2</b>
<b>Michael J. Dirmann</b>	<b>District 3</b>
<b>Stephen J. "Jack" Loup, III</b>	<b>District 4</b>
<b>Charles T. Harrell</b>	<b>District 5</b>
<b>Donald J. Villere</b>	<b>District 6</b>
<b>Sorola "Jody" Palmer, Sr.</b>	<b>District 7</b>
<b>Daniel "Dan" G. Zechenelly</b>	<b>District 8</b>
<b>Carmen H. Johnson</b>	<b>District 9</b>
<b>Ronald "Ron" L. Bettencourtt</b>	<b>District 10</b>
<b>Robert R. "Bob" Womack</b>	<b>District 11</b>
<b>James "Ronnie" Panks, Sr.</b>	<b>District 12</b>
<b>John C. Lamarque</b>	<b>District 13</b>
<b>Ray A. Alfred</b>	<b>District 14</b>

## Administrative Officials

<b>Gayle Sloan, <i>Superintendent</i></b>
<b>William "Trey" Folse, III, <i>Deputy Superintendent-Administration</i></b>
<b>Cheryl Arabie, <i>Asst. Superintendent-Curriculum &amp; Instruction</i></b>
<b>Peter J. Jabbia, <i>Asst. Superintendent-Human Resources</i></b>
<b>Brett Stoltz, CPA, CGFM <i>Director of Business Affairs</i></b>
<b>Louis Boullion, <i>Director of Information Technology</i></b>





## Postlethwaite & Netterville

A Professional Accounting Corporation  
Associated Offices in Principal Cities of the United States

www.pncpa.com

### Independent Auditors' Report

The Members of the  
St. Tammany Parish School Board  
Covington, Louisiana:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish School Board (the School Board), as of and for the year ended June 30, 2008, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2008, and the respective changes in financial position, and where applicable, the cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 16, the School Board adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions*, (GASB 45), as of July 1, 2007.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2008, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 55 through 59 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required

supplementary information. However, we did not audit the information and express no opinion to it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Pastethwaite & Nettles*

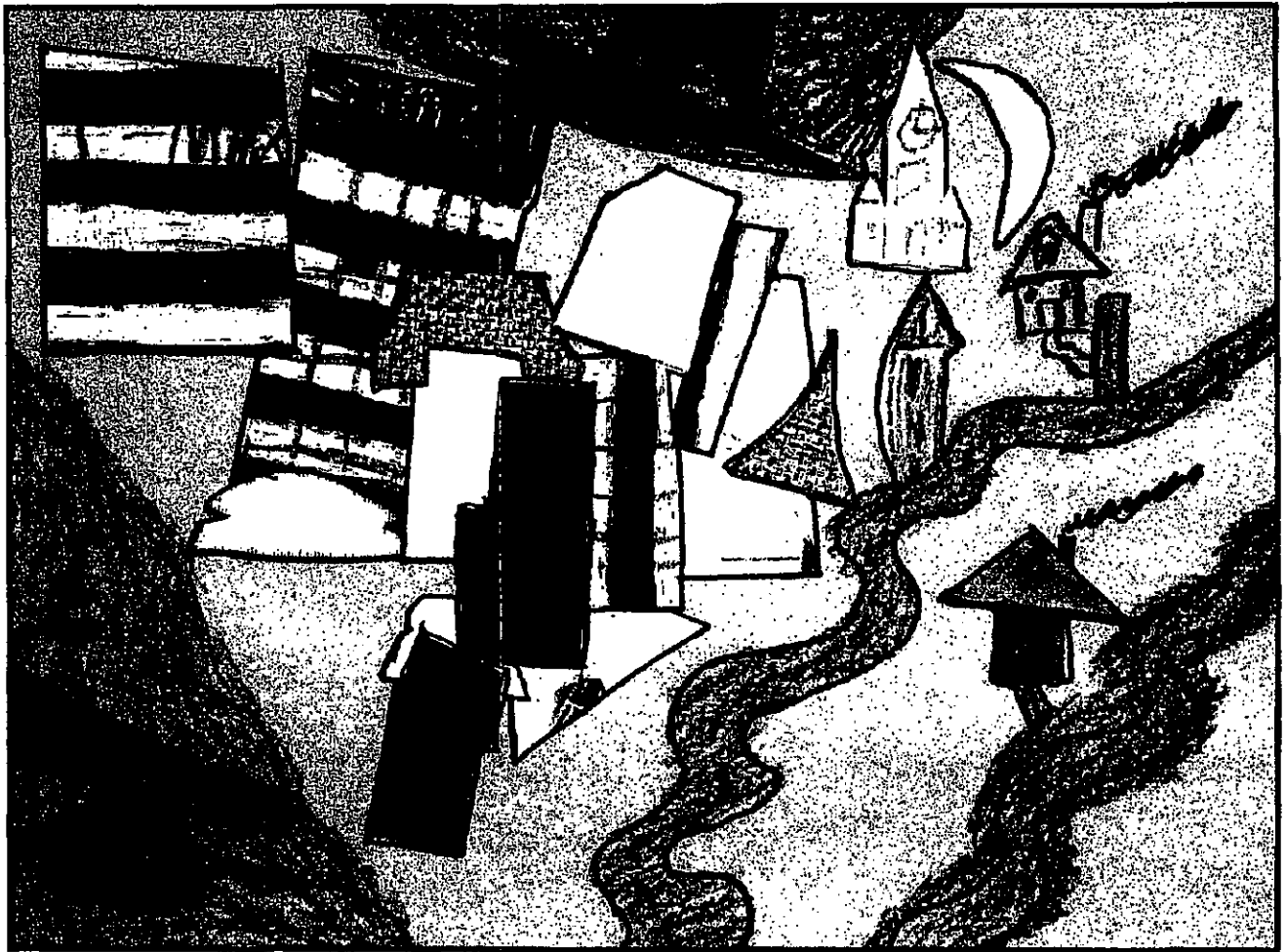
Metairie, Louisiana  
December 22, 2008



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**



**"NEW ORLEANS CITYSCAPE"**  
by Jenna Stiles  
2nd Grade, Ponchartrain Elementary

## ST. TAMMANY PARISH SCHOOL BOARD

### Management's Discussion and Analysis June 30, 2008

As management of the St. Tammany Parish School Board, we offer readers of the St. Tammany Parish School Board's financial statements this narrative overview and analysis of the financial activities of the School Board for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vi through xii and the School Board's financial statements, which begin on page 1.

#### FINANCIAL HIGHLIGHTS

The financial highlights for the St. Tammany Parish School Board for fiscal year ended June 30, 2008 were:

- The School Board's general fund expended \$350.4 million dollars on a budgetary basis in fiscal year ended June 30, 2008 on education for St. Tammany Parish. Nearly 74 percent of the expenditures were spent on instructional and support programs and 7 percent spent on administration, operation and maintenance of schools.
- Certified teachers received a salary increase of \$2,019 in 2008 bringing the beginning teacher salary to \$42,284.
- The School Board's general fund revenues on a budgetary basis for fiscal year ending June 30, 2008 were approximately \$243 million. The largest single sources of non-federal funds were from the State of Louisiana Minimum Foundation Program (\$171.6 million), ad valorem taxes (\$60.6 million) and transfers from the sales tax funds (\$82 million).
- The assets of the St. Tammany Parish School Board exceeded its liabilities at the close of the year by \$203.6 million down from \$227.2 in 2007.
- The St. Tammany Parish School Board's net assets decreased by \$23.6 million. This majority of this decrease was due to costs associated with the implementation of Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45) of approximately \$21.2 million.
- The School Board's governmental funds reported combined ending fund balances of \$203.5 million, a decrease of \$36.9 million in comparison of prior year. Most of the decrease is attributed to recovery expenditures.
- The School Board expended approximately \$69.5 million on capital projects in 2007-08. The majority of these expenditures were on reconstruction and additional classrooms and renovations to existing schools and the construction of a new high school slated to open in 2009 and our newest elementary school.
- The School Board's general fund on a budgetary basis had a decrease in fund balance of \$15.9 million as a result of a planned transfer of \$17,000,000 to fund capital projects.
- The School Board was authorized to issue \$167 million in new debt in March of 2008. The first issue of these bonds was not completed until July 2008 but a good

## ST. TAMMANY PARISH SCHOOL BOARD

### Management's Discussion and Analysis

June 30, 2008

faith deposit was received in fiscal year ended June 30, 2008. As of June 30, 2008, the School Board had \$163.2 million in bonds outstanding.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements include the Statement of Net Assets and the Statement of Activities (on pages 13 and 14, respectively); they provide information about the financial position of the School Board as a whole and present a longer-term view of the School Board's finances. Fund financial statements start on page 15. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School Board's operations in more detail than the government-wide statements by providing information about the School Board's most significant funds. The fiduciary fund statements provide financial information about activities for which the School Board acts solely as a trustee or agent for the benefit of those outside of the government.

Our auditor has provided assurance in his independent auditors' report, located immediately preceding this management discussion and analysis (MD&A), that the Basic Financial Statements are fairly stated. The auditor has also provided varying degrees of assurance regarding the required supplementary information and other supplementary information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the financial statements.

The School Board assumes full responsibility for the accuracy of the Introductory and Statistical Sections as they were prepared without the association of the independent auditors.

#### Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 54 of this report.

#### Other information

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the

## ST. TAMMANY PARISH SCHOOL BOARD

### Management's Discussion and Analysis

June 30, 2008

financial statements. Combining and individual fund statements and schedules can be found on pages 64 through 98 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis of the School Board as a whole begins on page 13. One of the most important questions asked about the School Board's finances is, "Is the School Board as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the School Board as a whole and about activities in a way that helps answer the question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's *net assets* and changes in them. You can think of the School Board's net assets—the difference between assets and liabilities—as one way to measure the School Board's financial health, or *financial position*. Over time, *increase or decreases* in the School Board's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the School Board's property tax base and the condition of the Schools, to assess the *overall financial health* of the School Board.

In 2007-08, the School Board's financial position declined with its net assets decreasing \$23.6 million from \$227.2 million in 2006-07 to \$203.6 million. \$11.9 million of the School Board's net assets is restricted to debt service leaving \$43.6 million in unrestricted net assets.

In the Statement of Net Assets and the Statement of Activities, the School Board's can be divided into two kinds of activities:

**Governmental Activities** – Most of the School Board's basic services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program ("MFP") Funds, and state and federal grants finance most of these activities. In the internal service funds, the School Board charges fees to departments to help cover the costs of certain services it provides by being self insured. The School Board's general liability, workers' compensation, and health insurance programs are accounted for here.

**Business-type activities** – Business-type activities are those activities which are conducted by the School Board whereas the fees/charges for those services provided are intended to be sufficient to realize a profit. The School Board did not have any such activities.

## ST. TAMMANY PARISH SCHOOL BOARD

### Management's Discussion and Analysis

June 30, 2008

Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the School Board's governmental activities.

**TABLE 1**  
**SUMMARY OF NET ASSETS**  
(in thousands)

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
<b>Assets:</b>		
Current and other assets	\$261,336	\$318,574
Capital Assets	<u>269,492</u>	<u>222,109</u>
Total Assets	<u>530,828</u>	<u>540,683</u>
<b>Liabilities:</b>		
Long-term debt outstanding	268,103	256,229
Other liabilities	<u>59,155</u>	<u>57,274</u>
Total Liabilities	<u>327,258</u>	<u>313,503</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt	148,067	116,802
Restricted	11,907	8,572
Unrestricted	<u>43,596</u>	<u>101,806</u>
Total Net Assets	<u>\$203,570</u>	<u>\$227,180</u>

The School Board's assets exceeded liabilities by \$203,570 as of June 30, 2008.

By far the largest portion of the School Board's net assets (73 percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide services to public; consequently, these assets are not available for future spending. Although, the School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net assets (6 percent) represent resources to be used to pay the remaining amount of outstanding debt. The remaining balance of unrestricted net assets (\$43,596) may be used to meet the School Board's ongoing obligations to the public and creditors.

At the end of June 30, 2008, the School Board is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The School Board's net assets decreased by \$23,610 mainly due to the costs associated with the implementation of GASB 45 in the amount of \$21,245.

**ST. TAMMANY PARISH SCHOOL BOARD**

**Management's Discussion and Analysis  
June 30, 2008**

**TABLE 2  
SUMMARY OF CHANGES IN NET ASSETS  
(in Thousands)**

	<b>Governmental Activities</b>	
	<u>2008</u>	<u>2007</u>
<b>Revenues</b>		
<b>Program Revenues:</b>		
Charges for services	\$ 6,387	\$ 4,236
Operating grants and contributions	32,521	36,774
Capital grants and contributions	9,348	18,734
<b>General revenues:</b>		
Property taxes	83,661	74,098
Sales taxes	84,844	89,281
State Equalization (MFP)	173,501	154,614
Other general revenues	<u>15,845</u>	<u>18,940</u>
<b>Total revenues</b>	<u>406,107</u>	<u>396,677</u>
<b>Program expenses</b>		
Regular programs	149,056	128,512
Special education programs	75,534	64,852
Vocational education	6,300	5,389
Other instructional programs	16,303	14,473
Special programs	12,296	12,309
Adult education programs	469	446
Pupil support	16,297	13,718
Instructional staff support	16,967	14,279
General administration	8,450	6,516
School administration	21,729	17,594
Business administration	2,760	2,340
Operation and maintenance of plant	37,391	30,870
Pupil transportation	31,937	24,098
Central services	7,909	4,998
Food services	21,342	17,885
Community services programs	1,924	1,419
Interest on long-term debt	<u>3,053</u>	<u>5,464</u>
<b>Total Expenses</b>	<u>429,717</u>	<u>365,162</u>
<b>Increase (decrease) in net assets</b>	(23,610)	31,515
<b>Beginning net assets</b>	<u>227,180</u>	<u>195,665</u>
<b>Ending net assets</b>	<u>\$203,570</u>	<u>\$227,180</u>

Revenues increased 2 percent or approximately \$9.4 million. The largest increases were as a result of increases in sales taxes and the Minimum Foundation Program grant from the State of Louisiana.

Student enrollment had a slight increase from 35,319 students in 2007 to 35,329 students in 2008. MFP funding increased in accordance with growth and state funded raises.

## ST. TAMMANY PARISH SCHOOL BOARD

### Management's Discussion and Analysis June 30, 2008

Expenses increased 17.7 percent or approximately \$64.5 million in 2008. Salary and benefits costs account for nearly 91 percent of general fund expenditures for the School Board. The increase is mainly attributed to increase in salaries across the board funded by local and state sources and additional teachers and support staff hired. Fuel cost increases in 2008 also contributed to increase in costs. Costs associated with the implementation of GASB 45 in the amount of \$21.2 million contributed to the increase in costs.

#### REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

The School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Our analysis of the School Board's major funds begins on page 55. The fund financial statements begin on page 15 and provide detailed information about the most significant funds – not the School Board as a whole. Some funds are required to be established by State law or by bond covenants. However, the School Board establishes other funds to help it control and manage financial resources for particular purposes or to demonstrate that it is meeting legal responsibilities for using certain taxes, grants, and other money.

The School Board's three types of funds – governmental, proprietary and fiduciary funds – use different accounting approaches.

Governmental Funds – most of the School Board's basic services are reported in the governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on pages 17 and 20.

The School Board's governmental funds reported combined ending fund balances of \$230.5 million, a decrease of \$36.9 million (see Statements C & E) in comparison with the prior year. The component of this decrease is described below.

The General Fund balance decreased by \$15.9 million from prior year to \$55.7 million as of June 30, 2008. General Fund expenditures before transfers and other financing uses increased by 11.4 percent or \$33.4 million. General Fund revenue before transfers and other financing sources increased 10.8 percent or \$23.7 million. Transfers, mostly from the sales tax funds and grants decreased \$5.9 million from 2007. Operating expenditures



## ST. TAMMANY PARISH SCHOOL BOARD

### Management's Discussion and Analysis

June 30, 2008

expenditures increased mainly due to salary increases given by the state and locally plus benefits. Fuel cost increases also contributed to the increase in costs. Revenues increased as a result of increases in the Minimum Foundation Program grant for 2008.

The 1966 Sales Tax Fund had revenues of nearly 47 million in 2007-08. The 1966 Sales Tax Fund accounts for the collection for the 1966 sales taxes for the School Board. Sales taxes increased approximately \$3.6 million in 2008. The disbursements from this fund are transfers out to applicable funds to cover operational cost as the revenue bonds previously funded with a portion of these taxes were paid off in prior years. This fund acts similar to a conduit for sales tax collections.

The 1977 Sales Tax Fund had revenues of nearly 47 million in 2007-08. The 1977 Sales Tax Fund accounts for the collection for the 1977 sales taxes for the School Board. Sales taxes increased approximately \$3.6 million in 2008. The disbursements from this fund are transfers out to applicable funds to cover operational cost as the revenue bonds previously funded with a portion of these taxes were paid off in prior years. This fund acts similar to a conduit for sales tax collections.

The Katrina Fund accounts for the revenue and expenditures relating to the recovery from Hurricane Katrina. Revenues from hurricane recovery grants decreased in 2008 by approximately \$5.4 million or 26.9 percent. Expenditures relating to hurricane recovery increased by 4 percent or approximately \$521,000.

The 2004 Construction Fund accounts for the expenditures of the \$75 million in general obligation bonds approved by voters for various construction projects and an additional \$17 million transferred from the General Fund. Expenditures for capital projects in this fund increased by \$16.6 million or 55 percent in 2008.

Proprietary Funds – When the School Board charges for the services it provides – whether to outside sources or to other units of the School Board – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and Statement of Activities. The School Board maintains three internal service (proprietary) funds. An internal service fund accumulates and allocates costs internally among the School Board's various functions. The School Board maintains separate internal service funds to account for its self-insured portion of its general liability, employee workers' compensation, and health insurance programs. Because the services provided in these funds benefit governmental rather than business-type functions, they have been included as governmental activities in the government-wide financial statements.

Fiduciary Funds - The School Board is trustee, or fiduciary, for its student activity funds that are under the control and administration of the Board. All of the School Board's fiduciary activities are reported in the Statement of Fiduciary Assets and Liabilities on page 24 of this section. These funds are not available to the School Board to finance its operations, and therefore not included in the government-wide financial statements. The

## ST. TAMMANY PARISH SCHOOL BOARD

### Management's Discussion and Analysis June 30, 2008

School Board is responsible for ensuring that the assets reported by these funds are used for their intended purposes.

#### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

*\$1.2 million increase in projected revenues as follows:*

- \$0.4 million increase in minimum foundation program as actual attendance was slightly higher than budgeted.
- \$2.1 million increase in ad valorem taxes due to increase in property added to the tax rolls within the Parish.
- \$0.6 million increase in miscellaneous other revenues due to a large contribution received from a corporation and unexpected increase in other miscellaneous grant revenues.
- \$1.9 million decrease in sales tax collections.

*\$1.3 million increase in projected expenditures as follows:*

- \$0.1 million decrease in salaries and benefits and other expenditures as cost cutting measures have been instated.
- \$1.4 million increase in transfers to our hurricane recovery fund and parish wide construction fund for increased expenditures related to recovery.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

##### Capital Assets

As of June 30, 2008, the School Board invested in broad range of capital assets, including land, school facilities, and equipment totaling \$269.5 million. (See Table 4 below) The net increase (including additions and deductions) in capital assets in 2008 was higher over the past year. More detailed information of capital assets can be found in footnote 5.

**TABLE 4**  
**CAPITAL ASSETS AT YEAR-END**  
(Net of Depreciation, in Thousands)

	Governmental Activities	
	2008	2007
Land	\$ 10,586	\$ 9,842
Buildings & Improvements	177,052	178,459
Equipment	4,186	4,463
Construction in progress	77,668	29,345
Total	<u>\$ 269,492</u>	<u>\$222,109</u>

## ST. TAMMANY PARISH SCHOOL BOARD

### Management's Discussion and Analysis June 30, 2008

The projects for 2007-2008, in addition to the completion of a new elementary school, were mainly for classroom additions, reconstruction and renovations throughout the Parish.

#### Long-term Debt

As of June 30, 2008, the School Board had \$268.1 million in long-term debt outstanding an increase of \$11.9 million or 4 percent over the amount of June 30, 2007 – as shown in Table 5.

**TABLE 5**  
**OUTSTANDING DEBT AT YEAR-END**  
(in Thousands)

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
General obligation bonds (backed by the School Board)	\$163,185	\$174,321
Federal Disaster Loans	67,844	67,844
Other Post Employment Benefits	21,245	-
Compensated Absences	<u>15,829</u>	<u>14,064</u>
Totals	<u>\$268,103</u>	<u>\$256,229</u>

The School Board continued to pay down its outstanding debt issues in anticipation of borrowing an additional \$67 million through issuance of general obligation bonds in 2008-09. This is the first in a series totaling \$167 authorized.

The School Board's bond rating in 2007-08 was AA- by *Standard & Poors* and A1 for *Moody's*. The State constitution limits the amount of general obligation debt that the School Board can issue to 35 percent of the assessed value of all taxable property within the school district. The School Board's outstanding general obligation debt of \$163.2 million is significantly below the current \$384.2 million limit.

The School Board initiated a risk management program for general liability, workers' compensation and health insurance in prior years. The School Board purchases commercial insurance for claims in excess of coverage provided through its self-insurance funds. The School Board had \$17 million and \$14.5 million in claims and judgments outstanding for fiscal year ending June 30, 2008 and 2007, respectively. Other obligations include accrued vacation pay and sick leave. More detailed information about the School Board's long-term liabilities is presented in Notes 6, 7, and 8 to the financial statements.

## ST. TAMMANY PARISH SCHOOL BOARD

### Management's Discussion and Analysis June 30, 2008

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following are currently known St. Tammany Parish economic factors considered into the 2008-09 fiscal year:

- Sales taxes rate of growth is projected to resume a modest growth. St. Tammany Parish remains one of the wealthiest parishes in the State of Louisiana and the effects from Hurricane Katrina have reached a minimal level.
- The School Board's student attendance is expected to continue to increase for the next couple of years.
- Pressure to increase teacher salaries to keep up with the *Southern Average* continues and salary cost will increase accordingly.
- The School Board's fiscal year 2009 budget for capital projects is expected to increase with the addition of new schools, construction planned as part of the 2008 referendum, and reconstruction of damaged school facilities from Hurricane Katrina.

At the time these financial statements were prepared and audited, the School Board was aware of the following circumstances that could significantly affect the School Board's financial health in the future:

- Sales taxes were down nearly 9% below fiscal year ended June 30, 2008 levels.
- The national economy was projected to be entering a recessionary period.
- The student counts for fiscal year ending June 30, 2008 are back above pre-Katrina numbers and growth is expected to be above 300 in 2008-09.
- MFP funding approved in the Legislative special session is expected to be just over \$175 million.
- The Parish's Tax Assessor anticipates property tax collections to increase nearly 5% over last year for new property.

All of these factors were considered in preparing the St. Tammany Parish School Board's budget for the 2008-09 fiscal year.

#### REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Brett M. Stoltz, Director of Business Services at the St. Tammany Parish Public School System, P.O. Box 940, Covington, LA 70434-0940 or by calling (985) 898-3217 during regular business hours, Monday through Friday, from 8:30 a.m. to 4:30 p.m., central standard time.



**"LOOKING FOR RAIN"**  
by Samantha Maxwell  
Art II, FHS



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS:**

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







"PARROT"  
by Allison Simeon  
Art II, FHS

ST TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana

Statement A

Statement of Net Assets  
June 30, 2008

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 187,213,369
Investments	6,642,273
Receivables (Net):	
Taxes:	
Ad valorem	1,880,165
Sales and use	14,048,426
Intergovernmental :	
Federal	4,943,759
State	3,690,066
Other	31,718
Other Receivables:	
Other	579,858
Inventory	372,223
Deferred charges	163,824
Restricted cash and cash equivalents	38,210,310
Restricted investments	3,550,418
Capital assets not being depreciated:	
Land	10,586,125
Construction in progress	77,668,416
Capital assets net of accumulated depreciation	
Buildings and improvements	177,051,767
Furniture and equipment	4,185,489
<b>TOTAL ASSETS</b>	<u>630,828,210</u>
<b>LIABILITIES</b>	
Salaries & wages payable	26,345,430
Payroll deductions and withholdings payable	33,894
Accounts payable	6,360,963
Accrued interest payable	2,150,266
Retainages payable	3,886,752
Deferred revenue	739,093
Other liabilities	85,174
Claims and judgments	15,514,179
Long-term liabilities:	
Due within one year:	
Bonds payable	12,695,000
Accrued interest payable	4,039,177
Compensated Absences	503,827
Due in more than one year:	
Bond payable	150,590,000
Community Disaster loan payable	67,843,971
Compensated Absences	15,324,833
Other Post Employment Benefits	21,245,428
<b>TOTAL LIABILITIES</b>	<u>327,257,787</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	148,067,526
Restricted for:	
Debt Service	11,905,700
Unrestricted	43,595,197
<b>TOTAL NET ASSETS</b>	<u>\$ 203,570,423</u>

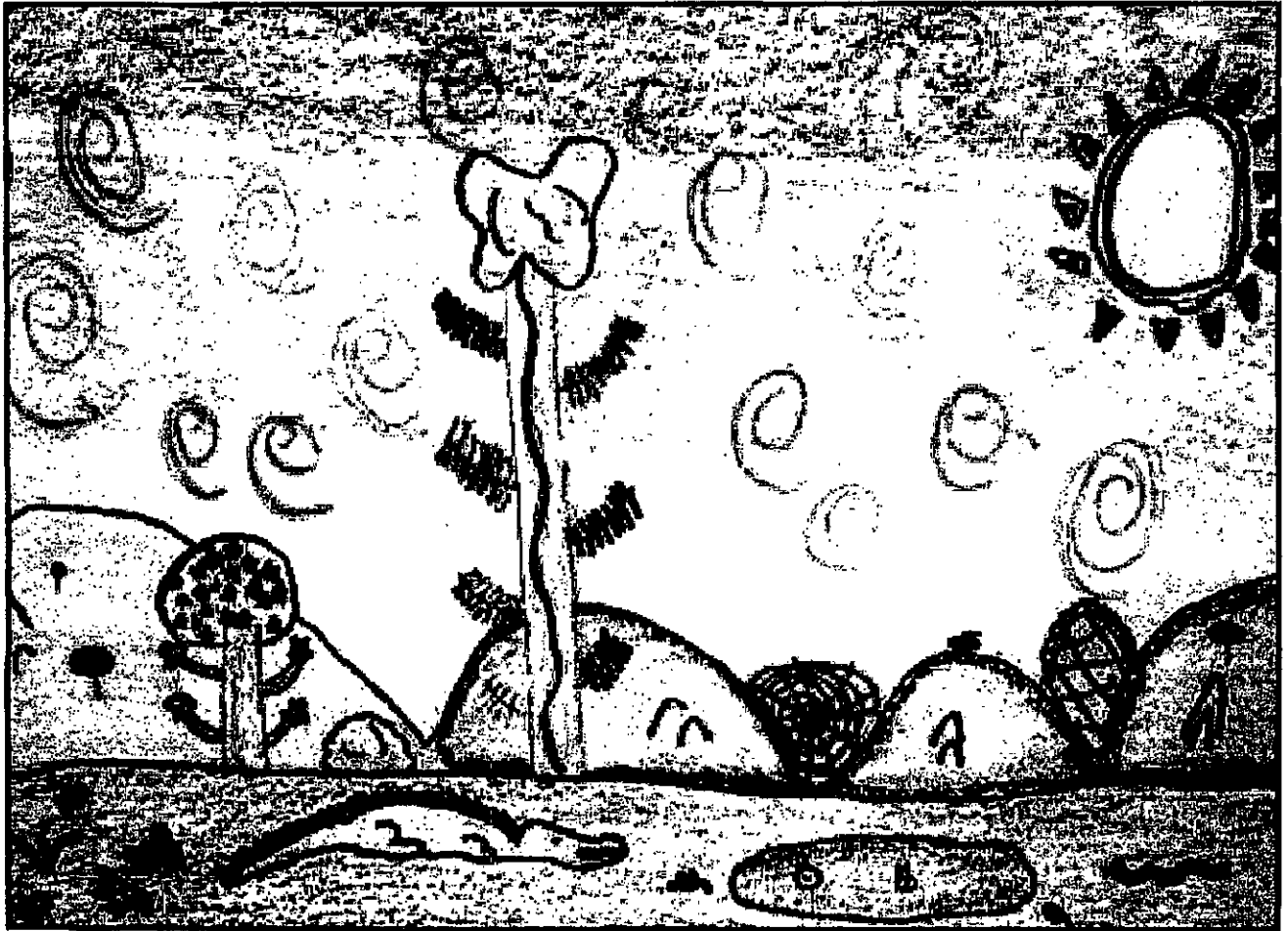
The notes to the basic financial statements are an integral part of this statement

## Statement B

ST. TAMMANY PARISH SCHOOL BOARD  
Covington, LouisianaStatement of Activities  
For the Year Ended June 30, 2008

	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets
<b>FUNCTIONS/PROGRAMS</b>					
<i>Governmental Activities:</i>					
<i>Instruction:</i>					
Regular Programs	\$ 149,055,479	\$ 1,686,022	\$ 4,189,381	\$ 8,619,766	\$ (134,560,310)
Special Education Programs	75,534,212	-	4,758,551	-	(70,775,661)
Vocational Educational Programs	8,300,120	-	293,943	-	(6,006,177)
Other Instructional Programs	16,302,774	-	1,849,774	-	(14,653,000)
Special Programs	12,295,828	-	8,707,887	-	(3,587,939)
Adult Educational Programs	469,083	-	5,500	-	(463,583)
<i>Support Services:</i>					
Pupil Support	16,298,658	-	1,624,337	-	(14,672,321)
Instructional Staff Support	16,988,498	-	3,530,037	-	(13,438,461)
General Administration	8,450,173	-	24,197	-	(8,425,976)
School Administration	21,729,282	-	-	-	(21,729,282)
Business Administration	2,759,986	-	-	-	(2,759,986)
Operation and Maintenance of Plant	37,390,691	-	134,657	-	(37,256,034)
Pupil Transportation	31,936,940	-	179,852	-	(31,757,088)
Central Services	7,908,990	-	-	-	(7,908,990)
Food Services	21,342,601	3,301,946	7,423,073	728,418	(9,889,164)
Community Service Programs	1,924,210	1,399,123	-	-	(525,087)
Interest on Long-term Debt	3,053,179	-	-	-	(3,053,179)
<b>Total Governmental Activities</b>	<b>\$ 429,716,702</b>	<b>\$ 6,387,091</b>	<b>\$ 32,521,189</b>	<b>\$ 9,348,184</b>	<b>\$ (381,460,238)</b>
<i>Unrestricted General Revenues (expenses):</i>					
<i>Taxes:</i>					
Ad Valorem (Property) Taxes					\$ 83,660,520
Sales and Use Taxes					84,844,401
State Revenue Sharing					2,086,894
<i>Grants and Contributions not Restricted to Specific Programs-</i>					
Minimum Foundation Program					173,501,201
Interest and Investment Earnings					8,689,903
Miscellaneous					5,012,825
Gain on sale of capital assets					54,763
<b>Total General Revenues</b>					<b>357,850,507</b>
<b>Changes in Net Assets</b>					<b>(23,609,731)</b>
<b>Net Assets, Beginning</b>					<b>227,180,154</b>
<b>Net Assets, Ending</b>					<b>\$ 203,570,423</b>

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

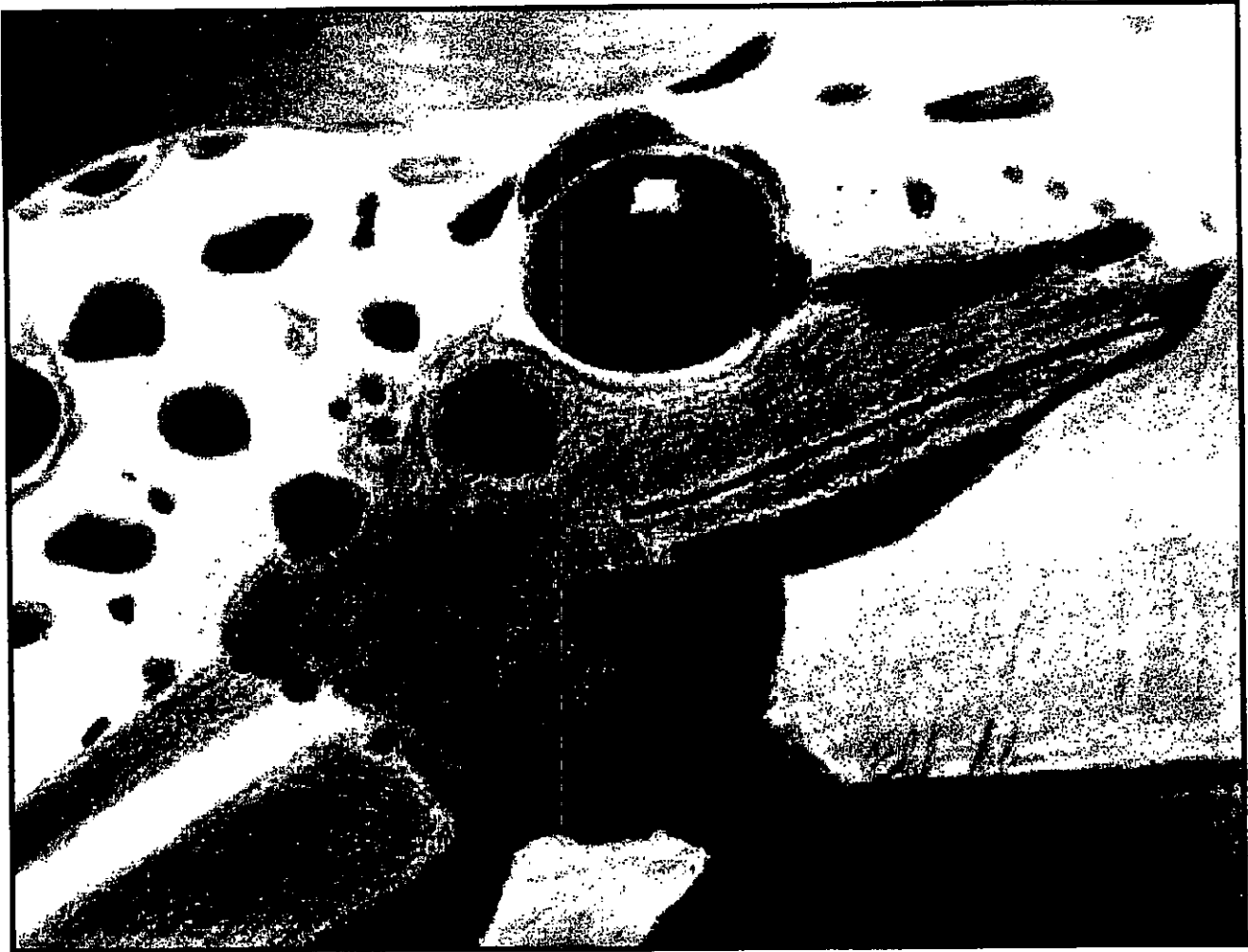


"SWAMP SCENE"  
by Carson Rich  
2nd Grade Covington, Elementary

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**BASIC FINANCIAL STATEMENTS:  
FUND FINANCIAL STATEMENTS (FFS)**





**"FROG EYE"**  
by Blake Nolan  
Art II, FHS

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Governmental Funds - Balance Sheet**  
June 30, 2008  
With Comparative Totals for June 30, 2007

