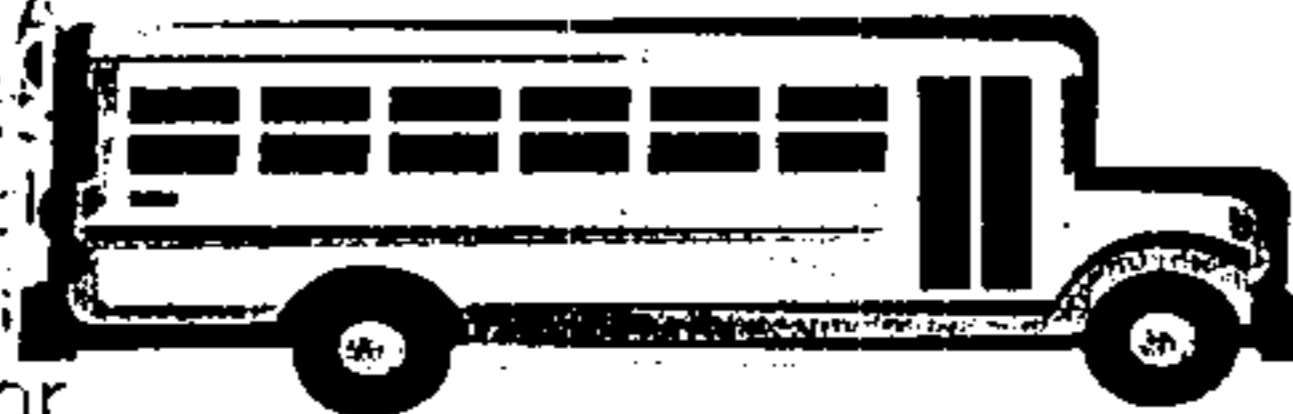


**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
Reserve, Louisiana**

**Comprehensive Annual
Financial Report**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate parish 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 1-19-2000 .

RECEIVED
LEGISLATIVE AUDITOR
1999 DEC 28 AM 10:47

For the Year Ended June 30, 1999

Prepared by

Mr. Felix K. Boughton
Business Manager

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
Reserve, Louisiana**

**Comprehensive Annual
Financial Report**

For the Year Ended June 30, 1999

Prepared by

Mr. Felix K. Boughton
Business Manager

**INTRODUCTORY
SECTION**

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Table of Contents	i
List of Principal Officials	v
Letter of Transmittal	vi
Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting	xv
Association of School Business Officials, International Certificate of Excellence in Financial Reporting	xvi
Organizational Chart	xvii

FINANCIAL SECTION

Independent Auditor's Report	1
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund and Special Revenue Funds	9
Notes to General Purpose Financial Statements	
Note A - Summary of Significant Accounting Policies	11
Note B - Cash, Cash Equivalents and Investments	21
Note C - Ad Valorem Taxes	22
Note D - Receivables from Other Governments	24
Note E - Fixed Assets	24
Note F - Interfund Receivables and Payables	25
Note G - Long-Term Obligations	25

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
Note H - Risk Management	29
Note I - Defined Benefit Pension Plans	31
Note J - Post-retirement Health Care Benefits	33
Note K - Change in Agency Deposits Due Others	33
Note L - Expenditures - Budget and Actual	34
Note M - Litigation	34
REQUIRED SUPPLEMENTARY INFORMATION	
Year 2000 Issue (Unaudited)	36
COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS AND SCHEDULES	
GENERAL FUND	
Balance Sheet	38
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual	39
SPECIAL REVENUE FUNDS	
Combining Balance Sheet	43
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	44
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual:	
Improving America's School Act (Title I)	45
Head Start	46
School Lunch/Breakfast	47
CAPITAL PROJECTS FUNDS	
Combining Balance Sheet	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	50

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
FIDUCIARY TYPE FUNDS - AGENCY FUNDS	
<i>Combining Balance Sheet</i>	52
Combining Statement of Changes in Assets and Liabilities	53
Schedule of Changes in Amounts Held for School Activities	54
Schedule of Changes in Deposits Due to Others	55
GENERAL FIXED ASSETS ACCOUNT GROUP	
Schedule of General Fixed Assets - By Source	57
Schedule of Changes in General Fixed Assets - By Source	58
Schedule of Compensation Paid to Board Members	59
STATISTICAL SECTION (UNAUDITED)	
General School System Expenditures by Function (Government Type Funds)	60
System Revenue by Source	61
Property Tax Levies and Collections	62
Assessed Valuations	63
Assessed and Estimated Actual Value of Taxable Property	64
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita	65
Value of Exempt Industrial Property Under 10 Year Contracts	66
Parishwide Property Tax Millage (Per \$1,000 of Assessed Value)	67

TABLE OF CONTENTS (CONTINUED)

	<u>Page</u>
Legal Debt Margin.....	68
Ratio of Annual Debt Service for General Bonded Debt to Total Expenditures	69
Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds	70
Property Value, Construction and Bank Deposits	71
Principal Property Taxpayers	72
Average Daily Attendance and Membership	73
Demographic Statistics	74
Schedule of Insurance Coverage	75

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

List of Principal Officials
June 30, 1999

BOARD OF EDUCATION

Mr. Leroy Mitchell, Sr.	Member, District No. 1
Mr. Felix A. LeBouef	Member, District No. 2
Dr. Gerald J. Keller	Member, District No. 3
Mr. Patrick H. Sanders	Member, District No. 4
Mr. Dowie L. Gendron	Member, District No. 5
Mr. Charles J. Watkins	Vice President, District No. 6
Mr. Clarence G. Triche	Member, District No. 7
Mr. Richard L. DeLong	President, District No. 8
Mr. James R. Madere	Member, District No. 9
Mr. Matthew J. Ory	Member, District No. 10
Mr. John Crose	Member, District No. 11

CENTRAL ADMINISTRATION

Mr. Chris Donaldson	Superintendent of Schools
Mr. Wilbert Omond	Assistant Superintendent
Mr. Herbert Smith	Assistant Superintendent

OFFICIAL PREPARING REPORT

Mr. Felix K. Boughton	Business Manager
-----------------------	------------------



St. John the Baptist Parish School Board

118 West 10th Street • P. O. Drawer AL • Reserve, Louisiana 70084

Phone: 504-536-1106 • FAX: 504-536-1109

"Meeting the Challenges of the 21st Century"

RICHARD L. DeLONG
President

CHARLES J. WATKINS
Vice-President

CHRIS DONALDSON
Superintendent

November 22, 1999

BOARD MEMBERS

District No. 1
LEROY MITCHELL, SR.
P.O. Box 33
Edgard, LA 70049
497-8832

Members, Board of Education
St. John the Baptist Parish School Board
Reserve, Louisiana

District No. 2
FELIX A. LeBOUEF
P.O. Box 88
Garyville, LA 70051
535-2380

District No. 3
GERALD J. KELLER
P.O. Box 347
Reserve, LA 70084
536-6570

District No. 4
PATRICK H. SANDERS
137 E. 31st Street
Reserve, LA 70084
536-4247

District No. 5
DOWIE L. GENDRON
775 W. 5th Street
LaPlace, LA 70068
652-6421 or 652-6194

District No. 6
CHARLES J. WATKINS
181 Captain George Bourgeois St.
LaPlace, LA 70068
652-9160

District No. 7
CLARENCE G. TRICHE
414 Magnolia
LaPlace, LA 70068
652-5257

District No. 8
RICHARD L. DeLONG
2008 Longwood Drive
LaPlace, LA 70068
652-3597

District No. 9
JAMES R. MADERE
1816 Ridgfield Drive
LaPlace, LA 70068
652-5555

District No. 10
MATTHEW J. ORY
640 S. Golfview Drive
LaPlace, LA 70068
652-7312

District No. 11
JOHN CROSE
156 Iber Street
LaPlace, LA 70068
652-1299

The Comprehensive Annual Financial Report (CAFR) of the St. John the Baptist Parish School Board (School Board), Reserve, Louisiana for the fiscal year ended June 30, 1999 is presented herewith. The report was prepared by the School Board's business office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the School Board. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the School Board as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the School Board's financial affairs have been included.

Reporting Standards

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States of America and Canada and the Association of School Board Officials. A Certificate of Achievement for Excellence in Financial Reporting is awarded by the Government Finance Officers Association to those governments whose financial reports are judged to conform substantially with high financial reporting standards. A Certificate of Excellence in Financial Reporting is awarded by the Association of School Board Officials. Both of these evaluations include reporting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board.

The School Board is required to undergo an annual single audit in conformance with the provisions of the 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 independent auditors' reports on internal control and compliance, are included in a separately issued single audit report and is available upon request.

Report Organization

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this letter of transmittal, an organizational chart and a list of the St. John the Baptist Parish School Board's principal elected and appointed officials. The financial section includes the general-purpose financial statements and the combining and individual fund and account group financial statements and schedules, as well as the independent auditors' report. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Reporting Entity

This report includes all funds and account groups of the School Board. The School Board is a legislative body authorized to govern the public education system of St. John the Baptist Parish, Louisiana. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities, 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 influence operations and primary accountability for financial matters, the School Board is not included in any other governmental reporting entity. Based on that criteria the St. John the Baptist Parish School Board and all its individual schools constitute the School Board's reporting entity.

Services Provided

The St. John the Baptist Parish School Board is a legislative body authorized to govern the public education system of the Parish of St. John the Baptist, Louisiana. It is the responsibility of the School Board to make public education available to the residents of St. John the Baptist Parish by providing various services, including instruction, instructional materials, instructional facilities, administrative support, business services, system operations, plant maintenance and bus transportation.

Structure, Local Economic Condition and Outlook

The St. John the Baptist Parish School Board, established in 1876, is located in the southeastern part of Louisiana, which is a high industrial area for the state. The parish in which the School Board is located has a land area of 231 square miles and a population of 44,976. The School Board is empowered to levy a property tax on both real and personal property located within its boundaries. The School Board also levies a sales and use tax on the sale at retail, the use, the lease or rental, and the consumption of tangible personal property and upon sales of some services within its boundaries.

The St. John the Baptist School Board has operated under the board form of government. Policymaking is vested in the School Board, which consists of eleven members elected within their respective districts for a four-year term. The School Board is responsible, among other things, for passing local ordinances, adopting the budget, appointing committees, adhering to the Louisiana Board of Elementary and Secondary Education's requirements, and hiring the Superintendent and the School Board's attorney. The Superintendent is responsible for carrying

out the policies and ordinances of the School Board, for overseeing the day to day operations of the School Board, for informing the School Board of changes in the Louisiana Board of Elementary and Secondary Education requirements, and for making recommendations when these changes occur to ensure compliance.

The School Board finished 1999 with a fund balance in the General Fund of \$2,659,563, which reflects an increase in the prior year's fund balance of \$1,808,332.

The Parish has a manufacturing and industrial base on which the unemployment rate is somewhat dependent. The major industries with operations within the parish consist mainly of oil and chemical manufacturers. The Parish also has one steel manufacturing industry. The Parish's unemployment rate is 7.0%, which is slightly higher than the state's unadjusted rate of 5.3%. The Parish has a total preliminary labor force of 19,700, an employed labor force of 18,300, and an unemployed labor force of 1,400.

Major Initiatives and Major Operational/Financial Concerns

For the Year: The School Board finished 1999 with a General Fund surplus, which is the third year in a row that a surplus was generated. This surplus strengthens the financial position of the School Board allowing the various educational programs to be fully funded. As the financial position gets even stronger, financial resources will be allocated to areas that have the most effect on student achievement.

The School Board has continued its parish-wide computer network called STEP (Schools Technology for Excellence Program). This program supplies all grade levels with computers. These computers allow all students to become computer literate while integrating technology into the curriculum.

The School Board maintains the Alternative School. This school provides an alternative solution to children who have been unable to achieve academic success in the regular school setting. In addition to this Alternative school, the School Board has opened another type of Alternative school called the Redirection Center. The Redirection Center focuses on students with disciplinary problems. These students are removed from the regular school setting and placed at this center where they receive stricter discipline and individual counseling.

Because of the increase emphasis on early childhood development, the School Board operates an early childhood center. This center focuses on 4-year old students through kindergarten and concentrates on developing skills that will aid these students throughout their scholastic career.

The School Board operates two magnet schools: The Garyville/Mt. Airy Magnet School and the John L. Ory Magnet School. The Garyville/Mt. Airy Magnet School specializes in the math and science area and provides advanced curriculum in these areas. The John L. Ory Magnet School specializes in communication arts, with a curriculum rich in the communication skills.

For the Future: Salaries of certified personnel have fallen behind the current market rates. The School Board plans to seek public support to raise the salary level of all certified personnel so it can recruit and retain a qualified professional staff. Further, the School Board has plans to

transfer excess funds from the capital projects funds to fund a one time pay increase for all employees.

Major Concerns: One concern for the 2000 fiscal year is a significant decline in sales tax revenue. Sales tax revenue will decline by approximately \$ 1,500,000 from the 1999 fiscal year. This reduction in sales tax revenues combined with the falling student population, from 6,915 in 1997 to 6,585 in 1998 and 6,483 in 1999, will affect the School Board in two respects. First, the School Board may have to use some of the 1999 fund balance to balance out the 2000 fiscal year. Secondly, the budget for the 2001 fiscal year will have to reflect the decline in sales tax revenues, a further decline in student population and therefore require reductions in school expenditures. The Superintendent and School Board are committed to making all available non-classroom reductions before reducing direct instructional type expenditures.

The School Board and third party software programmers upgraded the software systems in order to be operational for the year 2000 and are currently operating on year 2000 compliant software. However, the School Board will continue to monitor operations for potential year 2000 problems.

FINANCIAL INFORMATION

Internal Control

The management of the St. John the Baptist Parish 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 costs and benefits require estimates and judgments by management.

Single Audit

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

As part of the School Board's single audit, tests are made of the School Board's internal control and of its compliance with applicable laws and regulations, including those related to federal award programs. The results of the audit for the year ended June 30, 1999, disclosed no material internal control weaknesses or material violations of laws and regulations.

Budgetary Controls

In addition, the government maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget, and all subsequent amendments, approved by the School Board. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. Project-length budgets

are prepared for the Capital Projects Funds. Budgetary control is maintained at the fund level. Variances with the budget at this level, as well as line item levels, are reported to the School Board's management monthly. The School Board also maintains an encumbrance accounting system for the General Fund as one technique of accomplishing budgetary control.

General Fund

Revenues

For the year ended June 30, 1999, General Fund revenues totaled \$35,986,644, an increase over prior year revenues by \$2,235,686 or 6.62%. Revenues from various sources and the comparable increase (decrease) over last year are shown in the tabulation below.