	Major Fund Types		
	<u>General</u>	1966 Sales <u>Tax</u>	1977 Sales <u>Tax</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 60,639,250	\$ 7,114	\$ 7,404
Investments	4,852,651	-	-
Receivables:			
Taxes:			
Ad valorem	1,890,166	-	-
Sales and use	-	7,024,213	7,024,213
Intergovernmental:			
Federal	73,989	-	-
State	770,383	-	-
Interest	10,573	-	-
Other	113,741	-	-
Due from other funds	18,655,961	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 87,006,713</u>	<u>\$ 7,031,327</u>	<u>\$ 7,031,617</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Salaries and wages payable	\$ 26,345,430	\$ -	\$ -
Payroll deductions and withholdings payable	33,694	-	-
Accounts payable	1,164,329	-	-
Contracts and retainages payable	-	-	-
Due to other funds	3,231,884	3,940,381	3,940,531
Other liabilities	84,456	-	-
Deferred revenues	362,758	-	-
<b>Total Liabilities</b>	<u>31,222,651</u>	<u>3,940,381</u>	<u>3,940,531</u>
<b>Fund Balances:</b>			
Reserved for:			
Reserved for inventory	-	-	-
Reserved for debt service	-	-	-
Unreserved/designated for:			
Designated for bond rating	19,692,109	-	-
Designated for construction	-	-	-
Unreserved, undesignated reported in:			
General fund	36,092,053	-	-
Special revenue fund	-	3,090,946	3,091,086
Capital projects fund	-	-	-
<b>Total Fund Balances</b>	<u>55,784,162</u>	<u>3,090,946</u>	<u>3,091,086</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 87,006,713</u>	<u>\$ 7,031,327</u>	<u>\$ 7,031,617</u>

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



Statement C

Katrina Funds	2004 Construction Fund	Non-Major Fund Types	Totals	
		Other Governmental	2008	2007
\$ 86,428,311	\$ 32,111,023	\$ 32,989,602	\$ 212,182,704	\$ 249,725,153
4,091,469	-	126,200	9,070,320	13,412,794
-	-	-	1,890,165	1,750,117
-	-	-	14,048,426	7,082,482
1,727,238	-	3,142,532	4,943,759	19,598,276
21,146	-	2,919,685	3,690,068	1,896,660
-	-	-	31,719	85,575
-	-	-	113,741	29,905
1,353,717	-	4,599,780	24,609,458	15,426,123
-	-	372,223	372,223	307,667
<u>\$ 93,621,881</u>	<u>\$ 32,111,023</u>	<u>\$ 44,150,022</u>	<u>\$ 270,952,583</u>	<u>\$ 309,314,752</u>
\$ -	\$ -	\$ -	\$ 26,345,430	\$ 23,584,642
-	-	-	33,694	792,063
906,991	1,936,563	2,331,310	6,339,213	11,177,664
382,796	3,123,866	380,090	3,886,752	2,341,490
1,368,442	-	10,893,712	23,374,950	17,672,803
-	-	718	85,174	-
6,624,814	-	376,335	7,363,907	13,315,778
<u>9,283,043</u>	<u>5,060,449</u>	<u>13,982,165</u>	<u>67,429,120</u>	<u>68,884,440</u>
-	-	372,223	372,223	307,667
-	-	11,906,700	11,906,700	8,571,906
-	-	-	19,692,109	20,827,193
-	-	-	-	17,000,000
-	-	-	36,092,053	33,817,689
84,338,838	-	3,642,712	94,163,582	90,155,883
-	27,050,574	14,246,222	41,296,796	69,749,974
<u>84,338,838</u>	<u>27,050,574</u>	<u>30,167,857</u>	<u>203,523,463</u>	<u>240,430,312</u>
<u>\$ 93,621,881</u>	<u>\$ 32,111,023</u>	<u>\$ 44,150,022</u>	<u>\$ 270,952,583</u>	<u>\$ 309,314,752</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Assets**  
**as of June 30, 2008**

Total fund balances – governmental funds \$ 203,523,463

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

Cost of capital assets	\$ 497,843,855		
Accumulated depreciation	<u>(228,352,069)</u>	\$	269,491,797

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. \$ 163,824

Elimination of interfund assets and liabilities			
Interfund assets	\$ (24,609,458)		
Interfund liabilities	<u>23,374,950</u>	\$	(1,234,508)

Change in revenue accruals – Under modified accrual basis of accounting, revenues are not recognized unless they are deemed “available” to finance the expenditures of the current period. Accrual basis recognition is not limited to availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in revenues. \$ 6,624,814

Net assets of the internal service fund reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement less interfund balances eliminated in the consolidation into the governmental activities.			
Total net assets	\$ (1,940,973)		
Interfund balances	<u>1,234,508</u>	\$	(706,465)

Long-term liabilities applicable to the School Board’s governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All Liabilities – both current and long-term – are reported in the Statement of Net Assets.			
Balances at June 30, 2008 are:			
Accrued interest payable	\$ (8,189,443)		
Bonds payable	(163,185,000)	\$	(274,292,502)
Community Disaster Loan	(87,843,971)	\$	(274,292,502)
Other Post Employment benefits	(21,245,428)	\$	(274,292,502)
Compensated absences	<u>(15,828,660)</u>	\$	(274,292,502)

Net assets – governmental activities \$ 203,570,423

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



**"HAPPY FISH"**  
by Madison Mitchell  
2nd Grade, Honey Island

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2008**  
**With Comparative Totals for the Year Ended June 30, 2007**

	Major Fund Types			
	General	1966 Sales Tax Fund	1977 Sales Tax Fund	Katrina Funds
<b>Revenues</b>				
<b>Local sources:</b>				
<b>Taxes:</b>				
Ad valorem	\$ 60,570,949	\$ -	\$ -	\$ -
Sales and use	-	46,640,906	46,640,906	-
Tuition	256,063	-	-	-
Earnings on investments	2,864,148	106,169	106,006	2,733,240
Food service	-	-	-	-
Other	1,626,199	-	-	-
<b>State sources:</b>				
Minimum foundation program	171,559,593	-	-	-
Contributions to				
Teachers' Retirement	57,058	-	-	-
Revenue sharing	2,086,894	-	-	-
Professional Improvement Program	435,420	-	-	-
Other	2,771,858	-	-	-
<b>Federal sources</b>	653,749	-	-	14,766,001
<b>Total Revenues</b>	<u>242,881,733</u>	<u>46,747,075</u>	<u>46,746,912</u>	<u>17,499,241</u>
<b>Expenditures</b>				
<b>Current</b>				
<b>Instruction:</b>				
Regular education programs	125,334,360	-	-	4,375
Special education programs	60,639,649	-	-	115,842
Vocational education programs	5,095,453	-	-	-
Other instructional programs	12,318,898	-	-	11,337
Special programs	1,722,845	-	-	-
Adult education programs	397,512	-	-	-
<b>Support services:</b>				
Pupil support	12,517,677	-	-	5,174
Instructional staff support	11,172,252	-	-	30,960
General administration	5,458,199	537,619	537,329	8,261
School administration	18,860,194	-	-	9,627
Business administration	2,384,116	-	-	-
Operation and maintenance of plant	32,005,941	-	-	147,597
Pupil transportation	27,577,394	-	-	-
Central services	6,751,697	-	-	-
Food service	3,000,253	-	-	271,701
Community service programs	44,254	-	-	-
Facilities acquisition and construction	550,755	-	-	11,809,213
<b>Debt service:</b>				
Legal fees	-	-	-	-
Election expenses	-	-	-	-
Bond issuance costs	-	-	-	-
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
<b>Total Expenditures</b>	<u>325,851,548</u>	<u>537,619</u>	<u>537,329</u>	<u>12,412,087</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(82,969,816)</u>	<u>46,209,456</u>	<u>46,209,583</u>	<u>5,087,154</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	91,575,738	-	88,663	1,353,717
Transfers out	(24,519,008)	(43,123,510)	(43,211,719)	(8,246,198)
Payment to escrow agent from refunding bond proceeds	-	-	-	-
Bonds issued	-	-	-	-
Federal loan proceeds	-	-	-	-
Sale of capital assets	52,366	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>67,109,096</u>	<u>(43,123,510)</u>	<u>(43,123,056)</u>	<u>(6,892,479)</u>
<b>Net Change in Fund Balances</b>	<u>(15,860,720)</u>	<u>3,085,946</u>	<u>3,086,527</u>	<u>(1,805,325)</u>
<b>Fund Balances, Beginning of Year</b>	<u>71,644,882</u>	<u>5,000</u>	<u>4,559</u>	<u>86,144,183</u>
<b>Fund Balances, End of Year</b>	<u>\$ 55,784,162</u>	<u>\$ 3,090,946</u>	<u>\$ 3,091,086</u>	<u>\$ 84,338,858</u>

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

Statement E

2004 Construction Fund	Non-major Fund Types		Totals	
	Other Governmental		2008	2007
\$ -	\$ 23,317,377	\$	\$ 83,888,326	\$ 73,870,662
-	-		93,281,812	69,671,372
-	1,428,958		1,686,022	1,535,997
1,826,887	953,452		8,689,903	12,588,359
-	3,301,946		3,301,946	2,699,597
-	138,068		1,764,267	1,848,854
-	1,841,608		173,501,201	154,613,755
-	-		57,059	64,148
-	-		2,086,894	1,846,208
-	-		435,420	488,502
-	7,360,844		10,132,502	5,644,455
-	26,618,558		42,038,308	50,768,367
<u>1,826,887</u>	<u>65,051,812</u>		<u>420,883,660</u>	<u>395,651,276</u>
-	4,188,389	129,525,124		121,079,830
-	4,758,551	65,514,042		61,235,517
-	293,843	5,389,386		4,979,285
-	1,649,774	13,880,109		13,548,480
-	8,707,887	10,430,732		11,358,154
-	5,500	403,012		419,454
-	1,624,237	14,147,088		12,862,175
-	3,530,037	14,733,249		13,494,750
-	773,938	7,323,346		6,144,633
-	-	18,869,821		16,640,521
-	-	2,394,116		2,209,097
-	134,657	32,288,195		28,083,282
-	179,852	27,757,246		22,811,347
-	-	6,751,697		4,399,589
-	15,169,480	18,441,434		16,785,017
-	1,626,963	1,671,217		1,340,078
46,891,904	10,203,764	68,455,638		54,486,930
-	30,125	30,125		21,567
-	58,109	58,109		-
-	75,590	75,590		-
-	11,805,771	11,805,771		13,420,000
-	7,450,217	7,450,217		8,097,595
<u>46,891,904</u>	<u>72,284,784</u>	<u>458,495,272</u>		<u>414,497,301</u>
<u>(44,965,017)</u>	<u>(7,202,972)</u>	<u>(37,631,612)</u>		<u>(18,846,025)</u>
17,000,000	13,210,223	123,228,341		141,962,543
-	(4,127,808)	(123,228,341)		(143,234,819)
-	670,000	670,000		(9,954,229)
-	-	-		-
-	2,397	54,763		15,965,981
<u>17,000,000</u>	<u>9,754,712</u>	<u>724,763</u>		<u>4,759,376</u>
<u>(27,965,017)</u>	<u>2,551,740</u>	<u>(36,906,849)</u>		<u>(14,086,649)</u>
<u>55,015,591</u>	<u>27,616,117</u>	<u>240,430,312</u>		<u>254,516,961</u>
<u>\$ 27,050,574</u>	<u>\$ 30,167,857</u>	<u>\$ 203,523,463</u>		<u>\$ 240,430,312</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, 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, 2008

Total net changes in fund balances – governmental funds \$ (35,906,849)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation in the project.

Capital outlays	\$	60,836,434	
Depreciation expense		(13,453,866)	47,382,568

New debt/bonds issues provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal and capital leases is expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount that the amount issued exceeded repayments.

Bonded Debt Repayments	\$	11,805,771	
Bond proceeds		(670,000)	
Bond issuance costs		163,824	
Accrued interest		(1,617,013)	9,682,582

Revenues for sales tax, ad valorem, and federal funds in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (14,811,452)

In the Statement of Activities, compensated absences 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 (\$2,268,663) exceeded the amounts used (\$503,827) by \$1,764,836. \$ (1,764,836)

In the Statement of Activities, Post Employment benefits 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). The liability for Post Employment benefits at June 30, 2008 is \$21,245,428 \$ (21,245,428)

All revenues, expenses and changes in fund net assets (deficits) of the internal service fund are reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement.

Net Loss	\$	(5,946,316)	
Change in net assets of governmental activities		(23,609,731)	

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

## Statement G

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Proprietary Fund Type - Internal Service Fund**  
**Statements of Net Assets**  
**June 30, 2008**  
**With Comparative Totals for June 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 13,365,187	\$ 14,145,379
Investments	998,160	1,069,449
Accounts receivable	466,117	805,585
Due from other funds	229,368	2,535,924
<b>Total Assets</b>	<u>\$ 15,058,832</u>	<u>\$ 18,556,337</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 21,750	\$ 22,073
Due to other funds	1,463,876	289,244
Liability for self-insurance losses	14,149,129	12,655,516
Claims liability	1,365,050	1,584,161
<b>Total Liabilities</b>	<u>16,999,805</u>	<u>14,550,994</u>
<b>Net Assets</b>		
Restricted for employee benefits	(5,311,734)	1,006,774
Unrestricted	3,370,761	2,998,569
<b>Total Net Assets</b>	<u>(1,940,973)</u>	<u>4,005,343</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 15,058,832</u>	<u>\$ 18,556,337</u>

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

## Statement H

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Proprietary Fund Type - Internal Service Funds**  
**Statements of Revenues, Expenses , and**  
**Changes in Net Assets**  
**For the Year Ended June 30, 2008**  
**With Comparative Totals for the Year Ended June 30, 2007**

	<u>2008</u>	<u>2007</u>
Operating Revenues		
Employer contributions	\$ 61,916,761	\$ 33,478,931
<b>Total Operating Revenues</b>	<u>61,916,761</u>	<u>33,478,931</u>
Operating Expenses		
Administrative	153,016	145,305
Contractual services	5,280,448	2,441,724
Premium payments	145,173	1,887,517
Benefit Payments	61,099,807	21,134,308
Claims	477,208	185,379
Increase in provision for self-insurance losses	<u>1,274,502</u>	<u>11,361,352</u>
<b>Total Operating Expenses</b>	<u>68,430,154</u>	<u>37,155,585</u>
<b>Operating Loss</b>	<b>(6,513,393)</b>	<b>(3,676,654)</b>
Non-Operating Revenues		
Insurance tax credit refund	-	132,157
Earnings on investments	<u>567,077</u>	<u>546,116</u>
<b>Total Non-Operating Revenues</b>	<u>567,077</u>	<u>678,273</u>
Transfer In	<u>-</u>	<u>1,272,376</u>
<b>Changes in Net Assets</b>	<b>(5,946,316)</b>	<b>(1,726,005)</b>
Total Net Assets - Beginning of Year	<u>4,005,343</u>	<u>5,731,348</u>
Total Net Assets - End of Year	<u>\$ (1,940,973)</u>	<u>\$ 4,005,343</u>

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



**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Proprietary Fund Type - Internal Service Funds**  
**Statements of Cash Flows**  
**For the Year Ended June 30, 2008**  
**With Comparative Totals For June 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from employer and employee contributions	\$ 65,397,949	\$ 33,146,422
Payments for benefits and claims	(61,237,547)	(19,751,667)
Payments for insurance premiums	(145,173)	(1,879,040)
Payments for administrative and contractual services	<u>(5,433,787)</u>	<u>(2,591,487)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(1,418,558)</u>	<u>8,924,228</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
Insurance tax credit refund	-	132,157
Transfer to other funds	-	<u>(10,657,366)</u>
<b>Net Cash Used by Noncapital Financial Activities</b>	<u>-</u>	<u>(10,525,209)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Proceeds from insurance	-	<u>9,657,366</u>
<b>Net Cash Provided by Capital and Related Financial Activities</b>	<u>-</u>	<u>9,657,366</u>
<b>Cash Flows from Investing Activities</b>		
Earnings on investments	<u>567,077</u>	<u>448,313</u>
<b>Net Cash Provided (Used) in Cash, Cash Equivalents and Investments</b>	<u>(851,481)</u>	<u>8,504,698</u>
<b>Cash, Cash Equivalents and Investments at Beginning of Year</b>	<u>15,214,828</u>	<u>6,710,130</u>
<b>Cash, Cash Equivalents and Investments at End of Year</b>	<u>\$ 14,363,347</u>	<u>\$ 15,214,828</u>
<b>Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities:</b>		
Operating loss	\$ (8,513,393)	\$ (3,676,654)
<b>Adjustments to reconcile operating loss to net cash provided (used) by operating activities:</b>		
Increase in provision for self insurance losses	1,274,502	11,361,352
Decrease in receivables	2,646,024	8,868,999
Increase (decrease) in payables	1,174,309	(7,637,969)
Decrease in prepaid insurance	-	8,500
<b>Net cash provided (used) by operating activities</b>	<u>\$ (1,418,558)</u>	<u>\$ 8,924,228</u>

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

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Agency/Fiduciary Fund**  
**Comparative Statement of Fiduciary Assets and Liabilities - School Activity Funds**  
**June 30, 2008**  
**With Comparatives Totals for June 30, 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,929,723	\$ 3,223,565
Due from other funds	84,456	-
Investments	<u>2,736,761</u>	<u>2,512,175</u>
<b>Total Assets</b>	<u>5,750,940</u>	<u>5,735,740</u>
<b>Liabilities</b>		
Due to other funds	\$ 113,741	\$ -
Due to schools	<u>5,637,199</u>	<u>5,735,740</u>
<b>Total Liabilities</b>	<u>5,750,940</u>	<u>5,735,740</u>

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

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
  - A. Reporting Entity
  - B. Basis of Presentation-Fund Accounting
  - C. Basis of Accounting-Measurement Focus
  - D. Budget Practices
  - E. Encumbrances
  - F. Cash, Cash Equivalents and Investments
  - G. Receivables
  - H. Short-Term Interfund Receivables/Payables
  - I. Inventory
  - J. Restricted Assets
  - K. Capital Assets
  - L. Long-Term Obligations
  - M. Compensated Absences
  - N. Sales and Use Taxes
  - O. Restricted Net Assets – Government-wide Financial Statements
  - P. Reserves of Fund Balance – Fund Financial Statements
  - Q. Claims and Judgments
  - R. Comparative Data and Total Columns on Combined Statements
  
2. AD VALOREM TAXES
3. CASH, CASH EQUIVALENTS AND INVESTMENTS
4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS
5. PROPERTY, PLANT AND EQUIPMENT
6. RISK MANAGEMENT
7. CHANGES IN LONG-TERM DEBT
8. DEFEASED DEBT
9. TAX ARBITRAGE REBATE
10. RETIREMENT PLANS
11. 12. CHANGES IN AGENCY DEPOSITS DUE OTHERS
12. LITIGATION AND CLAIMS
13. EXCESS OF EXPENDITURES OVER APPROPRIATIONS
14. NET ASSETS DEFICIT IN INTERNAL SERVICE FUNDS
15. HURRICANE KATRINA
16. GASB STATEMENT NO. 45 "ACCOUNTING AND FINANCIAL REPORTING BY EMPLOYERS FOR POST EMPLOYMENT BENEFITS OTHER THAN PENSION"
17. SUBSEQUENT EVENTS

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. REPORTING ENTITY**

The St. Tammany Parish School Board (School Board) was created by Louisiana Revised Statute (LRS) 17:51 for the purpose of providing public education for the children within St. Tammany Parish, Louisiana. The School Board is authorized by LRS 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 authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is comprised of 15 members who are elected from 15 districts for concurrent terms of four years expiring in December 2011.

The School Board operates 52 schools within the parish with a total enrollment of 35,329 students. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. The School Board members are elected by the public, have decision-making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. Certain units of local government, over which the School Board exercises no financial accountability, such as the parish council, other independently elected parish officials, and municipalities within the parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity and does not have any component units that require inclusion in the financial statements.

**B. BASIS OF PRESENTATION-FUND ACCOUNTING**

**Government Wide Financial Statements (GWFS)**

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in GWFS. Fiduciary funds are

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

reported only in the Statement of Assets and Liabilities at the fund financial statement level. For the most part, the effect of interfund activity has been removed from these statements.

**Internal Activities:** The workers' compensation, risk management, and health/life insurance funds provide services to the governmental funds. Accordingly, these funds were included in the government activities. Pursuant to GASB 34, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion. Interfund services provided and used are not eliminated in the process of consolidation.

**Program Revenues:** Program revenues include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from food sales and tuition. Operating grants and contributions consist of the many educational grants received from the federal and state government.

**Allocation of Indirect Expenses:** The School Board reports all direct expense by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identifiable by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Other indirect expenses are allocated.

**Fund Financial Statements (FFS)**

Fund financial statements report detailed information about the School Board. The focus of the governmental and enterprise fund financial statements is on the major funds rather than reporting funds by type. Each major fund is presented in a separate column. The major funds reported by the School Board for the year ended June 30, 2008 are as follows:

- General Fund, accounts for the day to day operations of the School Board.
- 1966 Sales Tax Fund, accounts for the collection for the 1966 sales taxes for the School Board
- 1967 Sales Tax Fund, accounts for the collection for the 1967 sales taxes for the School Board
- Katrina Fund, accounts for the revenue and expenditures relating to the recovery from Katrina
- 2004 Construction Fund, accounts for the expenditures of the \$75 million in general obligation bonds approved by the voters for various construction projects and an additional \$17 million transferred from General Fund

Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary funds statements.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

**Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal, state and local grant and entitlement programs and special district funds established for various educational objectives.

**Debt Service Funds**

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

**Capital Projects Funds**

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds). Separate capital project funds are maintained to account for the proceeds of general obligation bonds and other financing proceeds.

Proprietary Funds are used to account for the School Board's ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income. The School Board's proprietary fund type is limited to Internal Service Funds as follows:

**Internal Service Funds**

The Internal Service Funds are used to account for the accumulation of resources for and the payment of benefits by the School Board's self-insurance programs. The School Board maintains the following self-insurance funds:

**Workers' Compensation Fund** - This fund is used to account for the payment of workers' compensation benefits.

**Risk Management Fund** - This fund is used to account for general liability, which is fully insured for FYE June 30, 2008 with a deductible of \$250,000 per occurrence, and property damage, which is insured at the fiscal year end June 30, 2008 with a deductible of \$5,000,000 per occurrence.

**Health/Life Insurance Fund** - This fund is used to account for the expenditures for health and life insurance claims for the School Board.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

Fund revenues are derived from government allocations. These revenues are planned to match: (1) expenses of insurance premiums in excess of self-insurance amounts; (2) estimated claim losses resulting from self-insurance programs which include estimated liabilities for claims incurred but not yet reported at year end, and (3) operating expenses. Non-operating income includes interest income.

**Fiduciary Funds**

Fiduciary Funds are used to account for assets held by the School Board in a trustee or agency capacity. The School Board maintains one fiduciary fund type, an agency fund. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**C. BASIS OF ACCOUNTING-MEASUREMENT FOCUS**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expense, gains, losses, assets and liabilities resulting from the exchange and exchange-like transactions are recognized when the exchange takes place. Revenues are rerecorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of relate cash flows. Property taxes (ad valorem) are recognized as revenue in the year they are levied and grant revenues are recognized as soon as all eligibility requirements are met. Revenues not earned are reported as deferred revenue.

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

The proprietary fund type is accounted for accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expense generally result form providing services in connection with a proprietary fund's principal; ongoing operations. The operating revenue of the propriety funds are employer contributions. The operating expenses for the proprietary funds include the cost of insurance premiums, claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fiduciary fund types (agency fund) are reported in the financial statements on the accrual basis of accounting. Under the accrual basis, revenues are recorded when they earned. Revenues not considered earned are recorded as deferred revenues. The following practices in recording revenues and expenditures have been used for the governmental funds.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

The School Board applies all applicable FASB pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

**Revenues**

Federal and state entitlements, which include state equalization and state revenue sharing, are recorded as unrestricted grants-in-aid when available and measurable. For this purpose, the Board considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Federal and state grants which are restricted as to the purpose of the expenditures are recorded when the reimbursable expenditures have been made. Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, based on the assessed value on January 1, become due on November 15 of each year, and become delinquent on December 31. An enforceable lien attaches to the property as of November 15. The taxes were levied by the School Board on June 1, 2007. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected and are unremitted by the St. Tammany Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations. Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month in which the School Board considers them available (60 days) to finance current year obligations and are collected by the St. Tammany Parish Tax Collector. Substantially all other revenues are recorded when received.

**Expenditures**

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recorded as a liability on the government-wide financial statements. Commitments under construction contracts are recognized as expenditures when earned by the contractor. Principal and interest on general long-term obligations are not recognized until due. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The proprietary fund type is reported in the financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**Deferred Revenues**

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



**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

there is an inventory of donated food commodities at year end. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

**Prepays**

Prepaid expenditures are recorded in the year that the expenditure is accrued using the consumption method.

**D. BUDGET PRACTICES**

The proposed budgets for fiscal year 2007-2008 were completed and made available for public inspection at the School Board office on July 27, 2007. A public hearing was held on August 16, 2007 for suggestions and comments from taxpayers. The proposed fiscal year 2007-2008 budgets were formally adopted by the School Board on September 13, 2007 and amended on May 8, 2008. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service and Capital Projects Fund's were published in the official journal ten days prior to the public hearings. The budget and amendments are reported on the major funds beginning on page 55.

The budgets for all Funds for the fiscal year 2008 were prepared on a modified accrual basis, consistent with generally accepted accounting principles (GAAP).

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. Appropriations are valid only for the year in which made, and any part of such appropriation which is not encumbered or expensed lapses at the end of the year. Current year transactions which are directly related to prior year's budget are not rebudgeted in the current year.

The level of control over the budget is exercised at the function or program level for the General and Special Revenue Funds, at the project level for the Capital Projects Funds and at the individual debt issue level for the Debt Service Funds. The Superintendent is authorized to transfer budget amounts within each function; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

Because the budgets are prepared on a modified accrual basis, no differences in budget basis and GAAP basis occurs. Additional information on the original and final budgets can be found in the Budgetary Comparison Schedules in the Other Supplementary Information Section of this report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

**E. ENCUMBRANCES**

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General Fund and Capital Projects Funds during the year as a budgetary tool. Encumbrances outstanding at year-end are liquidated.

**F. CASH, CASH EQUIVALENTS AND INVESTMENTS**

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less at date of acquisition are considered to be cash equivalents in the Internal Service Funds. Investments are stated at cost, which approximates fair value, and is the same as the value of the investment pool shares.

**G. RECEIVABLES**

Intergovernmental receivables consist of receivables for reimbursement of expenditures under various state and federal programs and grants. All amounts are expected to be collected within the next twelve months.

Other receivables include all trade and other receivables considered to be received within one year. No allowance for uncollectibles has been established as all receivable are considered collectable.

**H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the normal course of operations, numerous transactions occur between funds for goods provided or services rendered. Activities between the funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds" (i.e. the current portion) or "advances to/from other funds" (i.e. the non-current portion). These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**I. INVENTORY**

Inventory of the School Food Service Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Education. The commodities are recorded as revenues and expenditures when consumed. Commodities inventory at year-end is recorded as deferred revenue. The purchased food is recorded as expenditures when consumed. All inventory items purchased are valued at cost

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

(first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

**J. RESTRICTED ASSETS**

Certain proceeds to the School Board general obligation bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. Bond proceeds from the 1998 Construction Fund, the 2002 Construction Fund, and the 2004 Construction Fund are reported as restricted assets.

**K. CAPITAL ASSETS**

Land, buildings and improvements, and furniture and equipment are recorded as expenditures in the governmental or business-type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated market value on the date of donation. Approximately 95 per cent of capital assets are valued at historical cost, while the remaining 5 percent are valued at estimated cost, based on the historical cost of like items. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000.

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

Capital assets are depreciated over their estimated useful lives (excluding any applicable salvage value). Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land	N/A
<i>Buildings and Improvements:</i>	
Fixed Buildings and Improvements	20
Temporary Buildings (Portables)	20
<i>Furniture &amp; equipment:</i>	
Heavy Equipment	10
Office Equipment	5
Furniture and Fixtures	5
Computers, electronics, and Video Equipment	3

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

**L. LONG-TERM OBLIGATIONS**

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

**M. COMPENSATED ABSENCES**

All 12-month non-school administrative employees earn from 10 to 20 days of vacation leave each year, depending on length of service with the School Board. A maximum of five days of vacation leave may be carried forward to the next calendar year. Upon termination, earned vacation leave is paid to the employee at the employee's current rate of pay.

All School Board employees earn from 10 to 13 days of sick leave each year, depending upon the number of months employed. Sick leave can be accumulated without limitation. Upon retirement, a maximum of 25 days of unused sick leave is paid to the employee at the employee's current rate of pay, and all unused sick leave is used in the retirement benefit computation as earned service. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Leave may be granted for medical purposes and professional and cultural improvement.

The cost of compensated absence privileges (unused sick leave) is recognized as current year expenditures in the General Fund when leave is actually taken, or when employees are paid for accrued leave upon retirement or death. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

At June 30, 2008, employees of the School Board have accumulated and vested \$15,828,660 of compensated absence benefits in salary and salary related payments.

**N. SALES AND USE TAXES**

On June 25, 1966, the voters of St. Tammany Parish approved a one percent sales and use tax which, after payment of necessary costs and expenses of collecting the tax, is dedicated for payments of salaries of teachers and other school personnel and for other operating expenses. On September 18, 1976, the voters of St. Tammany Parish approved a one percent sales tax to be levied on behalf of the St. Tammany Parish School Board for a period of 15 years. In April 2004, the voters of the parish designated this tax as permanent.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

The proceeds are dedicated for the purposes of capital improvements, maintenance, and operating expenses of the School Board. The sales and use taxes are collected by the St. Tammany Parish Tax Collector for a percentage of the monthly collections.

**O. RESTRICTED NET ASSETS - GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources as they are needed.

**P. RESERVES OF FUND BALANCE - FUND FINANCIAL STATEMENTS**

Reserves on the governmental funds represent portions of fund balances that are not available for appropriations for expenditures or have been legally segregated for future use. *Reserved for Inventory* represents an offset against an asset inventory, because it doesn't constitute an available, spendable resource of the fund. *Reserved for Debt Service* represents the amount of fund balance available to pay the remaining amounts of outstanding debt.

**Q. CLAIMS AND JUDGMENTS**

The School Board provides for losses and anticipated expenses resulting from claims and judgments including claim adjustment expenditures/expense, salvage and subrogation. Losses resulting from claims and judgments are estimated by utilizing a case by case review of all claims in accordance with Governmental Accounting Standards Board Codification Section C50.

The liability for such losses is recorded in the Internal Service Funds. Incurred but not reported claims as of June 30, 2008, have been considered in determining the accrued liability.

**R. COMPARATIVE DATA AND TOTAL COLUMNS ON STATEMENTS**

Comparative total data for the prior year has been presented in the basic financial statements in order to provide an understanding of changes in the School Board's financial position and operations of these funds. However, comparative data (i.e., presentation of prior year total by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. In the fund financial

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

statements interfund eliminations have not been made in the aggregation of this data and there are certain reconciling items which are further explained in Statements D and F.

**2. AD VALOREM TAXES**

The following is a summary of authorized and levied parish-wide ad valorem taxes for the fiscal year ended June 30, 2008:

	<u>Mills</u>	<u>Year of Expiration</u>
Constitutional	4.47	N/A
Additional Support	5.69	2013
Construction, Maintenance and Operations	4.05	2013
Improve, Maintain and Operating	41.73	2013
Bond and Interest - District No. 12	<u>21.90</u>	2022
Total millage	<u>77.84</u>	

**3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Deposits**

For reporting purposes, cash and cash equivalents includes, savings, demand deposits, time deposits, and certificates of deposit. Deposits in bank accounts are stated at cost, which approximates market. Further, the School Board may invest in time certificates of deposit in state banks organized under the laws of Louisiana, national banks having their principal of office in the State of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions. Cash balances of all funds are combined. Interest earned on deposits is distributed to the individual funds based on the invested balances of the participating funds during the year. Interest is recorded when earned.