	<u>1999 Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1998</u>	<u>Percent Of Increase (Decrease)</u>
Revenues:				
From local sources:				
Ad Valorem taxes	\$ 3,228,092	8.97%	\$ (235,640)	(6.80)%
Sales and use taxes	9,162,258	25.46%	1,032,496	12.70%
Investment income	186,004	.52%	(178,624)	(48.99)%
Other local support	<u>349,740</u>	<u>.97%</u>	<u>(113,457)</u>	<u>(24.49)%</u>
Total local sources	<u>12,926,094</u>	<u>35.92%</u>	<u>504,775</u>	<u>4.06%</u>
From state sources:				
State equalization	19,594,903	54.45%	1,664,707	9.28%
Revenue sharing	192,132	.53%	(24,552)	(11.33)%
Professional improvement Program	257,106	.71%	(53,809)	(17.31)%
Other state support	<u>1,187,560</u>	<u>3.30%</u>	<u>(81,928)</u>	<u>(6.45)%</u>
Total state sources	<u>21,231,701</u>	<u>59.00%</u>	<u>1,504,418</u>	<u>7.63%</u>
From federal sources	<u>1,828,849</u>	<u>5.08%</u>	<u>226,493</u>	<u>14.13%</u>
Total revenues	<u>\$ 35,986,644</u>	<u>100.00%</u>	<u>\$ 2,235,686</u>	<u>6.62%</u>

The following pie chart reflects the General Fund revenues by source:

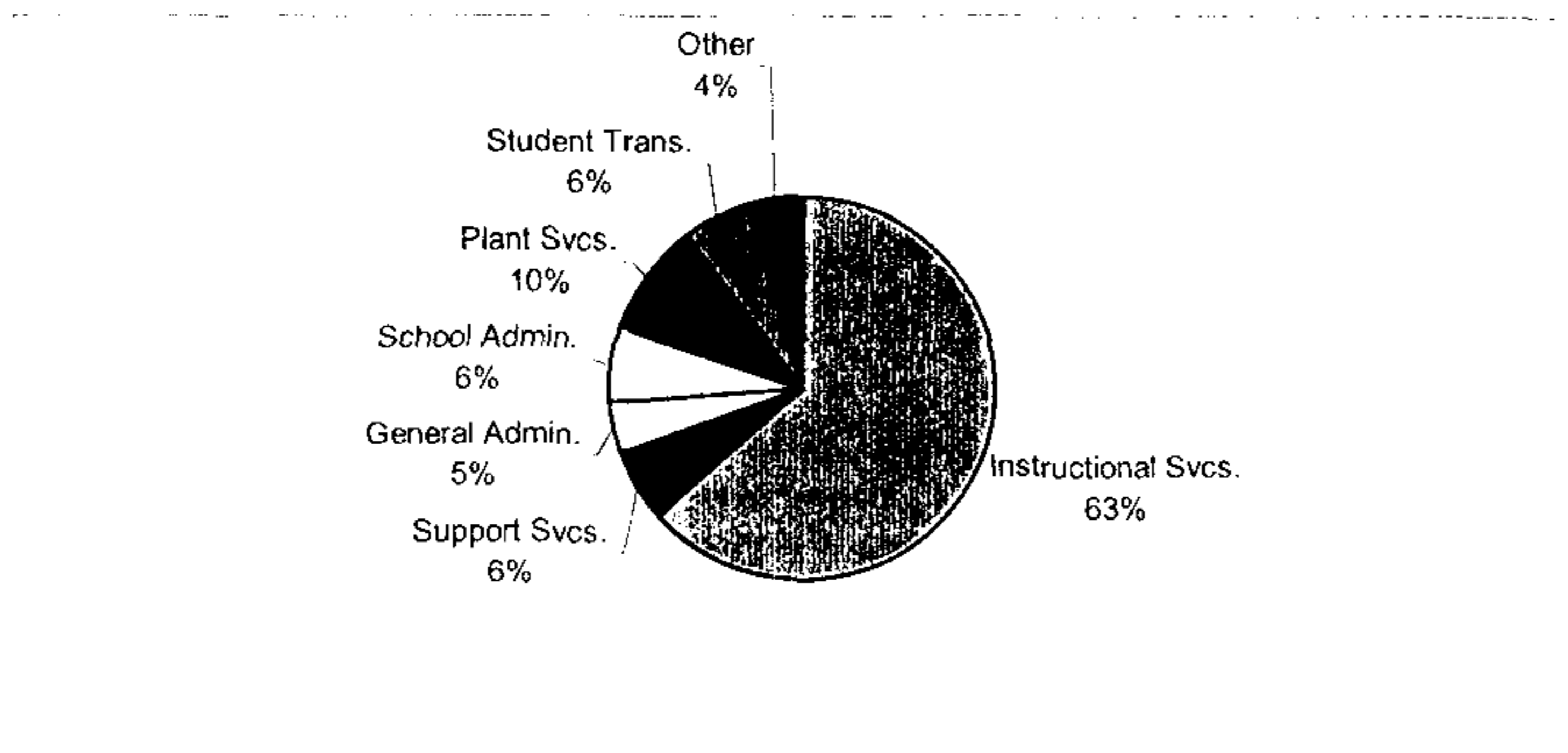


Revenues from state sources represent the major portion of General Fund revenues. State equalization support is the major funding source and represents 54.45% of the General Fund's total revenues. The increase in state equalization reflects the favorable changes in the formula calculation being used by the State of Louisiana offset by a reduction in amounts as a result of a decline in enrollment. Revenue from local sources represents 35.92% of General Fund revenues and is primarily Ad Valorem taxes and sales and use taxes. Ad Valorem taxes decreased by \$235,640 or 6.8% and sales and use taxes increased by \$1,032,496 or 12.7%. Revenues from federal sources reflect an increase of \$226,493 or 14.13% over the federal sources of the prior year due primarily to increases in Title III and Head Start Summer Program grant funding.

Total General Fund expenditures increased by \$1,364,482 or 4.03% from the prior year. The following tabulation reflects the details of the increases (decreases) by category:

	<u>1999 Amount</u>	<u>Percent Of Total</u>	<u>Increase (Decrease) From 1998</u>	<u>Percent Of Increase (Decrease)</u>
Expenditures:				
Instructional services	\$ 22,286,911	63.26%	\$ 579,984	2.67%
Support services	2,150,485	6.10%	349,759	1.94%
General administration	1,621,453	4.60%	296,139	22.34%
School administration	2,190,151	6.22%	244,295	12.55%
Business administration	519,767	1.48%	82,284	18.81%
Plant services	3,348,187	9.50%	113,088	3.50%
Student transportation	1,990,453	5.65%	(4,036)	(.20)%
Central services	292,444	.83%	26,263	9.87%
Capital outlay	584,904	1.66%	(321,152)	(35.45)%
Debt services	243,557	.69%	(2,142)	(.87)%
	<u>\$ 35,228,312</u>	<u>100.00%</u>	<u>\$ 1,364,482</u>	<u>4.03%</u>

The following pie chart reflects the General Fund expenditures by function:



Overall expenditures increased by \$1,364,482 or 4.03%. This increase was primarily the result of increases in Instructional Services, General administration, School administration, and Plant services and was offset by a decrease in Capital outlay. Expenditure increases were primarily the result of salary increases, while capital outlay decreased because of one time technology purchases in the prior year.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Total revenues received from all sources for the year ended June 30, 1999 were comparable to the prior year-end, and amounted to \$4,482,793 as compared to \$4,559,746 the previous year.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the School Board's debt position. As of June 30, 1999, gross direct general obligation bonded debt was \$31,720,000, net bonded debt was \$29,762,579, 20.07% of the assessed value and \$662 per capita.

The following is a summary of the General Obligation Bonds activities for the fiscal year ended June 30, 1999:

	Outstanding Bonds <u>July 1, 1998</u>	Retired In Current <u>Year</u>	Outstanding Bonds <u>June 30, 1999</u>
General Obligation Bonds	<u>\$ 33,605,000</u>	<u>\$ 1,885,000</u>	<u>\$ 31,720,000</u>

The School Board's general obligation bonds and revenue bonds are rated by Moody's bond rating service. The latest rating given for the December 1, 1993 Refunding bond issue was a rating of Baa.

On September 1, 1998, the School Board refunded the General Obligation Bond 1992 Series by issuing \$6,975,000 of General Obligation School Refunding Bonds, Series 1998. This reduced total debt service payments over the next 13 years by approximately \$327,000. This results in an economic gain of approximately \$254,000.

Fixed Assets

The general fixed assets of the School Board are those fixed assets used in the performance of general School Board functions. As of June 30, 1999, the general fixed assets of the School Board amounted to \$71,649,088. This amount represents the historical cost or estimated historical cost, if historical cost is not available, of the assets.

Cash Management

The School Board currently invests its cash and investment funds of \$11,665,217 as of June 30, 1999 with either the local banks based on competitive bid or invests in governmental securities through a national investment firm. At June 30, 1999, the School Board had cash and cash equivalents invested through the Board's fiscal agents (local banks) of \$7,904,008. These funds are secured by federal deposit insurance and the pledge of bank-owned securities. The remainder of the School Board's funds are invested with a national investment firm. At June 30, 1999, the School Board had with the investment firm cash and cash equivalents in the amount of \$4,480,598 and an investment pool in U.S. Government securities and U.S. Government Agency mortgage-back securities of \$206,531. The investments are purchased and held by the investment firm in the name of the School Board. As required by generally accepted accounting principles, investments are recorded at fair value.

Risk Management

The St. John the Baptist Parish School Board manages its risk using excess insurance policies with various high deductibles and self-insured retention. For workers' compensation, the School Board's self-insured retention is \$200,000 per occurrence. This translates into the School Board being self-insured for the first \$200,000 on a worker's compensation claim with excess insurance paying amounts over this retention. The comprehensive property and general/fleet liability carries a \$50,000 per occurrence deductible and \$150,000 in aggregate with excess insurance paying amounts beyond this deductible. The claim liability at June 30, 1999 was \$580,414.

Independent Audit

As required by Louisiana State Statute, the School Board has had an annual audit by independent certified public accountants, Rebowe & Company, APC. The independent auditors' report on the general-purpose financial statements has an unqualified opinion. The audit meets the requirements of Louisiana State Law and the Single Audit Act of 1996 and related OMB Circular A-133. The independent auditors' report on the general-purpose financial statements is included in the financial section of this report; the single audit reports are included in a separately issued document.

Awards

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the St. John the Baptist School Board for its comprehensive annual financial report for the year ended June 30, 1998. This was the School Board's fifth year to receive this prestigious award for its report. The School Board also submitted its June 30, 1998 comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada (GFOA) and was awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting to the School Board for the fourth year.

In order to be awarded a Certificate of Excellence and Certificate of Achievement, the School Board published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

Both the Certificate of Excellence and Certificate of Achievement are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Program requirements of both organizations and we are submitting it to the ASBO and GFOA to determine its eligibility for each of the certificates.

Acknowledgments

We believe that this report contains the necessary information and data, which will provide a better understanding of the operations of our school system. It is further hoped that this report has been designed in a manner to be used as an administrative tool and general source of information so as to enhance our accountability to the public.

We would like to take this opportunity to express our sincere appreciation to the accounting staff and other participating employees whose efforts contributed significantly in the timely preparation of this report.

Respectfully submitted,



Mr. Chris Donaldson
Superintendent



Mr. Felix K. Boughton
Business Manager



Mr. Nathan P. Stein
Executive Manager of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. John the Baptist Parish
School Board,
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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.



Cary Brubaker
President

Jeffrey L. Esser
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to
ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1998

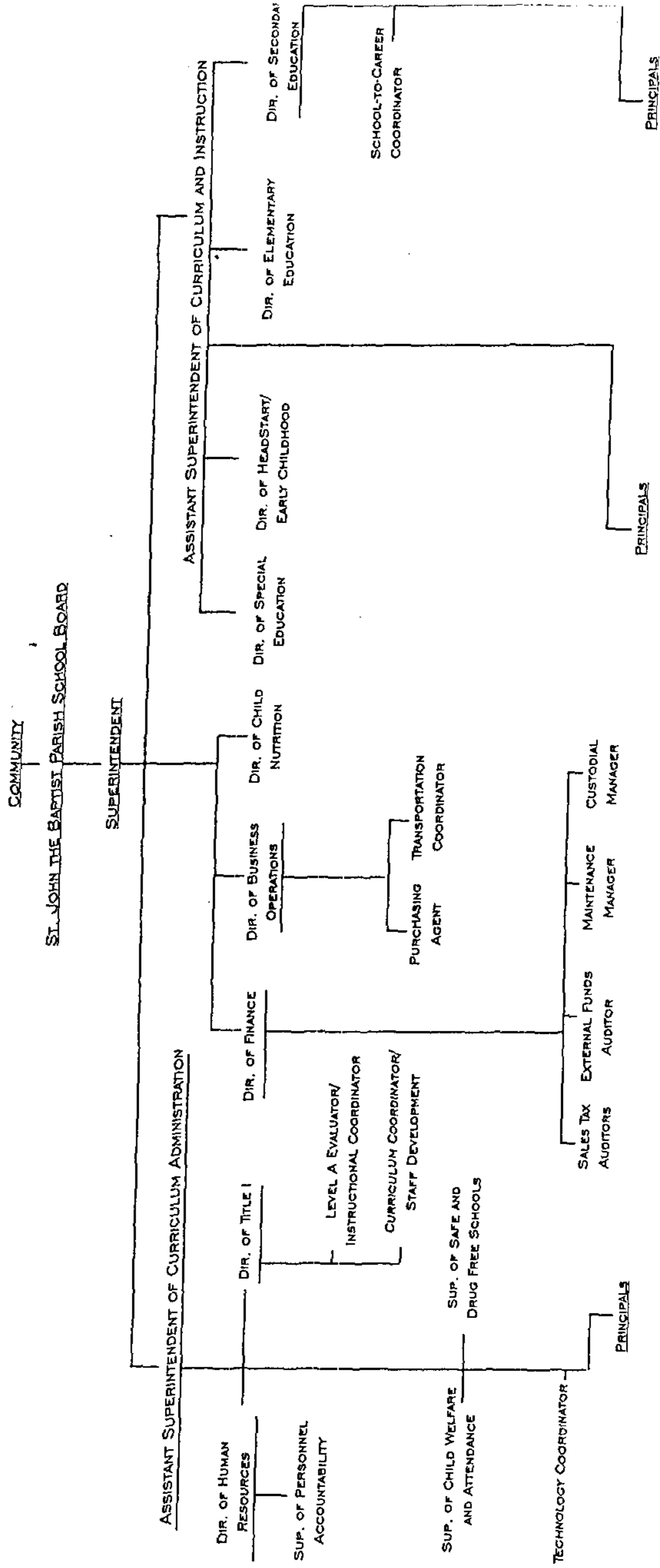
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Glen A. Fleisher
President

Don A. Hargis
Executive Director

St. John the Baptist Parish School Board Organizational Chart June 30, 1999

ORGANIZATIONAL CHART



- FIFTH WARD ELEMENTARY
- GLADE SCHOOL
- LAPLACE ELEMENTARY
- LEON GODCHAUX JR. HIGH
- EAST ST. JOHN ELEMENTARY
- GARTVILLE MAGNET
- JOHN L. ORY
- WEST ST. JOHN ELEMENTARY
- EAST ST. JOHN HIGH
- REDIRECTION CENTER
- WEST ST. JOHN HIGH

FINANCIAL SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

INDEPENDENT AUDITOR'S REPORT

The Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

We have audited the accompanying general-purpose financial statements of the **St. John the Baptist Parish School Board** (the "School Board"), as of and for the year ended June 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards 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 opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the School Board as of June 30, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 1999 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the School Board taken as a whole. The combining, individual fund and individual account group financial statements and schedules listed in the accompanying table of contents

are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. This additional information is the responsibility of the School Board's management. Such information, except for that portion marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

The year 2000 supplementary information on page 36 is not a required part of the general-purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the School Board is or will become year 2000 compliant, that the School Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the School Board does business are or will become year 2000 compliant.

Rebore & Company

November 22, 1999

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits				
Assets:				
Cash and cash equivalents	\$ 5,039,579	\$ 323,920	\$ 1,861,121	\$ 3,877,903
Investments at fair value	77,179	-	70,857	58,495
Receivables due from other governments	1,068,264	554,280	3,435	-
Other receivables	18,367	16,050	-	-
Due from other funds	1,523,798	-	-	4,522
Accrued interest receivable	2,376	-	2,181	1,801
Inventory	-	48,455	-	-
Land	-	-	-	-
Buildings and improvements	-	-	-	-
Furniture and equipment	-	-	-	-
Other debits:				
Amount available in debt service funds	-	-	-	-
Amount to be provided for compensated absences	-	-	-	-
Amount to be provided for capital leases	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-
	-	-	-	-
Total assets and other debits	<u>\$ 7,729,563</u>	<u>\$ 942,705</u>	<u>\$ 1,937,594</u>	<u>\$ 3,942,721</u>
Liabilities, Equity and Other Credits				
Liabilities:				
Accounts payable	\$ 1,568,348	\$ 98,332	\$ -	\$ 146,727
Claims payable	539,893	40,521	-	-
Contracts and retainage payable	-	-	-	43,082
Salaries and wages payable	1,733,528	253,594	-	-
Payroll taxes payable	366,461	-	-	-
Retirement, insurance and other withholdings payable	861,770	-	-	-
Due to other funds	-	461,148	-	1,050,000
Due to other governments	-	-	-	-
Deferred revenue	-	29,775	-	-
Amounts held for school activities	-	-	-	-
Compensated absences payable	-	-	-	-
Bonds payable to bank	-	-	-	-
Note payable to bank	-	-	-	-
Capital leases payable	-	-	-	-
	-	-	-	-
Total liabilities	<u>5,070,000</u>	<u>883,370</u>	<u>-</u>	<u>1,239,809</u>

(Continued)

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
Agency			
\$ 356,163	\$ -	\$ -	\$ 11,458,686
-	-	-	206,531
-	-	-	1,625,979
32,314	-	-	66,731
-	-	-	1,528,320
-	-	-	6,358
-	-	-	48,455
-	2,597,055	-	2,597,055
-	53,754,818	-	53,754,818
-	15,557,577	-	15,557,577
-	-	1,937,594	1,937,594
-	-	1,514,815	1,514,815
-	-	14,809	14,809
-	-	<u>29,953,750</u>	<u>29,953,750</u>
<u>\$ 388,477</u>	<u>\$ 71,909,450</u>	<u>\$ 33,420,968</u>	<u>\$120,271,478</u>
\$ 43,061	\$ -	\$ -	\$ 1,856,468
-	-	-	580,414
-	-	-	43,082
-	-	-	1,987,122
-	-	-	366,461
-	-	-	861,770
17,172	-	-	1,528,320
26,088	-	-	26,088
-	-	-	29,775
302,156	-	-	302,156
-	-	1,514,815	1,514,815
-	-	31,720,000	31,720,000
-	-	171,344	171,344
-	-	14,809	14,809
<u>388,477</u>	<u>-</u>	<u>33,420,968</u>	<u>41,002,624</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
June 30, 1999

	<u>Governmental Fund Types</u>			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Equity and other credits:				
Investment in general fixed assets	\$ -	\$ -	\$ -	\$ -
Fund balance:				
Reserved for debt service	-	-	1,937,594	-
Reserved for inventory	-	18,680	-	-
Reserved for encumbrances	108,652	-	-	1,850,033
Unreserved:				
Designated for capital projects	-	-	-	852,879
Undesignated	<u>2,550,911</u>	<u>40,655</u>	<u>-</u>	<u>-</u>
Total equity and other credits	2,659,563	59,335	1,937,594	2,702,912
Contingencies and commitments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, equity and other credits	<u>\$ 7,729,563</u>	<u>\$ 942,705</u>	<u>\$ 1,937,594</u>	<u>\$ 3,942,721</u>

See accompanying notes to general-purpose financial statements.

Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	General Fixed Assets	General Long-Term Debt	
<u>Agency</u>			
\$ -	\$ 71,909,450	\$ -	\$ 71,909,450
-	-	-	1,937,594
-	-	-	18,680
-	-	-	1,958,685
-	-	-	852,879
-	-	-	<u>2,591,566</u>
-	71,909,450	-	79,268,854
-	-	-	-
<u>\$ 388,477</u>	<u>\$ 71,909,450</u>	<u>\$ 33,420,968</u>	<u>\$ 120,271,478</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – ALL GOVERNMENTAL FUND TYPES
For the Year Ended June 30, 1999

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Revenues:					
Local sources:					
Ad valorem taxes	\$ 3,228,092	\$ -	\$ 3,473,300	\$ -	\$ 6,701,392
Sales and use taxes	9,162,258	-	-	1,833,346	10,995,604
Food services	-	183,725	-	-	183,725
Investment income	186,004	10,299	133,746	248,964	579,013
Other local sources	<u>349,740</u>	<u>35,073</u>	<u>-</u>	<u>30,648</u>	<u>415,461</u>
Total local sources	<u>12,926,094</u>	<u>229,097</u>	<u>3,607,046</u>	<u>2,112,958</u>	<u>18,875,195</u>
State sources:					
State equalization	19,594,903	150,000	-	-	19,744,903
Revenue sharing	192,132	-	-	-	192,132
Professional improvement program	257,106	-	-	-	257,106
Other state support	<u>1,187,560</u>	<u>-</u>	<u>24,752</u>	<u>-</u>	<u>1,212,312</u>
Total state sources	<u>21,231,701</u>	<u>150,000</u>	<u>24,752</u>	<u>-</u>	<u>21,406,453</u>
Federal sources	<u>1,828,849</u>	<u>4,114,855</u>	<u>-</u>	<u>-</u>	<u>5,943,704</u>
Total revenues	<u>35,986,644</u>	<u>4,493,952</u>	<u>3,631,798</u>	<u>2,112,958</u>	<u>46,225,352</u>
Expenditures:					
Current:					
Instructional services	22,286,911	1,646,570	-	-	23,933,481
Support services	2,150,485	-	-	-	2,150,485
General administration	1,621,453	596,882	127,504	30,364	2,376,203
School administration	2,190,151	-	-	-	2,190,151
Business administration	519,767	-	-	-	519,767
Plant services	3,348,187	-	-	-	3,348,187
Student transportation	1,990,453	-	-	-	1,990,453
Central services	292,444	-	-	-	292,444
Food services	-	2,189,081	-	-	2,189,081
Capital outlay	584,904	50,260	-	1,293,548	1,928,712
Debt service					
Principal retirement	210,148	-	2,450,000	-	2,660,148
Interest and bank charges	<u>33,409</u>	<u>-</u>	<u>1,752,487</u>	<u>-</u>	<u>1,785,896</u>
Total expenditures	<u>35,228,312</u>	<u>4,482,793</u>	<u>4,329,991</u>	<u>1,323,912</u>	<u>45,365,008</u>
Excess (deficiency) of revenues (under) over expenditures	<u>758,332</u>	<u>11,159</u>	<u>(698,193)</u>	<u>789,046</u>	<u>860,344</u>

(Continued)

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – ALL GOVERNMENTAL FUND TYPES (CONTINUED)
For the Year Ended June 30, 1999

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Other financing sources (uses)					
Operating transfers in	\$ 1,050,000	\$ -	\$ -	\$ -	\$ 1,050,000
Operating transfers out		-	-	(1,050,000)	(1,050,000)
Proceeds of refunding bonds	-	-	6,976,663	-	6,976,663
Payment to refunded bond escrow agent	<u>-</u>	<u>-</u>	<u>(6,975,000)</u>	<u>-</u>	<u>(6,975,000)</u>
Total other financing sources (uses)	<u>1,050,000</u>	<u>-</u>	<u>1,663</u>	<u>(1,050,000)</u>	<u>1,663</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,808,332</u>	<u>11,159</u>	<u>(696,530)</u>	<u>(260,954)</u>	<u>862,007</u>
Fund balances at beginning of year	<u>851,231</u>	<u>48,176</u>	<u>2,634,124</u>	<u>2,963,866</u>	<u>6,497,397</u>
Fund balances at end of year	<u>\$ 2,659,563</u>	<u>\$ 59,335</u>	<u>\$ 1,937,594</u>	<u>\$ 2,702,912</u>	<u>\$ 7,359,404</u>

See accompanying notes to general-purpose financial statements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND AND SPECIAL REVENUE FUNDS
For the Year Ended June 30, 1999

	General Fund		Special Revenue Funds		Variance – Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues:					
Local sources:					
Ad valorem taxes	\$ 3,284,281	\$ 3,228,092	\$ -	\$ -	\$ -
Sales and use taxes	9,170,554	9,162,258	-	-	-
Food services	-	-	178,000	183,725	5,725
Investment income	130,000	186,004	10,000	10,299	299
Other local sources	270,441	349,740	30,000	35,073	5,073
Total local sources	<u>12,855,276</u>	<u>12,926,094</u>	<u>218,000</u>	<u>229,097</u>	<u>11,097</u>
State sources:					
State equalization	19,630,831	19,594,903	207,000	150,000	(57,000)
Revenue sharing	200,586	192,132	-	-	-
Professional improvement program	323,204	257,106	-	-	-
Other state support	1,104,158	1,187,560	-	-	-
Total state sources	<u>21,258,779</u>	<u>21,231,701</u>	<u>207,000</u>	<u>150,000</u>	<u>(57,000)</u>
Federal sources	<u>2,379,523</u>	<u>1,828,849</u>	<u>4,373,618</u>	<u>4,114,855</u>	<u>(258,763)</u>
Total revenues	<u>36,493,578</u>	<u>35,986,644</u>	<u>4,798,618</u>	<u>4,493,952</u>	<u>(304,666)</u>
Expenditures:					
Current:					
Instructional services	24,013,830	22,286,911	1,848,228	1,646,570	201,658
Support services	2,199,618	2,150,485	-	-	-
General administration	1,434,682	1,621,453	628,275	596,882	31,393
School administration	2,246,570	2,190,151	-	-	-
Business administration	553,876	519,767	-	-	-
Plant services	3,650,709	3,348,187	-	-	-
Student transportation	2,128,324	1,990,453	-	-	-
Central services	310,926	292,444	-	-	-
Food services	-	-	2,310,307	2,189,081	121,226
Capital outlay	438,850	584,904	59,517	50,260	9,257
Debt service – capital lease	265,063	243,557	-	-	-
Total expenditures	<u>37,242,448</u>	<u>35,228,312</u>	<u>4,846,327</u>	<u>4,482,793</u>	<u>363,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(748,870)</u>	<u>758,332</u>	<u>(47,709)</u>	<u>11,159</u>	<u>58,868</u>

(Continued)

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND AND SPECIAL REVENUE FUNDS (CONTINUED)
 For the Year Ended June 30, 1999

	General Fund		Variance - Favorable (Unfavorable)	Special Revenue Funds		Variance - Favorable (Unfavorable)
	Budget	Actual		Budget	Actual	
Other financing sources (uses):						
Operating transfers in	\$ 1,138,000	\$ 1,050,000	\$ (88,000)	\$ -	\$ -	\$ -
Operating transfers out	(150,000)	-	150,000	-	-	-
Total other financing sources	988,000	1,050,000	62,000	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures	239,130	1,808,332	1,569,202	(47,709)	11,159	58,868
Fund balances at beginning of year	851,231	851,231	-	48,176	48,176	-
Fund balances at end of year	\$ 1,090,361	\$ 2,659,563	\$ 1,569,202	\$ 467	\$ 59,335	\$ 58,868

See accompanying notes to general-purpose financial statements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. REPORTING ENTITY

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

The School Board operates 12 schools within the parish with a total enrollment of 6,698 pupils for the year ended June 30, 1999. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

For financial reporting purposes, the School Board includes all funds, account groups, and activities for which the School Board exercises financial accountability. The School Board members who 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 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 which require inclusion in the general-purpose financial statements.

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

2. FUND ACCOUNTING

The accounts of the School Board are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets and unreserved fund balance is a measure of

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

available spendable resources. Resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the School Board:

Governmental Fund Types

All government funds, including General, Special Revenue, Debt Service, and Capital Projects Funds, are accounted for using current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

General Fund – The General Fund is the general operating fund of the School Board. The General Fund receives most of the resources derived by the School Board from local sources (principally ad valorem and sales taxes) and state sources (principally the State Equalization funding). General Fund expenditures represent the cost of general school system operations and individual functional categories of instructional and support services. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Debt Service Fund – The Debt Service Fund, established to meet requirements of bond ordinances, is used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. The School Board has one debt service fund.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and for the major repairs thereto. Separate capital project funds are maintained to account for the proceeds of major general obligation bonds and other financing proceeds.

Fiduciary Fund Type

The Fiduciary Fund is used to account for assets held by the School Board in a trustee or agency capacity. The School Board maintains one fiduciary fund type, agency funds. An agency fund is custodial in nature and does not present results of operations or have a

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

measurement focus. Agency funds are accounted for using the modified accrual basis of accounting.

Agency Fund – The School Board maintains two agency funds, the School Activity Agency Fund and the Sales Tax Fund, both of which account for assets held by the Board in custodial capacity. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accounting control and accountability for the School Board's general fixed assets and general long-term obligations. The following are the School Board's account groups:

General Fixed Assets Account Group – This account group has been established to account for the general fixed assets of the School Board. Items that are charged against the capital outlay accounts, materials and supplies, and repairs and maintenance that meet the capitalization policy are recorded in the General Fixed Assets Account Group.

General Long-Term Debt Account Group – This account group is established to account for all long-term obligations of the School Board. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

These two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The modified accrual basis of accounting is followed by all governmental funds (General Fund, Special Revenue Funds, Debt Service Fund, Capital Project Funds) and agency funds. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become susceptible to accrual, i.e., both measurable and available to finance expenditures of the fiscal period.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the School Board; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditures and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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 January 1. The taxes to be levied were approved by the School Board. However, before the taxes can be collected, the tax rolls are 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. John the Baptist Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Sales taxes, tuition, rents, and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) costs of accumulated unpaid vacation,

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees; (2) general long-term obligations principal and interest payments are recognized when due. Commitments under construction contracts are recognized as expenditures when earned by the contractor. 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 in the general long-term debts account group.

4. BUDGETARY DATA

The General Fund and the Special Revenue Funds are the only fund types with legally required annual budgets. Budgets are prepared and presented on a basis consistent with generally accepted accounting principles. Budgetary data for the Capital Projects Funds have not been presented in the accompanying financial statements as such funds are budgeted over the life of the respective project and not on an annual basis. The Debt Service Fund complies with bond covenant provisions and are therefore not budgeted.

Prior to September 15 of each year, the Superintendent submits to the Board a proposed annual appropriated budget for the General Fund for the fiscal year commencing the prior July 1.

The operating budgets include proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 15, the General Fund budget is legally enacted through adoption by the Board.

Special Revenue Funds' budgets that are not grant-oriented have annual appropriated budgets adopted prior to September 15 by the Board. Grant funds are included in Special Revenue Funds and their budgets are adopted at the time the grant applications are approved by the grantor. Unencumbered appropriations of grant-oriented Special Revenue Funds are reappropriated at the beginning of the following fiscal year. Unencumbered appropriations of certain nongrant-oriented Special Revenue Funds lapse at the end of the fiscal year.

All appropriations lapse at year-end, and any encumbrances outstanding at year-end are included in the next year's budget with funds appropriated in that year to finance them. Budgets are prepared on a modified accrual basis, consistent with the basis of accounting for comparability of budgeted and actual revenues and expenditures. Formal budget accounts

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

are integrated into the accounting system during the year as a management control device, excluding the recording of encumbrances.

The Superintendent and/or the Executive Manager of Finance are authorized to transfer amounts between line items within any fund. When actual total revenues within the General Fund or Special Revenue Fund fail to meet budgeted total revenues by five percent or more and/or actual total expenditures within the General Fund or a Special Revenue Fund fails to meet budgeted total expenditures by five percent or more, a budget amendment to reflect such change is adopted by the School Board in an open meeting. Budget amendments of approximately \$2,300,000 in expenditures occurred in 1999 as a result of increased salary and maintenance costs.

5. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the General Fund and Capital Projects Fund as a management control device.

Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities. As materials or services are subsequently received, liabilities are recorded and the related encumbrances are liquidated.

6. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts with original maturities of three months or less from the date of acquisition. Cash equivalents include time deposits. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks having their principal offices in Louisiana. In addition to cash and cash equivalents, the School Board may also invest in U.S. Government and U.S. Government Agency securities. These investments are reported at fair value in accordance with Government Accounting Standards Board ("GASB") Statement No. 31. Fair value is based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. INTERGOVERNMENTAL 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.

8. INTERFUND TRANSACTIONS

There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements to a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or nonroutine transfers of equity between funds are treated as residual equity transfers and are reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations of both governmental funds. During the normal course of operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds on the combined balance sheet.

9. INVENTORIES

All purchased inventories are valued at cost (first-in, first-out); commodities are assigned values based on information provided by the U.S. Department of Agriculture. Inventories in the School Lunch/Breakfast Special Revenue Fund consisted of food and supplies. The commodities are recorded in revenues and expenditures when consumed. The commodities remaining in inventory at the end of the fiscal year are recorded as deferred revenue.

10. GENERAL FIXED ASSETS

Land, buildings and improvements, and furniture and equipment are recorded as expenditures in the governmental funds and are capitalized in the general fixed assets account group at historical cost or estimated historical cost, if historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date of donation.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

12. DEFERRED REVENUES

Deferred revenues arise when resources are received by the School Board before it has a legal claim to them or when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the School Board has legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

13. COMPENSATED ABSENCES

All 12-month employees earn from 12 to 18 days of vacation leave each year, depending on their length of service with the School Board. Vacation leave must be used in the year earned. If the Superintendent and the employee agree that the employee's absence would be detrimental to the normal operation of the School Board, the vacation leave may be deferred to a subsequent period.