Under state law, the bank balances of these deposits 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 or exceed the amount on deposit with the fiscal agent. These pledged securities must be held in the name of the School Board or the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasury.

At June 30, 2008, the School Board's carrying value of its deposits excluding fiduciary cash balances was \$225,423,679, and the bank balance was \$242,577,264. Of the bank balance, \$242,577,264 was covered by federal depository insurance or secured by bank owned securities specifically pledged to the School Board and held in joint custody by an independent custodian bank or trust department. Custodial risk is the risk that in the event of bank failure, the government's deposits may not be

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

returned to it. At June 30, 2008, none for the School Board's deposits were exposed to custodial credit risk representing uninsured deposits collateralized by a pledging bank's trust department, but not in the School Board's name. Restricted cash and cash equivalents are reported on the Statement of Net Assets in the amount of \$38,210,310 for the year ended June 30, 2008. These restricted assets represent certain proceeds of general obligation bonds of the School Board and their use is limited by applicable bond covenants.

In addition, at year-end, the individual schools held cash, cash equivalents, and investments of \$5,666,484 in various accounts. The balances of these accounts are collateralized with either FDIC insurance and/or pledged securities in the School Board's name. Because these accounts are not assets of the School Board (Agency Funds), the balances are not reflected in the fund financial statement or the government-wide financial statements.

**Investments**

Cash balances of the School Board's funds are pooled and invested to the extent possible in authorized investments. Interest earned on invested cash is distributed to the various funds on the basis of actual invested cash balances of the participating funds during the year.

Under state law, the School Board may invest in United States bonds, treasury notes and bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool rated "AAA". Investments are stated at cost, which approximates fair value, and is the same as the value of the pool shares.

Investments of \$10,192,692 (\$9,070,320 in the governmental funds and \$1,122,372 in the proprietary funds) at June 30, 2008 include \$5,096,049 in U.S. treasury notes, \$2,149,217 in certificates of deposits, and \$2,947,426 in LAMP.

At year-end, the School Board's investment balances were as follows:

	<u>Maturities in Years</u>			<u>Reported Amount/ Fair Value</u>
	<u>Less than One</u>	<u>One to Five</u>	<u>Five to Ten</u>	
U.S. Government Securities	\$ 5,096,049	\$ -	\$ -	\$ 5,096,049
Certificates of Deposits	2,149,217	-	-	2,149,217
Total	<u>\$ 7,245,266</u>	<u>\$ -</u>	<u>\$ -</u>	7,245,266
Investments not subject to Categorization:				
Louisiana Asset Management Pool				2,947,426
Total Investments				<u>\$ 10,192,692</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

*Interest Risk.* Interest rate risk is the risk applicable to debt instruments with fair values that are sensitive to changes in interest rates. One indicator of the measurement of interest rate risk is the dispersion of maturity dates of debt instruments. The above table shows the School Board's investments and maturities in actively managed accounts at June 30, 2008. The School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* State law limits investments to the following:

1. Direct United States Treasury obligations
2. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States of America
3. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. government instrumentalities, which are federally sponsored.
4. Direct security repurchase agreements of any federal book entry only securities.
5. Time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, savings accounts, or shares of savings and loan associations and savings banks.
6. Mutual or trust fund institutions which are registered with the SEC and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.
7. Guaranteed investment contracts issued by a bank, financial, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service.
8. Investment grade commercial paper of domestic United States corporations.
9. LAMP.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by rule 2-a7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized costs and market value. For purposes of determining participant's shares, investments are valued at amortized cost that approximates fair value. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The School Board's investment policy complies with state law and does not further limit its investment choices.



**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
**June 30, 2008**

*Concentration of Credit Risk.* The School Board places no limit on the amount the School Board may invest in any one issuer. The School Board's investment in the U.S. Treasury notes, certificates of deposit, and LAMP are 50%, 21%, and 29%, respectively.

The School Board's investments are valued at cost, which closely approximates the market value (less than 1% difference).

**4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

As of June 30, 2008, individual balances due from/to other funds are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Sales Tax 66	\$ 3,869,112
	Sales Tax 77	3,685,590
	Katrina	1,368,442
	Non Major Governmental	8,268,941
	Internal Service	1,463,876
Katrina	General	1,353,717
Non Major Governmental	General	1,748,879
	Non Major Governmental	2,524,691
	Sales Tax 66	71,269
	Sales Tax 77	254,941
	Total Governmental Funds	<u>24,609,458</u>
Internal Service	General	129,288
	Non Major Governmental	<u>100,080</u>
	Total Internal Service	<u>229,368</u>
	Total	<u>\$ 24,838,826</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

The School Board's lending/borrowing activities referred to as "due to/due from" are further explained in the summary of significant accounting policies (Note 1(H)). The general fund loaned money to various funds for the payment of expenditures prior to receipt of funds from federal, state and local sources through reimbursement. The 1977 & 1966 Sales Tax Funds each had balances owed to the General Fund representing May and June collections of sales taxes due to the general and other funds and will be paid when received. Various federal and state programs, including NCLB had balances due to the general fund for reasons stated above. Federal loans and grants in the Katrina Funds were transferred to offset cost associated with the recovery from the Hurricane Katrina Disaster. All other inter-fund lending was for normal operating activities.

As of June 30, 2008, individual transfers are as follows:

Transfer Out (Fund):	General	1977 Sales Tax	Katrina	2004 Construction	Nonmajor Governmental	Total
*General	\$ -	\$ -	\$ 1,353,717	\$ 17,000,000	\$ 6,165,291	\$ 24,519,008
*1966 Sales Tax	41,954,885	-	-	-	1,168,625	43,123,510
*1977 Sales tax	40,035,412	-	-	-	3,176,307	43,211,719
*Katrina	8,246,196	-	-	-	-	8,246,196
Nonmajor governmental	1,339,245	88,663	-	-	2,700,000	4,127,908
	<u>\$ 91,575,738</u>	<u>\$ 88,663</u>	<u>\$ 1,353,717</u>	<u>\$ 17,000,000</u>	<u>\$ 13,210,223</u>	<u>\$ 123,228,341</u>

\* Indicates major fund

The School Board transfers funds between funds as part of the normal operating of fund activity through out the year to account for payment of expenditures and receipt of revenues. The 1966 & 1977 Sales Tax Funds transfer monthly to the general fund and other funds the balances of sales tax collections. The general fund transfers MFP monies to the School Food Service Fund and general revenues to the capital project funds and to various other funds throughout the year as the budget prescribes. All other transfers were for other normal operating activities.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
**June 30, 2008**

**5. PROPERTY, PLANT AND EQUIPMENT**

A summary of changes in capital assets are as follows:

<u>Governmental activities:</u>	<u>Balance</u> <u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>Non Depreciable Assets:</b>				
Land	\$ 9,842,428	\$ 743,697	\$ -	\$ 10,586,125
Construction in progress	29,344,974	57,888,848	9,565,406	77,668,416
<b>Depreciable Assets:</b>				
Buildings and improvements	369,593,890	10,586,008	1,084,582	379,095,316
Furniture and equipment	31,571,303	2,504,080	3,581,384	30,493,999
Total	<u>440,352,595</u>	<u>71,722,633</u>	<u>14,231,372</u>	<u>497,843,856</u>
<b>Less accumulated depreciation:</b>				
Buildings and improvements	191,135,041	11,262,969	322,406	202,075,604
Furniture and equipment	27,108,325	2,190,897	3,022,767	26,276,455
Total accumulated depreciation	<u>218,243,366</u>	<u>13,453,866</u>	<u>3,345,173</u>	<u>228,352,059</u>
Governmental Activities				
Capital assets, net	<u>\$ 222,109,229</u>	<u>\$ 58,268,767</u>	<u>\$ 10,886,199</u>	<u>\$ 269,491,797</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 4,598,668
Special programs	2,200,294
Vocational education programs	267,435
Other instructional programs	653,973
Special programs	620,062
Adult/continuing education programs	17,967
Pupil support	460,948
Instructional staff support	474,661
General administration	252,698
School administration	607,125
Business administration	80,104
Operation and maintenance of plant	1,248,518
Pupil transportation	866,538
Central services	351,398
Food services	699,964
Community service programs	53,513
Total depreciation expense	<u>\$ 13,453,866</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

Construction in progress at June 30, 2008 is composed of the following:

Project Location	Project Authorization	Incurred as of June 30, 2008	Committed
Brock Elementary	\$ 8,906,754	9,241,262	\$ (334,508)
Brooks Curriculum/Pathways	173,203	100,859	72,344
Covington Elementary	985,049	1,073,305	(88,256)
Covington High	1,485,800	129,263	1,356,537
Creskide Junior High	1,777,000	59,651	1,717,349
Fontainebleau High	534,727	51,803	482,924
Henry Mayfield Elementary	8,625,000	19,558	8,605,442
Little Oak Middle	4,218,202	1,892,062	2,326,140
Little Pearl Elementary	9,544,526	7,328,376	2,216,150
Madisonville Elementary	1,180,285	861,856	318,429
Madisonville Junior High	5,124,762	3,526,862	1,597,900
Mandeville Junior high	1,005,311	576,366	428,945
New Madisonville Elementary	24,727,500	9,112	24,718,388
New Mandeville Elementary	18,521,622	4,614,224	13,907,398
New Mandeville High/Athletic Facilities	37,152,578	38,889,457	(1,736,879)
New K-1 on Viola	15,775,683	2,601	15,773,082
Pineview Middle	150,000	279,486	(129,486)
Riverside Elementary	37,500	12,227	25,273
St. Tammany Junior High	-	19,859	(19,859)
Salmen High	49,590,000	2,897,632	46,692,368
Shidell High	10,337,861	6,082,595	4,255,266
Total	\$ 199,853,363	77,668,416	\$ 122,184,947

**6. RISK MANAGEMENT**

Workers' Compensation

The School Board has had a risk management program for workers' compensation since 1988. Premiums are paid into the Workers' Compensation Internal Service Fund by all funds from which salaries are paid and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2008, a total of \$4,106,520 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$250,000. As of June 30, 2008, \$ 61,696 is due to the Board from its insurance provider. An amount for self-insurance losses of \$4,391,183 has been accrued as a liability based upon an actuary's estimate as of June 30, 2008. Interfund premiums are based primarily upon the individual funds' claims experience and are reported as expenditures in the individual funds.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

Risk Management

In addition, the School Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters. During fiscal year 1990, the School Board established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the Risk Management Fund provides coverage up to a maximum of \$250,000 for each general liability claim and \$5,000,000 for each property damage claim. The School Board purchases commercial insurance for claims in excess of coverage provided by the Fund. In 2008, the School Board paid claims in excess of coverage of \$477,208 to claimants in excess of the \$250,000 maximum. The General Fund makes payments to the Risk Management Fund based on estimates of the amounts needed to pay claims and to accumulate funds for future catastrophic losses. At June 30, 2008, \$3,370,761 of fund equity is designated for future catastrophic losses and claims liabilities are \$1,365,050.

Health/Life

In 2007, the School Board became self-insured for health care benefits offered to its employees and retirees. The plan is managed by a third-party administrator and excess cost coverage is purchased by the School Board to limit its liability.

Changes in the claims liability amount in previous fiscal years and balances expected to be paid in the next year are as follows:

	Balance Beginning of Year	Claims and and Changes in Estimates	Payments and Claims	Balance End of Year
<b>Workers' Compensation</b>				
2006-07	\$ 2,301,414	\$ 5,122,826	\$ 2,658,610	\$ 4,765,630
2007-08	4,765,630	3,235,853	3,610,300	4,391,183
<b>Risk Management</b>				
2006-07	\$ 576,911	\$ 1,192,629	\$ 185,379	\$ 1,584,161
2007-08	1,584,161	258,097	477,208	1,365,050
<b>Health/Life Insurance</b>				
2006-07	\$ -	\$ 26,365,584	\$ 18,475,698	\$ 7,889,886
2007-08	7,889,886	59,357,567	57,489,507	9,757,946

The School Board continues to carry commercial insurance for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

**7. CHANGES IN LONG-TERM DEBT**

The following is a summary of the long-term liabilities transactions for the year ended June 30, 2008:

	Balance 2007	Additions	Deductions	Balance 2008	Due Within One Year
General Obligation Bonds	\$ 174,320,771	\$ 670,000	\$ 11,805,771	\$ 163,185,000	\$ 12,595,000
Community Disaster Loan	67,843,971	-	-	67,843,971	-
Compensated Absences	14,063,824	2,268,663	503,827	15,828,660	503,827
<b>Total Long-Term Liabilities</b>	<b>\$ 256,228,566</b>	<b>\$ 2,938,663</b>	<b>\$ 12,309,598</b>	<b>\$ 246,857,631</b>	<b>\$ 13,098,827</b>

In 2005 and 2006, the School Board borrowed \$51,857,990 and \$15,985,981, respectively, from the federal government through the Community Disaster Loan Program resulting in total Community Disaster Loans of \$67,843,971. During 2007-2008, no additional funds were received. The interest rate on these loans is fixed and ranges from 2.67% to 3.12%. Balloon payments of principle and interest are due on January 8, 2011, June 27, 2011 and August 27, 2011. No other payments are required until 2011 and the Board has the option of requesting an extension of five years. As of June 30, 2008, this loan has accrued interest of \$4,039,177 leaving a total due of \$71,883,148.

The School Board was authorized to issue \$67,000,000 in general obligation bonds with a final maturity date of March 1, 2019. These bonds are the first installment issue of the total \$167,000,000 approved by the citizens of St. Tammany Parish via the election on March 8, 2008. The bond proceeds will be used to finance \$15,000,000 in technology, \$2,100,000 in security cameras, and \$149,900,000 in capital improvements for new construction and improvements to existing facilities. In June 2008, the School Board received a good faith deposit for this bond issue in the amount of \$670,000 which is included in bonds payable in the financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

A schedule of the individual issues outstanding as of June 30, 2008 is as follows:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
<b>General Obligation Bonds:</b>					
2003	\$ 5,440,000	2.1-2.1%	2010	\$ 54,495	\$ 1,720,000
1998B	14,480,000	4.5-5.0%	2011	290,500	2,850,000
2003	9,185,000	2.2-3.6%	2013	548,456	5,190,000
2004	17,645,000	2.0-5.0%	2016	2,940,065	14,320,000
2005	35,690,000	3.0-4.25%	2018	8,308,675	35,195,000
2006	25,000,000	4.0-4.375%	2026	9,093,750	22,500,000
2002	47,410,000	3.5-5.0%	2022	7,870,871	26,940,000
2004	30,000,000	3.75-5.0%	2024	11,711,131	26,555,000
2005	30,000,000	3.25-5.0%	2025	11,154,421	27,245,000
2008	670,000	2.54-4.17%	2019	67,000	670,000
<b>Total</b>	<b>\$ 215,520,000</b>			<b>\$ 52,039,364</b>	<b>\$ 163,185,000</b>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 2008, the School Board has accumulated \$11,906,700 in the general obligation debt service funds for future debt service requirements.

The general obligation bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Bond Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2009	\$ 12,595,000	\$ 6,761,731	\$ 19,735,836
2010	13,815,000	6,318,243	19,808,231
2011	12,805,000	5,805,905	19,914,743
2012	12,335,000	5,295,345	19,095,905
2013	12,420,000	4,809,093	18,115,345
2014-2018	59,600,000	16,377,788	81,735,074
2019-2023	28,915,000	5,943,594	54,083,941
2024-2026	10,700,000	727,665	17,755,625
	<b>\$ 163,185,000</b>	<b>\$ 52,039,364</b>	<b>\$ 250,244,700</b>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded solely by ad valorem taxes in excess of 35 percent of the assessed value of taxable property. At June 30, 2008, the statutory limit is \$535,484,947 and the

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

legal debt margin is \$384,206,647. Outstanding bonded debt payable from ad valorem taxes at June 30, 2008 totaled \$163,185,000.

**8. DEFEASED DEBT**

The School Board defeased the following General Obligation Bonds and Sales Tax Bonds: An irrevocable trust fund was created for each defeasance. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the School Board. As of June 30, 2008 the following outstanding bonds are considered defeased:

	<u>Amount</u> <u>Outstanding</u>	<u>Date of</u> <u>Defeasance</u>	<u>Final</u> <u>Maturity Date</u>
<b>General Obligation Bonds:</b>			
\$7,415,000,1997 Series	\$ 3,395,000	July 16, 2003	June 1, 2010
\$5,000,000,1992 Series	2,315,000	April 1, 2002	April 1, 2012
\$13,195,000,1993 Series	6,995,000	March 1, 2003	March 1, 2013
\$25,000,000,1996 Series	16,380,000	April 1, 2004	March 1, 2016
\$34,590,000,1998A Series	34,590,000	June 1, 2005	March 1, 2018
\$47,410,000, 2002 Series	9,700,000	April 1, 2007	October 1, 2019
<b>Total</b>	<b>\$ <u>73,375,000</u></b>		

**9. TAX ARBITRAGE REBATE**

Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). For fiscal year 2008, no arbitrage was due to the IRS.

**10. RETIREMENT PLANS**

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Fringe benefits and salaries for the School Board's employees were recognized as revenues and expenditures/expenses during the year ended June 30, 2008. Pertinent information, as required by the Governmental Accounting Standards Board Statement No. 27, relative to each plan follows:



**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

**A. Teachers' Retirement System of Louisiana (TRS)**

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

**Funding Policy:** Plan members are required to contribute 8.0 percent and 9.1 percent of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 16.6 percent of annual covered payroll for both membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution to the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the years ended June 30, 2008, 2007, and 2006, were \$31,134,501, \$27,161,304, and \$24,135,092, respectively, equal to the required contributions for each year.

**B. Louisiana School Employees' Retirement System (LSERS)**

**Plan Description:** The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

**Funding Policy:** For fiscal years 2008, 2007, and 2006, the employees' share and School Board's share was 25.6, 19.6, and 18.4, respectively. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The Actuary has determined what the School Board should contribute on behalf of the membership plan. The School Board's employer contributions of \$3,525,094 for 2008, \$2,851,987 for 2007, and \$2,778,060 for 2006 for the LSERS are funded by the State of Louisiana through annual appropriations and by remittances from the School Board. The School Board's contributions to LSERS were equal to the required contributions for each year.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

**11. CHANGES IN AGENCY DEPOSITS DUE OTHERS**

A summary of changes in the School Activity Agency Fund's deposits due others are as follows:

Balance at Beginning of Year	\$ 5,735,740
Additions	13,589,281
Deductions	<u>(13,687,822)</u>
Balance at End of Year	<u>\$ 5,637,199</u>

**12. LITIGATION AND CLAIMS**

At June 30, 2008, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at an estimate, if any, of the amount or range of potential loss to the School Board. As a result of the review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", or "remote", as defined by the Governmental Accounting Standards Board. Amounts of claims classified as "probable" have been accrued in the claims liability and the liability for self-insurance losses, as explained in Note 7. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits except for amounts accrued in the financial statements would not have a material adverse effect on the School Board's financial position.

The School Board participates in a number of federal financial assistance programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 2008, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the School Board expects such amounts, if any, to be immaterial.

**13. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For those funds for which a budget-to actual comparison was made, actual expenditures exceeded budgeted expenditures on a line item basis as follows:

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

	<u>Expenditures</u>		<u>Unfavorable</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>NCLB Special Revenue Fund</b>			
Support services – Operation plant	\$ 37,241	\$ 68,928	\$ 31,687
Transfers out	497,651	543,238	45,587
<b>IDEA Special Revenue Fund</b>			
Support services – Instructional staff	979,602	1,111,377	131,775
Support services – General admin	550	2,757	2,207
Support services - Pupil transportation	141,612	149,630	8,018
Transfers out	456,020	518,057	62,037
<b>TANF Special Revenue Fund</b>			
Instruction – Special Ed	-	70	70
Instruction – Special programs	3,533,596	3,629,903	96,307
Support services – Instructional staff	158,084	160,717	2,633
Support services – General admin	-	716	716
<b>Vocational Education Special Revenue Fund</b>			
Support services – Pupil support	93,063	96,381	3,318
<b>Miscellaneous Programs Special Revenue Funds</b>			
Instruction – Regular education	1,562,619	2,107,036	544,417
Support services - General admin	456	11,050	10,594
Support services – Food service	(525)	9,135	9,660
<b>8G Special Revenue Fund</b>			
Instruction – Other instructional	-	1,659	1,659
Support services – Instructional staff	105,862	106,170	308
<b>Community Education Special Revenue Fund</b>			
Community service programs	1,409,657	1,626,963	217,306
<b>2004 Construction Capital Project Fund</b>			
Facilities, acquisition, construction	42,680,000	46,891,704	4,211,704
<b>2008 Construction Capital Project Fund</b>			
Facilities, acquisition, construction	-	606,580	606,580
<b>Property Acquisition Capital Projects Fund</b>			
Facilities, acquisition, construction	500,000	1,257,108	757,108

**14. NET ASSETS DEFICIT IN INTERNAL SERVICE FUNDS**

The Internal Service Funds had a deficit in net assets for the year ended June 30, 2008 in the amount of \$1,940,973. This total deficit in net assets was caused by deficit in net assets in the Health and Life Insurance Fund in the amount of \$7,760,141. The School Board's rates for its self insured employee health insurance program are calculated to enable the fund to be adequately funded and remain solvent. The rates in effect as of June 30, 2008 were determined by our third

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

party administrator based upon the existing level of participation and claim payment history prior to and up to date the self insurance program was implemented in January 2007.

A committee of administrators, employees, and representatives from the third party administrator meet quarterly and review the premiums collected and the claims paid to ensure sufficient funding as well as other administrative tasks. The committee has completed its analysis of the year ended June 30, 2008 and will be making a recommendation to establish new rates and other benefit changes to the School Board's health insurance program in January 2009. These changes will be effective as of July 1, 2009. The recommendation of the committee are expected to establish rates and other changes that will be sufficient to eliminate the deficit in the Health and Life Insurance Fund based upon the analysis and recommendation of the third party administrator. As of June 30, 2008, the fund had sufficient cash on hand to pay all claims presented for payment. Any shortfall in this fund is expected to be financed by the General Fund until the new rates are implemented.

**15. HURRICANE KATRINA**

On August 29, 2005, Hurricane Katrina devastated the Gulf Coast area. The damage caused by the hurricane significantly damaged much of the Parish's taxable property particularly in the southeastern quadrant. The School Board also received damage in excess of \$110 million to its facilities.

The School Board continues to work with FEMA to recover funds needed to repair and rebuild its damaged facilities. As of June 30, 2008, the School Board had spent in excess of \$51 million on repair costs. Most of the repairs have been completed including the construction of a temporary campus for the Salmen High School. The major projects remaining are the rebuilding of the Salmen Campus, refurbishing of Brock Elementary, and the rebuilding of the Brooks Curriculum Center. There are sufficient funds available to cover these losses.

**16. GASB STATEMENT NO. 45 "ACCOUNTING AND FINANCIAL REPORTING BY EMPLOYERS FOR POST EMPLOYMENT BENEFITS OTHER THAN PENSION"**

Plan Description: The St. Tammany Parish School Board participates in a self insured health insurance administered by Blue Cross Blue Shield. The Board sponsors to health and life insurance plans.

The "Medicare Advantage" plan has been assumed to apply to those employees after Medicare eligibility for purposes of this valuation. Medical benefits are provided to employees upon actual retirement. Employees are covered by the Teachers' Retirement System of Louisiana (TRSL) according to the retirement eligibility provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service. Employees covered by the Louisiana School Employees' Retirement System have the same retirement eligibility except for age 60 and 10 years of service instead of age 65 and 20 years of service.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

Basic and supplemental life insurance coverage is provided to retirees according to three schedules (based on age brackets) and also based on the annual earnings at time of retirement. The three age brackets are below age 65, age 65 through age 69, and greater than or equal to age 70. Basic life amounts are \$5,000, \$4,000 and \$3,000, respectively, for the three age brackets and the salary related schedules have maximum amounts of basic plus supplemental coverage of \$50,000, \$38,000, and \$25,000, respectively. AD&D coverage ceases at age 70.

**Contribution Rates:** Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

**Fund Policy:** Until 2007, The St. Tammany Parish School Board recognized the cost of providing post-employment medical and life benefits (St. Tammany Parish School Board's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2007/2008, St. Tammany Parish School Board's portion of health care funding cost for retired employees totaled \$13,144,052, and the life insurance totaled \$72,425.

Effective with the Fiscal Year beginning July 1, 2007, St. Tammany Parish School Board implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

**Annual Required Contribution:** St. Tammany Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2007 is \$33,749,221 for medical, and \$712,684 for life, as set forth below:

	<u>Medical</u>	<u>Life</u>
Normal Cost	\$ 10,996,302	\$ 173,993
30-year UAL amortization amount	22,752,919	538,691
Annual required contribution (ARC)	<u>\$ 33,749,221</u>	<u>\$ 712,684</u>

**Net Post-employment Benefit Obligation (Asset):** The table below shows St. Tammany Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2008:

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

	Medical	Life
Beginning Net OPEB Obligation (Asset) 7/1/2007	\$ -	\$ -
Annual required contribution	33,749,221	712,684
Interest on Net OPEB Obligation (Asset)	-	-
ARC Adjustment	-	-
OPEB Cost	<u>33,749,221</u>	<u>712,684</u>
Contribution	-	-
Current year retiree premium	<u>(13,144,052)</u>	<u>(72,425)</u>
Change in Net OPEB Obligation	<u>20,605,169</u>	<u>640,259</u>
Ending Net OPEB Obligation (Asset) 6/30/2008	<u>\$20,605,169</u>	<u>\$640,259</u>

The total OPEB obligation recorded in the government-wide financial statements was \$21,245,428.

The following table shows St. Tammany Parish School Board's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net PEB Liability (Asset)
Medical	June 30, 2008	\$33,749,221	35.02%	\$20,605,169
Life	June 30, 2008	\$712,684	162.45%	\$640,259

**Funded Status and Funding Progress:** In the fiscal year ending June 30, 2008, St. Tammany Parish School Board made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2008, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$393,444,324 (medical) and \$9,316,608 (life), which is defined as that portion, as determined by a particular actuarial cost method (St. Tammany Parish School Board uses the Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2007/2008, the entire actuarial accrued liability of \$393,444,324 (medical) and \$9,316,608 (life) was unfunded (Unfunded Actuarial Accrued Liability or UAAL). The covered payroll of active plan members was approximately \$233,400,000. The UAAL as a percentage of covered payroll for medical and life is 168% and 4%, respectively.

**Actuarial Methods and Assumptions:** Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1)

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Basic Financial Statements**  
**June 30, 2008**

turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by St. Tammany Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between St. Tammany Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between St. Tammany Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method:** The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

**Actuarial Value of Plan Assets:** Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45.

**Turnover Rate:** An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 8%. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	15.0%
26 - 40	10.0%
41 - 54	8.0%
55+	6.0%

**Post employment Benefit Plan Eligibility Requirements:** It is assumed that entitlement to benefits will commence six years after earliest eligibility to retire as described on the first page of this letter under the heading "Plan Terms". Medical benefits are provided to employees upon actual retirement. Employees are covered by the Louisiana School Employees' Retirement System have the same retirement eligibility except for age 60 and 10 years of service instead of age 65 and 20 years of service. Benefits continue through Medicare to death.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Basic Financial Statements**  
June 30, 2008

Investment Return Assumption (Discount Rate): GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation. This is a conservative estimate of the expected long term return of a balanced and conservative investment portfolio under professional management.

Health Care Cost Trend Rate: The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Zero trend has been assumed for valuing life insurance.

Mortality Rate: The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is the mortality table which the Internal Revenue Service requires to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Method of Determining Value of Benefits: The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The rates provided are "unblended" rates for active and retired as required by GASB 45 for valuation purposes.

#### 17. SUBSEQUENT EVENTS

In July 2008, the School Board issued \$67,000,000 in general obligation bonds with a final maturity date of March 1, 2019. These bonds are the first installment issue of the total \$167,000,000 approved by the citizens of St. Tammany Parish via the election on March 8, 2008. The bond proceeds will be used to finance \$15,000,000 in technology, \$2,100,000 in security cameras, and \$149,900,000 in capital improvements for new construction and improvements to existing facilities.





**"DUCK ON A POND"**  
by Megan King  
4th grade, Bonne Ecole



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**REQUIRED SUPPLEMENTARY  
INFORMATION - OTHER**

**BUDGETARY COMPARISON  
SCHEDULES**

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**General Fund**  
**Budget Comparison Schedule**  
**For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Budgetary Fund Balance,</b>				
Beginning of Year	\$ 61,794,738	\$ 71,644,880	\$ 71,644,882	\$ 2
<b>Resources (Inflows)</b>				
<b>Local Sources:</b>				
Ad valorem taxes	56,032,179	58,108,663	60,570,949	2,462,286
Tuition:				
Summer school	120,000	120,000	203,223	83,223
Driver education	45,000	45,000	52,840	7,840
Earnings on Investments	3,000,000	2,600,000	2,864,149	264,149
Medical services	780,000	700,000	374,986	(325,014)
Other	350,375	597,500	1,251,213	653,713
<b>Total Resources From Local Sources</b>	<b>60,327,554</b>	<b>62,171,163</b>	<b>65,317,360</b>	<b>3,146,197</b>
<b>State Sources:</b>				
Equalization	171,343,067	171,717,172	171,559,593	(157,579)
Contributions to				
Teachers' Retirement	89,815	89,815	57,059	(32,756)
Revenue sharing	1,848,208	2,088,894	2,088,894	-
Professional Improvement Program	571,503	571,503	435,420	(136,083)
Special education	189,468	190,149	190,149	-
Adult education	146,798	151,630	151,630	-
Non-public students	161,570	198,766	182,583	(16,083)
Miscellaneous	1,688,612	2,205,400	2,247,196	41,796
<b>Total Resources From State Sources</b>	<b>176,037,041</b>	<b>177,211,329</b>	<b>176,910,624</b>	<b>(300,705)</b>
<b>Federal Sources:</b>				
ROTC	447,203	442,870	452,410	9,540
Adult education	229,923	224,897	201,339	(23,558)
<b>Total Resources From Federal Sources</b>	<b>677,126</b>	<b>667,767</b>	<b>653,749</b>	<b>(14,018)</b>
<b>Total Resources</b>	<b>237,041,721</b>	<b>240,050,259</b>	<b>242,881,733</b>	<b>2,831,474</b>
<b>Other Financing Sources</b>				
Transfers in:				
1966 Sales Tax Fund	42,913,642	41,954,885	41,954,885	-
1977 Sales Tax Fund	40,961,813	40,035,412	40,035,412	-
Katrina Funds	7,236,383	7,236,383	8,245,196	1,009,813
School Food Service Fund	228,270	228,270	228,268	(2)
Indirect costs	875,000	925,000	1,110,977	185,977
Sale of capital assets	-	-	52,366	52,366
<b>Total Other Financing Sources</b>	<b>92,215,108</b>	<b>90,379,950</b>	<b>91,628,104</b>	<b>1,248,154</b>
<b>Amounts Available for Appropriations</b>	<b>391,051,567</b>	<b>402,075,089</b>	<b>406,154,719</b>	<b>4,079,630</b>

(continued...)