Teachers and other 9-month employees earn 10 days of sick leave each year. All 12-month employees earn from 10 to 18 days sick leave each year, depending on their length of service with the School Board. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave up to 25 days is paid to employees (or their heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. Under the Louisiana School Employees' Retirement System, all unpaid sick leave excluding the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for medical leave and for professional and cultural improvement. An employee with a teacher's certificate is entitled, subject to approval by the

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

School Board, to one semester of sabbatical leave after six semesters of continuous service or two semesters of sabbatical leave after twelve or more semesters of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

The cost of current leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken or when an employee (heir) is paid for accrued leave upon retirement or death. The cost of leave privileges, including salary-related payments, not requiring current resources, is recorded in the General Long-Term Debt Account Group.

14. PENSION PLANS

The School Board participates in two pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements.

15. RESERVES

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

Inventory – This amount represents the portion of fund balance reserved in the Special Revenue fund for purchased inventory. It is reserved to indicate that the balance does not constitute available expendable resources, even though inventory is a component of net assets.

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

Encumbrances – The School Board reserves fund balances for encumbrances to cover a current commitment for an expenditure to be made in the future.

16. DESIGNATION

Use of the term "designated" in describing governmental fund "Fund Balances" indicates that a portion of the fund balance has been segregated to indicate tentative plans for future financial resource use. The nature and purpose of the designation is as follows:

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Designated for Capital Projects – Remaining unspent funds from previous bond issues are designated for future capital outlays.

17. CLAIMS AND JUDGMENTS

Losses resulting from claims and judgments, including related expenditures, salvage and subrogation, are estimated by utilizing a case by case review of all claims, based on data provided by legal counsel and third-party administrators. The liability for such losses is recorded in the General Fund. Incurred but not reported claims as of June 30, 1999, have been considered in determining the accrued liability.

18. SALES TAXES

The School Board collects four percent in sales and use tax. The sales and use tax is collected by the Sales Tax Department of the School Board. Two percent of the taxes collected are remitted to the Parish Council. The School Board's costs of collecting the funds are shared equally by the Parish Council and the School Board. The School Board retains the remaining two percent of the taxes collected and allocates them as follows:

General Fund:

General Support Service	1%
Regular Instruction Programs	1/3%
Deficit Reduction	1/3%
Capital Projects Fund	1/3%

19. TOTAL COLUMNS ON COMBINED STATEMENTS

“Memorandum Only” data are the aggregate of the fund types and account groups. No consolidating or other eliminations are made in arriving at the total; thus, they do not present consolidated information. The “total memorandum” data does not present information that reflects financial position or results of operations in accordance with generally accepted accounting principles.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

At June 30, 1999, the School Board had cash and cash equivalents as follows:

Money market and bank accounts	<u>\$ 11,458,686</u>
--------------------------------	----------------------

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. The book balance includes \$105,500 certificate of deposit pledged as collateral for workers' compensation insurance.

At year-end, the bank balance deposits totaled \$12,390,106. The bank balance is categorized as follows:

Amount insured by the FDIC, or collateralized with securities held by the School Board's agent in the School Board's name.	\$ 7,904,008
--	--------------

Amount collateralized with securities held by the pledging financial institution's trust department or agent in the School Board's name.	5,500
--	-------

Money market funds	<u>4,480,598</u>
--------------------	------------------

Total Bank Balance	<u>\$ 12,390,106</u>
--------------------	----------------------

The School Board maintains a cash and investment pool with an investment broker for all funds. Each fund's portion of the cash and investment pool is included in that fund's cash and cash equivalent account and/or that fund's investment account. The cash pooled balance at June 30, 1999 is \$4,480,598, which is uncollateralized and is invested in money market funds, the underlying assets of which are guaranteed by the U.S. Government; money market funds are not categorized under GASB definitions. Interest earned on pooled cash and investments is allocated to the participating funds based upon their combined participating balances.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE B - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments

There are three categories of credit risk that apply to the School Board's investments.

1. Insured or registered, or securities held by the School Board or the School Board's agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the School Board's name.
3. Uninsured and unregistered, with the securities held by the counterparty, or by its trust department or agent but not in the School Board's name.

At June 30, 1999, investments consisted of the following and are classified by credit risk as follows:

	Category			Fair Value
	1	2	3	
Mortgage backed securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$206,531</u>	<u>\$206,531</u>

The School Board's investments are held by its broker. The mortgage-backed securities are uninsured and unregistered.

NOTE C - AD VALOREM TAXES

The School Board levies taxes on real and business personal property located within St. John the Baptist Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the St. John the Baptist Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which is valued by the Louisiana Tax Commission (LRS 47:1957).

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvement for residential purposes be assessed at 10% of fair market value; other property and electric

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE C - AD VALOREM TAXES (CONTINUED)

cooperative properties, excluding land, are to be assessed at 15% of fair market value and public service properties, excluding land, are to be assessed at 25% of fair market value. The correctness of assessments by the assessor is subject to review and rectification by the Louisiana Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

Ad valorem taxes are attached as an enforceable lien of property as of January 1 of each year. Taxes are levied by the Parish Assessor during the year and are billed to taxpayers in November. Billed taxes become delinquent on December 31. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Parish Assessor bills and collects the property taxes.

On July 18, 1992, voters approved a rededication of 3.47 mills of ad valorem tax beginning in 1992 and ending in 2001 for the purpose of providing additional funds for salaries and fringe benefits for all employees, and said tax will be in lieu of a 3.47 mills tax dedication to constructing, maintaining, and operating schools in the district.

The following is a summary of authorized and levied ad valorem taxes for the fiscal year ended June 30, 1999 (calendar year 1998 assessments):

Parishwide Taxes	<u>Millage Authorized</u>	<u>Millage Levied</u>
Constitutional	3.87	3.87
Maintenance and operations	4.57	4.57
Salaries and benefits	14.03	14.03
Bond debt	<u>24.12</u>	<u>24.12</u>
	<u>46.59</u>	<u>46.59</u>

The School Board is permitted by state law to levy taxes up to \$48 per \$1,000 of assessed valuation. For the year ended June 30, 1999, taxes of 46.59 mills were levied on property with assessed valuations totaling \$148,261,680. Total taxes levied were \$6,907,512. Taxes receivable at June 30, 1999 totaled \$6,635 and is included under the caption receivables due from other governments in these general-purpose financial statements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE D - RECEIVABLES DUE FROM OTHER GOVERNMENTS

The receivables due from other governments of \$1,625,979 at June 30, 1999 are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total</u>
Receivable:				
State	\$ 559,399	\$ -	\$ -	\$ 559,399
Federal	505,631	554,280	-	1,059,911
Other	<u>3,234</u>	<u>-</u>	<u>3,435</u>	<u>6,669</u>
	<u>\$1,068,264</u>	<u>\$ 554,280</u>	<u>\$ 3,435</u>	<u>\$1,625,979</u>

NOTE E - FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Land	\$ 2,597,055	\$ -	\$ -	\$ 2,597,055
Buildings and improvements	53,754,818	-	-	53,754,818
Furniture and equipment	<u>14,545,199</u>	<u>1,012,378</u>	<u>-</u>	<u>15,557,577</u>
	<u>\$ 70,897,072</u>	<u>\$ 1,012,378</u>	<u>\$ -</u>	<u>\$ 71,909,450</u>

Additions to general fixed assets are included in plant services and capital outlay expenditures.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE F - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivables and payables balances at June 30, 1999 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds:	
	Title 1	\$ 263,199
	Head Start	63,673
	School Lunch/Breakfast	<u>134,276</u>
		<u>461,148</u>
	Capital Projects Fund – Fund II	1,050,000
	Agency Fund - Sales Tax	<u>12,650</u>
	Total due to General Fund	<u>1,523,798</u>
Capital Projects Fund- Construction II	Agency Fund-Sales Tax	<u>4,522</u>
		<u><u>\$1,528,320</u></u>

NOTE G - LONG-TERM OBLIGATIONS

General obligation bonds are direct obligations and pledge the full faith and credit of the School Board. These bonds were issued over the years for the purpose of constructing and acquiring capital assets and are to be repaid by the levy of dedicated ad valorem taxes.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE G - LONG-TERM OBLIGATIONS (CONTINUED)

The following schedule shows the changes in general obligation bonds, the outstanding balance of the bonds at June 30, 1999 and the total future interest due on the bonds:

	<u>Date of Issuance</u>	<u>Authorized and Issued</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Interest To Maturity</u>
Series 1992	10/1/92	\$6,500,000	6.25 - 6.50	3/1/12	\$ 40,000	\$ 5,624
Series 1993	4/1/93	9,500,000	2.50 - 6.85	3/1/13	9,470,000	3,585,198
Refunding Series 1994	12/1/93	9,885,000	2.90 - 4.25	4/1/02	5,110,000	378,388
Series 1995	1/1/95	4,500,000	5.00 - 9.00	3/1/14	4,480,000	2,761,095
Refunding Series 1995	8/1/95	7,100,000	5.00 - 5.20	3/1/10	5,720,000	1,928,033
Refunding Series 1998	9/1/98	6,975,000	3.65 - 4.75	3/1/12	<u>6,900,000</u>	<u>2,079,250</u>
					<u>\$ 31,720,000</u>	<u>\$ 10,737,588</u>

General obligation bond principal and interest payable in the next fiscal year is \$4,162,703. Interest paid and bank charges in the current fiscal year on general obligation bonds amounted to \$1,752,487.

At June 30, 1999, the School Board accumulated \$1,937,594 in the Debt Service Fund for the future retirement of General Obligation Bonds.

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 1999, the statutory limit is \$72,494,059 resulting in a legal debt margin of \$40,774,059.

The School Board is in compliance with all significant limitations and restrictions as set forth in the individual bond indentures.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE G - LONG-TERM OBLIGATIONS (CONTINUED)

Annual debt service to maturity, including interest of \$10,737,588, is as follows:

Fiscal Year	
2000	\$ 4,162,703
2001	4,180,875
2002	3,693,325
2003	3,689,838
2004	3,674,243
2005-2009	17,275,560
2010-2014	<u>5,781,044</u>
	<u>\$42,457,588</u>

Advance Refunding

On September 1, 1998, the School Board issued \$6,975,000 in General Obligation Refunding Bonds with interest rates ranging between 3.65% and 4.75%. The School Board issued the bonds to advance refund \$6,410,000 of the outstanding series 1992 General Obligation School Bonds with interest rates ranging between 6.25% and 6.5%. The School Board used the net proceeds to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded portion of the 1992 series bonds. As a result, that portion of the 1992 series bonds is considered defeased, and the School Board has removed the liability from its accounts. The outstanding principal of the defeased bonds as of June 30, 1999 is \$6,410,000.

The advance refunding reduced total debt service payments over the next 13 years by approximately \$327,000. This results in an economic gain (difference between the present values of the debt service payment on the old and new debt) of approximately \$254,000.

Prior Years' Defeasance of Debt

On February 25, 1987, the School Board issued \$10,408,597 in General Obligation Bonds with interest yields between 4.8% and 6.8% to advance refund the callable portion (\$10,900,000) of a \$15,000,000 outstanding 1984 Series bond issue with interest rates of 10% to 12%. The School Board placed sufficient proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the School Board's financial statements. At June 30, 1999, the balance of the defeased portion of the bonds was \$5,010,000.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE G - LONG-TERM OBLIGATIONS (CONTINUED)

On August 1, 1995, the School Board issued \$7,100,000 of General Obligation School Bonds, Series 1995A and 1995B, the proceeds of which were used to refund the School Board's revenue bonds, Series ST-1979 and ST-1988, and Sales Tax School Bonds Series 1992, and to improve or construct lands, buildings, playgrounds, and other school related facilities. The ST-1979 bonds were called and the outstanding defeased amounts of ST-1988 Bonds and Sales Tax School Bonds Series 1992 were \$1,495,000 and \$1,775,000, respectively, as of June 30, 1999. The trust account assets and the liability for these defeased bonds are not included in the School Board's general-purpose financial statements.

Note Payable to Bank

On September 10, 1997, the School Board entered into a technology equipment installment purchase agreement with a local bank in the amount of \$389,903. Monthly payments of \$11,750 began November 1, 1997, with an interest rate of 5.35%. The payments are to be made over a thirty-six month period ending October 1, 2000.

Scheduled principal and interest payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2000	\$ 135,114	\$ 5,885	\$ 140,999
June 30, 2001	<u>36,230</u>	<u>329</u>	<u>36,559</u>
	<u>\$ 171,344</u>	<u>\$ 6,214</u>	<u>\$ 177,558</u>

Capital Lease Comitments

The School Board has entered into one lease agreement for financing the acquisition of computer equipment. This lease qualified as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the date of inception in the General Long-Term Debt Account Group. The cost of the equipment was \$324,803. The lease is payable over five years, with the last payment due on August 1, 1999. Monthly payments are \$7,533 with an interest rate of 13.85%.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE G - LONG-TERM OBLIGATIONS (CONTINUED)

The following is a schedule of the future minimum lease payments under the capital lease and the present value of the net minimum lease payments at June 30, 1999 of the outstanding lease:

<u>Fiscal Year</u>	<u>Present Value of Minimum Lease Payments</u>	<u>Interest</u>	<u>Total Minimum Lease Payments</u>
June 30, 2000	<u>\$ 14,809</u>	<u>\$ 257</u>	<u>\$ 15,066</u>

General Long-Term Obligations

The following is a summary of the changes to general long-term obligations for the year ended June 30, 1999:

	<u>Compensated Absences</u>	<u>Total Bonded Debt</u>	<u>Note Payable To Bank</u>	<u>Capital Leases</u>	<u>Total</u>
Balance at June 30, 1998	\$ 1,514,846	\$ 33,605,000	\$ 299,435	\$ 96,866	\$ 35,516,147
Additions	308,654	6,975,000	-	-	7,283,654
Deductions – payments and retirements	<u>(308,685)</u>	<u>(8,860,000)</u>	<u>(128,091)</u>	<u>(82,057)</u>	<u>(9,378,833)</u>
Balance at June 30, 1999	<u>\$ 1,514,815</u>	<u>\$ 31,720,000</u>	<u>\$ 171,344</u>	<u>\$ 14,809</u>	<u>\$ 33,420,968</u>

NOTE H - RISK MANAGEMENT

The School Board established a self-insurance program recorded in the General Fund to account for and finance its uninsured risk of loss as described below. No claim settlements in the past three years exceeded insurance coverage. Premiums are paid by the General Fund. Other funds are charged at the time of occurrence of the claim payment. The amount of claim liabilities that are accrued are based on data as provided by a third party administrator.

Workers' Compensation Insurance

The School Board has a self-insurance program for workers' compensation whereby the School Board is exposed to losses relating to any potential claim for up to \$200,000 per occurrence and \$1,000,000 in the aggregate. The General Fund reports the claims' expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The claims liability at June 30, 1999 totaled \$103,368.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE H - RISK MANAGEMENT (CONTINUED)

The School Board has a certificate of deposit in the amount of \$105,500, which is held in trust at the Union Planters Bank for the Office of Worker's Compensation as collateral for potential claims against the School Board. This certificate is included in cash and cash equivalents.

General Liability and Automobile Insurance

As of June 30, 1999, the amount of the insurance deductible is \$50,000 per occurrence and \$150,000 in aggregate, for public entity general liability and automobile (fleet) liability. The claims liability at June 30, 1999 totaled \$477,046.

The changes in claims liability amounts were as follows for the years ended June 30, 1998 and 1999:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at End of Fiscal Year</u>
Workers' compensation:				
1998	\$ 253,887	\$ 266,546	\$ 399,339	\$ 121,094
1999	121,094	142,576	160,302	103,368
Property damage and automotive liability:				
1998	\$ 302,046	\$ 595,558	\$ 420,558	\$ 477,046
1999	477,046	448,424	448,424	477,046
Total:				
1998	\$ 555,933	\$ 862,104	\$ 819,897	\$ 598,140
1999	598,140	591,000	608,726	580,414

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE H - RISK MANAGEMENT (CONTINUED)

Changes in estimates are included in general administration expenditures:

Risk retention by the School Board is as follow:

	<u>Workers'</u> <u>Compensation</u>	<u>General &</u> <u>Automotive Liability</u>	
		<u>Per</u> <u>Occurrence</u>	<u>In the</u> <u>Aggregate</u>
1999	\$ 200,000	\$ 50,000	\$ 150,000
1998	200,000	50,000	150,000
1997	200,000	50,000	150,000
1996	200,000	50,000	150,000
1995	200,000	50,000	150,000
1994	200,000	35,000	120,000
1993	170,000	35,000	120,000
1992	170,000	35,000	120,000
1991	125,000	35,000	120,000
1987-1990	125,000	-	-

NOTE I - DEFINED BENEFIT PENSION 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 a separate board of trustees. Pertinent information, as required by the Governmental Accounting Standards Board Statement No. 27, relative to each plan is as follows:

Teachers' Retirement System of Louisiana (TRS)

Plan description – The School Board participates in two membership plans of the TRS, the Regular Plan and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE I - DEFINED BENEFIT PENSION PLANS (CONTINUED)

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 5.0 percent of their annual covered salary for the Regular Plan and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 16.5 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, 1999, 1998 and 1997 were \$3,175,578, \$3,120,790 and \$2,879,067, respectively, equal to the required contributions for each year.