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**General Fund**  
**Budget Comparison Schedules**  
**For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular Ed programs	\$ 125,569,541	\$ 125,512,491	\$ 125,334,360	\$ 178,131
Special Ed programs	58,707,685	58,606,548	60,639,649	(2,033,101)
Vocational Ed programs	5,130,827	4,991,074	5,096,453	(104,379)
Other instructional programs	12,702,664	12,542,484	12,318,998	223,486
Special programs	1,579,498	1,684,702	1,722,845	(38,143)
Adult Ed programs	512,017	512,017	397,512	114,505
<b>Support Services:</b>				
Pupil support	12,803,738	12,423,180	12,517,677	(94,497)
Instructional staff support	10,933,514	10,740,276	11,172,252	(431,976)
General administration	5,520,530	4,993,851	5,468,199	(474,348)
School administration	18,365,725	18,825,705	18,660,194	(34,489)
Business administration	2,639,093	2,609,249	2,394,118	215,133
Operation and maintenance of plant	30,561,580	30,822,711	32,005,941	(1,183,230)
Pupil transportation	25,893,039	26,407,129	27,577,394	(1,170,265)
Central services	9,083,147	9,230,537	6,751,697	2,478,840
Food service	2,940,982	2,911,281	3,000,253	(88,972)
Community service programs	42,481	42,710	44,254	(1,544)
Facilities acquisition and construction	473,231	459,554	550,755	(91,201)
Transfers out	5,629,951	24,051,683	24,519,008	(467,325)
<b>Total Charges to Appropriations</b>	<b>329,089,243</b>	<b>347,367,182</b>	<b>350,370,557</b>	<b>(3,003,375)</b>
<b>Budgetary Fund Balance, Ending</b>	<b>\$ 61,962,324</b>	<b>\$ 54,707,907</b>	<b>\$ 55,784,162</b>	<b>\$ 1,076,255</b>

See notes to budgetary comparison schedules and independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**1966 Sales Tax Fund**  
**Budget Comparison Schedule**  
**For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, Beginning of Year	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Resources (Inflows)				
Local sources:				
Taxes-sales and use	44,561,508	43,499,510	46,640,906	3,141,396
Earnings on investments	100,000	100,000	106,169	6,169
Amounts Available for Appropriations	<u>44,666,508</u>	<u>43,604,510</u>	<u>46,752,075</u>	<u>3,147,565</u>
Charges to Appropriations (Outflows)				
Support services-general administration	550,750	476,000	537,619	(61,619)
Transfers out	<u>44,110,758</u>	<u>43,123,510</u>	<u>43,123,510</u>	<u>-</u>
Total Charges to Appropriations	<u>44,661,508</u>	<u>43,599,510</u>	<u>43,661,129</u>	<u>(61,619)</u>
Budgetary Fund Balance, End of Year	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 3,090,946</u>	<u>\$ 3,085,946</u>

See notes to budgetary comparison schedules and independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**1977 Sales Tax Fund**  
**Budget Comparison Schedule**  
**For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, Beginning of Year	\$ 5,000	\$ 4,559	\$ 4,559	\$ -
<b>Resources (Inflows)</b>				
Local sources:				
Taxes-sales and use	44,561,508	43,499,510	46,640,906	3,141,396
Earnings on investments	100,000	100,000	106,006	6,006
Fund Transfers In	38,000	88,650	88,663	13
<b>Amounts Available for Appropriations</b>	<u>44,704,508</u>	<u>43,692,719</u>	<u>46,840,134</u>	<u>3,147,415</u>
<b>Charges to Appropriations (Outflows)</b>				
Support services-general administration	550,750	476,000	537,329	(61,329)
Transfers out	44,148,758	43,211,719	43,211,719	-
<b>Total Charges to Appropriations</b>	<u>44,699,508</u>	<u>43,687,719</u>	<u>43,749,048</u>	<u>(61,329)</u>
<b>Budgetary Fund Balance, End of Year</b>	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 3,091,086</u>	<u>\$ 3,086,086</u>

See notes to budgetary comparison schedules and independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Katrina Funds**  
**Budget Comparison Schedule**  
**For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Budgetary Fund Balance, Beginning of Year	\$ 75,432,104	\$ 88,088,039	\$ 86,144,163	\$ 56,124
Resources (Inflows)				
Local sources:				
Transfers In	-	1,000,000	2,135,475	1,135,475
Earnings on investments	3,100,000	3,000,000	2,733,240	(266,760)
Federal Sources				
Restart Grant	7,236,383	7,236,383	7,236,383	-
FEMA Disaster Recovery	12,653,142	16,000,000	7,529,618	(8,470,382)
Federal Loan Proceeds	15,846,858	-	-	-
Amounts Available for Appropriations	<u>114,268,487</u>	<u>113,324,422</u>	<u>105,778,879</u>	<u>(7,545,543)</u>
Charges to Appropriations (Outflows)				
Disaster Recovery	37,310,000	17,429,509	12,412,087	5,017,422
Transfers out	7,236,383	7,236,383	9,027,954	(1,791,571)
Total Charges to Appropriations	<u>44,546,383</u>	<u>24,665,892</u>	<u>21,440,041</u>	<u>3,225,851</u>
Budgetary Fund Balance, End of Year	<u>\$ 69,722,104</u>	<u>\$ 88,658,530</u>	<u>\$ 84,338,838</u>	<u>\$ (4,319,692)</u>

See notes to budgetary comparison schedules and independent auditors' report.



**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2008**

**A. BUDGETS**

**General Budget Practices**

The proposed budgets for fiscal year 2008 were completed and made available for public inspection at the School Board office on July 27, 2007. A public hearing was held on August 16, 2007 for suggestions and comments from taxpayers. The proposed fiscal year 2008 budgets were formally adopted by the School Board on September 13, 2007. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service and Capital Projects Funds were published in the official journal ten days prior to the public hearings.

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. Appropriations are valid only for the year in which made, and any part of such appropriation which is not encumbered or expensed lapses at the end of the year. Current year transactions that are directly related to prior year's budget are not rebudgeted in the current year.

The level of control over the budget is exercised at the function or program level for the General and Special Revenue Funds, at the project level for the Capital Projects Funds and at the individual debt issue level for the Debt Service Funds. The Superintendent is authorized to transfer budget amounts within each function; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five per cent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget reflect changes in revenue sources determined after budget was initially approved. No other significant changes occurred.

**Budget Basis of Accounting**

The budgets for the General, Special Revenue, Debt Service and Capital Projects Funds for the fiscal year 2008 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General Fund and Capital Projects Funds.

Encumbrances outstanding at year-end lapse and are re-encumbered the following year.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Notes to the Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2008**

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended June 30, 2008, the following funds had actual expenditures over appropriations, at the functional level:

<u>Fund and Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
<b><u>General Fund:</u></b>			
Special Ed	\$58,505,548	\$60,639,649	\$ 2,033,101
Vocational Ed	4,991,074	5,095,453	104,379
Special Programs	1,684,702	1,722,845	38,143
Pupil Support	12,423,180	12,517,677	94,497
Instructional Staff	10,740,276	11,172,252	431,976
General Administration	4,993,851	5,468,199	474,348
School Administration	18,825,705	18,860,194	34,489
Operation Plant	30,882,711	32,005,941	1,183,230
Pupil Transportation	26,407,129	27,577,394	1,170,265
Food Service	2,911,281	3,000,253	88,972
Community Service Programs	42,710	44,254	1,544
Facilities, Acquisition and Const.	459,554	550,755	91,201
Operating transfers	24,051,683	24,519,008	467,325
<b><u>Special Revenue Funds:</u></b>			
Sales Tax 1966-General Admin	476,000	537,619	61,619
Sales Tax 1977-General Admin	476,000	537,619	61,329
<b><u>Katrina Recovery Funds:</u></b>			
Operating transfers	7,236,383	9,027,954	1,791,571

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last budget revision and/or unanticipated revenues needing to be transferred to other funds. The excess expenditures were funded by available and appropriable fund balances.

**C. BUDGET TO GAAP RECONCILIATION**

<i>Sources/inflows of resources:</i>	<u>General Fund</u>
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 406,154,719
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue	(71,644,882)
Transfer from other funds and sale of capital assets are considered as revenue on budgetary basis but are considered operating transfers and sale of capital assets on a GAAP basis	( 91,628,104)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 242,881,733</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2008**

*Uses/outflows of resources:*

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 350,370,557
Transfer to other funds is considered as outflows on budgetary basis but is considered operating transfers on a GAAP basis	<u>(24,519,008)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	<u>\$ 325,851,549</u>

*Sources/inflows of resources:*

	<b>1966 SALES TAX FUND</b>
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 46,752,075
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue	<u>(5,000)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	<u>\$ 46,747,075</u>

*Uses/outflows of resources:*

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 43,661,129
Transfer to other funds is considered as outflows on budgetary basis but is considered operating transfers on a GAAP basis	<u>(43,123,510)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	<u>\$ 537,619</u>

*Sources/inflows of resources:*

	<b>1977 SALES TAX FUND</b>
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 46,840,134
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue	(4,559)
Transfer from other funds is considered as revenue on budgetary basis but is considered operating transfers on a GAAP basis	<u>(88,663)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	<u>\$ 46,746,912</u>

*Uses/outflows of resources:*

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 43,749,048
Transfer to other funds is considered as outflows on budgetary basis but is considered operating transfers on a GAAP basis	<u>(43,211,719)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and	

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Notes to the Budgetary Comparison Schedules**  
**For the Year Ended June 30, 2008**

Changes in Fund Balance – Governmental Funds \$ 537,329

*Sources/inflows of resources:*

**KATRINA**  
**FUND**

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 105,778,879
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue	(86,144,163)
Transfer from other funds is considered as revenue on budgetary basis but is considered operating transfers on a GAAP basis	<u>(2,135,475)</u>

Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds \$ 17,499,241

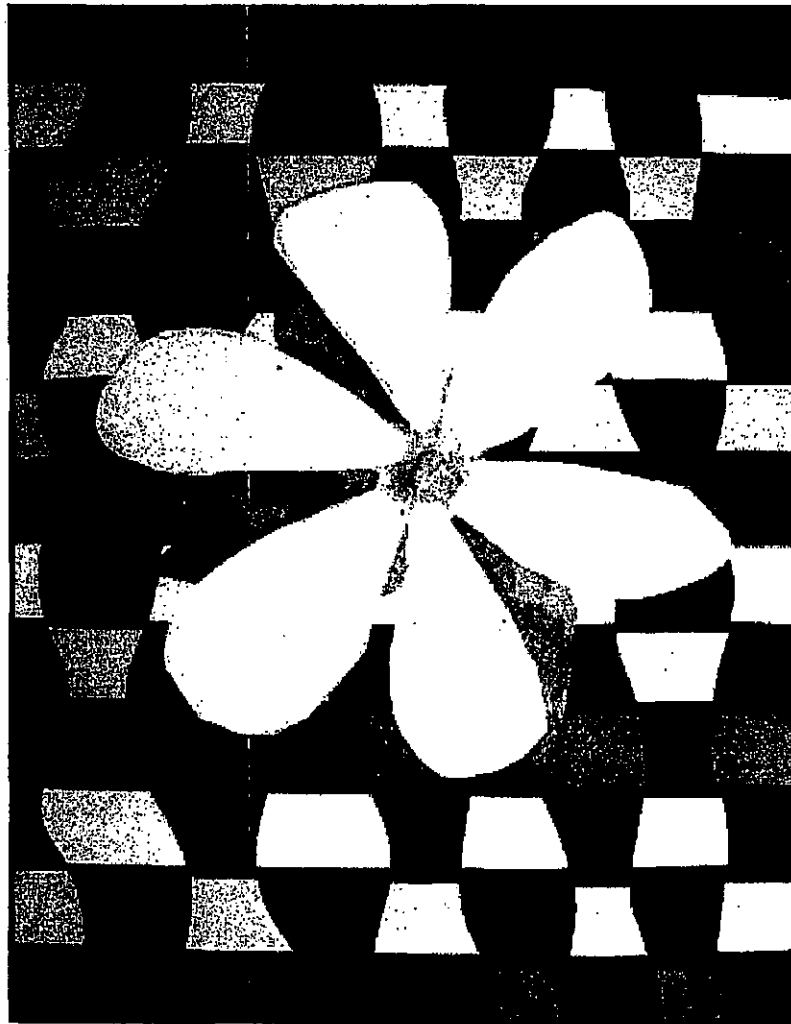
*Uses/outflows of resources:*

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 21,440,041
Transfer to other funds is considered as outflows on budgetary basis but is considered operating transfers on a GAAP basis	<u>(9,027,954)</u>

Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds \$ 12,412,087

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**OTHER SUPPLEMENTARY INFORMATION**



—  
"MAGNOLIA: LOUISIANA STATE FLOWER"

by Isabel Huggins

2nd grade, Madisonville Elementary

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**COMBINING  
NONMAJOR GOVERNMENTAL FUNDS –  
BY FUND TYPE**

## Non-Major Fund Descriptions

### Special Revenue Funds:

NCLB - This fund is used to account for Federal Grants received and the programs expenditures under the No Child Left Behind Act.

IDEA - This fund is used to account for Federal Grants received and the programs expenditures under the Individuals with Disabilities Act.

TANF - This fund is used to account for Federal and State Grants received and the programs expenditures under the Temporary Aide for Needy Families Act.

Vocational Education - This fund is used to account for Federal Grants received and the programs expenditures vocational education.

Miscellaneous Programs - This fund is used to account for Federal, State and Local Grants received and the programs expenditures related to various programs.

8G - This fund is used to account for State Grants received and the programs expenditures related to 8G Funding

School Food Services - This fund is used to account for the revenue and expenditures related to the School Boards student lunch and breakfast programs.

Community Education - This fund is used to account for the revenue and expenditures related to the School Boards community education programs funded mostly by fees charged to participants.

### Debt Service Funds:

Sales Tax Sinking - This fund is used to account for the servicing of the School Boards Sales Tax Bonds.

Sales Tax Bond Reserve - This fund is used to account for funds held in reserve for servicing of the School Boards Sales Tax Bonds.

Parishwide School District No. 12 - This fund is used to account for the servicing the School Board General Obligation Debt.

### Capital Project Funds:

1998 Construction - This fund is used to account for the capital expenditures of the 1998 bond proceeds.

2002 Construction - This fund is used to account for the capital expenditures of the 2002 bond proceeds.

2008 Construction - This fund is used to account for the capital expenditures of the 2008 bond proceeds.

Roofing Construction - This fund is used to account for the capital expenditures for various roofing projects throughout the District.

Property Acquisition - This fund is used to account for capital expenditures for land.

Parishwide Construction - This fund is used to account for the capital expenditures for various construction projects throughout the District not specifically funded through bond issues.

### Internal Service Funds:

Workers' Compensation - This fund is used to account for the expenditures for workers' compensation claims for School Board employees.

Risk Management - This fund is used to account for the expenditures for general and auto liability claims for the School Board.



## Non-Major Fund Descriptions (Continued)

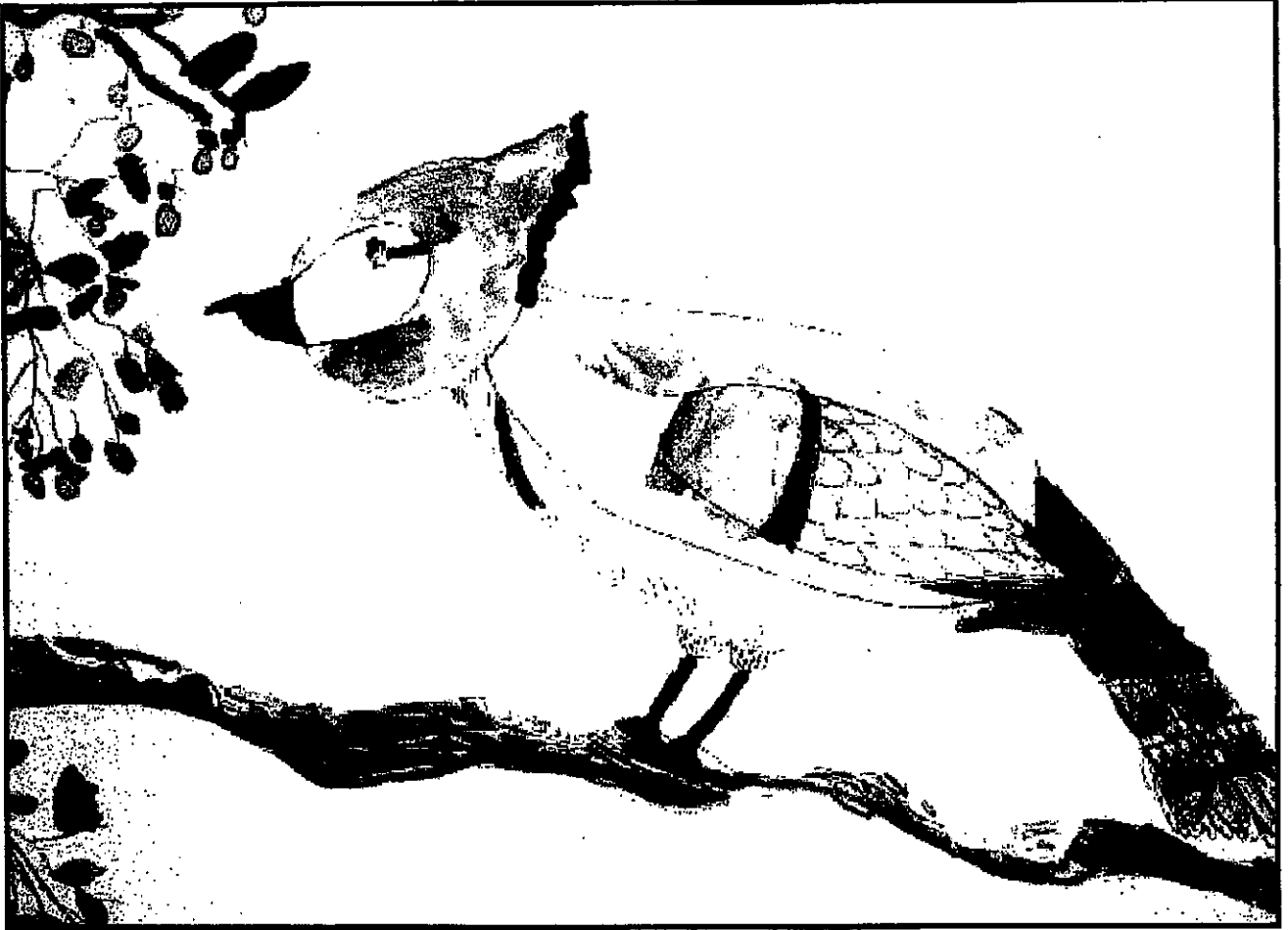
### Internal Service Funds (Continued):

Health/Life Insurance - This fund is used to account for the expenditures for health and life insurance claims for the School Board.

### Agency Funds:

School Activity - This fund is used to account for the various individual schools student activity funds.





**"BIRD & BERRIES"**  
by Claire McCarron  
4th grade, Bonne Ecole

ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana

Nonmajor Governmental Funds  
Combining Balance Sheet - By Fund Type  
June 30, 2008

	Special Revenue	Debt Service	Capital Projects	Totals	
				2008	2007
<b>Assets:</b>					
Cash and cash equivalents	\$ 5,547,862	\$ 11,434,236	\$ 16,007,502	\$ 32,989,602	\$ 24,384,558
Investments	-	126,200	-	126,200	3,791,984
Receivables:					
Taxes:					
Ad valorem	-	-	-	-	483,205
Intergovernmental:					
Federal	3,142,532	-	-	3,142,532	5,821,050
State	2,010,685	-	-	2,010,685	948,691
Local	-	-	-	-	28,905
Due from other funds	290,606	515,872	3,793,202	4,599,700	1,514,558
Inventory	372,223	-	-	372,223	307,667
<b>Total Assets</b>	<b>\$ 12,272,908</b>	<b>\$ 12,078,410</b>	<b>\$ 19,800,704</b>	<b>\$ 44,150,022</b>	<b>\$ 37,301,819</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 98,692	\$ 105,714	\$ 2,126,904	\$ 2,331,310	\$ 1,764,129
Contract/retainage payable	-	-	380,090	380,090	1,298,591
Due to other funds (note 6)	7,848,224	-	3,045,488	10,893,712	6,327,215
Other liabilities	718	-	-	718	-
Deferred revenues	312,339	63,986	-	376,335	275,573
<b>Total Liabilities</b>	<b>8,257,973</b>	<b>189,710</b>	<b>5,554,482</b>	<b>13,982,165</b>	<b>9,665,502</b>
<b>Fund balances:</b>					
Reserved for inventory	372,223	-	-	372,223	307,667
Reserved for debt service	-	11,906,700	-	11,906,700	8,571,908
Unreserved, undesignated	3,642,712	-	14,246,222	17,888,934	18,739,544
<b>Total Fund Balances</b>	<b>4,014,935</b>	<b>11,906,700</b>	<b>14,246,222</b>	<b>30,167,857</b>	<b>27,618,117</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 12,272,908</b>	<b>\$ 12,078,410</b>	<b>\$ 19,800,704</b>	<b>\$ 44,150,022</b>	<b>\$ 37,301,819</b>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type**  
**For the Year Ended June 30, 2008**  
**With Comparative Totals for the Year Ended June 30, 2007**

	Special Revenue	Debt Service	Capital Projects	Totals	
				2008	2007
<b>Revenues:</b>					
<b>Local sources:</b>					
Taxes:					
Ad valorem	\$ -	\$ 23,317,377	\$ -	\$ 23,317,377	\$ 20,620,093
Tuition	1,429,959	-	-	1,429,959	1,345,898
Earnings on investments	65,824	275,633	611,995	953,452	1,830,198
Food service	3,301,946	-	-	3,301,946	2,699,597
Other	138,068	-	-	138,068	155,959
<b>State sources:</b>					
Equalization	1,941,608	-	-	1,941,608	1,547,778
Other	7,360,844	-	-	7,360,844	3,436,180
<b>Federal sources</b>	<b>26,618,558</b>	<b>-</b>	<b>-</b>	<b>26,618,558</b>	<b>29,885,469</b>
<b>Total revenues</b>	<b>40,856,807</b>	<b>23,593,010</b>	<b>611,995</b>	<b>65,061,812</b>	<b>61,520,972</b>
<b>Expenditures</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular Ed programs	4,186,389	-	-	4,186,389	3,066,210
Special Ed programs	4,758,551	-	-	4,758,551	5,939,307
Vocational Ed programs	293,943	-	-	293,943	252,402
Other instructional programs	1,649,774	-	-	1,649,774	1,905,784
Special programs	8,707,887	-	-	8,707,887	9,837,696
Adult Ed programs	5,500	-	-	5,500	8,658
<b>Support services:</b>					
Pupil support	1,624,237	-	-	1,624,237	1,589,509
Instructional staff support	3,530,037	-	-	3,530,037	3,438,983
General administration	24,197	749,741	-	773,938	679,871
School administration	-	-	-	-	1,026
Operation and maintenance of plant	134,657	-	-	134,657	239,813
Pupil transportation	179,852	-	-	179,852	166,631
Food service	15,169,480	-	-	15,169,480	13,852,316
Community service programs	1,626,963	-	-	1,626,963	1,296,281
Facilities acquisition and construction	-	-	10,203,764	10,203,764	15,127,863
<b>Debt service:</b>					
Legal Fees	-	30,125	-	30,125	21,567
Election expenses	-	58,109	-	58,109	-
Bond issuance costs	-	75,590	-	75,590	-
Principal retirement	-	11,805,771	-	11,805,771	13,420,000
Interest and bank charges	-	7,450,217	-	7,450,217	8,097,566
<b>Total expenditures</b>	<b>41,891,467</b>	<b>20,169,553</b>	<b>10,203,764</b>	<b>72,264,784</b>	<b>78,941,461</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<b>(1,034,660)</b>	<b>3,423,457</b>	<b>(9,591,769)</b>	<b>(7,202,972)</b>	<b>(17,420,489)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	2,076,615	-	11,133,608	13,210,223	17,219,611
Transfers out	(1,339,245)	(88,663)	(2,700,000)	(4,127,908)	(2,548,826)
To escrow agent from refunding bond proceeds	-	-	-	-	(9,954,229)
Bond proceeds	-	-	670,000	670,000	-
Sale of capital assets	2,397	-	-	2,397	-
<b>Total other financing sources and uses</b>	<b>739,767</b>	<b>(88,663)</b>	<b>9,103,608</b>	<b>9,754,712</b>	<b>4,716,557</b>
<b>Net Change in Fund Balances</b>	<b>(294,893)</b>	<b>3,334,794</b>	<b>(488,161)</b>	<b>2,551,740</b>	<b>(12,703,932)</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,309,828</b>	<b>8,571,905</b>	<b>14,734,383</b>	<b>27,616,117</b>	<b>40,320,049</b>
<b>Fund Balances, End of Year</b>	<b>\$ 4,014,935</b>	<b>\$ 11,906,700</b>	<b>\$ 14,246,222</b>	<b>\$ 30,167,857</b>	<b>\$ 27,616,117</b>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**NON-MAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2008**  
**With Comparative Totals for June 30, 2007**

	<u>NCLB</u>	<u>IDEA</u>	<u>TANF</u>	<u>Vocational Education</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 2,207	\$ 556	\$ 528,556	\$ 21
Receivables				
Federal	951,395	1,507,104	-	276,765
State	-	-	1,463,504	-
Local	-	-	-	-
Due from other funds	27,706	53,443	2,148	948
Inventory	-	-	-	-
<b>Total Assets</b>	<u>\$ 981,308</u>	<u>\$ 1,561,103</u>	<u>\$ 1,994,208</u>	<u>\$ 277,734</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	981,308	1,460,341	1,510,994	277,734
Other liabilities	-	-	-	-
Deferred revenues	-	100,762	-	-
<b>Total Liabilities</b>	<u>981,308</u>	<u>1,561,103</u>	<u>1,510,994</u>	<u>277,734</u>
 <b>Fund balances</b>				
Reserved for inventory	-	-	-	-
Unreserved, undesignated	-	-	483,214	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>483,214</u>	<u>-</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 981,308</u>	<u>\$ 1,561,103</u>	<u>\$ 1,994,208</u>	<u>\$ 277,734</u>

See accompanying independent auditors' report.

Exhibit 3

Miscellaneous Programs	86	School Food Service	Community Education	Totals	
				2008	2007
\$ 1,403,235	\$ 1,119	\$ 3,288,285	\$ 323,883	\$ 5,547,862	\$ 3,286,546
322,386	-	20,762	64,120	3,142,532	5,821,050
1,182,254	273,927	-	-	2,919,685	948,691
-	-	-	-	-	29,905
43,447	1,182	181,172	550	290,606	567,138
-	-	372,223	-	372,223	307,667
<u>\$ 2,951,322</u>	<u>\$ 276,238</u>	<u>\$ 3,842,442</u>	<u>\$ 388,553</u>	<u>\$ 12,272,908</u>	<u>\$ 10,960,997</u>
\$ 10,200	\$ 239	\$ 86,253	\$ -	\$ 96,692	\$ 256,054
2,175,205	275,999	962,452	204,191	7,848,224	6,183,538
718	-	-	-	718	-
-	-	211,577	-	312,339	211,577
<u>2,186,123</u>	<u>276,238</u>	<u>1,260,282</u>	<u>204,191</u>	<u>8,257,973</u>	<u>6,651,169</u>
-	-	372,223	-	372,223	307,667
765,199	-	2,209,937	184,362	3,642,712	4,002,161
<u>765,199</u>	<u>-</u>	<u>2,582,160</u>	<u>184,362</u>	<u>4,014,935</u>	<u>4,309,828</u>
<u>\$ 2,951,322</u>	<u>\$ 276,238</u>	<u>\$ 3,842,442</u>	<u>\$ 388,553</u>	<u>\$ 12,272,908</u>	<u>\$ 10,960,997</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**NON-MAJOR SPECIAL REVENUE FUNDS**

**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2008  
With Comparative Totals for the Year Ended June 30, 2007**

	<u>NCLB</u>	<u>IDEA</u>	<u>TANF</u>	<u>Vocational Education</u>
<b>Revenues</b>				
<b>Local sources:</b>				
Tuition	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Food service	-	-	-	-
Other	-	-	-	-
<b>State sources:</b>				
Equalization	-	-	-	-
Other	-	-	3,688,867	-
<b>Federal sources</b>	<u>8,979,616</u>	<u>7,713,127</u>	<u>-</u>	<u>390,324</u>
<b>Total Revenues</b>	<u>8,979,616</u>	<u>7,713,127</u>	<u>3,688,867</u>	<u>390,324</u>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular Ed programs	1,459,277	-	-	-
Special Ed programs	93,306	4,658,172	70	-
Vocational Ed programs	-	-	-	293,943
Other instructional programs	-	75,893	-	-
Special programs	4,602,634	-	3,629,903	-
Adult Ed programs	-	-	-	-
<b>Support services:</b>				
Pupil support	362,732	1,165,124	-	96,381
Instructional staff support	1,843,222	1,111,377	160,717	-
General administration	9,674	2,757	716	-
School administration	-	-	-	-
Operation and maintenance of plant	68,928	32,117	2,538	-
Pupil transportation	5,872	149,630	17,992	-
Food service	-	-	-	-
Community service programs	-	-	-	-
<b>Total Expenditures</b>	<u>8,445,645</u>	<u>7,195,070</u>	<u>3,811,936</u>	<u>390,324</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>533,971</u>	<u>518,057</u>	<u>(123,069)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	(543,238)	(518,057)	-	-
Sales of capital assets	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<u>(543,238)</u>	<u>(518,057)</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(9,267)	-	(123,069)	-
<b>Fund Balances, Beginning of Year,</b>	<u>9,267</u>	<u>-</u>	<u>606,283</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 483,214</u>	<u>\$ -</u>

See accompanying independent auditors' report.



Exhibit 4

Miscellaneous Programs	8G	School Food Service	Community Education	Totals	
				2008	2007
\$ 30,836	\$ -	\$ -	\$ 1,399,123	\$ 1,429,959	\$ 1,345,698
495	-	65,329	-	65,824	130,355
-	-	3,301,948	-	3,301,948	2,699,597
74,088	-	39,208	24,772	138,068	155,959
-	-	1,941,608	-	1,941,608	1,547,778
2,533,505	1,138,472	-	-	7,360,844	3,436,180
1,393,136	-	8,142,355	-	26,618,558	29,885,469
<u>4,032,060</u>	<u>1,138,472</u>	<u>13,490,446</u>	<u>1,423,895</u>	<u>40,856,807</u>	<u>39,201,036</u>
2,107,036	620,076	-	-	4,186,389	3,066,210
7,003	-	-	-	4,758,551	5,939,307
-	-	-	-	293,943	252,402
1,572,222	1,659	-	-	1,649,774	1,905,784
65,351	409,999	-	-	8,707,887	9,837,696
5,500	-	-	-	5,500	8,656
-	-	-	-	1,624,237	1,589,509
308,551	106,170	-	-	3,530,037	3,438,983
11,050	-	-	-	24,187	11,986
-	-	-	-	-	1,026
31,074	-	-	-	134,657	239,813
5,790	568	-	-	179,852	166,631
9,135	-	15,160,345	-	15,169,480	13,852,316
-	-	-	1,626,963	1,626,963	1,296,261
<u>4,122,712</u>	<u>1,138,472</u>	<u>15,160,345</u>	<u>1,626,963</u>	<u>41,891,467</u>	<u>41,606,580</u>
(90,652)	-	(1,669,899)	(203,068)	(1,034,660)	(2,405,544)
-	-	2,076,615	-	2,076,615	2,064,576
(49,680)	-	(228,270)	-	(1,339,245)	(1,351,348)
-	-	2,397	-	2,397	-
<u>(49,680)</u>	<u>-</u>	<u>1,850,742</u>	<u>-</u>	<u>739,767</u>	<u>713,228</u>
(140,332)	-	180,843	(203,068)	(294,893)	(1,592,316)
905,531	-	2,401,317	387,430	4,309,828	6,002,144
<u>\$ 765,199</u>	<u>\$ -</u>	<u>\$ 2,582,160</u>	<u>\$ 184,362</u>	<u>\$ 4,014,935</u>	<u>\$ 4,309,828</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**NCLB Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Federal sources	\$ 9,624,301	\$ 8,979,616	\$ (644,685)
<b>Total Revenues</b>	<u>9,624,301</u>	<u>8,979,616</u>	<u>(644,685)</u>
Expenditures			
Instruction:			
Regular Ed programs	1,468,759	1,459,277	9,482
Special Ed programs	124,170	93,306	30,864
Special programs	5,138,353	4,602,634	535,719
Support services:			
Pupil support	449,832	362,732	87,100
Instructional staff support	1,848,403	1,843,222	5,181
General administration	18,602	9,674	8,928
Operation and maintenance of plant	37,241	68,928	(31,687)
Pupil transportation	7,281	5,872	1,409
Central services	34,009	-	34,009
<b>Total Expenditures</b>	<u>9,126,650</u>	<u>8,445,645</u>	<u>681,005</u>
Excess of Revenues Over Expenditures	487,651	533,971	36,320
Other Financing Uses			
Transfers out	<u>(497,651)</u>	<u>(543,238)</u>	<u>(45,587)</u>
Net Change in Fund Balance	-	(9,267)	(9,267)
Fund Balance, Beginning of Year	<u>-</u>	<u>9,267</u>	<u>9,267</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**IDEA Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Federal sources	\$ 8,263,515	\$ 7,713,127	\$ (550,388)
<b>Total Revenues</b>	<u>8,263,515</u>	<u>7,713,127</u>	<u>(550,388)</u>
<b>Expenditures</b>			
Instruction:			
Special education programs	5,222,958	4,658,172	564,786
Other instructional programs	84,288	75,893	8,395
Special programs	-	-	-
Support services:			
Pupil support	1,326,485	1,165,124	161,361
Instructional staff support	979,602	1,111,377	(131,775)
General administration	550	2,757	(2,207)
Operation and maintenance of plant	52,000	32,117	19,883
Pupil transportation	141,612	149,630	(8,018)
<b>Total expenditures</b>	<u>7,807,495</u>	<u>7,195,070</u>	<u>612,425</u>
<b>Excess of Revenues Over Expenditures</b>	456,020	518,057	62,037
<b>Other Financing Uses</b>			
Transfers out	<u>(456,020)</u>	<u>(518,057)</u>	<u>(62,037)</u>
<b>Net Change in Fund Balance</b>	-	-	-
<b>Fund Balance, Beginning of Year</b>	-	-	-
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**TANF Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
State sources-Other	\$ 3,716,675	\$ 3,688,867	\$ (27,808)
Federal sources	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>3,716,675</u>	<u>3,688,867</u>	<u>(27,808)</u>
Expenditures			
Instruction:			
Special Ed programs	-	70	(70)
Special programs	3,533,596	3,629,903	(96,307)
Support services:			
Instructional staff support	158,084	160,717	(2,633)
General administration	-	716	(716)
Operation and maintenance of plant	3,000	2,538	462
Pupil transportation	21,995	17,992	4,003
Total expenditures	<u>3,716,675</u>	<u>3,811,936</u>	<u>(95,261)</u>
Net Change in Fund Balance	-	(123,069)	(123,069)
Fund Balance, Beginning of Year	<u>-</u>	606,283	<u>(606,283)</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 483,214</u>	<u>\$ 483,214</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana**

**Vocational Education Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2007**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Federal sources	\$ 424,182	\$ 390,324	\$ (33,858)
<b>Total Revenues</b>	<u>424,182</u>	<u>390,324</u>	<u>(33,858)</u>
<b>Expenditures</b>			
Instruction-Vocational Ed programs	331,119	293,943	37,176
Support services - pupil support programs	<u>93,063</u>	<u>96,381</u>	<u>(3,318)</u>
<b>Total Expenditures</b>	<u>424,182</u>	<u>390,324</u>	<u>33,858</u>
<b>Net Change in Fund Balance</b>	-	-	-
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana

Miscellaneous Programs Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2008

	Budget	Actual	Variance From Budget
<b>Revenues</b>			
<b>Local sources:</b>			
Earnings on investments	\$ -	\$ 495	\$ 495
Other	28,333	104,924	76,591
State sources-other	3,922,352	2,533,505	(1,388,847)
Federal sources	2,662,117	1,393,136	(1,268,981)
<b>Total revenues</b>	<b>6,612,802</b>	<b>4,032,060</b>	<b>(2,580,742)</b>
<b>Expenditures</b>			
<b>Instruction:</b>			
Regular Ed programs	1,562,619	2,107,036	(544,417)
Special Ed programs	337,354	7,003	330,351
Other instructional programs	2,899,163	1,572,222	1,326,941
Special programs	11,106	65,351	(54,245)
Adult Ed programs	606,816	5,500	601,316
<b>Support services:</b>			
Pupil Support	7,580	-	7,580
Instructional staff support	466,405	308,551	157,854
General administration	456	11,050	(10,594)
Operation and maintenance of plant	545,806	31,074	514,732
Pupil transportation	55,854	5,790	50,064
Food service	(525)	9,135	(9,660)
<b>Total expenditures</b>	<b>6,492,634</b>	<b>4,122,712</b>	<b>2,369,922</b>
<b>Excess of Revenues Over Expenditures</b>	<b>120,168</b>	<b>(90,652)</b>	<b>(210,820)</b>
<b>Other Financing Uses</b>			
Transfers out	(120,168)	(49,680)	70,488
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>(140,332)</b>	<b>(140,332)</b>
<b>Fund Balance, Beginning of Year</b>	<b>-</b>	<b>905,531</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>	<b>\$ 765,199</b>	<b>\$ (140,332)</b>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**8G Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
State sources-other	<u>\$ 1,171,955</u>	<u>\$ 1,138,472</u>	<u>\$ (33,483)</u>
<b>Total Revenues</b>	<u>1,171,955</u>	<u>1,138,472</u>	<u>(33,483)</u>
<b>Expenditures</b>			
<b>Instruction:</b>			
Regular Ed programs	653,786	620,076	33,710
Other instructional	-	1,659	(1,659)
Special programs	411,079	409,999	1,080
<b>Support services:</b>			
Instructional staff support	105,862	106,170	(308)
General administration	337	-	337
Operation and maintenance of plant	275	-	275
Pupil transportation	<u>616</u>	<u>568</u>	<u>48</u>
<b>Total Expenditures</b>	<u>1,171,955</u>	<u>1,138,472</u>	<u>33,483</u>
<b>Net Change in Fund Balance</b>	-	-	-
<b>Fund Balance, Beginning of Year</b>	-	-	-
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**School Food Service Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Local sources:			
Earnings on investments	\$ 55,000	\$ 65,329	\$ 10,329
Food service	3,328,127	3,301,946	(26,181)
Other	25,000	39,208	14,208
State sources - Equalization	1,941,608	1,941,608	-
Federal sources	<u>8,014,150</u>	<u>8,142,355</u>	<u>128,205</u>
<b>Total Revenues</b>	<u>13,363,885</u>	<u>13,490,446</u>	<u>126,561</u>
<b>Expenditures</b>			
Food service	<u>15,483,938</u>	<u>15,160,345</u>	<u>323,593</u>
<b>Total Expenditures</b>	<u>15,483,938</u>	<u>15,160,345</u>	<u>323,593</u>
Deficiency of Revenues Under Expenditures	(2,120,053)	(1,669,899)	450,154
<b>Other Financing Sources (Uses)</b>			
Transfers in	2,076,615	2,076,615	-
Transfers out	(228,270)	(228,270)	-
Sale of capital assets	<u>2,000</u>	<u>2,397</u>	<u>397</u>
<b>Total Other Financing Sources and Uses</b>	<u>1,850,345</u>	<u>1,850,742</u>	<u>397</u>
<b>Net Change in Fund Balance</b>	(269,708)	180,843	450,551
<b>Fund Balance, Beginning of Year</b>	<u>2,401,317</u>	<u>2,401,317</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,131,609</u>	<u>\$ 2,582,160</u>	<u>\$ 450,551</u>

See accompanying independent auditors' report.



**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Community Education Special Revenue Fund**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Local sources:			
Tuition	\$ 1,261,000	\$ 1,399,123	\$ 138,123
Miscellaneous	25,000	24,772	(228)
<b>Total Revenues</b>	<u>1,286,000</u>	<u>1,423,895</u>	<u>137,895</u>
<b>Expenditures</b>			
Community service programs	<u>1,409,657</u>	<u>1,626,963</u>	<u>(217,306)</u>
<b>Total Expenditures</b>	<u>1,409,657</u>	<u>1,626,963</u>	<u>(217,306)</u>
<b>Net Change in Fund Balance</b>	(123,657)	(203,068)	(79,411)
<b>Fund Balance, Beginning of Year</b>	<u>387,430</u>	<u>387,430</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 263,773</u>	<u>\$ 184,362</u>	<u>\$ (79,411)</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**NON-MAJOR DEBT SERVICE FUNDS**

**Combining Balance Sheet**  
June 30, 2008  
With Comparative Totals for June 30, 2007

	Sales Tax Bond Sinking	Sales Tax Bond Reserve	Parishwide School District No. 12	Totals	
				2008	2007
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 11,434,238	\$ 11,434,238	\$ 7,725,167
Investments	-	-	126,200	126,200	121,361
Receivables	-	-	-	-	-
Ad valorem taxes	-	-	515,972	515,972	493,205
Due from other funds	-	-	-	-	343,646
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,076,410</b>	<b>\$ 12,076,410</b>	<b>\$ 8,683,379</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ 105,714	\$ 105,714	\$ 63,996
Deferred revenue	-	-	63,996	63,996	-
Due to other funds	-	-	-	-	47,477
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>169,710</b>	<b>169,710</b>	<b>111,473</b>
<b>Fund Balances:</b>					
Reserved for debt service	-	-	11,906,700	11,906,700	8,571,906
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>11,906,700</b>	<b>11,906,700</b>	<b>8,571,906</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,076,410</b>	<b>\$ 12,076,410</b>	<b>\$ 8,683,379</b>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana

## NON-MAJOR DEBT SERVICE FUNDS

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2008  
With Comparative Totals for the Year Ended June 30, 2007

	Sales Tax Bond Sinking	Sales Tax Bond Reserve	Parishwide School District No. 12	Totals	
				2008	2007
<b>Revenues</b>					
Local sources:					
Taxes-ad valorem	\$ -	\$ -	\$ 23,317,377	\$ 23,317,377	\$ 20,620,093
Earnings on investments	1,085	593	273,955	275,633	933,309
<b>Total Revenues</b>	<b>1,085</b>	<b>593</b>	<b>23,591,332</b>	<b>23,593,010</b>	<b>21,553,402</b>
<b>Expenditures</b>					
General Administration:					
Pension fund contribution	-	-	749,741	749,741	867,885
Debt Service:					
Legal fees	-	-	30,125	30,125	21,567
Election expenses	-	-	58,109	58,109	-
Bond issuance costs	-	-	75,590	75,590	-
Principal retirement	-	-	11,805,771	11,805,771	13,420,000
Interest and bank charges	-	-	7,450,217	7,450,217	8,097,566
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>20,169,553</b>	<b>20,169,553</b>	<b>22,207,018</b>
Excess of Revenues Over Expenditures	1,085	593	3,421,779	3,423,457	(653,616)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	1,450,000
Transfers out	(88,070)	(593)	-	(88,663)	(1,197,477)
Payments to escrow agent from bond proceeds	-	-	-	-	(9,954,229)
<b>Other Financing Sources and Uses</b>	<b>(88,070)</b>	<b>(593)</b>	<b>-</b>	<b>(88,663)</b>	<b>(9,701,706)</b>
<b>Net Change in Fund Balances</b>	<b>(86,985)</b>	<b>-</b>	<b>3,421,779</b>	<b>3,334,794</b>	<b>(10,355,322)</b>
Fund Balances, Beginning of Year	88,986	-	8,484,921	8,571,906	18,927,228
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,906,700</b>	<b>\$ 11,906,700</b>	<b>\$ 8,571,906</b>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana**

**Sales Tax Bond Sinking Debt Service Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Earnings on investments	<u>\$ 1,086</u>	<u>\$ 1,085</u>	<u>\$ (1)</u>
<b>Total Revenues</b>	<u>1,086</u>	<u>1,085</u>	<u>(1)</u>
<b>Other Financing Uses</b>			
Transfers out	<u>(88,070)</u>	<u>(88,070)</u>	<u>-</u>
<b>Total Other Financing Uses</b>	<u>(88,070)</u>	<u>(88,070)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(86,984)</u>	<u>(86,985)</u>	<u>(1)</u>
<b>Fund Balance, Beginning of Year</b>	<u>86,984</u>	<u>86,985</u>	<u>1</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

**Sales Tax Bond Reserve Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Earnings on investments	\$ 593	\$ 593	\$ -
<b>Total Revenues</b>	<u>593</u>	<u>593</u>	<u>-</u>
<b>Other Financing Uses</b>			
Transfers out	<u>(593)</u>	<u>(593)</u>	<u>-</u>
<b>Total Other Financing Uses</b>	<u>(593)</u>	<u>(593)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-
<b>Fund Balance, Beginning of Year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

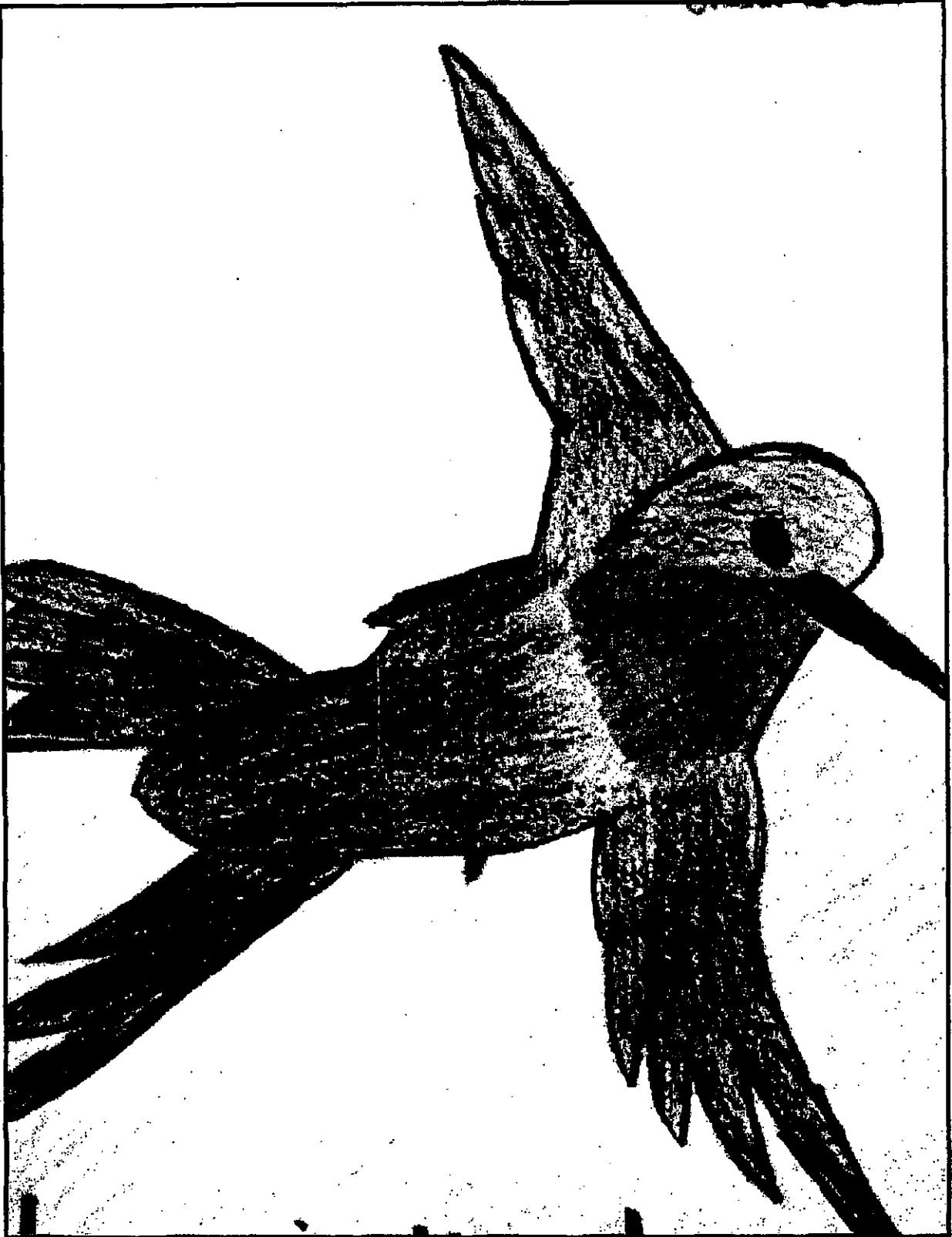
See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Parishwide School District No. 12 Debt Service Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Local sources:			
<b>Taxes-ad valorem</b>	\$ 22,834,515	\$ 23,317,377	\$ 482,862
Earnings on investments	<u>320,000</u>	<u>273,955</u>	<u>(46,045)</u>
<b>Total Revenues</b>	<u>23,154,515</u>	<u>23,591,332</u>	<u>436,817</u>
<b>Expenditures</b>			
General Administration:			
Equipment for Assessor's office	6,000	-	6,000
Pension fund contribution	749,451	749,741	(290)
Debt service:			
Legal fees	25,000	30,125	(5,125)
Election expenses	50,000	58,109	(8,109)
Bond issuance costs	75,000	75,590	(590)
Principal retirement	12,060,000	11,805,771	254,229
Interest and bank charges	<u>7,675,836</u>	<u>7,450,217</u>	<u>225,619</u>
<b>Total Expenditures</b>	<u>20,641,287</u>	<u>20,169,553</u>	<u>471,734</u>
<b>Net Change in Fund Balance</b>	2,513,228	3,421,779	(34,917)
<b>Fund Balances - Beginning</b>	<u>8,484,921</u>	<u>8,484,921</u>	<u>-</u>
<b>Fund Balances - Ending</b>	<u>\$ 10,998,149</u>	<u>\$ 11,906,700</u>	<u>\$ (34,917)</u>

See accompanying independent auditors' report.



**"HUMMINGBIRD"**

by Ciara Welch

10th grade, Covington High

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**NON-MAJOR CAPITAL PROJECT FUNDS**

**Combining Balance Sheet**  
**June 30, 2008**  
**With Comparative Totals for June 30, 2007**

	<u>1998</u> <u>Construction</u>	<u>2007</u> <u>Construction</u>	<u>2008</u> <u>Construction</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,054,146	\$ 4,535,426	\$ 509,715
Investments	-	-	-
Due from other funds	-	-	113,608
<b>TOTAL ASSETS</b>	<u>\$ 1,054,146</u>	<u>\$ 4,535,426</u>	<u>\$ 623,323</u>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 61,016	\$ 203,901	\$ 190,060
Contract and Retainage payable	105,253	96,313	-
Due to other funds	1,152	-	206,047
<b>Total Liabilities</b>	<u>167,421</u>	<u>300,214</u>	<u>396,107</u>
<b>Equity:</b>			
<b>Fund balances:</b>			
Unreserved, undesignated	886,725	4,235,212	227,216
<b>Total Equity</b>	<u>886,725</u>	<u>4,235,212</u>	<u>227,216</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 1,054,146</u>	<u>\$ 4,535,426</u>	<u>\$ 623,323</u>

See accompanying independent auditors' report.



Exhibit 18

Roofing Construction	Property Acquisition	Parishwide Construction	Totals	
			2008	2007
\$ 4,958,521	\$ 4,835,980	\$ 113,714	\$ 16,007,502	\$ 13,382,846
-	-	-	-	3,670,623
<u>208,333</u>	<u>-</u>	<u>3,471,261</u>	<u>3,793,202</u>	<u>603,774</u>
<u>\$ 5,166,854</u>	<u>\$ 4,835,980</u>	<u>\$ 3,584,975</u>	<u>\$ 19,800,704</u>	<u>\$ 17,657,243</u>
\$ 123,994	\$ 3,794	\$ 1,546,139	\$ 2,128,904	\$ 1,528,069
10,990	-	167,534	380,090	1,298,591
<u>2,700,000</u>	<u>-</u>	<u>138,289</u>	<u>3,045,488</u>	<u>96,200</u>
<u>2,834,984</u>	<u>3,794</u>	<u>1,851,962</u>	<u>5,554,482</u>	<u>2,922,860</u>
<u>2,331,870</u>	<u>4,832,186</u>	<u>1,733,013</u>	<u>14,246,222</u>	<u>14,734,383</u>
<u>2,331,870</u>	<u>4,832,186</u>	<u>1,733,013</u>	<u>14,246,222</u>	<u>14,734,383</u>
<u>\$ 5,166,854</u>	<u>\$ 4,835,980</u>	<u>\$ 3,584,975</u>	<u>\$ 19,800,704</u>	<u>\$ 17,657,243</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**NON-MAJOR CAPITAL PROJECTS FUNDS**

**Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2008  
With Comparative Totals for the Year Ended June 30, 2007**

	<u>1998</u> <u>Construction</u>	<u>2007</u> <u>Construction</u>	<u>2008</u> <u>Construction</u>
Revenues			
Earnings on investments	\$ 57,885	\$ 179,870	\$ 50,188
<b>Total Revenues</b>	<u>57,885</u>	<u>179,870</u>	<u>50,188</u>
Expenditures			
Facilities acquisition and construction:			
Building/site improvements	323,043	6,962	-
Building and land acquisitions	-	-	-
Construction contracts	2,515	985,435	107,144
Architect and engineers	120,000	39,248	93,327
Equipment	-	-	405,982
Legal services	-	-	-
Building Relocation	-	-	-
Other	-	-	127
<b>Total Expenditures</b>	<u>445,558</u>	<u>1,031,645</u>	<u>606,580</u>
Deficiency of Revenues Under Expenditures	(387,673)	(851,775)	(556,392)
Other Financing Sources (Uses)			
Transfers in	-	-	113,608
Transfers out	-	-	-
Bond proceeds	-	-	670,000
<b>Total Other Financing Sources and Uses</b>	<u>-</u>	<u>-</u>	<u>783,608</u>
<b>Net Change in Fund Balances</b>	(387,673)	(851,775)	227,216
Fund Balances, Beginning of Year	<u>1,274,398</u>	<u>5,086,987</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 886,725</u>	<u>\$ 4,235,212</u>	<u>\$ 227,216</u>

See accompanying independent auditors' report.

Exhibit 19

<u>ReRoofing Construction</u>	<u>Property Acquisition</u>	<u>Parishwide Construction</u>	<u>Totals</u>	
			<u>2008</u>	<u>2007</u>
\$ 112,702	\$ 194,684	\$ 16,666	\$ 611,995	\$ 766,534
<u>112,702</u>	<u>194,684</u>	<u>16,666</u>	<u>611,995</u>	<u>766,534</u>
-	-	1,639,196	1,969,201	5,151,406
-	1,247,786	-	1,247,786	823,500
1,199,810	-	3,245,042	5,539,946	8,098,035
123,441	2,450	269,582	648,048	585,464
150	-	383,084	789,216	400,954
-	6,872	471	7,343	1,203
-	-	-	-	78,274
<u>180</u>	<u>-</u>	<u>1,917</u>	<u>2,224</u>	<u>9,027</u>
<u>1,323,581</u>	<u>1,257,108</u>	<u>5,539,292</u>	<u>10,203,764</u>	<u>15,127,863</u>
(1,210,879)	(1,062,424)	(5,522,626)	(9,591,769)	(14,361,329)
3,500,000	-	7,520,000	11,133,608	13,705,035
(2,700,000)	-	-	(2,700,000)	-
-	-	-	670,000	-
<u>800,000</u>	<u>-</u>	<u>7,520,000</u>	<u>9,103,608</u>	<u>13,705,035</u>
(410,879)	(1,062,424)	1,997,374	(488,161)	(656,294)
<u>2,742,749</u>	<u>5,894,610</u>	<u>(264,361)</u>	<u>14,734,383</u>	<u>15,390,677</u>
\$ <u>2,331,870</u>	\$ <u>4,832,186</u>	\$ <u>1,733,013</u>	\$ <u>14,246,222</u>	\$ <u>14,734,383</u>

ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana

1998 Construction Capital Projects Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	\$ 67,000	\$ 57,885	\$ (9,115)
Total Revenues	<u>67,000</u>	<u>57,885</u>	<u>(9,115)</u>
Expenditures			
Facilities acquisition and construction:			
Construction contracts	1,000,000	2,515	997,485
Architects and engineers	120,000	120,000	-
Site Improvements	-	<u>323,043</u>	<u>(323,043)</u>
Total Expenditures	<u>1,120,000</u>	<u>445,558</u>	<u>674,442</u>
Deficiency of Revenues Under Expenditures	(1,053,000)	(387,673)	665,327
Other Financing Uses			
Transfers out	<u>(221,398)</u>	-	-
Total Other Financing Uses	<u>(221,398)</u>	-	-
Net Change in Fund Balance	(1,274,398)	(387,673)	886,725
Fund Balance, Beginning of Year	<u>1,274,398</u>	<u>1,274,398</u>	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 886,725</u>	<u>\$ 886,725</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana

2002 Construction Capital Projects Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Earnings on investments	\$ 200,000	\$ 179,870	\$ (20,130)
<b>Total Revenues</b>	<u>200,000</u>	<u>179,870</u>	<u>(20,130)</u>
<b>Expenditures</b>			
Facilities acquisition and construction:			
Construction contracts	2,800,000	985,435	1,814,565
Site improvements	-	6,962	(6,962)
Architects and engineers	200,000	39,248	160,752
<b>Total Expenditures</b>	<u>3,000,000</u>	<u>1,031,645</u>	<u>1,968,355</u>
<b>Net Change in Fund Balance</b>	(2,800,000)	(851,775)	(1,988,485)
<b>Fund Balance, Beginning of Year</b>	<u>5,086,986</u>	<u>5,086,987</u>	<u>(1)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 2,286,986</u>	<u>\$ 4,235,212</u>	<u>\$ (1,988,486)</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**2008 Construction Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	\$ -	\$ 50,188	\$ 50,188
Total Revenues	<u>-</u>	<u>50,188</u>	<u>50,188</u>
Expenditures			
Facilities acquisition and construction:			
Equipment	-	405,982	(405,982)
Construction contracts	-	107,144	(107,144)
Architects and engineers	-	93,327	(93,327)
Other	-	127	(127)
Total Expenditures	<u>-</u>	<u>606,580</u>	<u>(606,580)</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>(556,392)</u>	<u>(556,392)</u>
Other financing sources			
Transfers In - Disaster Construction		113,608	113,608
Bond proceeds	-	670,000	670,000
Total other financing sources	<u>-</u>	<u>783,608</u>	<u>783,608</u>
Net Change in Fund Balance	<u>-</u>	<u>227,216</u>	<u>227,216</u>
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ 227,216</u>	<u>\$ 227,216</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana**

**Reroofing Construction Capital Projects Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Earnings on investments	\$ 100,000	\$ 112,702	\$ 12,702
<b>Total Revenues</b>	<u>100,000</u>	<u>112,702</u>	<u>12,702</u>
<b>Expenditures</b>			
<b>Facilities acquisition and construction:</b>			
Construction contracts	3,300,000	1,199,810	2,100,190
Architects and engineers	250,000	123,441	126,559
Equipment	-	150	(150)
Other	5,000	180	4,820
<b>Total Expenditures</b>	<u>3,555,000</u>	<u>1,323,581</u>	<u>2,231,419</u>
<b>Deficiency of Revenues Under Expenditures</b>	<u>(3,455,000)</u>	<u>(1,210,879)</u>	<u>2,244,121</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in - General Fund	3,500,000	3,500,000	-
Transfers out -Parishwide Construction	<u>(2,700,000)</u>	<u>(2,700,000)</u>	<u>-</u>
<b>Total Other Financing Sources and Uses</b>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(2,655,000)</u>	<u>(410,879)</u>	<u>2,244,121</u>
<b>Fund Balance, Beginning of Year</b>	<u>2,742,749</u>	<u>2,742,749</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 87,749</u>	<u>\$ 2,331,870</u>	<u>\$ 2,244,121</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Property Acquisition Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Earnings on investments	\$ 200,000	\$ 194,684	\$ (5,316)
<b>Total Revenues</b>	<u>200,000</u>	<u>194,684</u>	<u>(5,316)</u>
<b>Expenditures</b>			
<b>Facilities acquisition and construction:</b>			
Land & building acquisition	500,000	1,247,786	(747,786)
Architects and engineers	-	2,450	(2,450)
Legal services	-	6,872	(6,872)
<b>Total Expenditures</b>	<u>500,000</u>	<u>1,257,108</u>	<u>(757,108)</u>
<b>Net Change in Fund Balance</b>	(300,000)	(1,062,424)	(762,424)
<b>Fund Balance, Beginning of Year</b>	<u>5,894,610</u>	<u>5,894,610</u>	<u>-</u>
<b>Fund Balance, End of Year</b>	<u>\$ 5,594,610</u>	<u>\$ 4,832,186</u>	<u>\$ (762,424)</u>

See accompanying independent auditors' report.



**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Parishwide Construction Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
<b>Revenues</b>			
Earnings on investments	\$ 15,000	\$ 16,666	\$ 1,666
<b>Total Revenues</b>	<u>15,000</u>	<u>16,666</u>	<u>1,666</u>
<b>Expenditures</b>			
<b>Facilities acquisition and construction:</b>			
Land and building purchases	25,000	-	25,000
Building and site improvements	5,150,000	1,639,196	3,510,804
Construction contracts	1,500,000	3,245,042	(1,745,042)
Building relocation	100,000	-	100,000
Equipment	250,000	383,084	(133,084)
Architects and engineers	200,000	269,582	(69,582)
Legal services	-	471	(471)
Other	-	1,917	(1,917)
<b>Total Expenditures</b>	<u>7,225,000</u>	<u>5,539,292</u>	<u>1,685,708</u>
<b>Deficiency</b>	(7,210,000)	(5,522,626)	1,687,374
<b>Other Financing Sources</b>			
Transfers in - General Fund	2,080,000	2,080,000	-
Transfers in - Construction Roofing	2,700,000	2,700,000	-
Transfers in - Sales Tax 77	2,740,000	2,740,000	-
<b>Total Other Financing Sources (Uses)</b>	<u>7,520,000</u>	<u>7,520,000</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	310,000	1,997,374	1,687,374
<b>Fund Balance, Beginning of Year</b>	<u>264,361</u>	<u>(264,361)</u>	<u>(528,722)</u>
<b>Fund Balance, End of Year</b>	<u>\$ 574,361</u>	<u>\$ 1,733,013</u>	<u>\$ 1,158,652</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Proprietary Fund Type - Internal Service Funds**  
**Combining Statement of Net Assets**  
**June 30, 2008**

	<u>Workers'</u> <u>Compensation</u>	<u>Risk</u> <u>Management</u>	<u>Health/Life</u> <u>Insurance</u>	<u>Total</u> <u>June 30,</u> <u>2008</u>
<b>Current Assets</b>				
Cash and cash equivalents	\$ 5,785,411	\$ 4,542,859	\$ 3,036,917	\$ 13,365,187
Investments	998,160	-	-	998,160
Accounts receivable	61,696	-	404,421	466,117
Due from other funds	-	229,020	348	229,368
<b>Total Assets</b>	<b>\$ 6,845,267</b>	<b>\$ 4,771,879</b>	<b>\$ 3,441,686</b>	<b>\$ 15,058,832</b>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 3,167	\$ 18,583	\$ -	\$ 21,750
Liability for self-insurance losses	4,391,183	-	9,757,946	14,149,129
Due to other funds	2,510	17,485	1,443,881	1,463,876
Claims liability	-	1,365,050	-	1,365,050
<b>Total Liabilities</b>	<b>4,396,860</b>	<b>1,401,118</b>	<b>11,201,827</b>	<b>16,999,805</b>
<b>Net Assets</b>				
Restricted for employee benefits	2,448,407	-	(7,760,141)	(5,311,734)
Unrestricted	-	3,370,761	-	3,370,761
<b>Total Net Assets</b>	<b>2,448,407</b>	<b>3,370,761</b>	<b>(7,760,141)</b>	<b>(1,940,973)</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,845,267</b>	<b>\$ 4,771,879</b>	<b>\$ 3,441,686</b>	<b>\$ 15,058,832</b>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Proprietary Fund Type - Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Net Assets**  
**For the Year Ended June 30, 2008**

	<u>Workers'</u> <u>Compensation</u>	<u>Risk</u> <u>Management</u>	<u>Health/Life</u> <u>Insurance</u>	<u>Total</u> <u>June 30,</u> <u>2008</u>
Operating Revenue				
Employer/Employee contributions	\$ 4,968,091	\$ 2,556,540	\$ 54,392,130	\$ 61,916,761
Total operating revenue	<u>4,968,091</u>	<u>2,556,540</u>	<u>54,392,130</u>	<u>61,916,761</u>
Operating Expenses				
Administrative	21,700	131,316	-	153,016
Contractual services	474,520	1,762,499	3,043,429	5,280,448
Premium payments	-	145,173	-	145,173
Benefit Payments	3,610,300	-	57,489,507	61,099,807
Claims	-	477,208	-	477,208
Increase (Decrease) in provision for self-insurance losses	<u>(374,447)</u>	<u>(219,111)</u>	<u>1,868,060</u>	<u>1,274,502</u>
Total operating expenses	<u>3,732,073</u>	<u>2,297,085</u>	<u>62,400,996</u>	<u>68,430,154</u>
Operating Income (Loss)	1,236,018	259,455	(8,008,866)	(6,513,393)
Non-Operating Revenue				
Earnings on investments	<u>205,615</u>	<u>112,737</u>	<u>248,725</u>	<u>567,077</u>
Total Non-Operating Revenue	<u>205,615</u>	<u>112,737</u>	<u>248,725</u>	<u>567,077</u>
Changes in Net Assets	1,441,633	372,192	(7,760,141)	(5,946,316)
Net Assets, Beginning of Year	<u>1,006,774</u>	<u>2,998,569</u>	<u>-</u>	<u>4,005,343</u>
Net Assets, End of Year	<u>\$ 2,448,407</u>	<u>\$ 3,370,761</u>	<u>\$ (7,760,141)</u>	<u>(1,940,973)</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Proprietary Fund Type - Internal Service Fund**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2008**

	<u>Workers'</u> <u>Compensation</u>	<u>Risk</u> <u>Management</u>	<u>Health/Life</u> <u>Insurance</u>	<u>Total</u> <u>June 30,</u> <u>2008</u>
<b>Cash Flows From Operating Activities</b>				
Receipts from employer and employee contributions	\$ 4,934,574	\$ 4,870,243	\$ 55,593,132	\$ 65,397,949
Payments for benefits and claims	(2,938,716)	(477,208)	(57,821,623)	(61,237,547)
Payments for insurance premiums	-	(145,173)	-	(145,173)
Payments for administrative and contractual services	(493,053)	(1,897,305)	(3,043,429)	(5,433,787)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>1,502,805</u>	<u>2,350,557</u>	<u>(5,271,920)</u>	<u>(1,418,558)</u>
<b>Cash Flows From Investing Activities</b>				
Earnings on cash and investments	<u>205,615</u>	<u>112,737</u>	<u>248,725</u>	<u>567,077</u>
<b>Net Cash By Investing Activities</b>	<u>205,615</u>	<u>112,737</u>	<u>248,725</u>	<u>567,077</u>
<b>Net Increase (Decrease) in Cash, Cash Equivalents and Investments</b>	1,708,420	2,463,294	(5,023,195)	(851,481)
<b>Cash, Cash Equivalents and Investments, Beginning of Year</b>	<u>5,075,151</u>	<u>2,079,565</u>	<u>8,060,112</u>	<u>15,214,828</u>
<b>Cash, Cash Equivalents and Investments, End of Year</b>	<u>\$ 6,783,571</u>	<u>\$ 4,542,859</u>	<u>\$ 3,036,917</u>	<u>\$ 14,363,347</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 1,236,018	\$ 259,455	\$ (8,008,866)	\$ (6,513,393)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Increase (decrease) in provision for self insurance lo:	(374,447)	(219,111)	1,868,060	1,274,502
(Increase) decrease in receivables	671,584	2,306,904	(332,464)	2,646,024
Increase (decrease) in payables	(30,350)	3,309	1,201,350	1,174,309
<b>Total adjustments</b>	<u>266,787</u>	<u>2,091,102</u>	<u>2,736,946</u>	<u>5,094,835</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 1,502,805</u>	<u>\$ 2,350,557</u>	<u>\$ (5,271,920)</u>	<u>\$ (1,418,558)</u>

See accompanying independent auditors' report.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

**Agency/Fiduciary Fund**

**Statement of Changes in Assets and Liabilities - School Activity Funds**  
**Year Ended June 30, 2008**

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2008</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,223,565	\$ 13,082,628	\$ 13,376,470	\$ 2,929,723
Due from other funds	-	84,456	-	84,456
Investments	<u>2,512,175</u>	<u>422,197</u>	<u>197,611</u>	<u>2,736,761</u>
<b>TOTAL ASSETS</b>	<u>5,735,740</u>	<u>13,589,281</u>	<u>13,574,081</u>	<u>5,750,940</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 113,741	\$ -	\$ 113,741
Due to schools	<u>5,735,740</u>	<u>13,589,281</u>	<u>13,687,822</u>	<u>5,637,199</u>
<b>TOTAL LIABILITIES</b>	<u>5,735,740</u>	<u>13,703,022</u>	<u>13,687,822</u>	<u>5,750,940</u>

See accompanying independent auditors' report.