Louisiana School Employees' Retirement System (LSERS)

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

Funding Policy – Plan members are required to contribute 6.35 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 6.00 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations and by remittances from the School Board.

The School Board's contributions to the LSERS for the years ended June 30, 1999, 1998 and 1997 were \$98,049, \$97,231 and \$89,243, respectively, equal to the required contributions for each year.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE J - POST-RETIREMENT HEALTH CARE BENEFITS

The School Board provides certain continuing health care and life insurance benefits for its retired employees as provided by Louisiana Revised Statute (LSA-R.S.) 17:1223. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through a private insurer, whose monthly premiums are paid jointly by the employee and the School Board. The School Board recognizes the cost of providing these benefits (School Board's portion of premiums) as an expenditure when the monthly healthcare benefit premiums are due. In 1999, healthcare benefit premiums totaled \$2,875,030, which represents the School Board's portion. Also included in the total amount is the cost of retiree benefits totaling \$601,856 for 265 retirees. The School Board has a continuing future obligation for life insurance and health care benefits for retired teachers and noninstructional employees and their dependents. This future liability is not funded but will be payable by the General Fund out of future years' operations. Although estimated by management that this future liability is significant, current generally accepted accounting principles do not require the School Board to reflect this liability in the general-purpose financial statements. Except for one-half of the dependent coverage, no contributions are required by the retirees to help finance these future benefits and at the present time, up to one-half of the premiums is paid by the State of Louisiana.

NOTE K - CHANGE IN AGENCY DEPOSITS DUE OTHERS

A summary of changes in deposits due others is as follows:

	<u>School Activity</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Balance at beginning of year	\$ 287,563	\$ 40,350	\$ 327,913
Additions	1,427,150	20,229,889	21,657,039
Deductions	<u>(1,412,557)</u>	<u>(20,226,979)</u>	<u>(21,639,536)</u>
Balance at end of year	<u>\$ 302,156</u>	<u>\$ 43,260</u>	<u>\$ 345,416</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE L - EXPENDITURES – BUDGET AND ACTUAL

Actual expenditures over appropriations at the functional level are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
Current:			
Instructional:			
General administration	\$1,434,682	\$1,621,453	\$ (186,771)
Capital outlay	438,850	584,904	(146,054)
Special Revenue Funds:			
Head Start – Current – Instructional- Special education programs	614,969	616,568	(1,599)
School Lunch/Breakfast:			
Current –			
Food service –			
Administration	5,600	5,687	(87)

NOTE M – LITIGATION AND CONTINGENCIES

At June 30, 1999, 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 the estimate, if any, of the amount or range of potential claims and lawsuits that 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 payable, as explained in Note H. It is the opinion of the School Board, after conferring with legal counsel for the School Board, that the potential claims against the School Board not covered by self-insurance reserves and commercial insurance would not materially affect the financial statements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Notes to General-Purpose Financial Statements (Continued)
June 30, 1999

NOTE M – LITIGATION AND CONTINGENCIES (CONTINUED)

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School Board expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
REQUIRED SUPPLEMENTARY INFORMATION
YEAR 2000 ISSUE (UNAUDITED)
June 30, 1999**

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the School Board's operations as early as the fiscal year 2000.

The School Board has completed an inventory of its computer systems that may be affected by the Year 2000 issue and that are necessary to conducting School Board operations. The School Board identified several systems that required upgrading as described below.

The School Board has spent approximately \$25,000 during the 1998-99 school year (July 1, 1998 through June 30, 1999) to assess, remediate, validate, and test all mission-critical financial and personnel systems residing on the mainframe.

Additionally, the School Board has not committed any significant resources subsequent to June 30, 1999 related to the year 2000 issue.

The School Board has completed the validation/testing stage as defined by GASB TB 98-1 in that changes have been made to mainframe systems (including software) and equipment. All critical mainframe systems dealing with financial and personnel issues have been converted. However, the completion of these stages is not a guarantee that systems and equipment will be Year 2000 compliant.

Because of the uncertainty of the Year 2000 issues, the process of assessing, remediating, testing and validating will continue through the end of the year 1999. It is critical that the School Board continue to monitor and respond to issues that may surface from now to January 1, 2000. Management cannot assure that the School Board is or will be Year 2000 ready, that the School Board's remediation efforts will be successful in whole or in part, or that parties with whom the School Board does business will be Year 2000 ready.

**COMBINING INDIVIDUAL FUND
AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

GENERAL FUND

To account for resources traditionally associated with the School Board which are not required legally or by sound financial management to be accounted for in another fund.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
General Fund
Balance Sheet
June 30, 1999

ASSETS

Cash and cash equivalents	\$ 5,039,579
Investments	77,179
Receivables due from other governments	1,068,264
Other receivables	18,367
Due from other funds	1,523,798
Accrued interest receivable	<u>2,376</u>
 Total assets	 <u><u>\$ 7,729,563</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 1,568,348
Claims payable	539,893
Salaries and wages payable	1,733,528
Payroll taxes payable	366,461
Retirement, insurance and other withholdings payable	<u>861,770</u>
 Total liabilities	 <u>5,070,000</u>
Fund balance:	
Reserved for encumbrances	108,652
Unreserved, undesignated	<u>2,550,911</u>
 Total fund balance	 <u>2,659,563</u>
 Total liabilities and fund balance	 <u><u>\$ 7,729,563</u></u>

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
General Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance – Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Local sources:			
Ad valorem taxes	\$ 3,284,281	\$ 3,228,092	\$ (56,189)
Sales and use taxes	9,170,554	9,162,258	(8,296)
Interest	130,000	186,004	56,004
Other local sources	<u>270,441</u>	<u>349,740</u>	<u>79,299</u>
Total local sources	<u>12,855,276</u>	<u>12,926,094</u>	<u>70,818</u>
State sources:			
State equalization	19,630,831	19,594,903	(35,928)
Revenue sharing	200,586	192,132	(8,454)
Professional improvement programs	323,204	257,106	(66,098)
Other state sources	<u>1,104,158</u>	<u>1,187,560</u>	<u>83,402</u>
Total state sources	<u>21,258,779</u>	<u>21,231,701</u>	<u>(27,078)</u>
Federal sources:			
Magnet grant	542,424	472,364	(70,060)
IDEA	717,207	402,622	(314,585)
Goals 2000	102,750	69,924	(32,826)
Other federal sources	<u>1,017,142</u>	<u>883,939</u>	<u>(133,203)</u>
Total federal sources	<u>2,379,523</u>	<u>1,828,849</u>	<u>(550,674)</u>
Total revenues	<u>36,493,578</u>	<u>35,986,644</u>	<u>(506,934)</u>
Expenditures:			
Current:			
Instructional:			
Regular	14,712,811	14,111,066	601,745
Special education programs	6,653,734	6,184,557	469,177
Other programs	<u>2,647,285</u>	<u>1,991,288</u>	<u>655,997</u>
	<u>24,013,830</u>	<u>22,286,911</u>	<u>1,726,919</u>

(Continued)

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
General Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance – Budget (GAAP Basis) and Actual (Continued)
For the Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Support services:			
Student services	\$ 1,476,480	\$ 1,446,566	\$ 29,914
Instructional staff	<u>723,138</u>	<u>703,919</u>	<u>19,219</u>
	<u>2,199,618</u>	<u>2,150,485</u>	<u>49,133</u>
General administration	1,434,682	1,621,453	(186,771)
School administration	2,246,570	2,190,151	56,419
Business administration	553,876	519,767	34,109
Plant services	3,650,709	3,348,187	302,522
Student transportation	2,128,324	1,990,453	137,871
Central services	<u>310,926</u>	<u>292,444</u>	<u>18,482</u>
Total current	<u>36,538,535</u>	<u>34,399,851</u>	<u>2,138,684</u>
Capital outlay	<u>438,850</u>	<u>584,904</u>	<u>(146,054)</u>
Debt service:			
Principal retirement	210,148	210,148	-
Interest and bank charges	<u>54,915</u>	<u>33,409</u>	<u>21,506</u>
	<u>265,063</u>	<u>243,557</u>	<u>21,506</u>
Total expenditures	<u>37,242,448</u>	<u>35,228,312</u>	<u>2,014,136</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(748,870)</u>	<u>758,332</u>	<u>1,507,202</u>

(Continued)

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
General Fund
Statement of Revenues, Expenditures, and Changes in
Fund Balance – Budget (GAAP Basis) and Actual (Continued)
For the Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Other financing sources (uses):			
Operating transfers in	\$ 1,138,000	\$ 1,050,000	\$ (88,000)
Operating transfers out	<u>(150,000)</u>	<u>-</u>	<u>150,000</u>
Total other financing sources	<u>988,000</u>	<u>1,050,000</u>	<u>62,000</u>
Excess of revenues and other financing sources over expenditures	<u>239,130</u>	<u>1,808,332</u>	<u>1,569,202</u>
Fund balance at beginning of year	<u>851,231</u>	<u>851,231</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,090,361</u>	<u>\$ 2,659,563</u>	<u>\$ 1,569,202</u>

See accompanying independent auditor's report.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes. The School Board has three Special Revenue Funds:

Improving America's Schools Act (Title I) Fund

Title I is a program to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging state and local content standards and to meet the challenging state and local performance standards developed for all children.

Head Start Fund

Project Head Start is a program to provide comprehensive health, educational, nutritionally, social, and other services primarily to economically disadvantaged preschool children and their families and to involve parents in activities with their children so that the children will attain overall social competence.

School Lunch/Breakfast Fund

The School Lunch/Breakfast Fund accounts for the operation of the school food service programs in the parish school system during the regular school term. The basic goals of the school food service programs are to serve nutritionally adequate, attractive, and moderately-priced meals, to help children grow socially, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically-fit adults.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Special Revenue Funds
Combining Balance Sheet
June 30, 1999

Assets	Improving America's Schools Act (Title I)	Head Start	School Lunch/ Breakfast	Total
Cash	\$ -	\$ 3,280	\$ 320,640	\$ 323,920
Receivables due from other governments	422,061	132,219	-	554,280
Other receivables	16,050	-	-	16,050
Inventory	<u>-</u>	<u>-</u>	<u>48,455</u>	<u>48,455</u>
Total assets	<u>\$ 438,111</u>	<u>\$ 135,499</u>	<u>\$ 369,095</u>	<u>\$ 942,705</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 94,792	\$ 3,492	\$ 48	\$ 98,332
Claims payable	-	-	40,521	40,521
Salaries and wages payable	80,120	68,334	105,140	253,594
Due to other funds	263,199	63,673	134,276	461,148
Deferred revenue	<u>-</u>	<u>-</u>	<u>29,775</u>	<u>29,775</u>
Total liabilities	<u>438,111</u>	<u>135,499</u>	<u>309,760</u>	<u>883,370</u>
Fund balances:				
Reserved for inventory	-	-	18,680	18,680
Unreserved, undesignated	<u>-</u>	<u>-</u>	<u>40,655</u>	<u>40,655</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>59,335</u>	<u>59,335</u>
Total liabilities and fund balance	<u>\$ 438,111</u>	<u>\$ 135,499</u>	<u>\$ 369,095</u>	<u>\$ 942,705</u>

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Special Revenue Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
For the Year Ended June 30, 1999

	<u>Improving America's Schools Act (Title I)</u>	<u>Head Start</u>	<u>School Lunch/ Breakfast</u>	<u>Total</u>
Revenues:				
Local sources:				
Food services	\$ -	\$ -	\$ 183,725	\$ 183,725
Interest on cash and investments	-	-	10,299	10,299
Other local sources	<u>-</u>	<u>-</u>	<u>35,073</u>	<u>35,073</u>
Total local sources	<u>-</u>	<u>-</u>	<u>229,097</u>	<u>229,097</u>
State source -				
State equalization	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Federal sources:				
Grants	1,623,599	670,113	1,700,412	3,994,124
Commodities	<u>-</u>	<u>-</u>	<u>120,731</u>	<u>120,731</u>
Total federal sources	<u>1,623,599</u>	<u>670,113</u>	<u>1,821,143</u>	<u>4,114,855</u>
Total revenues	<u>1,623,599</u>	<u>670,113</u>	<u>2,200,240</u>	<u>4,493,952</u>
Expenditures:				
Current:				
Instructional --				
Special education programs	1,030,002	616,568	-	1,646,570
General administration	545,814	51,068	-	596,882
Food services	-	-	2,189,081	2,189,081
Capital outlay	<u>47,783</u>	<u>2,477</u>	<u>-</u>	<u>50,260</u>
Total expenditures	<u>1,623,599</u>	<u>670,113</u>	<u>2,189,081</u>	<u>4,482,793</u>
Excess of revenues over expenditures	-	-	11,159	11,159
Fund balances at beginning of year	<u>-</u>	<u>-</u>	<u>48,176</u>	<u>48,176</u>
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,335</u>	<u>\$ 59,335</u>

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Special Revenue Fund – Improving America’s Schools Act (Title I)
Statement of Revenues, Expenditures, and Changes in
Fund Balance – Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Federal sources - grants	\$ 1,865,907	\$ 1,623,599	\$ (242,308)
Total revenues	<u>1,865,907</u>	<u>1,623,599</u>	<u>(242,308)</u>
Expenditures:			
Current:			
Instructional – Special education program	1,233,259	1,030,002	203,257
General administration	575,608	545,814	29,794
Capital outlay	<u>57,040</u>	<u>47,783</u>	<u>9,257</u>
Total expenditures	<u>1,865,907</u>	<u>1,623,599</u>	<u>242,308</u>
Excess of revenues over expenditures	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor’s report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Special Revenue Fund – Head Start
Statement of Revenues, Expenditures, and Changes in
Fund Balance – Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues – Federal sources – grants	\$ 670,113	\$ 670,113	\$ -
Expenditures:			
Current:			
Instructional – Special education programs	614,969	616,568	(1,599)
General administration	52,667	51,068	1,599
Capital outlay	<u>2,477</u>	<u>2,477</u>	<u>-</u>
Total expenditures	<u>670,113</u>	<u>670,113</u>	<u>-</u>
Excess of revenues over expenditures	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Special Revenue Fund – School Lunch/Breakfast
Statement of Revenues, Expenditures, and Changes in
Fund Balance – Budget (GAAP Basis) and Actual
For the Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Local sources:			
Food service	\$ 178,000	\$ 183,725	\$ 5,725
Interest on cash and investments	10,000	10,299	299
Other local sources	<u>30,000</u>	<u>35,073</u>	<u>5,073</u>
Total local sources	<u>218,000</u>	<u>229,097</u>	<u>11,097</u>
State source – State equalization	<u>207,000</u>	<u>150,000</u>	<u>(57,000)</u>
Federal sources:			
Grants	1,697,598	1,700,412	2,814
Commodities	<u>140,000</u>	<u>120,731</u>	<u>(19,269)</u>
Total federal sources	<u>1,837,598</u>	<u>1,821,143</u>	<u>(16,455)</u>
Total revenues	<u>2,262,598</u>	<u>2,200,240</u>	<u>(62,358)</u>
Expenditures:			
Current – food services:			
Food purchased and commodities	810,000	777,671	32,329
Salaries and related benefits	1,276,707	1,221,891	54,816
Administration	5,600	5,687	(87)
Utilities	35,000	29,949	5,051
Maintenance	75,000	62,457	12,543
Supplies	<u>108,000</u>	<u>91,426</u>	<u>16,574</u>
Total expenditures	<u>2,310,307</u>	<u>2,189,081</u>	<u>121,226</u>
Excess (deficiency) of revenues over expenditures	(47,709)	11,159	58,868
Fund balance at beginning of year	<u>48,176</u>	<u>48,176</u>	<u>-</u>
Fund balance at end of year	<u>\$ 467</u>	<u>\$ 59,335</u>	<u>\$ 58,868</u>

See accompanying independent auditor's report.