**"FROM THE BIRD'S EYE"**

by Olivia Sanchez  
5th Grade, Lake Harbor

ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana

SCHOOL ACTIVITY AGENCY FUND

Schedule of Changes in Due to Schools  
By School  
For the Year Ended June 30, 2008

School	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
Abita Springs Elementary	\$ 90,925	\$ 203,604	\$ 195,511	\$ 99,018
Abney Elementary	99,715	237,288	234,410	102,593
Alton Elementary	7,184	16,568	22,307	1,445
Bayou Woods Elementary	111,149	175,406	155,232	131,323
Bonne Ecole Elementary	138,615	419,962	412,358	146,219
Brock Elementary	93,875	45,109	39,058	99,926
Chahta-Ima Elementary	32,389	82,212	70,317	44,294
Covington Elementary	47,614	173,303	170,873	50,044
Cypress Cove Elementary	63,289	239,937	224,496	78,740
Florida Ave. Elementary	59,807	110,542	114,885	55,464
Folsom Elementary	50,912	109,037	117,249	42,700
Honey Island Elementary	38,471	245,909	216,751	67,629
Lyon Elementary	56,054	127,503	105,476	78,081
Madisonville Elementary	93,854	246,225	273,385	66,694
Magnolia Trace Elementary	50,010	224,818	227,518	47,010
Mandeville Elementary	121,422	248,787	245,580	124,629
Pontchartrain Elementary	108,881	316,483	304,595	120,769
Riverside Elementary	71,430	111,213	110,798	71,845
Sixth Ward Elementary	51,604	72,623	67,278	56,949
Whispering Forest Elementary	37,827	180,275	177,249	40,853
Woodlake Elementary	163,592	308,379	314,235	157,736
Covington Pathways	300	2,220	2,029	491
Slidell Pathways	8,194	2,750	6,974	3,970
Abita Springs Middle	133,036	137,038	126,777	143,297
Bayou Lacombe Middle	19,151	37,674	37,258	19,567
Carolyn Park Middle	15,842	80,802	85,575	11,069
Lake Harbor Middle	109,627	212,581	201,895	120,313
Little Oak Middle	54,612	203,428	203,836	54,404
Mandeville Middle	119,415	411,767	392,079	139,103
Pine View Middle	69,305	145,650	147,086	67,869
Tchafuncte Middle	86,435	297,080	303,474	80,021
Boyet Jr. High	81,257	229,394	232,749	77,902
Clearwood Jr. High	76,822	234,475	248,610	62,687
Creekside Jr. High	107,583	162,239	176,381	93,441
Fifth Ward Jr. High	61,924	216,596	223,490	55,030
Folsom Jr. High	46,577	84,087	81,765	48,909
Fontainebleau Jr. High	102,462	236,486	227,526	111,422
Lee Road Jr. High	61,794	222,453	219,730	64,517
Madisonville Jr. High	64,546	197,019	210,194	51,371
Mandeville Jr. High	70,234	285,160	295,311	60,083
Monteleone Jr. High	44,782	202,756	177,017	70,521
Pitcher Jr. High	39,840	165,605	157,964	47,461
St. Tammany Jr. High	32,822	128,132	150,543	10,411
Slidell Jr. High	222,948	210,642	233,436	200,154
Covington High	196,280	719,076	738,087	177,259
Fontainebleau High	519,576	1,167,389	1,197,672	489,293
Mandeville High	380,292	1,176,889	1,113,723	443,458
Northshore High	457,104	937,376	983,501	410,979
Pearl River High	137,032	416,541	443,844	109,729
Salmen High	270,085	500,626	514,767	255,924
Slidell High	557,224	670,477	755,118	472,583
<b>TOTAL</b>	<b>\$ 5,735,740</b>	<b>\$13,589,281</b>	<b>\$13,687,822</b>	<b>\$5,637,199</b>

See accompanying independent auditors' report.



**"LOUISIANA SUNSHINE"**  
by Lauren Brownfield  
Kindergarten, Magnolia Trace



**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**BUDGETARY COMPARISON  
SCHEDULE  
MAJOR CAPITAL PROJECT  
2004 CONSTRUCTION FUND**



ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana

2004 Construction Capital Projects Fund  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
For the Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	\$ 2,000,000	\$ 1,926,687	\$ (73,313)
Total Revenues	<u>2,000,000</u>	<u>1,926,687</u>	<u>(73,313)</u>
Expenditures			
Facilities acquisition and construction:			
Equipment	250,000	43,608	206,392
Construction contracts	40,000,000	44,472,637	(4,472,637)
Architects and engineers	2,100,000	2,179,250	(79,250)
Legal services	100,000	2,268	97,732
Site improvements	200,000	193,077	6,923
Other	30,000	864	29,136
Total Expenditures	<u>42,680,000</u>	<u>46,891,704</u>	<u>(4,211,704)</u>
Other financing sources			
Transfers in - General Fund	17,000,000	17,000,000	-
Total other financing sources	<u>17,000,000</u>	<u>17,000,000</u>	<u>-</u>
Net Change in Fund Balance	(23,680,000)	(27,965,017)	(4,285,017)
Fund Balance, Beginning of Year	<u>63,359,087</u>	<u>55,015,591</u>	<u>(8,343,496)</u>
Fund Balance, End of Year	<u>\$ 39,679,087</u>	<u>\$ 27,050,574</u>	<u>\$ (12,628,513)</u>

See accompanying independent auditors' report.



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA**

**STATISTICAL INFORMATION**



**"ALLIGATOR WAITING"**  
by Kara Brugier  
6th grade, Little Oak

## STATISTICAL SECTION

This part of the St. Tammany Parish School Board's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School Board's overall financial health.

<u>Contents</u>	<u>Tables</u>
<b>Financial Trends</b>	1 - 5
These schedules contain trend information to help the reader understand how the School Board's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	6 - 8
These schedules contain information to help the reader assess the School Board's most significant local revenue sources.	
<b>Debt Capacity</b>	9 - 13
These schedules present information to help the reader assess the affordability of the School Board's current levels of outstanding debt and the School Board's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	14 - 15
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.	
<b>Operating Information</b>	16 - 22
These schedules contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The School Board implemented GASB Statement 34 in fiscal year 2002; tables presenting government-wide information include information beginning in that year.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table I

**NET ASSETS BY COMPONENT**  
**LAST SEVEN FISCAL YEARS**  
(accrual basis of accounting)  
(Unaudited)

	Fiscal Year						
	2008	2007	2006	2005	2004	2003	2002
Governmental activities							
Invested in capital assets, net of related debt	\$ 146,900,134	\$ 116,801,993	\$ 50,574,740	\$ 24,793,097	\$ 38,647,118	\$ 32,879,710	\$ 28,978,182
Restricted	11,906,700	8,571,006	103,928,881	84,585,526	39,806,286	25,591,387	21,414,813
Unrestricted	43,596,197	101,806,353	41,161,091	5,421,547	43,313,303	50,944,605	52,478,589
Total governmental activities net assets	\$ 202,003,031	\$ 227,180,154	\$ 195,664,712	\$ 114,810,170	\$ 121,856,707	\$ 109,415,702	\$ 102,871,584

Source: Audited Comprehensive Annual Financial Reports - Information available for seven years



**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 2

**CHANGES IN NET ASSETS**  
**LAST SEVEN FISCAL YEARS**  
(accrual basis of accounting)  
(Unaudited)

	Fiscal Year Ended June 30,						
	2008	2007	2006	2005	2004	2003	2002
<b>Expenses:</b>							
<b>Instruction:</b>							
Regular education programs	\$ 149,055,479	\$ 128,511,768	\$ 131,106,052	\$ 121,974,843	\$ 107,802,859	\$ 103,626,356	\$ 94,895,134
Special education programs	75,534,212	64,851,904	58,457,438	57,993,891	52,774,203	47,354,331	43,764,346
Vocational education programs	6,300,320	5,389,435	5,004,172	4,878,106	4,470,356	4,383,262	4,624,007
Other instructional programs	16,302,774	14,473,477	11,705,748	13,471,209	11,700,505	10,836,452	8,683,473
Special programs	12,295,826	12,309,014	9,081,700	8,690,782	6,842,357	5,945,125	4,121,088
Adult education programs	469,083	445,613	488,327	636,520	567,927	643,693	561,205
<b>Support services:</b>							
Pupil support	46,296,638	13,717,765	12,728,685	12,527,690	11,265,233	10,417,550	9,805,615
Instructional staff support	16,966,498	14,278,658	14,278,658	12,820,938	10,929,418	9,835,320	9,809,344
General administration	8,450,173	6,516,328	5,926,398	5,744,378	5,159,647	3,596,121	4,271,971
School administration	21,729,282	17,594,125	16,862,520	15,672,383	14,250,363	13,599,777	12,747,955
Business administration	2,759,986	2,339,921	2,136,073	2,104,334	1,974,375	1,683,054	1,646,683
Operation and maintenance of plant	37,390,691	20,869,556	34,728,672	24,999,855	22,087,125	19,946,780	18,261,133
Pupil transportation	31,936,940	24,098,252	22,207,588	20,761,576	18,227,864	16,791,257	15,137,579
Central services	7,908,990	4,997,706	4,187,728	4,757,738	3,591,531	5,461,851	2,367,639
Food services	21,342,601	17,884,634	16,966,767	16,907,527	14,764,947	14,061,253	13,241,043
Community service programs	1,924,210	1,419,324	1,345,429	1,405,781	1,324,311	1,012,787	694,973
Interest on long-term debt	3,053,179	5,462,807	7,212,005	8,129,251	6,835,848	7,742,775	6,242,320
<b>Total expenses</b>	<b>429,716,702</b>	<b>365,161,527</b>	<b>352,242,114</b>	<b>333,476,912</b>	<b>294,366,930</b>	<b>277,097,734</b>	<b>251,175,610</b>
<b>Program revenues:</b>							
<b>Charges for services:</b>							
Instruction	1,686,022	190,299	145,077	166,710	226,706	311,316	208,698
Food services	3,301,946	2,699,597	1,785,738	2,910,977	2,928,164	2,813,458	2,746,381
Community service programs	1,399,123	1,345,698	1,051,841	1,137,074	1,082,352	813,656	778,694
Operating grants and contributions	32,521,189	36,774,433	72,619,991	28,198,541	26,533,540	23,898,970	20,438,008
Capital grants and contributions	9,348,184	18,733,843	20,542,642	725,268	665,308	790,420	753,333
<b>Total program revenues</b>	<b>48,256,464</b>	<b>59,743,870</b>	<b>96,145,189</b>	<b>33,138,570</b>	<b>31,430,110</b>	<b>28,527,860</b>	<b>24,924,114</b>
<b>Net expense</b>	<b>(381,460,238)</b>	<b>(305,417,657)</b>	<b>(256,096,925)</b>	<b>(300,338,342)</b>	<b>(263,136,820)</b>	<b>(248,569,874)</b>	<b>(226,251,496)</b>
<b>General revenues and other changes in net assets:</b>							
<b>Taxes:</b>							
Ad valorem (property) taxes	83,660,520	74,098,468	65,852,536	62,872,455	55,953,605	51,460,415	48,344,307
Sales and use taxes	84,844,401	89,280,567	91,563,744	65,438,272	61,162,354	55,641,711	52,847,766
State revenue sharing	2,086,894	1,846,208	1,866,599	1,768,679	1,804,707	1,789,692	1,799,322
Grants and contributions not restricted to specific programs - Minimum Foundation Program	173,501,201	154,613,755	151,506,757	149,746,781	141,755,563	133,675,440	124,341,219
Interest and investment earnings	8,689,903	12,588,359	7,312,336	3,726,102	1,790,474	2,736,513	2,499,995
Gain on sale of assets	54,763						
Miscellaneous	5,012,325	4,505,742	18,889,493	9,739,516	8,473,088	8,586,277	6,479,498
<b>Total general revenues and other changes in net assets</b>	<b>357,850,507</b>	<b>336,933,099</b>	<b>336,951,467</b>	<b>293,291,805</b>	<b>270,939,791</b>	<b>253,890,048</b>	<b>237,312,107</b>
<b>Change in net assets</b>	<b>\$ (23,609,731)</b>	<b>\$ 31,515,442</b>	<b>\$ 80,854,542</b>	<b>\$ (7,046,537)</b>	<b>\$ 7,802,962</b>	<b>\$ 5,320,154</b>	<b>\$ 11,060,611</b>

Source: Audited Comprehensive Annual Financial Reports - Information available for seven years.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 3

**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(Unaudited)

Fiscal Year	General Fund			All Other Governmental Funds				
	Reserved	Unreserved	Total	Reserved*	Unreserved Reported in Special Revenue Funds	Unreserved Reported in Capital Projects Funds	Total all other Governmental Funds	
2008	\$ -	\$ 55,784,162	\$ 55,784,162	\$ 12,278,923	\$ 94,163,582	\$ 41,296,796	\$ 147,739,301	
2007	-	71,644,882	71,644,882	8,879,573	90,155,883	69,749,974	168,785,430	
2006	2,299	61,004,094	61,006,393	19,189,150	5,750,225	168,571,193	193,510,568	
2005	26,597	51,569,504	51,596,101	16,313,346	4,045,967	68,531,666	88,890,979	
2004	112,838	61,368,203	61,481,041	11,882,724	4,142,996	28,108,989	44,134,709	
2003	270,616	59,913,546	60,184,162	25,416,604	3,271,067	33,375,771	62,063,442	
2002	1,472,698	55,413,409	56,886,107	20,036,444	3,308,766	54,767,758	78,112,968	
2001	564,130	44,997,296	45,561,426	17,477,318	5,341,813	30,230,701	53,049,832	
2000	385,011	35,452,483	35,837,494	23,253,274	4,964,726	40,640,920	68,858,920	
1999	171,751	23,317,324	23,489,075	18,485,523	4,368,421	56,276,732	79,130,676	

\* Includes Special Revenue, Capital Projects and Debt Service Funds.  
All fund balances in Debt Service Funds are reserved to pay future debt service.  
Source: Audited Comprehensive Annual Financial Reports



ST. TAMMANY

PARISH PUBLIC SCHOOLS

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 4

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS AND TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year Ended June 30,				
	2008	2007	2006	2005	2004
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes	\$ 83,888,326	\$ 73,870,662	\$ 65,852,536	\$ 62,802,202	\$ 55,953,605
Sales and use taxes	93,281,812	89,671,372	89,743,764	65,695,266	60,648,838
Rentals, leases, and royalties	-	-	-	1,575	2,580
Tuition	1,686,022	1,535,997	1,196,918	1,303,784	1,303,058
Earnings on investments	8,689,903	12,588,359	7,121,325	3,630,141	1,741,364
Food service	3,301,946	2,699,597	1,785,738	2,910,977	2,928,164
Other	1,764,267	1,849,854	651,907	505,966	979,692
State sources:					
Minimum foundation program	173,501,201	154,613,755	151,506,757	149,746,781	141,755,563
Contributions to teachers' retirement	57,059	64,148	89,815	70,494	68,964
Revenue Sharing	2,086,894	1,846,208	1,866,599	1,768,679	1,804,707
Professional improvement program	435,420	498,502	571,503	656,198	742,434
Other	10,132,502	5,644,435	9,689,458	5,817,402	3,518,435
Federal sources					
	42,038,308	50,768,367	66,149,716	26,066,511	25,683,677
<b>TOTAL REVENUES</b>	<b>420,863,660</b>	<b>395,651,276</b>	<b>396,226,037</b>	<b>320,976,976</b>	<b>297,091,081</b>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Regular education programs	129,525,124	121,079,830	115,457,973	107,001,159	96,628,156
Special education programs	65,514,042	61,225,517	56,501,537	55,169,371	51,390,529
Other education programs	30,203,249	30,305,373	25,023,846	25,922,013	22,610,636
Support services:					
Pupil support	14,147,088	12,962,175	12,264,648	11,879,363	10,915,053
Instructional staff support	14,733,249	13,494,750	11,779,845	12,188,898	10,646,354
General administration	7,323,346	6,144,633	5,712,441	5,448,976	4,806,997
School administration	18,869,821	16,640,521	16,312,057	14,920,549	13,890,399
Business administration	2,394,116	2,209,097	2,051,238	1,988,667	1,910,530
Operation and maintenance of plant	32,288,195	29,063,282	33,411,107	23,610,626	21,322,332
Pupil transportation	27,757,246	22,811,347	21,496,860	19,780,254	17,786,784
Central services	6,751,697	4,399,589	3,561,031	4,046,080	3,210,851
Food services	18,441,434	16,785,017	16,304,893	15,985,763	14,256,670
Community service programs	1,671,217	1,340,078	1,204,064	1,337,877	1,291,932
Facilities acquisition and construction	69,455,636	54,486,930	31,022,161	29,506,397	26,079,857
Debt service - issuance costs	-	-	1,474	54,543	151,977
Debt service - legal fees	30,125	21,567	-	-	-
Debt service - election expenses	58,109	-	-	-	-
Debt service - bond issuance costs	75,590	-	84,844	167,442	-
Debt service - Principal	13,805,771	13,420,000	10,405,000	10,280,000	10,140,000
Debt service - Interest	7,430,217	8,097,595	7,212,005	6,651,931	6,683,820
<b>TOTAL EXPENDITURES</b>	<b>458,495,272</b>	<b>414,497,301</b>	<b>369,807,024</b>	<b>345,950,309</b>	<b>313,722,885</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(37,631,612)</b>	<b>(18,846,025)</b>	<b>26,419,013</b>	<b>(24,973,333)</b>	<b>(16,631,804)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Payment to escrow agent from refunding bond proceeds	-	(9,954,229)	-	(36,408,800)	(24,253,119)
Accrued interest on issued refunding bonds	-	-	-	237,438	35,732
Premium received on refunding bonds issued	-	-	95,512	326,025	1,132,337
Bonds issued	670,000	-	25,000,000	95,690,000	23,085,000
Federal loan proceeds	-	15,985,981	51,857,990	-	-
Sales of capital assets	54,763	-	-	-	-
Transfers in	123,228,341	141,962,543	294,168,384	74,374,777	65,768,331
Transfers out	(123,228,341)	(143,234,919)	(283,511,018)	(74,374,777)	(65,768,331)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>724,763</b>	<b>4,759,376</b>	<b>87,610,868</b>	<b>59,844,663</b>	<b>(50)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (36,906,849)</b>	<b>\$ (14,086,649)</b>	<b>\$ 114,029,881</b>	<b>\$ 34,871,330</b>	<b>\$ (16,631,854)</b>
Debt service as a percentage of noncapital expenditures	4.88%	8.81%	5.08%	16.53%	14.20%

(continued)

Source: Audited Financial Reports

Table 4

Fiscal Year Ended June 30,				
2003	2002	2001	2000	1999
\$ 51,460,415	\$ 48,344,307	\$ 45,507,454	\$ 41,292,355	\$ 37,543,149
55,386,185	52,847,766	48,795,600	47,551,314	43,058,382
2,070	3,420	4,200	18,767	16,104
1,024,972	587,392	965,985	983,418	868,674
2,661,276	3,356,674	7,007,188	6,795,101	5,920,173
2,813,498	2,746,381	2,688,320	2,667,742	2,533,021
1,042,613	787,380	737,842	776,631	807,406
133,675,440	124,341,219	117,742,209	112,824,280	107,920,484
73,449	114,847	111,340	132,408	157,280
1,789,692	1,799,322	1,802,063	1,752,710	1,781,976
801,646	885,409	929,037	1,018,771	1,130,613
4,451,834	3,068,492	2,964,213	2,773,347	4,260,724
23,108,141	19,458,830	15,285,933	14,530,989	12,757,100
278,291,251	258,741,439	244,541,384	233,118,833	218,755,086
92,686,712	83,892,097	\$ 81,795,569	75,123,431	73,330,690
46,364,165	42,332,515	37,450,483	36,123,976	34,285,961
20,891,722	17,080,918	14,905,390	13,834,443	13,013,460
10,108,090	9,425,494	8,574,646	8,185,778	8,118,369
9,596,066	9,483,156	8,604,165	8,691,031	7,883,533
3,490,848	4,121,871	3,764,886	3,638,918	3,376,895
13,240,897	12,363,908	10,914,896	10,890,055	10,721,643
1,630,206	1,582,030	1,586,630	1,486,139	1,399,453
19,275,397	17,528,724	17,092,972	14,958,112	14,742,254
16,418,519	14,703,637	13,239,045	12,177,622	11,840,239
5,143,488	2,208,452	1,813,426	1,942,967	1,758,373
13,581,850	12,687,021	11,946,216	11,165,557	10,830,543
975,825	964,365	835,772	919,064	786,077
19,167,874	22,808,299	22,391,824	16,106,559	16,193,792
63,585	13,335	-	-	197,886
10,170,000	8,965,000	9,065,000	8,680,000	7,740,000
7,679,190	6,226,791	6,624,593	7,118,545	6,513,601
290,484,434	266,387,613	250,626,513	231,042,197	222,432,771
(12,193,183)	(7,646,174)	(6,085,129)	2,076,636	(3,677,685)
(14,125,000)	(3,417,294)	-	-	(14,480,000)
21,584	17,866	-	-	-
13,185,000	47,410,000	-	-	69,480,000
62,594,287	59,051,561	52,138,803	50,339,103	45,614,049
(62,594,287)	(59,051,561)	(52,138,803)	(50,339,103)	(45,614,049)
(918,416)	44,010,572	-	-	55,000,000
\$ (13,131,599)	\$ 36,364,398	\$ (6,085,129)	\$ 2,076,636	\$ 51,322,315
11.76%	7.58%	6.87%	7.35%	14.03%

(concluded)

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 5

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Fiscal Year	Real Estate Assessed Value	Commercial and Other Property Assessed Value	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Ratio of Total Assessed Value to Total Estimated Actual Value*
<u>Parish of St. Tammany</u>						
2008	1,244,467,016	285,489,975	1,529,956,991	15,000,610,610	77.84	10.20%
2007	1,131,583,881	261,141,810	1,392,725,691	13,056,784,210	77.84	10.67%
2006	1,039,413,980	249,263,960	1,288,677,940	11,293,390,938	77.84	11.41%
2005	1,051,282,371	239,661,039	1,290,943,410	11,361,552,884	74.59	11.36%
2004	825,080,372	224,343,887	1,049,424,259	9,237,034,865	87.10	11.36%
2003	765,553,876	215,754,926	981,308,802	8,619,853,365	87.10	11.38%
2002	721,944,949	203,625,498	925,570,447	8,043,876,643	87.10	11.51%
2001	677,730,005	193,753,558	871,483,563	7,872,082,277	87.10	11.07%
2000	615,274,982	178,671,405	793,946,387	7,159,968,947	87.10	11.09%
1999	583,140,747	160,875,374	744,016,121	6,733,548,083	87.10	11.05%

\*Actual Valuation (Market Value) as Compared to Assessed Valuation

Residential properties are assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. The overall assessed value is estimated to be 11% of actual market value.

Source: St. Tammany Parish Assessor's Office

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 6

**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
(Unaudited)

Taxpayer	Type of Business	June 30, 2008			June 30, 1999		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Central La. Electric Co.	Utility	\$ 35,403,480	1	3.24 %	\$ 26,065,050	1	5.99 %
BellSouth Telecommunications	Telephone	20,771,250	2	1.90	19,570,150	2	4.50
Capital One Bank	Bank	14,472,480	3	1.32	-		
J.P. Morgan Chase Bank	Bank	8,238,170	4	0.75	-		
Verizon Wireless	Telephone	7,157,380	5	0.65	-		
Parish National Bank	Bank	6,105,580	6	0.56	-		
Washington St. Tammany Electric	Utility	5,542,010	7	0.51	3,477,510	6	0.80
Central Progressive Bank	Bank	4,955,591	8	0.45	-		
Atmos Energy	Utility	4,749,000	9	0.43	-		
EPIC Development Inc.	Real Estate	4,062,750	10	0.37	3,873,640	5	0.89
First NBC	Bank	-			7,488,850	3	1.72
Hibernia National Bank	Bank	-			6,415,360	6	1.47
LA Gas Service Co.	Utility	-			3,435,840	7	0.79
Southern Natural Gas	Utility	-			2,842,060	8	0.65
Sizer North Shore Limited	Restaurants	-			2,580,650	9	0.59
McKesson Corp.	Healthcare	-			2,173,580	10	0.50
		\$ 111,457,691		10.18 %	\$ 77,922,690		17.90 %

(1) Source: St. Tammany Parish Assessor's Office

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 7

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Year	School Board Millage	Parish Council Millage	Other Governments (Parishwide)		City of Abita Springs Millage
			Law Enforcement Millage	Assessor Millage	
<b><u>RATE PER \$1,000 OF ASSESSED VALUE</u></b>					
2008	77.84	14.72	12.10	3.21	16.86
2007	77.84	14.72	10.72	2.66	16.86
2006	77.84	12.84	10.72	2.66	16.86
2005	74.59	8.84	10.72	2.66	17.86
2004	87.10	10.72	12.94	3.21	17.86
2003	87.10	10.72	12.94	3.21	17.86
2002	87.10	10.72	12.94	3.21	17.86
2001	87.10	10.72	12.94	3.00	15.72
2000	87.10	10.39	12.94	3.05	15.72
1999	87.10	11.22	12.94	3.05	15.72

(continued)



Table 7

Other Governments (Parishwide)					
City of Covington Millage	City of Madisonville Millage	City of Mandeville Millage	City of Pearl River Millage	City of Slidell Millage	Other
<u>RATE PER \$1,000 OF ASSESSED VALUE</u>					
24.27	11.63	17.29	10.00	30.98	1822.77
24.27	10.51	17.39	10.00	30.21	1507.94
20.18	10.51	17.59	10.00	30.21	1354.38
20.18	11.63	17.64	10.00	31.59	1339.87
24.15	11.63	19.75	10.00	34.15	1465.62
24.15	11.63	20.25	10.00	34.58	1440.12
24.15	11.63	16.30	10.00	34.64	1389.71
24.15	11.63	16.40	5.83	34.79	1406.50
24.55	11.52	16.80	5.83	36.25	926.45
24.55	11.52	16.95	5.83	36.62	815.77

Source: St. Tammany Parish Assessor's Office.

(concluded)

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 8

**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections For Prior Years	Total Collections	Ratio of Total Collections to Tax Levy
2008	\$ 85,059,132	\$ 82,325,377	96.8	\$ 1,317,822	\$ 83,643,199	98.3
2007	75,718,411	73,292,028	96.8	325,200	73,617,228	97.2
2006	68,770,656	66,288,648	94.0	1,618,838	65,696,266	95.5
2005	64,835,951	62,465,018	96.3	337,184	62,802,202	96.9
2004	57,680,678	55,662,237	96.5	1,171,755	56,833,992	98.5
2003	53,110,286	51,074,450	96.2	1,266,600	52,341,050	98.6
2002	49,560,110	47,180,514	95.2	1,163,793	48,344,307	97.5
2001	46,310,731	44,240,854	95.5	337,184	44,578,038	96.3
2000	41,120,255	39,759,869	96.7	1,532,486	41,292,355	100.4
1999	37,921,259	36,371,394	95.9	1,171,755	37,543,149	99.0

Sources: St. Tammany Parish Sheriff's Office and the St. Tammany Parish School Board Business Affairs Department.

Note: The St. Tammany Parish Tax Collector, which is the St. Tammany Parish Sheriff's Office, is unable to provide information on which year the prior year taxes are for.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 9

**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

Fiscal Year	General Obligation Bonds	Revenue Bonds and Notes	Federal Disaster Loans	Certificates of Indebtedness	Total Debt	(1) Percentage of Personal Income	(1) Debt Per Capita
2008	\$ 163,185,000	\$ -	\$ 67,843,971	\$ -	\$ 231,028,971	(2)	\$ 1,001
2007	174,320,771	-	67,843,971	-	242,164,742	3.11%	1,069
2006	195,840,000	1,855,000	52,287,875	-	249,982,875	4.02%	1,135
2005	179,495,000	3,605,000	-	-	183,100,000	2.61%	871
2004	127,035,000	5,255,000	-	-	132,290,000	2.01%	654
2003	135,610,000	6,820,000	-	-	142,430,000	2.28%	707
2002	143,820,000	8,885,000	-	835,000	153,540,000	2.60%	794
2001	106,550,000	10,335,000	-	1,625,000	118,510,000	2.21%	620
2000	113,520,000	11,690,000	-	2,365,000	127,575,000	2.52%	689
1999	120,230,000	12,960,000	-	3,065,000	136,255,000	2.78%	759

Note: Details regarding the School System's outstanding debt can be found in the notes to the basic financial statements.

- (1) See the Schedule of Demographic Statistics, Table 14, for personal income and population data.
- (2) Information not available.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 10

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
(Unaudited)

Fiscal Year	General Obligation Bonds	Revenue Bonds and Notes	Federal Disaster Loans	Certificates of Indebtedness	Total Debt	(1) Debt Per Capita	(1) Debt Per Student	(2) Percentage of Total Debt to Assessed value	(2) Percentage of Total Debt to Estimated Actual Value
2008	\$ 163,185,000	\$ -	\$ 67,843,971	\$ -	\$ 231,028,971	\$ 1,001	\$ 6,539	15.10%	1.54%
2007	174,320,771	-	67,843,971	-	242,164,742	1,069	6,857	17.39%	1.85%
2006	195,840,000	1,855,000	52,287,875	-	249,982,875	1,135	6,967	19.40%	2.21%
2005	179,495,000	3,605,000	-	-	183,100,000	871	4,987	14.18%	1.61%
2004	127,035,000	5,255,000	-	-	132,290,000	654	3,757	12.61%	1.43%
2003	135,610,000	6,820,000	-	-	142,430,000	707	4,133	14.51%	1.65%
2002	143,820,000	8,885,000	-	835,000	153,540,000	794	4,671	16.59%	1.91%
2001	106,550,000	10,335,000	-	1,625,000	118,510,000	620	3,626	13.60%	1.51%
2000	113,520,000	11,690,000	-	2,365,000	127,575,000	689	3,926	16.07%	1.78%
1999	120,230,000	12,960,000	-	3,065,000	136,255,000	759	4,184	18.31%	2.02%

Note: Details regarding the School System's outstanding debt can be found in the notes to the basic financial statements.

(1) See the Schedule of Demographic Statistics, Table 14, for personal income and population and student data.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 5, for assessed value data and actual value.

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 11

**COMPUTATION OF LEGAL DEBT MARGIN**  
**LAST TEN TAX YEARS**  
(December 31, 1999 through 2008)  
(Unaudited)

Year	Assessed Value (2)	Debt Limit of Thirty-Five Percent (35%) of Assessed Value (1)	Less: Total Bonded Debt (3)	Add: Amount available for repayment of debt (3)	Legal Debt Margin	Legal Debt Limit as a % of the Debt Limit
Parish of St. Tammany						
2008	\$ 1,529,956,991	\$ 535,484,947	\$ 163,185,000	\$ 11,906,700	\$ 384,206,647	71.75%
2007	1,392,725,691	487,453,992	174,320,771	8,571,906	321,705,127	66.00%
2006	1,288,677,940	451,037,279	195,840,000	18,927,228	274,124,507	60.78%
2005	1,290,943,410	451,830,194	179,495,000	16,053,860	288,389,054	63.83%
2004	1,049,434,259	367,301,991	127,035,000	9,986,456	250,253,447	68.13%
2003	981,479,328	343,517,765	135,610,000	8,923,505	216,831,270	63.12%
2002	925,592,937	323,957,528	143,820,000	9,302,207	189,439,735	58.48%
2001	871,483,563	305,019,247	106,550,000	7,629,613	206,098,860	67.57%
2000	793,946,387	277,881,235	113,520,000	7,230,791	171,592,026	61.75%
1999	744,016,121	260,405,642	120,230,000	8,108,246	148,283,888	56.94%

Sources:

- (1) Legal debt limit of 35% is established by Louisiana Revised Statute Title 39, Section 562.
- (2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 5, for assessed value data.
- (3) Comprehensive Annual Financial Reports.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 12

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**JUNE 30, 2008**  
**(Unaudited)**

	<u>Gross Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
<u>Direct</u>			
St. Tammany Parish School Board	\$ 163,185,000	100.00%	\$ 163,185,000
<u>Overlapping Debt:</u>			
City of Abita Springs	988,000	100.00%	988,000
City of Covington	6,646,000	100.00%	6,646,000
City of Mandeville	775,000	100.00%	775,000
City of Slidell	5,720,000	100.00%	5,720,000
Fire Protection Districts	5,836,000	100.00%	5,836,000
Gravity Drainage District No. 5	2,090,000	100.00%	2,090,000
Sub-drainage District No.1	33,000	100.00%	33,000
Recreation Districts	24,095,000	100.00%	24,095,000
Water District No. 2	128,000	100.00%	128,000
Parish Council	110,158,219	100.00%	110,158,219
	<u>156,469,219</u>		<u>156,469,219</u>
<b>TOTAL DIRECT AND OVERLAPPING DEBT</b>	<b><u>\$ 319,654,219</u></b>		<b><u>\$ 319,654,219</u></b>

Source: Comprehensive Annual Report and most current financial statements for each governmental entity.