CAPITAL PROJECTS FUND

The Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of public school facilities and the School Board's main office facilities.

Capital Projects – Fund II

This fund is used to account for the proceeds and use of a one-third of one percent sales and use tax dedicated to capital acquisition and improvements. It also accounts for the proceeds and use of a sales tax revenue bond dedicated for the purpose of making capital improvements to the school system.

Capital Projects – Fund III

Prior to July 18, 1992, this fund was used to account for the proceeds and use of a special property tax levy dedicated to capital acquisition and improvements. Subsequent to July 18, 1992, this fund is used to account for the proceeds and use of certain General Obligation Bonds being issued for the purpose of acquiring and/or improving land for building sites and playgrounds and acquiring the necessary equipment and furnishings.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Capital Projects Funds
Combining Balance Sheet
June 30, 1999

	<u>Capital Projects</u>		
	<u>Fund II</u>	<u>Fund III</u>	<u>Total</u>
Assets			
Cash	\$ 3,785,947	\$ 91,956	\$ 3,877,903
Investments	58,495	-	58,495
Due from other funds	4,522	-	4,522
Accrued interest receivable	<u>1,801</u>	<u>-</u>	<u>1,801</u>
 Total assets	 <u>\$ 3,850,765</u>	 <u>\$ 91,956</u>	 <u>\$ 3,942,721</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	146,727	-	146,727
Contracts and retainage payable	43,082	-	43,082
Due to other funds	<u>1,050,000</u>	<u>-</u>	<u>1,050,000</u>
 Total liabilities	 <u>1,239,809</u>	 <u>-</u>	 <u>1,239,809</u>
Fund balances:			
Reserved for encumbrances	1,850,033	-	1,850,033
Unreserved - designated for capital projects	<u>760,923</u>	<u>91,956</u>	<u>852,879</u>
 Total fund balances	 <u>2,610,956</u>	 <u>91,956</u>	 <u>2,702,912</u>
 Total liabilities and fund balances	 <u>\$ 3,850,765</u>	 <u>\$ 91,956</u>	 <u>\$ 3,942,721</u>

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances
For the Year Ended June 30, 1999

	<u>Capital Projects</u>		
	<u>Fund II</u>	<u>Fund III</u>	<u>Total</u>
Revenues:			
Local sources:			
Sales and use taxes	\$ 1,833,346	\$ -	\$ 1,833,346
Investment income	244,407	4,557	248,964
Other local sources	<u>-</u>	<u>30,648</u>	<u>30,648</u>
Total revenue	<u>2,077,753</u>	<u>35,205</u>	<u>2,112,958</u>
Expenditures:			
Current – general administration	29,524	840	30,364
Capital outlay – equipment	<u>1,293,548</u>	<u>-</u>	<u>1,293,548</u>
Total expenditures	<u>1,323,072</u>	<u>840</u>	<u>1,323,912</u>
Excess (deficiency) of revenues over expenditures	<u>754,681</u>	<u>34,365</u>	<u>789,046</u>
Other financing sources (uses):			
Operating transfers in	-	-	-
Operating transfers out	<u>(1,050,000)</u>	<u>-</u>	<u>(1,050,000)</u>
Total other financing sources (uses)	<u>(1,050,000)</u>	<u>-</u>	<u>(1,050,000)</u>
Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	<u>(295,319)</u>	<u>34,365</u>	<u>(260,954)</u>
Fund balances at beginning of year	<u>2,906,275</u>	<u>57,591</u>	<u>2,963,866</u>
Fund balances at end of year	<u>\$ 2,610,956</u>	<u>\$ 91,956</u>	<u>\$ 2,702,912</u>

See accompanying independent auditor's report.

FIDUCIARY TYPE FUNDS – AGENCY FUNDS

Agency Funds account for assets held by an entity as an agent for individuals, private organizations, other governments, and/or other entity's funds.

School Activity Fund

The activities of the various individual school accounts are accounted for in the School Activity Fund. While the fund is under the supervision of the School Board, these monies belong to the individual schools or their student bodies and are not available for use by the School Board.

Sales Tax Fund

The Sales Tax Fund accounts for the collection and distribution of St. John the Baptist Parish's four percent sales and use tax. Two percent is dedicated to the St. John the Baptist School Board and two percent is dedicated to the St. John the Baptist Parish Council.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Agency Funds
Combining Balance Sheet
June 30, 1999

	<u>School Activity Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 302,156	\$ 54,007	\$ 356,163
Other receivables	<u>-</u>	<u>32,314</u>	<u>32,314</u>
Total assets	<u>\$ 302,156</u>	<u>\$ 86,321</u>	<u>\$ 388,477</u>
Liabilities			
Accounts payable	\$ -	\$ 43,061	\$ 43,061
Due to other funds	-	17,172	17,172
Due to St. John the Baptist Parish Council	-	26,088	26,088
Amounts held for school activities	<u>302,156</u>	<u>-</u>	<u>302,156</u>
Total liabilities	<u>\$ 302,156</u>	<u>\$ 86,321</u>	<u>\$ 388,477</u>

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Agency Funds
Combining Statement of Changes in
Assets and Liabilities
For the Year Ended June 30, 1999

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deduction</u>	<u>Balance June 30, 1999</u>
School Activity Fund				
Assets – cash and cash equivalents	\$ 287,563	\$ 1,427,150	\$ 1,412,557	\$ 302,156
Total assets	<u>\$ 287,563</u>	<u>\$ 1,427,150</u>	<u>\$ 1,412,557</u>	<u>\$ 302,156</u>
Liabilities – amounts held for school activities	\$ 287,563	\$ 1,427,150	\$ 1,412,557	\$ 302,156
Total liabilities	<u>\$ 287,563</u>	<u>\$ 1,427,150</u>	<u>\$ 1,412,557</u>	<u>\$ 302,156</u>
Sales Tax Fund				
Assets:				
Cash and cash equivalents	\$ 54,311	\$20,247,855	\$20,248,159	\$ 54,007
Due from others	<u>29,100</u>	<u>3,214</u>	<u>-</u>	<u>32,314</u>
Total assets	<u>\$ 83,411</u>	<u>\$20,251,069</u>	<u>\$20,248,159</u>	<u>\$ 86,321</u>
Liabilities:				
Accounts payable	\$ 43,061	\$ 21,180	\$ 21,180	\$ 43,061
Due to other funds	37,390	11,134,583	11,154,801	17,172
Due to St. John the Baptist Parish Council	<u>2,960</u>	<u>9,095,306</u>	<u>9,072,178</u>	<u>26,088</u>
Total liabilities	<u>\$ 83,411</u>	<u>\$20,251,069</u>	<u>\$20,248,159</u>	<u>\$ 86,321</u>
Total Agency Fund				
Assets:				
Cash and cash equivalents	\$ 341,874	\$21,675,005	\$21,660,716	\$ 356,163
Due from others	<u>29,100</u>	<u>3,214</u>	<u>-</u>	<u>32,314</u>
Total assets	<u>\$ 370,974</u>	<u>\$21,678,219</u>	<u>\$21,660,716</u>	<u>\$ 388,477</u>
Liabilities:				
Accounts payable	\$ 43,061	\$ 21,180	\$ 21,180	\$ 43,061
Due to other funds	37,390	11,134,583	11,154,801	17,172
Due to St. John the Baptist Parish Council	2,960	9,095,306	9,072,178	26,088
Amounts held for school activities	<u>287,563</u>	<u>1,427,150</u>	<u>1,412,557</u>	<u>302,156</u>
Total liabilities	<u>\$ 370,974</u>	<u>\$21,678,219</u>	<u>\$21,660,716</u>	<u>\$ 388,477</u>

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
School Activity Agency Fund
Schedule of Changes in Amounts Held for School Activities
For the Year Ended June 30, 1999

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 1999</u>
East St. John High	\$ 94,411	\$ 500,939	\$ 499,429	\$ 95,921
East St. John Elementary	9,160	77,538	69,965	16,733
Fifth Ward Elementary	4,020	47,390	44,326	7,084
Garyville/Mt. Airy Magnet	6,191	110,619	112,542	4,268
Glade Middle	22,650	140,409	133,623	29,436
John L. Ory Elementary	11,746	65,120	61,969	14,897
LaPlace Elementary	19,892	94,522	95,284	19,130
Leon Godchaux Junior High	10,447	8,217	4,744	13,920
St. John Child Development	3,848	17,311	16,561	4,598
St. John Redirection	-	8,648	7,369	1,279
West St. John Elementary	17,463	73,627	62,244	28,846
West St. John High	<u>87,735</u>	<u>282,809</u>	<u>304,500</u>	<u>66,044</u>
	<u>\$ 287,563</u>	<u>\$ 1,427,149</u>	<u>\$ 1,412,556</u>	<u>\$ 302,156</u>

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Sales Tax Agency Fund
Schedule of Changes in Deposits Due to Others
For the Year Ended June 30, 1999

Deposits due to others at beginning of year	<u>\$ 40,350</u>
Additions:	
Sales tax collections - parishwide	20,087,302
Interest income on invested funds	36,648
Cost reimbursement from parish council	124,301
Cost reimbursement from construction fund	<u>20,717</u>
Total additions	<u>20,268,968</u>
Deductions:	
Transfers out	20,248,159
Direct expenses of sales tax agency fund:	
Returned checks and refunds	9,854
Bank charges	1,545
Postage and printing	<u>6,500</u>
Total deductions	<u>20,266,058</u>
Deposits due to others at end of year	<u><u>\$ 43,260</u></u>

See accompanying independent auditor's report.

**GENERAL FIXED ASSETS
ACCOUNT GROUP**

To account for the fixed assets of the School Board which are used in government fund type operations.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Schedule of General Fixed Assets – By Source
June 30, 1999

General fixed assets:	
Land	\$ 2,597,055
Buildings and improvements	53,754,818
Furniture and equipment	<u>15,557,577</u>
 Total general fixed assets	 <u>\$ 71,909,450</u>
Investments in general fixed assets from:	
Property acquired prior to June 30, 1992*	\$ 42,657,087
Property acquired after June 30, 1992 from:	
General Fund	3,213,493
Special Revenue Funds	1,886,680
Capital Projects Funds	<u>24,152,190</u>
 Total investment in general fixed assets	 <u>\$ 71,909,450</u>

* Records reflecting function and source from which assets were acquired were not maintained prior to June 30, 1992.

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Schedule of Changes in General Fixed Assets – By Source
For the Year Ended June 30, 1999

	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Furniture and Fixtures</u>
General fixed assets at July 1, 1998	\$ 70,897,072	\$ 2,597,055	\$ 53,754,818	\$ 14,545,199
Additions:				
General Fund	585,972	-	-	585,972
Special Revenue Fund	50,261	-	-	50,261
Capital Projects Funds	<u>376,145</u>	<u>-</u>	<u>-</u>	<u>376,145</u>
Total additions	<u>1,012,378</u>	<u>-</u>	<u>-</u>	<u>1,012,378</u>
General Fixed Assets at June 30, 1999	<u>\$ 71,909,450</u>	<u>\$ 2,597,055</u>	<u>\$ 53,754,818</u>	<u>\$ 15,557,577</u>

See accompanying independent auditor's report.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 1999

Aleitha G. Bardell	\$ 4,800
John Crose	4,800
Richard L. DeLong, President	10,800
Dowie L. Gendron	9,600
Gerald J. Keller	9,600
Felix A. LeBouef	9,600
James Madere	9,600
Leroy Mitchell, Sr.	9,600
Matthew J. Ory	9,600
Patrick Sanders	4,800
Clarence G. Triche	9,600
Charles J. Watkins, Vice President	9,600
Russ Wise	<u>4,800</u>
Total	<u>\$ 106,800</u>

See accompanying independent auditor's report.

STATISTICAL SECTION

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

General School System Expenditures by Function
(Government Fund Types)

For fiscal years 1990-1999
(Unaudited)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Regular instruction	\$ 9,526,602	\$ 9,557,466	\$ 9,864,755	\$ 10,052,990	\$ 10,287,289	\$ 10,203,665	\$ 12,704,702	\$ 12,402,483	\$ 13,979,704	\$ 14,111,066
Special and other instruction	2,695,731	3,148,421	3,777,082	4,148,095	4,833,664	5,173,903	7,557,749	8,402,594	9,155,127	9,822,415
Student services	716,028	716,186	766,201	806,828	991,434	1,080,444	1,350,419	1,326,368	1,292,121	1,446,566
Instructional staff support	554,116	668,627	441,764	407,308	471,173	633,029	563,676	555,884	508,605	703,919
General administration	6,262,280	6,056,501	6,359,984	6,726,066	6,861,620	7,644,768	1,984,899 (4)	2,040,724	2,111,622	2,376,203
School administration	1,231,526	1,255,099	1,241,229	1,236,413	1,345,334	1,365,723	1,782,060	1,631,725	1,945,856	2,190,151
Business services	209,172	291,148	296,634	334,069	359,699	405,355	449,564	427,347	437,483	519,767
Plant services	2,046,528	2,344,937	2,104,563	2,965,728	3,054,985	2,867,019	3,022,902	2,920,762	3,235,099	3,348,187
Student transportation	1,124,780	1,228,761	1,241,449	1,254,385	1,251,267	1,374,347	1,752,127	1,780,582	1,994,489	1,990,453
Central services	128,124	138,844	150,202	135,480	146,778	162,764	184,127	233,326	266,181	292,444
Food services	2,083,259	2,135,666	2,046,308	2,006,377	2,176,602	2,258,364	2,180,632	2,195,400	2,360,526	2,189,081
Community services	20,630	20,789	25,428	29,281	44,656	545,187	-	-	-	-
Unrealized market loss on investments	(3)	(3)	(3)	(3)	(3)	432,507 (3)	-	-	-	-
Capital outlay	3,346,023	1,245,212	294,548	4,093,085	7,263,220 (1)	10,799,921 (1)	4,202,899	1,122,621	1,242,193	1,928,712
Debt service	6,088,943	5,467,156	6,962,655	3,329,887	13,939,038 (2)	3,820,862	5,855,216	4,367,088	4,438,334	4,446,044
Total expenditures	<u>\$36,033,742</u>	<u>\$34,274,813</u>	<u>\$35,572,802</u>	<u>\$37,525,992</u>	<u>\$53,026,759</u>	<u>\$48,767,858</u>	<u>\$43,590,972</u>	<u>\$39,406,904</u>	<u>\$42,967,340</u>	<u>\$45,365,008</u>

(1) Increase as a result of capital bonds' project activity.

(2) Increase as a result of early retirement of bond issue.

(3) Unrealized market losses were included as a direct offset to fund balance prior to 1995, rather than being recorded as expenditures.

(4) Beginning in 1996, all benefits previously included in general administration were charged to the respective line items.

Source: General Purpose Financial Statements

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

System Revenue by Source

For fiscal years 1990-1999
(Unaudited)

General Fund Revenues by Source

Fiscal Year	Local	State	Federal	Total
1990	\$ 8,536,586	\$ 13,878,781	\$ 472,750	\$ 22,888,117
1991	8,715,714	14,389,539	456,321	23,561,574
1992	8,975,925	15,340,689	540,208	24,856,822
1993	10,697,040	15,468,858	748,369	26,914,267
1994	10,061,395	16,002,922	684,323	26,748,640
1995	10,226,923	16,851,182	736,702	27,814,807
1996	10,641,569	16,851,420	1,596,132	29,089,121
1997	11,320,459	18,380,380	1,336,645	31,037,484
1998	12,421,319	19,727,283	1,602,356	33,750,958
1999	12,926,094	21,381,701	1,828,849	36,136,644

Government Fund Types Revenues by Source (1)

Fiscal Year	Local	State	Federal	Total
1990	\$ 13,442,109	\$ 14,235,066	\$ 2,565,689	\$ 30,242,864
1991	13,936,316	14,746,039	2,860,942	31,543,297
1992	14,305,264	15,797,465	3,246,469	33,349,198
1993	15,850,177	15,868,984	3,754,680	35,473,841
1994	15,697,485	16,043,048	4,328,395	36,068,928
1995	15,586,646	16,891,308	4,414,485	36,892,439
1996	16,536,179	16,951,420	5,567,547	39,055,146
1997	16,977,870	18,530,380	5,676,048	41,184,298
1998	18,197,816	19,927,283	5,716,580	43,841,679
1999	18,875,195	21,556,453	5,943,704	46,375,352

Source: General Purpose Financial Statements

(1) Includes General Fund Revenues by Source

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Property Tax Levies and Collections
For fiscal years 1990-1999
(Unaudited)

<u>Fiscal Year</u>	<u>Millage</u>	<u>Property</u>	<u>Tax Levy</u>	<u>Collected</u>	<u>Uncollected</u>
1990	46.67 (1)	\$ 95,094,590	\$ 4,614,252	\$ 4,549,378	\$ 64,874
1991	46.67	98,869,762	5,472,699	5,504,091	(31,392) **
1992	46.67	117,263,743	5,519,289	5,659,377	(140,088) **
1993	46.95 (2)	118,262,023	5,863,397	5,818,955	44,442
1994	46.93 (3)	124,885,879	6,429,324	6,417,995	11,329
1995	46.87 (4)	136,998,150	6,470,532	6,289,292	181,240
1996	46.87	142,052,255	6,657,989	6,650,084	7,905
1997	46.81 (5)	144,625,776	6,774,271	6,714,751	59,520
1998	46.59 (6)	148,375,059	6,912,794	6,787,216	125,578
1999	46.59	148,261,680	6,907,512	6,701,392	206,120
References:					
General Fund	19.20	22.80	22.78	22.72	22.69
Construction	3.47	0.00	0.00	0.00	0.00
Debt Service	24.00	24.15	24.15	24.15	24.12
	<u>46.67 (1)</u>	<u>46.95 (2)</u>	<u>46.93 (3)</u>	<u>46.87 (4)</u>	<u>46.59 (6)</u>

Recap of Tax Millage Per \$1,000 of Assessed Value

Source: St. John The Baptist Sheriff's Office.