Overlapping governments are those that coincide at least in part, with the geographic boundaries of the parish. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**ST. TAMMANY PARISH SCHOOL BOARD  
 PLEDGED - REVENUE COVERAGE  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

Table 13

Fiscal Year	Sales Tax Bonds				
	Sales Taxes	Debt Service		Coverage	
		Principal	Interest		
1999	\$ 43,058,382	\$ 1,190,000	\$ 778,250	21.88	
2000	47,551,314	1,270,000	712,800	23.98	
2001	48,795,600	1,355,000	642,950	24.42	
2002	52,847,766	8,885,000	568,425	5.59	
2003	55,386,185	6,065,000	488,675	8.45	
2004	60,648,838	1,565,000	375,100	31.26	
2005	65,696,266	1,650,000	289,025	33.88	
2006	89,743,764	1,750,000	198,275	46.06	
2007	89,671,372	1,855,000	76,105	46.44	
2008	93,281,812	-	-	0.00	

NOTE: Details regarding the School Board's outstanding debt can be found in the notes to the financial statements.

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 14

**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Total Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (3)</u>	<u>Public School Enrollment (4)</u>	<u>Unemployment Rate (5)</u>
1999	179,466	\$ 4,896,536,000	25,945	36	32,567	3.1
2000	185,273	5,063,841,000	26,245	36	32,495	2.5
2001	191,268	5,358,891,000	27,859	36	32,680	3.5
2002	193,466	5,898,786,000	30,097	36	32,870	4.5
2003	201,462	6,234,985,000	30,899	35	34,463	4.4
2004	202,203	6,565,576,000	31,639	35	35,214	4.5
2005	210,296	7,027,647,000	32,886	35	36,718	3.9
2006	220,295	6,214,212,000	28,270	35	35,882	4.2
2007	226,625	7,794,222,000	34,760	37	35,319	4.0
2008	230,846	(2)	(2)	37	35,329	3.8

Note: All information is parishwide.

Sources:

- (1) St. Tammany Parish Economic Development Foundation.
- (2) Information is not available at this time.
- (3) Estimates - Louisiana Tech University for the U.S. Bureau of Census.
- (4) St. Tammany Parish School System - May 1, 2008 enrollment.
- (5) Louisiana Department of Labor.



**ST. TAMMANY PARISH SCHOOL BOARD  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO  
(UNAUDITED)**

Table 15

Employer	Location	2008			1999		
		Employees	Rank	% of Total St. Tammany Parish Employment	Employees	Rank	% of Total St. Tammany Parish Employment
St. Tammany Parish School Board	Slidell/Covington	7,757	1	6.78%	4,205	1	4.69%
St. Tammany Parish Hospital	Covington	1,714	2	1.50%	799	3	0.89%
Lakeview Regional Medical Center	Covington	745	3	0.65%	567	4	0.63%
St. Tammany Parish Sheriff's Office	Parish wide	704	4	0.62%	540	6	0.60%
Northshore Regional Medical Center	Slidell	660	5	0.58%	502	7	0.56%
Gilsbar Inc.	Covington	213	6	0.19%	-	-	-
Pool Corp.	Covington	210	7	0.18%	-	-	-
Express Employment Professionals	Covington	196	8	0.17%	-	-	-
Parish National Bank	Parish wide	143	9	0.13%	-	-	-
Cleco Power	Parish wide	118	10	0.10%	-	-	-
Slidell Memorial Hospital	Slidell	-	-	-	937	2	1.04%
Southeast Louisiana Hospital	Mandeville	-	-	-	550	5	0.61%
City of Slidell	Slidell	-	-	-	328	8	0.37%
Goux Enterprises/Goux Health Care	Mandeville	-	-	-	300	9	0.33%
St. Tammany Parish Government	Parish wide	-	-	-	297	10	0.33%
<b>TOTAL</b>		<u>12,460</u>		<u>10.90%</u>	<u>9,025</u>		<u>10.05%</u>

NOTE: Information listed is for St. Tammany Parish.

Sources:

2008 information: Book of Lists 2007-2008, New Orleans City Business

1999 information: Book of Lists 1998-1999, New Orleans City Business

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 16

**GENERAL FUND EXPENDITURES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year Ended June 30,				
	2008	2007	2006	2005	2004
<b>EXPENDITURES</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular education programs	\$ 125,334,360 38.5%	\$ 116,533,437 39.9%	\$ 107,681,928 40.1%	\$ 104,174,091 39.7%	\$ 93,858,083 39.6%
Special education programs	60,639,649 18.6%	55,207,855 18.9%	52,170,569 19.4%	51,107,095 19.5%	46,795,764 19.7%
Other education programs	19,534,808 6.0%	18,059,434 6.2%	15,503,672 5.8%	16,645,679 6.3%	14,908,851 6.3%
<b>Support services:</b>					
Pupil support	12,517,677 3.8%	11,341,485 3.9%	10,761,158 4.0%	10,497,568 4.0%	9,661,638 4.1%
Instructional staff support	11,172,252 3.4%	9,966,612 3.4%	8,605,218 3.2%	9,483,692 3.6%	8,484,073 3.6%
General administration	5,468,199 1.7%	4,481,066 1.5%	3,941,547 1.5%	3,919,232 1.5%	3,580,826 1.5%
School administration	18,860,194 5.8%	16,391,966 5.6%	15,635,798 5.8%	14,873,424 5.7%	13,364,291 5.6%
Business administration	2,394,116 0.7%	2,209,097 0.8%	2,051,238 0.8%	1,988,667 0.8%	1,910,530 0.8%
Operation and maintenance of plant	32,005,941 9.8%	27,668,889 9.5%	24,166,782 9.0%	23,348,511 8.9%	21,078,588 8.9%
Pupil transportation	27,577,394 8.5%	22,643,116 7.7%	21,381,303 8.0%	19,637,903 7.5%	17,443,710 7.4%
Central services	6,751,697 2.1%	4,395,586 1.5%	3,551,372 1.3%	4,046,080 1.5%	3,210,861 1.4%
Food Service	3,000,253 0.9%	2,887,032 1.0%	2,890,212 1.1%	2,414,169 0.9%	2,114,503 0.9%
Community Service Programs	44,254 0.0%	43,817 0.0%	41,598 0.0%	45,091 0.0%	43,717 0.0%
Facility acquisition and construction	550,755 0.2%	569,187 0.2%	429,498 0.2%	383,153 0.1%	492,262 0.2%
<b>Total</b>	<b>\$ 325,851,549</b>	<b>\$ 292,398,579</b>	<b>\$ 268,811,893</b>	<b>\$ 262,564,355</b>	<b>\$ 236,947,697</b>
Pupil count - October 1* (1)	35,329	35,319	35,882	36,718	35,214
Average expenditures per pupil	\$ 9,223	\$ 8,279	\$ 7,492	\$ 7,151	\$ 6,729

\* The enrollment date for fiscal year 2007 and 2006 is May 1st. Due to the Hurricanes Katrina and Rita, the State changed the official count date for those years.

Source: Audited financial statements.

(continued)

(1) Source: Table 13

Table 16

Fiscal Year Ended June 30,				
2003	2002	2001	2000	1999
\$ 90,394,429	\$ 81,623,426	\$ 80,263,966	\$ 73,785,154	\$ 72,433,920
40.6%	40.6%	42.3%	41.6%	42.2%
42,786,317	39,304,082	35,661,404	34,445,565	32,754,851
19.2%	19.5%	18.8%	19.4%	19.1%
13,749,879	12,082,853	10,992,005	9,878,663	9,027,966
6.2%	6.0%	5.8%	5.6%	5.3%
9,041,397	8,431,597	7,655,798	7,352,035	7,281,105
4.1%	4.2%	4.0%	4.1%	4.2%
7,608,052	7,463,799	6,560,117	6,703,377	6,432,566
3.4%	3.7%	3.5%	3.8%	3.7%
2,625,116	3,027,343	2,772,849	2,650,489	2,465,956
1.2%	1.5%	1.5%	1.5%	1.4%
12,727,501	11,896,939	10,901,678	10,890,055	10,721,643
5.7%	5.9%	5.7%	6.1%	6.2%
1,630,206	1,582,030	1,586,630	1,486,139	1,399,455
0.7%	0.8%	0.8%	0.8%	0.8%
19,049,667	17,333,312	16,917,530	14,789,523	14,563,643
8.6%	8.6%	8.9%	8.3%	8.5%
15,814,159	14,270,323	13,088,088	12,008,109	11,684,723
7.1%	7.1%	6.9%	6.8%	6.8%
5,143,488	2,208,452	1,813,426	1,942,967	1,758,373
2.3%	1.1%	1.0%	1.1%	1.0%
1,885,929	1,641,058	1,441,995	1,102,879	1,032,479
0.8%	0.8%	0.8%	0.6%	0.6%
42,436	42,604	40,758	43,751	33,960
0.0%	0.0%	0.0%	0.0%	0.0%
205,627	197,401	223,103	385,336	199,161
0.1%	0.1%	0.1%	0.2%	0.1%
<u>\$ 222,704,203</u>	<u>\$ 201,105,219</u>	<u>\$ 189,929,347</u>	<u>\$ 177,464,042</u>	<u>\$ 171,789,801</u>
34,463	32,870	32,680	32,495	32,567
\$ 6,462	\$ 6,118	\$ 5,812	\$ 5,461	\$ 5,275

(concluded)

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 17

**GENERAL FUND EXPENDITURES BY FUNCTION PER PUPIL**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
(Unaudited)

	Fiscal Year Ended June 30,				
	2008	2007	2006	2005	2004
<b>EXPENDITURES</b>					
<b>Current:</b>					
Instruction:					
Regular education programs	\$ 3,548 38.5%	\$ 3,299 39.9%	\$ 3,001 40.1%	\$ 2,837 39.7%	\$ 2,665 39.6%
Special education programs	1,716 18.6%	1,563 18.9%	1,454 19.4%	1,392 19.5%	1,329 19.7%
Other education programs	553 6.0%	511 6.2%	432 5.8%	453 6.3%	423 6.3%
Support services:					
Pupil support	354 3.8%	321 3.9%	300 4.0%	286 4.0%	274 4.1%
Instructional staff support	316 3.4%	282 3.4%	240 3.2%	258 3.6%	241 3.6%
General administration	155 1.7%	127 1.5%	110 1.5%	107 1.5%	102 1.5%
School administration	534 5.8%	464 5.6%	436 5.8%	405 5.7%	380 5.6%
Business administration	68 0.7%	63 0.8%	57 0.8%	54 0.8%	54 0.8%
Operation and maintenance of plant	906 9.8%	783 9.5%	674 9.0%	636 8.9%	599 8.9%
Pupil transportation	781 8.5%	641 7.7%	596 8.0%	535 7.5%	495 7.4%
Central services	191 2.1%	124 1.5%	99 1.3%	110 1.5%	91 1.4%
Food Service	85 0.9%	82 1.0%	81 1.1%	66 0.9%	60 0.9%
Community Service Programs	1 0.0%	1 0.0%	1 0.0%	1 0.0%	1 0.0%
Facility acquisition and construction	16 0.2%	16 0.2%	12 0.2%	10 0.1%	14 0.2%
<b>Total</b>	<b>\$ 9,223</b>	<b>\$ 8,279</b>	<b>\$ 7,492</b>	<b>\$ 7,151</b>	<b>\$ 6,729</b>
Pupil count - October 1* (1)	35,329	35,319	35,882	36,718	35,214

\* The enrollment date for fiscal years 2007 and 2006 were May 1st. Due to Hurricanes Katrina and Rita, the State changed the official count date for this year.

Source: Audited financial statements.

(1) Source: Table 13

Table 17

		Fiscal Year Ended June 30,				
2003	2002	2001	2000	1999		
\$ 2,623	\$ 2,483	\$ 2,456	\$ 2,271	\$ 2,224		
40.6%	40.6%	42.3%	41.6%	42.2%		
1,242	1,196	1,091	1,060	1,006		
19.2%	19.5%	18.8%	19.4%	19.1%		
399	368	336	304	277		
6.2%	6.0%	5.8%	5.6%	5.3%		
262	257	235	226	224		
4.1%	4.2%	4.0%	4.1%	4.2%		
221	227	201	206	198		
3.4%	3.7%	3.3%	3.8%	3.7%		
76	92	85	82	76		
1.2%	1.5%	1.5%	1.5%	1.4%		
369	362	334	335	329		
5.7%	5.9%	5.7%	6.1%	6.2%		
47	48	49	46	43		
0.7%	0.8%	0.8%	0.8%	0.8%		
553	527	518	455	447		
8.6%	8.6%	8.9%	8.3%	8.5%		
459	434	400	370	359		
7.1%	7.1%	6.9%	6.8%	6.8%		
149	67	55	60	54		
2.3%	1.1%	1.0%	1.1%	1.0%		
55	50	44	34	32		
0.8%	0.8%	0.8%	0.6%	0.6%		
1	1	1	1	1		
0.0%	0.0%	0.0%	0.0%	0.0%		
6	6	7	12	6		
0.1%	0.1%	0.1%	0.2%	0.1%		
<u>\$ 6,462</u>	<u>\$ 6,118</u>	<u>\$ 5,812</u>	<u>\$ 5,461</u>	<u>\$ 5,275</u>		
34,463	32,870	32,680	32,495	32,567		

(continued)

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 18

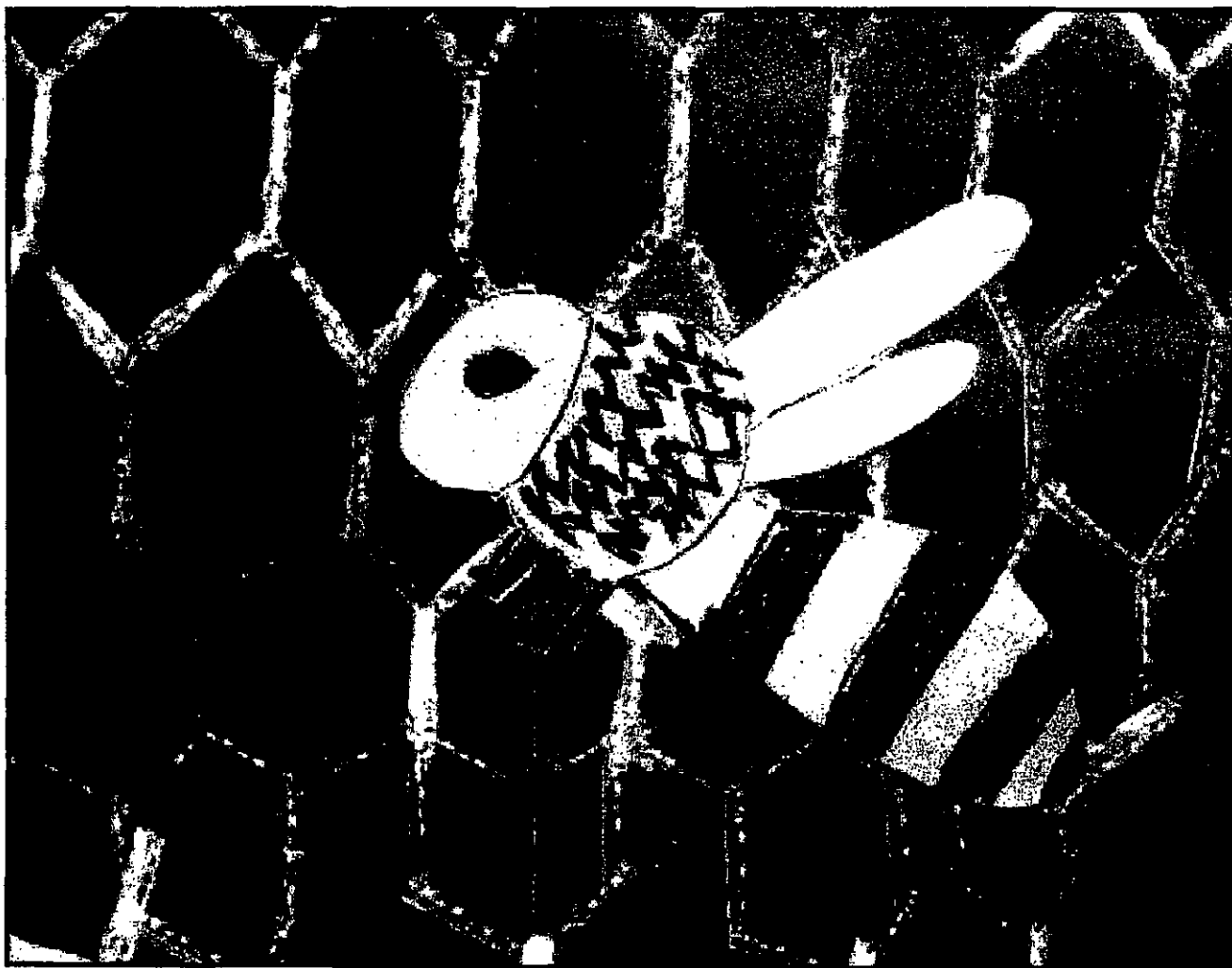
**BOARD MEMBERS' COMPENSATION**  
**JUNE 30, 2008**  
**(Unaudited)**

<u>Name</u>	<u>Compensation Base (1)</u>	<u>Additional Compensation</u>	<u>Total</u>
Ray A. Alfred	\$ 9,600	\$ -	\$ 9,600
Mary K. Bellisario	9,600	-	9,600
Ronald "Ron" Bettencourt	9,600	-	9,600
Michael J. Dirmann	9,600	-	9,600
Charles T. Harrell	9,600	-	9,600
Elizabeth B. Heintz	9,600	-	9,600
Neal Hennegan	10,800 (2)	-	10,800
Carmen H. Johnson	9,600	-	9,600
John C. Lamarque	9,600	-	9,600
Stephen J. "Jack" Loup, III	9,600	-	4,800
Sorola "Jody" Palmer	9,600	-	9,600
James "Ronnie" Panks, Sr.	9,600	-	9,600
Donald J. Villere	9,600	-	9,600
Robert R. "Bob" Womack	9,600	-	4,800
Daniel G. Zechenelly	9,600	-	9,600
	<u>\$ 145,200</u>	<u>\$ -</u>	<u>\$ 135,600</u>

Notes:

(1) Base compensation per member is \$800 per month.

(2) Presiding President of the Board receives \$900 per month in base compensation.



**"HONEYBEE AT WORK"**  
by Zachary Vanderbrook  
Kindergarten, Madisonville Elementary

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 19

**FULL-TIME EQUIVALENTS (FTE) EMPLOYEES**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

	Fiscal Year			
	2008	2007	2006	2005
<b><u>Regular Employees: CERTIFICATED</u></b>				
<b>Instructional:</b>				
Supervising Instructors	-	-	-	-
Classroom Teachers - Regular Programs	1,752	1,699	1,651	1,652
Classroom Teachers - Special Education	588	574	581	620
Classroom Teachers - Vocational Education	66	68	68	68
Classroom Teachers - Other Instructional Programs	114	152	150	154
Classroom Teachers - Special Programs	80	76	78	75
Classroom Teachers - Adult/Continuing Ed Programs	3	3	3	3
Classroom Teachers - Community College Programs	-	-	-	-
<i>Total Classroom Teachers</i>	<u>2,603</u>	<u>2,572</u>	<u>2,531</u>	<u>2,572</u>
Therapist/Specialist/Counselor - Instructional Programs	131	129	123	128
Sabbatical Leave - Instructional Programs	28	39	24	27
<i>Total Certificated - Instructional Programs</i>	<u>2,762</u>	<u>2,740</u>	<u>2,678</u>	<u>2,727</u>
<b>Instructional Support:</b>				
Supervisors - Instructional Support Functions	41	50	55	30
Librarians/Media-based Teachers/Staff Instructors - Instr Spt	67	67	55	58
Therapist/Specialist/Counselor - Instructional Support Functions	143	141	136	137
Sabbatical Leave - Instructional Support Functions	3	4	1	3
<i>Total Certificated - Instructional Support</i>	<u>254</u>	<u>262</u>	<u>247</u>	<u>228</u>
<b>Support Services:</b>				
Superintendents	1	1	1	1
Assistant/Associate/Deputy Superintendents	3	3	3	3
School Principals	53	53	52	53
School Assistant Principals	74	69	64	63
Other School Administrators	-	-	-	-
Non-Classroom Teachers - Support Services	-	-	-	-
Sabbatical Leave - Support Services	2	1	1	3
<i>Total Certificated - Support Services</i>	<u>133</u>	<u>127</u>	<u>121</u>	<u>123</u>
<b>Total Certificated</b>	<u>3,149</u>	<u>3,129</u>	<u>3,046</u>	<u>3,078</u>

(continued)



Table 19

Fiscal Year					
2004	2003	2002	2001	2000	1999
-	-	-	-	-	-
1,706	1,643	1,579	1,568	1,556	1,508
601	567	523	459	508	498
67	67	73	74	76	77
69	70	67	64	54	53
57	58	39	37	37	38
3	3	3	3	3	3
-	-	-	-	-	-
2,503	2,408	2,284	2,205	2,234	2,177
125	125	122	184	125	108
27	35	38	44	66	71
2,655	2,568	2,444	2,433	2,425	2,356
24	25	24	22	23	21
57	56	54	56	56	54
139	131	126	123	122	123
4	4	5	4	6	5
224	216	209	205	207	203
1	1	1	1	1	1
2	3	2	2	2	2
52	53	52	51	51	51
59	57	56	53	50	50
-	-	-	-	-	-
-	-	-	-	-	-
2	1	1	-	3	4
116	115	112	107	107	108
2,995	2,899	2,765	2,745	2,739	2,667

**ST. TAMMANY PARISH SCHOOL BOARD**  
Covington, Louisiana

Table 19

**FULL-TIME EQUIVALENTS (FTE) EMPLOYEES**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**  
**(Continued)**

	Fiscal Year			
	2008	2007	2006	2005
<b>Regular Employees: NON-CERTIFICATED</b>				
<b>Instructional:</b>				
Aide - Instructional Programs	537	529	542	566
<i>Total Non-Certificated - Instructional Programs</i>	<u>537</u>	<u>529</u>	<u>542</u>	<u>566</u>
<b>Instructional Support:</b>				
Supervisors - Instructional Support Functions	-	-	-	-
Therapist/Specialist/Counselor - Instructional Support Functions	-	-	-	-
Clerical/Secretarial - Instructional Support Functions	56	51	49	49
Aide - Instructional Support Functions	37	36	36	34
Service Worker - Instructional Support Functions	-	-	-	-
Skilled Craftsman - Instructional Support Functions	-	1	1	1
Degreed Professional - Instructional Support Functions	20	19	20	21
Other Personnel - Instructional Support Functions	18	18	20	17
<i>Total Non-Certificated - Instructional Support</i>	<u>131</u>	<u>125</u>	<u>126</u>	<u>122</u>
<b>Support Services:</b>				
Supervisors/Managers/Administrators/Support Services	129	133	129	126
Clerical/Secretarial - Support Services	200	194	195	192
Aide - Support Services	104	96	101	166
Service Worker - Support Services	945	864	859	817
Skilled Craftsman - Support Services	89	84	87	92
Degreed Professional - Support Services	39	28	29	23
Other Personnel - Support Services	24	24	23	24
<i>Total Non-Certificated - Support Services</i>	<u>1,530</u>	<u>1,423</u>	<u>1,423</u>	<u>1,440</u>
<b>Total Non-Certificated</b>	<u>2,198</u>	<u>2,077</u>	<u>2,091</u>	<u>2,128</u>
<b>Total Regular Employees (Certificated and Non-Certificated)</b>	<u>5,347</u>	<u>5,206</u>	<u>5,137</u>	<u>5,206</u>
<b>Other Reported Personnel</b>				
School Board Member	15	15	15	15
<i>Total Other Reported Personnel</i>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
<b>Grand Total</b>	<u>5,362</u>	<u>5,221</u>	<u>5,152</u>	<u>5,221</u>

(concluded)

Source: Louisiana Department of Education Planning, Analysis, and Information Resources website.

Table 19

Fiscal Year					
2004	2003	2002	2001	2000	1999
553	539	491	469	460	437
553	539	491	469	460	437
-	-	-	-	-	-
49	47	44	48	48	45
31	33	32	32	28	31
-	-	-	1	1	1
1	1	4	4	3	2
21	21	20	23	20	19
15	14	11	1	1	0
117	116	111	109	101	98
124	123	78	76	76	76
197	189	186	185	183	181
154	147	75	75	72	66
801	786	852	855	838	829
93	96	110	106	99	98
23	13	13	11	12	11
22	20	10	3	3	3
1,414	1,374	1,324	1,311	1,283	1,264
2,084	2,029	1,926	1,889	1,844	1,799
5,079	4,928	4,691	4,634	4,583	4,466
15	15	15	15	15	15
15	15	15	15	15	15
5,094	4,943	4,706	4,649	4,598	4,481

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 20

**CAPITAL ASSET INFORMATION**  
**JUNE 30, 2008**  
**(Unaudited)**

**Elementary Schools**

<u>Schools</u>	<u>Year Opened</u>	<u>Square Footage</u>	<u>Enrollment</u>	<u>Estimated Capacity</u>
Abita Springs Elementary	1978	79,199	754	755
Abney Elementary	1964	116,269	912	950
Alton Elementary	1957	40,158	190	400
Bayou Woods Elementary	1985	101,722	885	900
Bonne Ecole Elementary	1973	83,000	746	750
Brock Elementary	1930	52,885	259	500
Chahta-Ima Elementary	1952	52,454	351	500
Covington Elementary	1956	78,528	562	600
Cypress Cove Elementary	1994	102,633	693	800
Florida Avenue Elementary	1956	77,030	561	575
Folsom Elementary	1949	78,033	471	500
Honey Island Elementary	1987	76,850	663	675
Lyon Elementary	1963	82,012	584	700
Madisonville Elementary	1956	76,600	660	670
Magnolia Trace Elementary	1999	83,475	844	950
Mandeville Elementary	1966	77,199	532	625
Pontchartrain Elementary	1994	103,318	859	900
Riverside Elementary	1986	88,383	644	800
Sixth Ward Elementary	1949	99,078	400	450
Whispering Forest Elementary	1989	77,814	544	600
Woodlake Elementary	1962	70,382	678	750
Totals		<u>1,697,022</u>	<u>12,792</u>	<u>14,350</u>

**Junior High/Middle Schools**

<u>Schools</u>	<u>Year Opened</u>	<u>Square Footage</u>	<u>Enrollment</u>	<u>Estimated Capacity</u>
Abita Springs Middle	1923	67,318	438	500
Bayou Lacombe Middle	1956	55,222	183	300
Boyet Junior High	1963	93,690	704	800
Carolyn Park Middle	1966	69,940	587	650
Clearwood Junior High	1978	89,027	593	650
Creeside Junior High	2002	90,790	553	600
Fifth Ward Junior High	1949	82,381	531	625
Folsom Junior High	1957	49,456	231	325
Fontainebleau Junior High	1996	140,806	796	950
Lake Harbor Middle School	2001	68,778	666	675

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 20

**CAPITAL ASSET INFORMATION**

**JUNE 30, 2008**

**(Unaudited)**

**(Continued)**

**Junior High/Middle Schools**

**(Continued)**

<u>Schools</u>	<u>Year Opened</u>	<u>Square Footage</u>	<u>Enrollment</u>	<u>Estimated Capacity</u>
Lee Road Junior High	1964	98,256	775	825
Little Oak Middle	1980	78,802	925	1,025
Madisonville Junior High	1949	53,571	614	625
Mandeville Junior High	1956	97,091	587	700
Mandeville Middle	1985	78,926	695	700
Monteleone Junior High	2005	95,556	401	500
Pine View Middle	1965	88,474	645	650
Pitcher Junior High	1964	96,000	307	350
St. Tammany Junior High	1966	104,042	473	475
Slidell Junior High	1956	113,252	781	1,000
Tchefuncte Middle	1994	94,629	852	875
<b>Totals</b>		<u>1,806,007</u>	<u>12,337</u>	<u>13,800</u>

**High Schools**

<u>Schools</u>	<u>Year Opened</u>	<u>Square Footage</u>	<u>Enrollment</u>	<u>Estimated Capacity</u>
Covington High	1973	199,796	1,453	1,600
Fontainebleau High	1994	271,396	2,140	2,250
Mandeville High	1977	162,398	1,597	1,700
Northshore High	1982	192,148	1,494	1,500
Pearl River High	1967	117,200	681	750
Salmen High	2006	153,119	787	800
Slidell High	1949	210,030	1,563	1,900
<b>Totals</b>		<u>1,306,087</u>	<u>9,715</u>	<u>10,500</u>

**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 20

**CAPITAL ASSET INFORMATION**

**JUNE 30, 2008**

**(Unaudited)**

**(Continued)**

**Special Education**

<u>Schools</u>	<u>Year Opened</u>	<u>Square Footage</u>	<u>Enrollment</u>	<u>Estimated Capacity</u>
Covington Pathways	1953	50,886	16	40
St. Tammany Center	Leased	-	274	350
Operation Jumpstart	Leased	11,622	151	170
Slidell Pathways	1949	34,422	44	50
<b>Totals</b>		<b>96,930</b>	<b>485</b>	<b>610</b>

Source: St. Tammany Parish School Board Department of Business Affairs and Louisiana Department of Education website.



**ST. TAMMANY PARISH SCHOOL BOARD**

**Covington, Louisiana**

**Table 21**

**PERCENTAGE OF FREE AND REDUCED STUDENTS IN LUNCH PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>School Year</u>	<u>Free</u>	<u>Reduced</u>	<u>Total</u>
1998-1999	21.62%	4.96%	26.58%
1999-2000	23.02%	5.26%	28.28%
2000-2001	22.10%	5.46%	27.56%
2001-2002	23.63%	6.03%	29.66%
2002-2003	24.70%	5.89%	30.59%
2003-2004	26.61%	6.74%	33.35%
2004-2005	28.95%	7.08%	36.03%
2005-2006	20.61%	5.07%	25.68%
2006-2007	34.41%	7.41%	41.82%
2007-2008	32.95%	7.68%	40.63%

\* - Information not available.

Source: Louisiana Department of Education website.



**ST. TAMMANY PARISH SCHOOL BOARD**  
**Covington, Louisiana**

Table 22

**HISTORY OF HIGH SCHOOL GRADUATES**  
**LAST TEN FISCAL YEARS**  
**(Unaudited)**

<u>School Year</u>		<u>Total</u>
1999	**	1,784
2000		1,841
2001		1,800
2002	**	1,795
2003		1,896
2004		1,967
2005		1,960
2006		1,994
2007	**	2,072
2008	***	2,199

Source: St. Tammany Parish School Board Information Technology Department.

\* Information is not available.

\*\* Preliminary information only does not include summer school graduates.

\*\*\* Preliminary information only does not include the dropout count.



**"SWIMMING DUCK"**  
by Karalee Ainsworth  
6th grade, Mandeville Middle



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

The Members of the  
St. Tammany Parish School Board  
Covington, Louisiana:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish School Board (the School Board), as of and for the year ended June 30, 2008, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 22, 2008. Our report on the financial statements includes an explanatory paragraph describing a change, discussed in Note 16 to the financial statements, in the organization's method of accounting for Post Employment Benefits. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the School Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the School Board's financial statements that is more than inconsequential will not be prevented or detected by the School Board's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the School Board's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

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

We noted certain other matters that we reported to the management of the School Board in a separate letter dated December 22, 2008.