** These fluctuations are due to additional property that was found by industrial tax payers (i.e. Marathon Petroleum) to be taxable property that was not assessed.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Reserve, Louisiana

Assessed Valuations

For fiscal years 1990-1999
(Unaudited)

<u>Fiscal Year</u>	<u>Number of taxpayers</u>	<u>Value of land</u>	<u>Value of other property</u>	<u>Amount of homestead exemption</u>	<u>Assessed value taxable property</u>
1990	19,949	\$ 14,760,096	\$ 133,984,363	\$ 49,874,697	\$ 98,869,762
1991	38,026	* 17,506,102	150,527,458	50,769,817	117,263,743
1992	52,218	* 17,655,133	151,848,679	51,241,789	118,262,023
1993	58,025	* 18,643,997	158,394,071	52,152,189	124,885,879
1994	52,516	** 19,524,661	170,396,041	52,922,552	136,998,150
1995	48,065	18,959,568	172,676,580	53,583,374	138,052,774
1996	39,734	19,504,377	177,332,846	54,784,968	142,052,255
1997	39,203	20,303,993	180,155,195	55,833,412	144,625,776
1998	38,924	21,038,935	184,608,740	57,272,616	148,375,059
1999	38,924	21,790,320	185,335,562	58,864,202	148,261,680

Source: St. John the Baptist Parish Assessors Office.

* These increases are due to several subdivisions that are now being taxed to individual lot holders instead of one tax paying entity.

** The decrease is due to conveyances being included in the prior year. Conveyances are not included in the current year number of taxpayers.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Assessed and Estimated Actual Value of
Taxable Property

For fiscal years 1990 - 1999
(Unaudited)

<u>Fiscal Year</u>	<u>Total assessed value</u>	<u>Estimated assessment ratio</u>	<u>Total estimated actual value</u>
1990	\$ 148,744,459	0.135	\$ 1,101,810,807
1991	168,033,560	0.135	1,244,693,037
1992	169,503,812	0.135	1,255,583,793
1993	177,038,068	0.135	1,311,393,096
1994	189,920,702	0.135	1,406,820,015
1995	191,636,148	0.135	1,419,527,022
1996	196,837,223	0.135	1,458,053,504
1997	200,459,188	0.135	1,484,882,874
1998	205,647,675	0.135	1,523,316,111
1999	207,125,882	0.135	1,534,265,793

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita

For fiscal years 1990-1999
(Unaudited)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Estimated population*	40,825	40,669	41,342	42,015	42,688	43,360	43,764	44,168	44,572	44,976
Assessed value of taxable property	\$ 98,869,762	\$ 117,263,743	\$ 118,262,023	\$ 124,885,879	\$ 136,998,150	\$ 138,052,774	\$ 142,052,255	\$ 144,625,776	\$ 148,375,059	\$ 148,261,680
Gross bonded debt	\$ 16,340,113	\$ 15,204,587	\$ 14,047,576	\$ 28,836,161	\$ 27,763,900	\$ 30,865,969 (2)	\$ 38,027,248	\$ 35,905,000	\$ 33,605,000	\$ 31,720,000
Less debt service funds	3,162,801	3,461,044	4,080,899	4,551,296	4,324,631	5,034,132 (1)	3,916,942	3,237,858	2,685,445	1,957,421
Net bonded debt	\$ 13,177,312	\$ 11,743,543	\$ 9,966,677	\$ 24,284,865	\$ 23,439,269	\$ 25,831,837	\$ 34,110,306	\$ 32,667,142	\$ 30,919,555	\$ 29,762,579
Ratio of net bonded debt to assessed value	13.33%	10.01%	8.43%	19.45%	17.11%	18.71% (2)	24.01% (2)	22.59%	20.84%	20.07%
Net bonded debt per capita	\$ 323	\$ 289	\$ 241	\$ 578	\$ 549	\$ 596 (2)	\$ 779	\$ 740	\$ 694	\$ 662

(1) Valuation of investment securities was changed in 1995.

(2) 1995 amount reflects restatement.

* Census information obtained from South Central Planning and Development Commission.

Table 7

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Value of Exempt Industrial Property Under
 10 Year Contracts ⁽¹⁾
 (Unaudited)
 1989-2008

<u>Fiscal Year</u>	<u>Number of applications</u>	<u>Amount</u>
1989-1999	10	\$ 11,618,685
1990-2000	11	7,418,730
1991-2001	-	-
1992-2002	16	9,013,049
1993-2003	17	145,139,618 *
1994-2004	9	17,408,011
1995-2005	10	17,314,961
1996-2006	8	26,801,016
1997-2007	20	47,427,014
1998-2008	11	33,282,755

Source: Louisiana Department of Economic Development.

* Large increase is due to major expansion of two of the larger industrial property owners.

(1) This table reflects the value of the exempt taxes granted to industrial business and when the contracts for the exemptions expire.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Parishwide Property Tax Millage
(Per \$1,000 of Assessed Value)

For fiscal years 1990 - 1999
(Unaudited)

Taxing District	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
School constitutional	\$ 3.86	\$ 3.86	\$ 3.86	\$ 3.88	\$ 3.88	\$ 3.88	\$ 3.88	\$ 3.87	\$ 3.87	\$ 3.87
School maintenance	4.77	4.77	4.77	4.80	4.80	4.80	4.80	4.79	4.57	4.57
School construction and improvements	3.47	3.47	3.47	-	-	-	-	-	-	-
Salaries and health care	10.57	10.57	10.57	14.12	14.12	14.04	14.04	14.03	14.03	14.03
School general obligation bonds	24.00	24.00	24.00	24.15	24.15	24.15	24.15	24.12	24.12	24.12
Parishwide	4.22	4.22	4.22	4.25	4.25	4.25	4.24	4.25	4.24	4.24
Parish general obligation bonds	8.00	8.00	10.00	10.78	13.50	13.50	12.50	13.00	12.80	15.30
Street lights	5.00	5.00	5.00	5.00	5.00	5.00	5.00	4.99	4.99	4.99
Courthouse/jail	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04	1.04
Library	7.31	7.31	7.31	7.31	7.31	7.31	7.31	7.30	9.99	9.99
Public health unit	1.07	1.07	1.07	1.07	1.07	1.07	1.00	1.00	1.00	1.00
Public improvement bonds	0.25	0.25	0.20	-	-	-	0.50	-	-	-
Public land and buildings	1.75	1.30	0.50	-	-	-	-	-	-	-
Parishwide sewerage	7.00	4.25	4.00	-	-	-	-	-	-	-
Mosquito abatement district	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Public building bonds	0.25	0.25	0.20	-	-	-	-	-	-	-
Assessment district	3.24	3.24	3.24	3.26	3.26	3.26	3.26	3.26	3.26	3.26
Law enforcement	32.52	31.96	31.96	32.16	32.16	32.16	32.16	32.16	32.16	33.16
ARC construction general obligation bonds	-	-	-	-	0.50	0.50	0.50	-	-	-
Juvenile detention center	-	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.01
ARC maintenance	-	-	-	-	0.50	0.50	-	0.50	0.50	0.50
Senior Citizen Center	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
LFC Levee Waterworks District #2	4.20	4.20	4.20	4.19	4.17	4.36	4.36	4.29	3.29	3.29
Pontch.. Levee Waterworks District #3	3.91	3.91	3.89	3.89	3.89	3.89	3.89	3.82	3.82	3.82
Sew. District #1/Fire District #2	3.25	2.50	1.75	1.75	1.25	1.25	2.25	2.00	-	-
Total	\$ 130.18	\$ 126.17	\$ 126.75	\$ 123.15	\$ 126.35	\$ 127.46	\$ 127.38	\$ 126.92	\$ 126.18	\$ 129.69

Source: St. John The Baptist Parish Assessor's Office

Table 9

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Legal Debt Margin

For fiscal years 1990-1999
(Unaudited)

<u>Fiscal year</u>	<u>Total assessed value</u>	<u>Legal debt limit</u>	<u>Indebtedness (2)</u>	<u>Legal debt margin</u>
1990	\$ 148,744,459	\$ 52,060,561	\$ 16,340,113	\$ 35,720,448
1991	168,033,560 (1)	58,811,746	15,204,587	43,607,159
1992	169,503,812	59,326,334	14,047,576	45,278,758
1993	177,038,068	61,963,324	28,836,161	33,127,163
1994	189,920,702	66,472,246	27,763,900	38,708,346
1995	191,636,148	67,072,652	33,492,248	33,580,404
1996	196,837,223	68,893,028	38,170,645	30,722,383
1997	200,459,188	70,160,716	35,905,000	34,255,716
1998	205,647,675	71,976,686	33,605,000	38,371,686
1999	207,125,882	72,494,059	31,720,000	40,774,059

(1) Legal debt limit went up to 35% of gross assessed value.

(2) This represents indebtedness based on ad valorem taxes.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

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

For fiscal years 1990 - 1999
(Unaudited)

<u>Fiscal year</u>	<u>Debt service expenditures</u>	<u>Total expenditures</u>	<u>Ratio</u>
1990	\$ 3,429,183	\$ 36,033,742	0.095
1991	3,136,321	34,274,813	0.092
1992	3,129,785	35,572,802	0.088
1993	3,282,836	37,525,992	0.087
1994	13,891,538 *	53,026,759 *	0.262
1995	3,676,094	48,767,858	0.075
1996	5,580,879	43,590,972	0.128
1997	4,246,708	39,407,552	0.108
1998	4,198,383	42,967,340	0.098
1999	4,329,991	45,365,008	0.095

* Includes \$9,470,000 of General Obligation Bonds called on February 1, 1994 and April 1, 1994.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Computation of Direct and Overlapping Bonded Debt-
General Obligation Bonds
(Unaudited)

June 30, 1999

Jurisdiction	Obligation bonded debt outstanding	Percentage applicable to government *	Amount applicable to government
Direct:			
St. John the Baptist Parish School Board	\$ 31,720,000	100%	\$ 31,720,000
Overlapping:			
St. John the Baptist Parish	<u>13,740,000</u>	100%	<u>13,740,000</u>
	<u>\$ 45,460,000</u>		<u>\$ 45,460,000</u>

* All property within St. John the Baptist Parish must bear the debt of the St. John the Baptist Parish School Board; therefore, all other reporting entities within the Parish fall under the Board's jurisdiction. The computation of the amount of debt applicable to the Board, within the context that such debt will be serviced through levies upon the same properties which the Board taxes, is determined by applying the above percentages to the net amount of debt outstanding.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Property Value, Construction and Bank Deposits

For fiscal years 1990-1999
(Unaudited)

<u>Fiscal Year</u>	<u>Property value*</u>	<u>Construction - estimated value</u>	<u>St. John the Baptist commercial bank deposits</u>
1990	\$ 148,744,459	\$ 20,940,154	\$ 113,173,000 (1)
1991	168,033,560	18,649,416	123,066,000 (1)
1992	169,503,812	12,022,084	126,551,000 (1)
1993	177,038,068	26,298,329	136,764,000 (1)
1994	189,920,702	165,015,939 (3)	228,145,000 (2)
1995	191,636,148	39,204,517	235,800,000 (2)
1996	196,837,223	31,640,972	250,557,000 (2)
1997	200,459,188	54,230,718	237,351,000 (2)
1998	205,647,675	74,089,971	249,530,000 (2)
1999	207,125,882	53,992,289	Not Available

* Total assessed value

(1) Source: Sheshunoff Reports

(2) Source: Federal Deposit Insurance Corporation (FDIC)

(3) During this year, two of the largest industrial companies in the Parish had substantial renovations.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Principal Property Taxpayers

June 30, 1999
(Unaudited)

Taxpayer	<u>1999 assessed valuation</u>	<u>1999 percentage of assessed valuation</u>
Marathon Oil Company	\$ 56,196,850	27.33%
E. I. Dupont DeNemours & Co.	8,953,701	4.35%
Bayou Steel Corp.	5,527,596	2.69%
Cargill, Inc.	4,741,065	2.31%
Entergy Louisiana, Inc.	3,642,120	1.77%
Louisiana Machinery Co., Inc.	2,423,839	1.18%
Nalco Chemical Co.	2,352,014	1.14%
Hibernia National Bank	2,332,815	1.13%
Bellsouth Telecommunications	2,213,040	1.08%
Dupont Dow Elastomers	2,132,790	1.04%
	<u>\$ 90,515,830</u>	<u>44.02%</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Average Daily Attendance and Membership

For fiscal years 1990-1999
(Unaudited)

<u>Fiscal year</u>	<u>Average daily membership</u>	<u>Average daily attendance</u>	<u>Percentage of attendance</u>	<u>Percentage of absence</u>
1989-1990	6,893	6,483	94.10%	5.90%
1990-1991	7,018	6,649	94.70%	5.30%
1991-1992	7,038	6,638	94.30%	5.70%
1992-1993	6,858	6,380	93.00%	7.00%
1993-1994	7,017	6,545	93.30%	6.70%
1994-1995	6,973	6,663	95.60%	4.40%
1995-1996	6,937	6,444	92.90%	7.10%
1996-1997	6,818	6,368	93.40%	6.60%
1997-1998	6,746	6,414	95.08%	4.92%
1998-1999	6,545	6,150	93.96%	6.04%

Source: Annual Financial and Statistical Report

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Demographic Statistics

For fiscal years 1990-1999
(Unaudited)

<u>Fiscal year</u>	<u>Unemployment Rate (4)</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Public School Enrollment</u>	<u>Public High School Graduates</u>	<u>Percentage of Graduating Seniors Going on to College</u>	<u>Expenditures Per Student (3)</u>	<u>Pupil/Teacher Ratio</u>
1990	Not available	40,825	\$ 11,884	6,949	247	62.99%	\$ 3,856	17.24:1
1991	Not available	39,996	12,300	7,139	179	45.78%	3,929	17.89:1
1992	Not available	40,532	13,347	7,146	235	45.78%	4,016	17.90:1
1993	Not available	40,806	13,305	7,317	219	52.97%	4,487	17.50:1
1994	7.60%	40,992	14,541	7,225	235	52.76%	4,452	18.07:1
1995	10.40%	40,806 *	15,136	7,089	271	28.41%	4,801	16.33:1
1996	10.80%	43,764	17,299	7,043	241	35.27%	4,840	15.27:1
1997	9.50%	44,168	18,471	6,915	299	32.10%	4,983	14.81:1
1998	7.10%	42,260	- **	6,765	293	31.93%	5,841	15.03:1
1999	7.00%	44,976	- ***	6,698	331	21.45%	5,929	15.22:1

(1) Source: South Central Planning and Development Commission

(2) Source: Survey of Current Business

(3) General and Special Revenue Fund Expenditures

(4) Source: Department of Labor, reflects unemployment rate for parish

* St. John Public Library for the years 1995 and thereafter

** No data available for 1998

***No data available for 1999

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Schedule of Insurance Coverage

June 30, 1999
(Unaudited)

<u>Type of insurance</u>	<u>Amount of Coverage</u>	<u>Policy period</u>	
		<u>From</u>	<u>To</u>
Property(1)	\$ 67,000,000	9/8/98	9/8/99
General liability (2)	3,000,000	9/8/98	9/8/99
Fleet liability (3)	3,000,000	9/8/98	9/8/99
Buses physical damage (4)	included in fleet	9/8/98	9/8/99
EDP (5)	included in property	9/8/98	9/8/99
Bonds (6)	200,000	9/8/98	9/8/99
Errors and omissions (7)	2,000,000	9/8/98	9/8/99
Boiler/machinery (8)	8,000,000	9/8/98	9/8/99
Worker's compensation (9)	statutory- aggregate limit-	1,000,000 200,000	9/1/98 9/1/99

Details of Coverage:

- (1) This is a package policy for property insurance for buildings, grounds, and contents subject to a \$100,000 per occurrence deductible with a \$250,000 aggregate deductible limit.
- (2) Comprehensive general liability subject to a \$50,000 deductible described above with \$150,000 aggregate deductible limit.
- (3) Comprehensive automobile liability covers owned, hired, and non-owned vehicles subject to same deductibles described above.
- (4) Blanket physical damage property insurance on buses subject to same deductibles described above.
- (5) Data processing equipment property insurance subject to same deductibles described above.
- (6) All employees are bonded with a \$200,000 per occurrence limit subject to a \$35,000 deductible.
- (7) School Board legal liability with a \$5,000 per loss deductible. All employees are covered.
- (8) Blanket property insurance coverage on boilers, machinery and fixed pressure vessels with a \$1,500 per loss deductible.
- (9) The St. John the Baptist School Board is a member of a self-insurance workers' compensation pool. Excess insurance is purchased and covers all losses in excess of \$200,000 per individual loss with an aggregate limit of \$1,000,000 per policy period.