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

*Posthuma - Metairie*

Metairie, Louisiana  
December 22, 2008



**Postlethwaite & Netterville**

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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  
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Members of the  
St. Tammany Parish School Board  
Covington, Louisiana:

Compliance

We have audited the compliance of St. Tammany Parish School Board (the School Board), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Our report on the financial statements includes an explanatory paragraph describing a change, discussed in Note 16 to the financial statements, in the School Board's method of accounting for post employment benefits. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish School Board (the School Board), as of and for the year ended June 30, 2008, and have issued our report thereon dated December 22, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Posthethwaite - Metairie*

Metairie, Louisiana  
December 22, 2008

ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA  
Schedule of Expenditures of Federal Awards  
as of 8/30/08

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Pass Through Grantor Award Number	Expenditures
<b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>			
Passed Through Louisiana Department of Agriculture:(USDA)			
Food Distribution Program	10.550	NONE	\$ 728,418
Passed Through Louisiana Department of Education:			
School Breakfast Program	10.553	NONE	1,711,470
National School Lunch Program	10.555	NONE	5,445,417
Federal Misc. (Reimb for food loss during Katrina)			257,050
<b>Total - United States Department of Agriculture</b>			<b><u>8,142,355</u></b>
<b><u>UNITED STATES DEPARTMENT OF EDUCATION</u></b>			
Teaching American History	84.215	U215040231	10,392
Teaching American History			12,797
<b>Total - Teaching American History</b>			<b><u>23,189</u></b>
Passed Through Louisiana Department of Education:			
<u>Adult Education-State Administered Program</u>			
Federal - GF	84.002A	06-44-52	5,500
One Stop	84.002A	06-13-52	197,149
<b>Total - Adult Education</b>			<b><u>4,190</u></b>
<b>Total - Adult Education</b>			<b><u>206,839</u></b>
<u>21st Century Community Learning Centers</u>			
21st Century CLC	84.287	05-CC-52	283,800
21st Century CLC '07	84.287	06-3C-52	442,603
<b>Total - 21st Century Community Learning Center</b>			<b><u>706,203</u></b>
<u>No Child Left Behind (NCLB)</u>			
Title I: Helping Disadvantaged	84.010A	06-T1-52	69,551
Title I Capital Expenditures	NONE	NONE	5,537,611
			9,267
			<b><u>6,516,429</u></b>
Title II: Dwight D. Eisenhower Professional Development Program	84.367A 84.367A	06-50-52 05-50-52	13,166 1,971,951
			<b><u>1,985,117</u></b>
Title III English Language Acquisitions	84.365A 84.365A 84.365A	T365A050018 06-60-52 T365A070018	37,665 492 99,511
			<b><u>137,668</u></b>
Title IV: Safe and Drug Free	84.186A 84.186A	06-70-52 Q186A050019	178 192,753
			<b><u>192,931</u></b>
Title V: Innovative Education	84.298A 84.298A	06-80-52 S298A50018	165 56,583
			<b><u>56,728</u></b>
<b>Total - NCLB</b>			<b><u>8,988,873</u></b>

ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA  
Schedule of Expenditures of Federal Awards  
as of 6/30/08

Federal Grantor/ Pass-Through Grantor/ Program Name	<u>CFDA Number</u>	<u>Pass Through Grantor Award Number</u>	<u>Expenditures</u>
<u>Individuals with Disabilities Education Act (IDEA):</u>			
Part B-Regular Education	84.027A	06-B1-52	92,768
	84.027A	H027A050033	<u>7,415,454</u>
			<u>7,508,222</u>
Preschool Education	84.173A	06-P1-52	2,796
	84.173A	H173A070082	<u>200,367</u>
			<u>203,163</u>
Early Childhood FAPE			<u>1,742</u>
			<u>1,742</u>
<b>Total - IDEA</b>			<u><u>7,713,127</u></u>
<u>Vocational Education: Basic Grants to States</u>			
Carl Perkins c/o (Budget not set-up)	84.048	05-02-52-C	37,718
Carl Perkins			<u>352,606</u>
<b>Total - Vocational Education</b>			<u><u>390,324</u></u>
<u>Education Technology State Grants</u>			
TLTC c/o to '08	84.318x	28-07-14-52c/o	2,037
TLTC	84.318X	28-07-14-52	111,012
EETT '06	84.318X	06-49-52	14
EETT '07	84.318X	28-07-49-52	57,246
TLTC '08			114,078
EETT '08			<u>45,938</u>
<b>Total - Education Technology State Grants</b>			<u><u>330,325</u></u>
<u>Comprehensive School Reform Program Demonstration</u>			
CSRP '07	84.332A	05-T9-52-C	<u>23,058</u>
<b>Total - CSRP Demonstration</b>			<u><u>23,058</u></u>
<u>Math and Science Partnerships</u>			
Math & Science Partnerships (SLU)	84.366B	05-MP-52	63,346
Math & Science Partnerships	84.366B	06-MC-52	<u>137,070</u>
<b>Total - National Science Foundation</b>			<u><u>200,416</u></u>



ST. TAMMANY PARISH SCHOOL BOARD  
COVINGTON, LOUISIANA  
Schedule of Expenditures of Federal Awards  
as of 6/30/08

Federal Grantor/ Pass-Through Grantor/ Program Name	<u>CFDA Number</u>	<u>Pass Through Grantor Award Number</u>	<u>Expenditures</u>
<u>Hurricane Education Recovery</u>			
Restart - Public	84.938	S938A06002A	7,236,383
Impact Aid for Displaced Students - Non-Public	84.938	S938C060045	409,841
Homeless Hurricane Recovery (HERA)	84.938	S938B060018	56,043
<b>Total Hurricane Recovery</b>			<u>7,702,267</u>
<b>TOTAL UNITED STATES DEPARTMENT OF EDUCATION</b>			<u>26,284,621</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN DEVELOPMENT</u>			
Passed Through the Louisiana Department of Education:			
TANF LA4 '07	83.558	28-06-35-52	123,069
<b>Total United States Department of Health and Human Development</b>			<u>123,069</u>
<b>DEPARTMENT OF HOMELAND SECURITY</b>			
Disaster Grants	97.036	NONE	13,793,818
Public Assistance (Presidentially Declared Disasters)			<u>13,793,818</u>
<b>SAFE &amp; DRUG FREE SCHOOLS AND COMMUNITIES - NAT'L PROGRAMS</b>			
Safer St. Tammany Schools	84.184E	NONE	28,511
			<u>28,511</u>
<b>NAT'L AERONAUTICS &amp; SPACE ADMINISTRATION</b>			
First Robotics - SHS	43.001	NNG05GH22H	1,036
			<u>1,036</u>
<u>UNITED STATES DEPARTMENT OF DEFENSE</u>			
Air Force - JROTC	12.998	NONE	91,226
Army - JROTC	12.998	NONE	135,513
Marines - JROTC	12.998	NONE	46,169
Navy - JROTC	12.998	NONE	179,502
<b>Total United States Department of Defense</b>			<u>452,410</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 48,825,819</u>
See accompanying Notes to Schedule of Federal Awards			
<u>CDL - Community Disaster Loan</u>			<u>\$ -</u>

**St. Tammany Parish School Board**  
**Covington, Louisiana**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2008**

1. General

The accompanying Schedule of Federal Awards presents the activity of all federal awards programs of the St. Tammany Parish School Board (the School Board). The School Board reporting entity is defined in the notes to the financial statements for the year ended June 30, 2008. All federal awards received directly from federal agencies are included on the schedule as well as federal awards passed through other government agencies. The following programs are considered major federal programs for single audit purposes of the School Board:

FEMA Disaster Relief Grant (CFDA No. 97.036)  
TITLE I, Part A of ESEA-- Improvement of Basic Programs (CFDA No. 84.010)  
TITLE II, Part A of ESEA-- Improvement of Teacher Quality (CFDA No. 84.367)  
Food Distribution (CFDA No. 10.550)

2. Basis of Accounting

Schedule of Federal Awards is presented using the modified accrual basis of accounting, which is described in the notes to the School Board's financial statements for the year ended June 30, 2008. Commodities received, which are non-cash revenue are valued at prices provided by the U.S. Department of Agriculture. Any received but unused commodities are recorded as deferred revenue until used.

3. Relationship to General Purpose Financial Statements

Federal award revenues are reported in the School Board's financial statements as follows:

Statement E, Federal Sources:	
General Fund	\$ 653,749
Katrina Funds	14,766,001
Special Revenue Funds	<u>26,618,558</u>
Sub-total Federal Sources	42,038,308
Carryover Expenditures	<u>6,787,511</u>
Total Reported Schedule Of Expenditures of Federal Awards	<u>\$ 48,825,819</u>

4. Loans Payable to Federal Agency

The School Board has Federal Community Disaster Loans (the "Loan") of \$67,843,971 as of June 30, 2008. The terms of the Loan call for interest to accrue at rates ranging from 2.67% to 3.12% annually to be repaid with the principal when the Loan becomes due in 2011.

5. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Federal Awards agree with the amounts reported in the related federal financial reports, except for the amounts in reports submitted as of a date subsequent to June 30, 2008, which will differ from the schedule by the amount of receivable as of June 30, 2008, liquidated to the dates of the reports.

ST. TAMMANY PARISH SCHOOL BOARD  
Covington, Louisiana

Schedule of Findings and Questioned Costs

Year Ended June 30, 2008

- (1) Summary of Auditors' Results
  - (a) The type of report issued on the financial statements: unqualified opinion
  - (b) Reportable conditions in internal control were disclosed by the audit of the financial statements: none reported Material weaknesses: no
  - (c) Noncompliance which is material to the financial statements: no
  - (d) Reportable conditions in internal control over major programs: none reported Material weaknesses: no
  - (e) The type of report issued on compliance for major programs: unqualified opinion
  - (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: no
  - (g) Major programs:
    - United States Department of Education:
      - NCLB Title 1 – CFDA No. 84.010A
      - NCLB Title 2 – CFDA No. 84.367A
    - United States Department of Homeland Security:
      - FEMA Disaster Grants – CFDA No. 97.036
  - (h) Dollar threshold used to distinguish between Type A and Type B programs: \$1,464,775
  - (i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: yes
- (2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: None
- (3) Findings and Questioned Costs relating to Federal Awards: None



**ST. TAMMANY PARISH SCHOOL BOARD**  
**PERFORMANCE AND STATISTICAL DATA**  
**FOR THE YEAR ENDED JUNE 30, 2008**



A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)

**Independent Accountants' Report  
On Applying Agreed-Upon Procedures**

To the Members of the  
St. Tammany Parish School Board  
Covington, Louisiana:

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

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

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

1. We selected a random sample of 25 cash receipts and 25 disbursement transactions and reviewed supporting documentation to determine if the sampled receipts/disbursements 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.

**We noted no exceptions**

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1, 2007 respectively.

Number of teachers per Schedule 4	3,028
Number of teachers per Schedule 2	<u>2,626</u>
Difference	402

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

Number of principals and assistant principals per Schedule 2	127
Number of principals and assistant principals per Schedule 4	<u>120</u>
Difference	7

4. We obtained a list of full-time teachers for four schools, principals, and assistant principals by classification as of October 1, 2007 and as reported on the schedule. We were traced a random sample of 25 teachers to the "Data Verification Report" and determine if the individual's education level was properly classified on the schedule. We obtained a listing of principals and assistant principals as of October 1, 2007 and as reported on the schedule.

**We noted no exceptions.**

Number and Type of Public Schools (Schedule 3)

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

**We noted no exceptions.**

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

6. We obtained a list of full-time teachers by classification as of October 1, 2007 and as reported on the schedule and traced the same sample used in procedure 4 to the "Data Verification Report" to determine if the individual's experience was properly classified on the schedule. We obtained a listing of principals and assistant principals as of October 1, 2007 and as reported on the schedule.

**We noted no exceptions.**

Public School Staff Data (Schedule 5)

7. We did obtain 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 trace 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.

**We noted 9 of the teachers selected did not appear on the schedule.**

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

**We did recalculate the average salaries as reported on the schedule; however, the amounts recalculated did not total the amount on Schedule 5.**

Class Size Characteristics (Schedule 6)

9. We did obtain a list of classes by school, school type, and class size as reported on the schedule and were unable to reconcile school type classifications to Schedule 3 data as obtained in procedure 5. We were able to trace a random sample of 10 classes to the October 1, 2007 roll books for those classes and determined if the class was properly classified on the schedule.

**We noted no exceptions.**

Louisiana Educational Assessment Program (LEAP) for the 21<sup>st</sup> Century (Schedule 7)

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

**We noted no exceptions.**

The Graduation Exit Exam for the 21<sup>st</sup> Century (Schedule 8)

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

**We noted no exceptions.**

The LEAP Tests (Schedules 9a and 9b)

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

**We noted no exceptions.**



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

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

*Postlethwaite & Netterville*

December 22, 2008



**ST. TAMMANY PARISH SCHOOL BOARD**  
**COVINGTON, LOUISIANA**

**Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2008**

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial Statistical Report (AFSR).

**Schedule 4 - Experience of Public Teachers and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data**

This schedule includes average classroom teachers' salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the legislature in the Annual School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedule 8 - The Graduation Exit Exam**

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**Schedules 9a and 9b - The iLEAP Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, and 7 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes one year of data.

**St. Tammany Parish School Board**  
**General Fund Instructional and Support Expenditures and**  
**Certain Local Revenue Sources**  
**2007-2008**

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

**General Fund Instructional Expenditures:**

**Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 122,922,398	
Other Instructional Staff Activities	19,798,502	
Employee Benefits	53,454,003	
Purchased Professional and Technical Services	309,038	
Instructional Materials and Supplies	5,709,437	
Instructional Equipment	342,535	
Total Teacher and Student Interaction Activities		202,535,913

Other Instructional Activities	311,592	311,592
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Pupil Support Activities	12,491,367	
Less: Equipment for Pupil Support Activities	(15,150)	
Net Support Activities		12,476,217

Instructional Staff Services	11,064,269	
Less: Equipment for Instructional Staff Services	(34,946)	
Net Instructional Staff Services		11,029,323

School Administration	18,848,514	
Less: Equipment for School Administration	(385,460)	
Net School Administration		18,463,054

Total General Fund Instructional Expenditures		226,353,045
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Total General Fund Equipment Expenditures		2,358,753
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**Certain Local Revenue Sources**

**Local Taxation Revenue:**

Constitutional Ad Valorem Taxes		4,758,024
Renewable Ad Valorem Taxes		54,973,054
Debt Service Ad Valorem Taxes		23,317,376
Up to 1% Collections by the Sheriff on Taxes Other Than School Taxes		1,767,788
Sales and Uses Taxes		117,828,923
Total Local Taxation Revenue		\$ 202,645,165

**Local Earnings on Investments in Real Property:**

Earnings from 16th Section Property	\$ -	
Earnings from Other Real Property	-	
Total Local Earnings on Investments in Real Property		\$ -

**State Revenue in Lieu of Taxes:**

Revenue Sharing - Constitutional Taxes	\$ 166,770	
Revenue Sharing - Other Taxes	1,920,124	
Revenue Sharing - Excess Portion	0	
Other Revenue in Lieu of Taxes	0	
Total State Revenue in Lieu of Taxes		\$ 2,086,894

Non Public Textbook Revenue		182,683
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Non Public Transportation Revenue	\$	376,905
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Schedule 2

St. Tammany Parish School Board  
 Educational Levels of Public School Staff  
 As of October 1, 2007

Category	Full Time Classroom Teachers			Principals & Assistant Principals			
	Certificated		Uncertificated	Certificated		Uncertificated	
	Number	Percent	Number	Number	Percent	Number	Percent
Less than a Bachelor's Degree	6	0.23%	0	0	0.00%	0	0.00%
Bachelor's Degree	1585	59.60%	0	0	0.00%	0	0.00%
Master's Degree	790	30.08%	0	53	41.73%	0	0.00%
Master's Degree +30	227	8.64%	0	55	43.31%	0	0.00%
Specialist in Education	20	0.76%	0	9	7.09%	0	0.00%
Ph. D. or Ed. D.	18	0.69%	0	10	7.87%	0	0.00%
<b>Total</b>	<b>2626</b>	<b>100.00%</b>	<b>0</b>	<b>127</b>	<b>100.00%</b>	<b>0</b>	<b>0.00%</b>

**St. Tammany Parish School Board  
Number and Type of Public Schools  
For the Year Ended June 30, 2008**

**Schedule 3**

Type	Number
Elementary	22
Middle/Jr. High	20
Secondary	7
Combination	3
<b>Total</b>	<b>52</b>

Note: Schools opened or closed during the fiscal year are included in this schedule  
Combination schools: Covington Pathways, Slidell Pathways and Operation Jumpstart

Source: Title I application.

Schedule 4

St. Tammany Parish School Board  
 Experience of Public Principals and Full Time Classroom Teachers  
 As of October 1, 2007

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	5	11	11	12	28	67
Principals	0	0	2	4	7	10	30	53
Classroom Teachers	169	206	792	421	442	340	658	3,028
<b>Total</b>	<b>169</b>	<b>206</b>	<b>799</b>	<b>436</b>	<b>460</b>	<b>362</b>	<b>716</b>	<b>3,148</b>

**St. Tammany Parish School Board  
Public School Staff Data  
For the Year Ended June 30, 2008**

**Schedule 5**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers Salary Including Extra Compensation	\$49,667	\$49,655
Average Classroom Teachers Salary Excluding Extra Compensation	\$49,037	\$49,025
Number of Teacher Full-time Equivalents (FTE's) used in Computation of Average Salaries	2,595	2,590

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



**St. Tammany Parish School Board**  
**Class Size Characteristics, 2007-2008**  
 As of October 1, 2007

**Schedule 6**

School Type	Class Size Range											
	1-20		21-26		27-33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	70.66	961	28.09	382	1.10	15	0.15	2				
Elementary Activity Classes	48.81	41	41.67	35	8.33	7	1.19	1				
Middle/Jr. High	54.25	2709	35.80	1788	9.91	495	0.04	2				
Middle/Jr. High Activity Classes	43.25	314	27.69	201	22.18	161	6.89	50				
High	55.50	4121	25.12	1865	19.14	1421	0.24	18				
High Activity Classes	53.52	350	14.68	96	13.46	88	18.35	120				
Combination	98.14	264	1.86	5	0.00	0	0.00	0				
Combination Activity Classes	91.30	21	4.35	1	0.00	0	4.35	1				

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

**Schedule 7**

**St. Tammany Parish School Board  
Louisiana Educational Assessment Program (LEAP) for the 21st Century  
Fiscal Year Ended June 30, 2008**

District Achievement Level Results	ENGLISH LANGUAGE ARTS						MATHEMATICS					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	186	6.9%	178	7.1%	225	8.9%	265	9.9%	186	7.4%	196	7.7%
Mastery/Proficient	846	31.5%	760	30.1%	652	25.7%	712	26.6%	522	20.7%	656	25.9%
Basic	1136	42.4%	1099	43.6%	1085	42.8%	1206	45.0%	1231	48.8%	1014	40.0%
Approaching Basic	343	12.8%	303	12.0%	332	13.1%	335	12.5%	355	14.1%	388	15.3%
Unsatisfactory	171	6.4%	183	7.3%	241	9.5%	164	6.1%	229	9.1%	282	11.1%
Total	2682	100.0%	2523	100.0%	2535	100.0%	2682	100.0%	2523	100.0%	2536	100.0%

District Achievement Level Results	SCIENCE						SOCIAL STUDIES					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	63	2.5%	70	2.7%	86	3.3%	52	2.1%	55	2.1%	40	1.5%
Mastery/Proficient	704	28.0%	610	23.6%	546	20.9%	465	18.5%	431	16.7%	387	14.9%
Basic	1058	42.1%	1190	45.9%	1160	44.5%	1268	50.4%	1353	52.3%	1343	51.6%
Approaching Basic	512	20.4%	529	20.4%	586	22.5%	510	20.3%	479	18.5%	528	20.3%
Unsatisfactory	175	7.0%	191	7.4%	228	8.7%	219	8.7%	268	10.4%	307	11.8%
Total	2512	100.0%	2590	100.0%	2609	100.0%	2514	100.0%	2586	100.0%	2605	100.0%

**Schedule 8**

**St. Tammany Parish School Board  
The Graduate Exit Exam for the 21st Century  
Fiscal Year Ended June 30, 2008**

District Achievement Level Results	ENGLISH LANGUAGE ARTS						MATHEMATICS					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	54	2.25%	59	2.40%	82	3.34%	377	15.73%	297	12.09%	341	13.88%
Mastery/Proficient	387	16.14%	383	15.61%	550	22.41%	422	17.61%	505	20.56%	552	22.48%
Basic	1259	52.50%	1219	49.67%	1286	52.40%	995	41.53%	1001	40.76%	1000	40.72%
Approaching Basic	457	19.06%	492	20.05%	387	15.77%	309	12.90%	332	13.52%	319	12.99%
Unsatisfactory	241	10.05%	256	10.43%	149	6.07%	293	12.23%	310	12.62%	244	9.93%
Total	2398	100.00%	2454	100.00%	2454	100.00%	2396	100.00%	2456	100.00%	2456	100.00%

District Achievement Level Results	SCIENCE						SOCIAL STUDIES					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	122	5.49%	176	7.92%	119	5.36%	32	1.44%	69	3.11%	27	1.22%
Mastery/Proficient	413	18.59%	566	25.48%	461	20.76%	358	16.10%	359	16.16%	308	13.87%
Basic	1034	46.53%	993	44.71%	1014	45.66%	1347	60.59%	1287	57.95%	1426	64.21%
Approaching Basic	467	21.02%	404	18.19%	457	20.58%	350	15.74%	428	19.27%	325	14.53%
Unsatisfactory	186	8.37%	183	8.24%	170	7.65%	136	6.12%	176	7.92%	135	6.08%
Total	2222	100.00%	2221	100.00%	2221	100.00%	2223	100.00%	2221	100.00%	2221	100.00%

**St. Tammany Parish School Board**  
**Integrated Louisiana Educational Assessment Program (ILEAP)**  
**Fiscal Year Ended June 30, 2008**

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3												
Advanced	211	8.0%	220	8.6%	180	7.4%	393	14.9%	342	13.4%	252	10.4%
Mastery/Proficient	701	26.6%	773	30.2%	662	27.3%	608	23.1%	726	28.4%	681	28.1%
Basic	1141	43.3%	1086	42.5%	1068	44.0%	1110	42.1%	1020	39.9%	1022	42.1%
Approaching Basic	376	14.3%	323	12.6%	330	13.6%	297	11.3%	308	12.0%	323	13.3%
Unsatisfactory	205	7.8%	154	6.0%	186	7.7%	226	8.6%	161	6.3%	149	6.1%
Total	2634	100.0%	2556	100.0%	2426	100.0%	2634	100.0%	2557	100.0%	2427	100.0%

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3												
Advanced	183	7.0%	171	6.7%	114	4.7%	135	5.1%	88	3.4%	98	4.0%
Mastery/Proficient	615	23.4%	667	25.7%	565	23.3%	642	24.4%	672	26.3%	585	24.1%
Basic	1197	45.5%	1141	44.7%	1153	47.6%	1309	49.7%	1251	49.0%	1263	52.1%
Approaching Basic	481	18.3%	463	18.1%	458	18.9%	392	14.9%	383	15.0%	319	13.2%
Unsatisfactory	157	6.0%	122	4.8%	134	5.5%	154	5.9%	159	6.2%	158	6.5%
Total	2633	100.0%	2554	100.0%	2424	100.0%	2632	100.0%	2553	100.0%	2423	100.0%

Schedule 9

St. Tammany Parish School Board  
 Integrated Louisiana Educational Assessment Program (ILEAP)  
 Fiscal Year Ended June 30, 2008

District Achievement Level/ Results Students	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5												
Advanced	150	6.3%	153	5.9%	122	4.8%	314	13.2%	294	11.4%	273	10.8%
Mastery/Proficient	564	23.8%	569	22.0%	695	27.4%	436	18.4%	457	17.7%	487	19.2%
Basic	1115	47.0%	1102	42.5%	1057	41.7%	1148	48.4%	1124	43.4%	1236	48.8%
Approaching Basic	380	16.0%	446	17.2%	432	17.1%	266	11.2%	330	12.7%	292	11.5%
Unsatisfactory	161	6.8%	320	12.4%	226	8.9%	206	8.7%	384	14.8%	244	9.6%
Total	2370	100.0%	2590	100.0%	2532	100.0%	2370	100.0%	2589	100.0%	2532	100.0%

District Achievement Level/ Results Students	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 35												
Advanced	102	4.3%	114	4.4%	81	3.2%	133	5.6%	161	6.2%	179	7.1%
Mastery/Proficient	481	20.3%	519	20.1%	548	21.7%	480	20.3%	446	17.2%	389	15.4%
Basic	1147	48.4%	1104	42.7%	1145	45.2%	1234	52.2%	1232	47.6%	1253	49.5%
Approaching Basic	505	21.3%	603	23.3%	575	22.7%	364	15.4%	432	16.7%	449	17.8%
Unsatisfactory	133	5.6%	248	9.6%	182	7.2%	155	6.6%	317	12.2%	259	10.2%
Total	2368	100.0%	2588	100.0%	2531	100.0%	2366	100.0%	2588	100.0%	2529	100.0%

Schedule 9

**St. Tammany Parish School Board  
Integrated Louisiana Educational Assessment Program (I/LEAP)  
Fiscal Year Ended June 30, 2008**

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6												
Advanced	135	5.2%	142	5.5%	185	7.6%	292	11.3%	247	9.6%	156	6.4%
Mastery/Proficient	621	23.9%	597	23.1%	625	25.7%	365	14.1%	415	16.1%	356	14.6%
Basic	1183	45.6%	1259	48.7%	1091	44.9%	1227	47.3%	1318	51.0%	1309	53.9%
Approaching Basic	450	17.3%	425	16.5%	386	15.9%	353	13.6%	331	12.8%	338	13.9%
Unsatisfactory	207	8.0%	160	6.2%	143	5.9%	358	13.8%	272	10.5%	272	11.2%
Total	2596	100.0%	2583	100.0%	2430	100.0%	2595	100.0%	2583	100.0%	2430	100.0%

District Achievement Level Results	Science						Social Studies					
	2008		2006		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6												
Advanced	142	5.5%	115	4.5%	85	3.5%	205	7.9%	184	7.1%	143	5.9%
Mastery/Proficient	509	19.6%	539	20.9%	503	20.7%	475	18.3%	362	14.0%	330	13.6%
Basic	1260	48.5%	1185	45.9%	1136	46.8%	1251	48.2%	1288	49.9%	1268	52.2%
Approaching Basic	501	19.3%	560	21.7%	625	21.6%	371	14.3%	533	20.7%	493	20.3%
Unsatisfactory	184	7.1%	182	7.1%	178	7.3%	294	11.3%	214	8.3%	195	8.0%
Total	2596	100.0%	2581	100.0%	2427	100.0%	2596	100.0%	2581	100.0%	2429	100.0%

**St. Tammany Parish School Board  
Integrated Louisiana Educational Assessment Program (ILEAP)  
Fiscal Year Ended June 30, 2008**

District Achievement Level Results	English Language Arts						Mathematics					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7												
Advanced	256	9.6%	195	7.8%	256	9.4%	149	5.6%	167	6.6%	135	5.0%
Mastery/Proficient	536	20.2%	510	20.3%	499	18.4%	293	11.0%	311	12.4%	282	10.4%
Basic	1161	43.7%	1165	46.4%	1234	45.4%	1340	50.4%	1330	52.9%	1426	52.5%
Approaching Basic	561	21.1%	484	19.3%	513	18.9%	548	20.6%	435	17.3%	515	19.0%
Unsatisfactory	143	5.4%	158	6.3%	214	7.9%	327	12.3%	269	10.7%	357	13.1%
<b>Total</b>	<b>2657</b>	<b>100.0%</b>	<b>2512</b>	<b>100.0%</b>	<b>2716</b>	<b>100.0%</b>	<b>2657</b>	<b>100.0%</b>	<b>2512</b>	<b>100.0%</b>	<b>2715</b>	<b>100.0%</b>

District Achievement Level Results	Science						Social Studies					
	2008		2007		2006		2008		2007		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7												
Advanced	91	3.4%	79	3.1%	86	3.2%	81	3.1%	54	2.2%	30	1.1%
Mastery/Proficient	479	18.0%	508	20.2%	492	18.2%	439	16.5%	458	18.3%	357	13.2%
Basic	1270	47.8%	1147	45.7%	1209	44.6%	1417	53.4%	1322	52.7%	1490	55.1%
Approaching Basic	582	21.9%	583	23.2%	619	22.8%	443	16.7%	445	17.7%	488	18.1%
Unsatisfactory	233	8.8%	194	7.7%	304	11.2%	274	10.3%	230	9.2%	338	12.5%
<b>Total</b>	<b>2655</b>	<b>100.0%</b>	<b>2511</b>	<b>100.0%</b>	<b>2710</b>	<b>100.0%</b>	<b>2654</b>	<b>100.0%</b>	<b>2509</b>	<b>100.0%</b>	<b>2703</b>	<b>100.0%</b>





**St. Tammany Parish School Board  
Management's Response  
To the Agreed Upon Procedures Report  
December 2008**

Schedule 2 Findings:

The numbers reported in the SAFR are the official numbers as reported in the St. Tammany Parish School Board's PEP report as of October 1<sup>st</sup>. The support provided to the auditors for schedule 2 was dated November 29, 2008 and reported teachers and administrators on record for that date. The difference in teachers and administrators is the result of timing of these two reports. As additional support, we provided the auditors with the PEP report which does agree to the Department of Education's official reports. However, we are unable to replicate these reports after they are certified as these numbers are updated regularly as positions are added and deleted. The School Board is scheduled to go live with new accounting and payroll software in early 2009 which we hope will make this type of after the fact reporting possible.

Schedule 5 Finding:

The Department of Education (the "Department") was provided with our employee data via the PEP report on October 1<sup>st</sup>. The numbers reported in our PEP report were found to be without errors by the Department. As supporting documentation, we provided the auditors with internal reports programmed to replicate the Department's complex calculation. There are differences due to rounding and complexity of the formula. As in Schedule 2, we were also unable to replicate this information as the number of employees and their salaries are updated regularly. The School Board is scheduled to go live with new accounting and payroll software in early 2009, which we hope will make this type of after the fact reporting possible.

December 22, 2008

The Members of the  
St. Tammany Parish School Board  
Covington, Louisiana:

In planning and performing our audit of the basic financial statements of St. Tammany Parish School Board (the Organization) as of June 30, 2008, we considered the Organization's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the Organization's internal control in our report dated December 22, 2008. This letter does not affect our report dated December 22, 2008 on the financial statements of the Organization.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with Organization personnel and we will be pleased to discuss these comments in further detail at your convenience to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

Bank Reconciliations

Bank reconciliations are performed monthly. We identified one bank account on which additional procedures should be considered by management. The payroll bank account has old outstanding items that should be researched and cleared as appropriate.

Journal Entries

We noted that during walkthroughs and testing of internal controls that not all journal entries have evidence of the review approval. We recommend that management establish procedures whereby all journal entries, including year end government-wide journal entries, have evidence of the approval of the reviewer. Journal entries should be reviewed by someone other than the preparer.

Executive Department Activity

Generally, in most governments, the expenditures incurred by those in the Executive Department are generally sensitive in nature due to the public accountability of that office to tax payers. In addition, personnel in the Executive Department generally set policy, monitor policy and enforce policy which can conflict with the role of subordinates in the processing of transactions.

The School Board has established procedures whereby all expenditures are reviewed and approved by another person but not necessarily those that oversee that person. We recommend that procedures for reimbursement and day-to-day expenditures be reviewed to determine what expenditures should be Board-approved. In addition, we recommend that monthly details of expenditures of the Executive Department and related personnel be provided to the Board for review.

Grants

Subsequent to the initial list of federal expenditures provided to us as part of the audit in the fall 2008, a significant change occurred that was not previously identified by management. We recommend that the schedule be updated quarterly and reconciled to revenues on a timely basis to better ensure accuracy of the list of the federal expenditures.

Budget Monitoring

During the audit, total expenditure variances greater than 5% were identified in a capital projects fund. In addition, expenditure driven grants had substantial variances. We recommend that quarterly reviews of all budgets be performed to determine if a revision should be presented to the Board for approval in accordance with policy. The Board should also monitor actual-to-budget comparisons to determine if internal policies are being followed.

We wish to thank the Director of Business Affairs, the Chief Accountant and their department personnel for their support and assistance during our audit.

The attachment contains management's response to the comments listed above.

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

Very truly yours,

Postlethwaite - Netterville

**Management's Responses**

Bank Reconciliations

Bank reconciliations are prepared monthly on all accounts and utilized as a management tool for financial accountability. The account and balances in question are immaterial but were recognized as part of the reconciliation process. The School Board's payroll account is a zero balance account whereas all funds are transferred to the account on the day that the payroll is run and thus once all checks are cleared should have no balance remaining. Therefore, any remaining balances are most likely the result of payroll checks that were issued and subsequently discovered to be lost by payee and voided. In July 2008, the School Board began implementation of a new software system that includes a reconciliation module as well as other cash management tools. The payroll modules are anticipated to go live on or about the first of the year in 2009. It is also anticipated at that time that we would research any reconciling items and if necessary, remove any items such as the stale checks noted.

Contact Person, Brett M. Stoltz, Director of Business Affairs.

Journal Entries

The School Board has in place procedures for preparing, review, approval, and posting of journal entries and we agree that all journal entries should have evidence of approval by an independent approver. The general ledgers are the primary charge of the accounting department and specifically the Chief Accountant. Journal entries are prepared by the accounting staff as necessary at the request of supervisors and the chief accountant as she deems necessary in the normal course of conducting School Board business transactions. The journal entries mentioned here are the result of year-end type closing entries and/or entries necessary for preparing the government-wide financial reports. Government-wide reports are prepared on a different basis of accounting than the fund accounting utilized for the general ledgers. Due to the complexity of these types of journal entries, they are prepared by the Chief Accountant instead of her staff. The Chief Accountant's duties are separated from the day-to-day transactions. The government-wide financial statements along with the corresponding reconciling schedules are subject to review of the Chief Accountant's immediate supervisor, and we feel additional approval should not be necessary. However, as an abundance of caution, in subsequent transactions, we will have the journal entries prepared by staff and the Chief Accountant will approve them as a "normal" type journal entry and all journal entries will thus be independently approved.

Contact Person: Brett M. Stoltz, Director of Business Affairs.

Executive Department Activity

All expenditures of the executive office are performed in the normal course of conducting official business of the School Board. These expenditures are subject to the constraints of the Board authorized budgets, state law pertaining to purchasing requirements, and in accordance with OMB Circular A-87 for allowable expenditures. All expenditures of the executive office are reviewed by the School Board Secretary before submission to the Department of Business Affairs for recording. The Board Secretary prepares a summary of these expenditures and this summary is subject to review by members of the Board if it feels necessary. In future months, we will begin including a copy of this summary in the monthly packet of information sent to the Board President for his review.

Contact Person: Brett M. Stoltz, Director of Business Affairs.

Grants

The initial draft of schedule of federal expenditures was prepared based upon the most currently available information in the general ledger system and this report was prepared in the midst of a conversion to a new financial reporting package. In addition, a "summary update" of all grants is prepared and sent to supervisors for monitoring purposes of grants and corresponding budgets and expenditures at least two times during the year. Subsequent to the report in question being prepared, adjustments were needed based upon more current information and particularly additional receipts of Federal Emergency Management Agency project work orders. We regret that this occurred and hope that with the completion of the new software implementation this will not reoccur.

Contact Person: Brett M. Stoltz, Director of Business Affairs.

Budget Monitoring

Budgets are prepared annually on all legally required funds of the School Board and adopted in accordance with State of Louisiana budget laws. Construction funds and special revenue funds are subject to these and other provisions as well as the General fund and Debt Service funds. Amendments to the budgets are prepared and approved as needed to meet the 5% provision of the States budget requirements and a final amendment was prepared and approved in the May 2008 Board Meeting. Subsequent to the May meeting, but prior to closeout of the year end, it became apparent that certain Federal grants related to FEMA and other State grants would not meet expected budget projections. These grants are expenditure driven and receipts are determined by reimbursement approvals from those expenditures' Thus, any unexpected shortfall in revenue is the result of an offsetting unexpected reduction in expenditure. In the future we will attempt to monitor these projects more closely to ensure any amendments needed could be reviewed and approved prior to year end closeout.

Contact Person: Brett M. Stoltz, Director of Business Affairs.