OFFICIAL
FILE COPY
DO NOT SEND OUT
(When necessary
copies from this
copy and PLACE
BACK IN FILE)

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
Reserve, Louisiana**

**INDEPENDENT AUDITOR'S REPORTS
AND INFORMATION REQUIRED BY THE
SINGLE AUDIT ACT AND
*GOVERNMENT AUDITING STANDARDS***

For the Year Ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the accounting, authorized, 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 _____

TABLE OF CONTENTS

	<u>Page</u>
SINGLE AUDIT REPORTS AND FINDINGS	
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	5
Notes to Schedule of Expenditures of Federal Awards	8
Summary of Auditor's Results, Status of Prior Year's Findings, and Schedule of Findings and Questioned Costs	9

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

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

The Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

We have audited the financial statements of **St. John the Baptist Parish School Board** (the "School Board"), as of and for the year ended June 30, 1999, and have issued our report thereon dated November 22, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School Board's general-purpose 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the School Board in a separate letter dated November 22, 1999.

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

Rebowe & Company

November 22, 1999

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS
A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

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

The Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

Compliance

We have audited the compliance of **St. John the Baptist 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, 1999. The School Board's major federal programs are identified in the Summary of Auditor's Results. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; 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, 1999.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of the School Board as of and for the year ended June 30, 1999 and have issued our report thereon dated November 22, 1999. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

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

Reboue & Company

November 22, 1999

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

	<u>Pass-Through Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture: Passed-through Louisiana Department of Agriculture and Forestry - Food Distribution	-	10.550	\$ 120,731
Passed-through Louisiana Department of Education:			
National Breakfast Program	-	10.553	370,937
National School Lunch Program (Sections II & IV)	-	10.555	<u>1,329,484</u>
Total United States Department of Agriculture			<u>1,821,152</u>
United States Department of Health and Human Services:			
Direct Program – Administration for Children, Youth and Families – Head Start	-	93.600	670,113
Medicaid	-	N/A	80,446
Passed-through Louisiana Department of Education:			
Prevention Health Services – Block Grant - Title XIX School Nurse	-	93.991	25,018
Passed-through Louisiana Department of Education:			
Starting Points Preschool Program	-	93.037	72,384
Passed-through Louisiana Department of Health and Hospitals - Infant Toddler Program:			
Head Start Summer Program	-	93.596	<u>194,879</u>
Total United States Department of Health and Human Services			<u>1,042,840</u>

(Continued)

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 1999

	<u>Pass-Through Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Education: Passed-through Louisiana Department of of Education - Grants and Contracts Services:			
Direct - Magnet Schools Assistance Program	-	84.165A	\$ 472,364
American Reads Program	-	94.006	<u>2,857</u>
Adult Education (ABE)	-	84.002	<u>24,542</u>
Improving America's Schools Act - Title I:			
Carryover to 1998	98-IASA-48-1	84.010	204,261
	99-IASA-48-1	84.010	1,354,372
Capital Expense Program	2898C1491	84.010	<u>64,966</u>
			<u>1,623,599</u>
Special Education:			
IDEA Part B	98-FT-48	84.027	149,486
IDEA Part B	98-FT-48c/o	84.027	17,454
IDEA Part B	99-FT-48	84.027	200,011
Infant (Part C)	98-CIT3-48	84.009	14,478
Preschool	98-PFCO-48	84.173	<u>19,988</u>
			<u>401,417</u>
Vocational Education:			
Basic Grants to States:			
Basic Grant	28-98-CA-3PB	84.049	42,018
Basic Grant	28-99-CA-3	84.049	64,988

(Continued)

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 1999

	Pass-Through Number	CFDA Number	Federal Expenditures
Vocational Education:			
Basic Grants to State, cont.:			
Sex Equity	28-98-CA-2SE	84.049	\$ 13,054
Sex Equity	28-99-CA-2SE	84.049	3,114
Single Parent	28-98-CA-ESP	84.049	2,735
Single Parent	28-99-CA-3SP	84.049	4,316
School-to-work FY 1998	-	84.278E	84,486
School-to-work FY 1999	-	84.278E	33,144
			<u>247,855</u>
 Title II - Dwight Eisenhower			
Math and Science:			
Project	98-IASA-48-II	84.164A	7,580
Project	99-IASA-48-II	84.164A	49,866
			<u>57,446</u>
 Title III - Technology Literacy Challenge:			
Project #1089	-	84.318X	56,576
 Title IV - Drug-Free Schools			
and Communities	98-IASAI-48-IV	84.186	84,459
 Title VI			
Title VI	98-IASA-48-VI	84.151	6,911
Title VI	99-IASA-48-VI	84.151	30,762
			<u>37,673</u>
 Passed-through the LaFourche			
Parish Consortium:			
Goals 2000 - Learn 21 st			
Century	S276A50018-95	84.276A	69,924
Goals 2000 - Teachers' Grants	S276A50018-95	84.276A	1,000
			<u>70,924</u>
 Total United States Department of Education			<u>3,079,712</u>
 Total Expenditures of Federal Awards			<u>\$5,943,704</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Notes to Schedule of Expenditures of Federal Awards
June 30, 1999

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. John the Baptist Parish School Board (the "School Board"). The School Board reporting entity is defined in Note 1 to the general-purpose financial statements for the year ended June 30, 1999. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's general-purpose financial statements for the year ended June 30, 1999. The value of noncash assistance is the fair value of the noncash items used during the year. Any received but unused commodities are reflected as deferred revenue until used.

3. Relationship to General-Purpose Financial Statements

Federal financial assistance revenues are reported in the School Board's general-purpose financial statements as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
From federal sources	<u>\$1,828,849</u>	<u>\$4,114,855</u>	<u>\$5,943,704</u>

4. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures 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, 1999, which will differ from the schedule by the amount of encumbrances as of June 30, 1999.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SUMMARY OF AUDITOR'S RESULTS, STATUS OF PRIOR YEAR'S FINDINGS,
AND SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 1999

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the general-purpose financial statements of the St. John the Baptist Parish School Board (the "School Board").
2. No reportable conditions relating to the audit of the financial statements of the School Board were noted during the audit.
3. No instances of noncompliance material to the financial statements of the School Board were disclosed during the audit.
4. No reportable conditions relating to the audit of internal control over major federal award programs is reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The auditor's report on compliance for the major federal award programs for the School Board expresses an unqualified opinion on all major federal award programs.
6. There were no audit findings relative to the major federal award programs for the School Board required to be reported.
7. The programs tested as major programs include:

	<u>CFDA No.</u>
National School Lunch Program	10.555
National School Breakfast Program	10.553
Direct-Magnet Schools Assistance Program	84.165A

8. The threshold for distinguishing between type A and type B programs was \$300,000.
9. The School Board was determined to be a low-risk auditee.

STATUS OF PRIOR YEAR'S FINDINGS

There were no findings related to federal award programs for the year ended June 30, 1998.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The School Board had no findings or questioned costs requiring disclosure for the year ended June 30, 1999.

RECEIVED
LEGISLATIVE AUDITOR

1999 DEC 28 AM 11: 15

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
Reserve, Louisiana**

MEMORANDUM OF ADVISORY COMMENTS

For the Year Ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report as herein submitted to the court, the school board, entity and other appropriate public officials. This 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 _____

TABLE OF CONTENTS

	<u>Page</u>
Auditor's Report	1
Observations, Recommendations, and Management's Corrective Action Plan	
1. Sales Tax Fund - Monthly Accounting	2
2. Bank Accounts Reconciliations	2
3. Sales Tax Fund - Reports	3
4. Sales Tax Fund - Cost Allocation	3
5. Year 2000 Computer Issue	3
6. GASB Statement No. 34	4

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS
A PROFESSIONAL CORPORATION

RECEIVED
LEGISLATIVE AUDITOR
1999 DEC 28 AM 11:15

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail rebowe@rebowe.com

November 22, 1999

Members of the
St. John the Baptist Parish School Board
118 West 10th Street
Reserve, Louisiana 70084

We have audited the general-purpose financial statements of the **St. John the Baptist Parish School Board** (the "School Board"), as of and for the year ended June 30, 1999, and have issued our report thereon dated November 22, 1999. As part of our audit, we considered the School Board's internal control in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the general-purpose financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. We previously reported on the School Board's internal control in a separately issued report entitled *Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated November 22, 1999.

We will review the status of these matters during our next audit engagement. We have already discussed many of these recommendations with various School Board personnel and have included their responses. We will be pleased to discuss these recommendations with you in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations.

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

Sincerely,

Rebowe & Company

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

1. Sales Tax Fund – Monthly Accounting

Observation:

Revenues are recorded in the general ledger for the Sales Tax Fund once a year, even though sales tax revenues are received monthly. Subsidiary ledgers, which list the sales tax returns received and the amounts remitted, are maintained on a monthly basis, but the general ledger is updated only once a year. Other accounting procedures are performed only once a year such as reconciling the bank balance to the general ledger and reconciling the amounts owed to the Parish Council and other internal funds to the general ledger. Total sales tax revenue for the year ended June 30, 1999 was approximately \$20 million.

Recommendation:

We recommend that the Sales Tax Department account for the transactions of the Sales Tax Fund by recording transactions in the general ledger monthly and performing the following procedures:

- Reconcile the bank balance to general ledger balance for the cash account.
- Reconcile the cash receipts to sales tax revenues.
- Maintaining supporting documentation for transactions in the accounts representing inter-governmental and inter-fund liabilities.

Management's Corrective Action Plan:

The School Board will implement the recommendations in fiscal year 2000. The contact person is Nathan Stein who can be reached at (504) 536-1106.

2. Bank Accounts Reconciliations

Observation:

We observed that the Grant Accountant prepares bank reconciliations for the General Fund, accounts payable, and payroll accounts but does not prepare a list of outstanding checks. On the June 30, 1999 bank account reconciliations for the accounts payable and payroll accounts, the amounts represented as outstanding checks were \$331,990 and \$157,130, respectively, and were not supported by a complete listing of outstanding checks. By not monitoring bank account reconciling items and maintaining a complete list of outstanding checks, errors that would normally be detected through the reconciliation process may not be detected.

Recommendation:

We recommend that amounts represented as outstanding checks on the accounts payable and payroll bank reconciliations be supported by complete listings of outstanding checks.

Management's Corrective Action Plan:

The School Board will implement the recommendation in fiscal year 2000. The contact person is Felix Boughton who can be reached at (504) 536-1106.

3. Sales Tax Fund - Reports

Observation:

Sales tax reports, which list the sales tax returns received and the amounts remitted, are generated monthly and annually. The sum of the fiscal year 1999 monthly reports does not equal the total on the annual report. The difference is approximately \$5,500.

Recommendation:

We recommend that this difference be investigated and resolved, and that in the future, monthly and year-to-date totals on the sales tax reports be reconciled.

Management's Corrective Action Plan:

The School Board will implement the recommendation in fiscal year 2000. The contact person is Nathan Stein who can be reached at (504) 536-1106.

4. Sales Tax Fund – Cost Allocation

Observation:

The Sales Tax Department periodically recalculates the cost allocation, which is used to allocate administrative costs needed to operate the Sales Tax Fund. We observed that this calculation is not performed on a timely basis.

Recommendation:

We recommend that the School Board recalculate the cost allocation annually.

Management's Corrective Action Plan:

The School Board will implement the recommendation in fiscal year 2000. The contact person is Nathan Stein who can be reached at (504) 536-1106.

5. Year 2000 Computer Issue

Observation:

The Year 2000 computer issue results from a computer's inability to process year-date data accurately beyond the year 1999. Except in recent years, computer programmers consistently have abbreviated dates by eliminating the first two digits of the year, with the assumption that these two digits would always be 19. Thus January 1, 1965, became 01/01/65. Unless corrected, this shortcut is expected to create widespread problems when the clock strikes 12:00:01 a.m. on January 1, 2000. On that date, some computer programs may recognize the date as January 1, 1900 and process data inaccurately or stop processing altogether. Additionally, the use of abbreviated dates may cause failures when the systems currently attempt to perform calculations into the year 2000.

The Year 2000 issue presents another challenge. The algorithm used in some computers for calculating leap years is unable to detect that the year 2000 is a leap year. Therefore, systems that are not year 2000 ready may not register the additional day, and date calculations may be incorrect. Furthermore, some software programs use several dates in the year 1999 to mean something other than the date. Examples of such are 09/09/99 and 12/31/99. As systems process information using these dates, they may produce erratic results or stop functioning.

The School Board has tested its accounting system and believes it is Year 2000 compliant for all critical functions.

While the School Board has taken certain measures as to its own Year 2000 compliance, the School Board has not verified that vendors, service providers, bankers, and other third-party organizations, with which it exchanges date-dependent information, are Year 2000 compliant.

Recommendation:

We recommend that you continue to take the necessary actions to remediate all systems that may be negatively affected by the Year 2000 issue.

Management's Corrective Action Plan:

The School Board will continue to monitor its critical systems for possible Year 2000 problems. The contact person is Felix Boughton who can be reached at (504) 536-1106.

6. GASB Statement No. 34

Observation:

In June 1999, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 34 "Basic Financial Statements" effective for the fiscal year ended June 30, 2003. GASB Statement No. 34 establishes new financial reporting requirements for both state and local governments. When implemented, it will create new financial information and will restructure much of the financial information that governments have presented in the past. *GASB Statement No. 34 was developed to make annual financial reports more comprehensive and easier to understand by the reader.*

GASB Statement No. 34 requires that the School Board significantly change the way it reports its financial data. The most significant changes will be that the School Board will report financial information for governmental funds utilizing the full accrual method of accounting as opposed to the modified accrual method currently used. The School Board will be required to record and depreciate all capital assets, and to eliminate both the General Fixed Asset Account Group and the General Long-Term Debt Account Group. The School Board also will present dual financial statements with presentation of both "Government-Wide Financial Statements" and the traditional "Fund Financial Statements", and will eliminate all interfund transactions for reporting purposes, including interfund loans, interfund services provided and used, and interfund transfers.

Although the full effect of GASB Statement No. 34 will not be known until its implementation, the effects of these changes could cause certain funds to report deficit fund balances. In addition, GASB Statement No. 34 will require additional man-hours to implement.

Recommendation:

The School Board should become familiar with the new reporting model so that it can effectively implement GASB No. 34.

Management's Corrective Action Plan:

The School Board will research the possible effects of Statement GASB No. 34 and begin making the necessary preparations. The contact person is Felix Boughton who can be reached at (504) 536-1106.