

Reissued

Comprehensive Annual *Financial Report*

For the Fiscal Year
July 1, 2001 - June 30, 2002



St. Tammany Parish School Board
Covington, Louisiana

Under provisions of state law, this report is a public document. A copy of the report has been submitted to this 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 9/30/03



Postlethwaite & Netterville

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02 APR 2003 11:32

April 8, 2003

Mr. Grover Austin
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70802

Dear Mr. Austin:

Enclosed are the revised copies of the St. Tammany Parish School Board's June 30, 2002 financial statements and related reports to reflect the correct listing of major programs. We apologize for any inconvenience that this change may have caused.

Thank you.

Very truly yours.

POSTLETHWAITE & NETTERVILLE

A handwritten signature in cursive script, appearing to read 'Lynne A. Burkart'.

Lynne A. Burkart

Enclosures

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

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**
July 1, 2001 – June 30, 2002

Prepared by:
DEPARTMENT OF BUSINESS AFFAIRS
Ronald J. Caruso, CPA, Director



"BLUE LANDSCAPE"
by: Galen Guillot
6th Grade
Tchefuncte Middle School
Teacher: Gay Gladney

Whimsical Landscapes



"FIELD OF IRISES"
by: Colleen Seeley
2nd Grade
Riverside Elementary
Teacher:
Mrs. Powell

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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"THE FOREST "
by: Aubrey Lamaire
3rd Grade
Woodlake Elementary
Teacher: Mr. Brewster

Louisiana Woodland Creatures



"RED FOX"
by: Hunter Steele
4th Grade
Little Oak
Teacher: Darlene
Powell

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St. Tammany Parish School Board

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COVINGTON, LOUISIANA 70434-0940
PHONE (985) 892-2276 - FAX (985) 898-3267

LEONARD P. MONTELEONE
SUPERINTENDENT

DISTRICT	BOARD MEMBERS
10	JOHN C. LAMARQUE, PRESIDENT
1	DIANE D. SAMBOLA, VICE PRESIDENT
1	NEAL M. HENNINGAN
2	ELIZABETH B. HEINTZ
3	DONALD L. BURRIS
5	CHARLES T. HARRELL
6	DONALD J. VILLERE
7	PATTI YOUNG
8	DANIEL G. ZECHENELLY
9	CARMEN H. JOHNSON
11	E. HOIH ALLEN, PH.D.
12	JAMES "HONNIE" PANKS, SR.
13	ROBERT D. BROOME
14	RAY A. ALFRED
15	MARY K. BELLISARIO

December 5, 2002

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

The comprehensive annual financial report of the St. Tammany Parish School Board for the fiscal year ended June 30, 2002, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the School Board's organizational chart and a list of principal officials. The financial section includes the independent auditors' report, management discussion and analysis section, basic financial statements and the combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and the Reports on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards and the Report on Compliance with

AN EQUAL OPPORTUNITY EMPLOYER

Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133, are included in the single audit section of this report.

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

It is the responsibility of the School Board to make public education available to the residents of St. Tammany Parish, including instructional personnel, instructional facilities, administrative support, business services, operation and maintenance and bus transportation. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12. These include regular and enriched academic education, special education for handicapped children and vocational education. The school system has a current enrollment of approximately 32,900 pupils.

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

ECONOMIC CONDITION AND OUTLOOK

St. Tammany Parish is one of the southeastern parishes (counties) of Louisiana and covers an area of 1,141 square miles. It is located directly north of New Orleans on the north shore of Lake Pontchartrain and has been ranked as one of the fastest growth areas in the United States. The population of 194,000 is an increase of nearly 40 percent since 1985.

The economy of St. Tammany Parish is primarily residential oriented, which has brought an influx of retail and service establishments, offices and shopping centers. However, there is a unique blend of residents employed in a variety of diverse industries ranging from agriculture to space-aged technology. The parish currently has a 4.9 percent unemployment rate as compared to a statewide rate of 7.0 percent. The per capita personal income of St. Tammany ranked first in the State. The value of single-family homes

in St. Tammany Parish averaged nearly \$152,000 parishwide. Total retail sales for 2001 were in excess of \$2.4 billion in St. Tammany Parish.

The St. Tammany Parish Economic Development Foundation (STEDF) is playing a major role in coordinating with other regional economic development organizations to target key commercial and industrial interest for future development. Nearly 2 million square feet are available and approximately 65% of all future employees are expected to reside in St. Tammany Parish.

This population growth and economic expansion presents both opportunities and challenges for the School Board in the coming years.

MAJOR INITIATIVES

The School Board has been in the midst of a major capital expansion program of its school facilities as a result of the growth experienced within the Parish. This expansion program started with the issuance of \$25 million in bonds in 1996 and continued with \$55 million in additional bonds in 1998. In 2002, The school board issued another \$44 million in bonds with an additional \$10 million slated for fiscal year 2002-03. Since 1996, the School Board has expanded its schools capacity by adding many additional classrooms and 7 new schools. At least 3 new schools and more classroom additions are scheduled for construction over the next few years.

This expansion project has enabled the St. Tammany School Board to reduce the student/teacher ratio for all classrooms. The average elementary student/teacher ratio is now approaching 20 students per classroom.

Student/teacher ratios are just one piece of the puzzle when it comes to achieving higher levels of success through student achievement. The St. Tammany School Board has over time become a magnet for attracting highly skilled, experienced, certified teachers and administrators for our school system. Virtually all (99.7%) of the nearly 2500 full-time teachers in St. Tammany Parish are certificated and more than 41 percent of our teachers hold an advanced level degree. 61 percent of our teachers have more than 10 years teaching experience and all of our principals and assistant principals each holds at a minimum of both a masters degree and teacher certification.

The school system has experienced unprecedented gains in student achievement levels by lowering the student teacher ratios across the board, retaining more qualified teachers and administrators, and dedicating our staff to reach higher goals. In 2002, the St. Tammany

Parish School Board was ranked as the number one District in the State of Louisiana for District Performance Scores (DPS).

Currently, the Southern Association of Colleges and Schools (SACS) has accredited all schools within the St. Tammany Parish School District.

Not all of our successes can be attributable to our staff and teachers though. The School Boards Parent Involvement Program is utilized in every school in the system. The goal of this program is to involve parents in the child's education in whatever capacity the parents offer (first aid assistant, library aide, classroom tutor, parenting workshop, etc.). In fiscal 2002, parent volunteers donated the equivalent of over \$1.9 million dollars in volunteer hours.

FINANCIAL INFORMATION

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

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

As a part of the School Board's single audit, tests are made to determine the adequacy of internal controls, including that portion related to federal programs, as well as to determine that the School Board has complied with applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 2002 provided no instances of material weaknesses in internal controls or significant violations of applicable laws and regulations.

Budgeting Controls. In addition, the School Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the annual appropriated budgets, including all subsequent amendments, approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and

Capital Projects Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the function or project level within the individual funds. The School Board also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end, for budgetary purposes, are included as expenditures in the General Fund and the Capital Projects Funds. In the other funds, encumbered amounts lapse at year-end; however, encumbrances generally are reappropriated as part of the next year's budget.

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

General Government Functions. The following schedule presents a summary of governmental funds revenues for the fiscal year ended June 30, 2002.

<u>Revenues</u>	<u>June 30, 2002</u>	<u>Percent</u>	<u>June 30, 2001</u>	<u>Percent</u>
Local Sources				
Ad Valorem Tax	\$ 48,344,307	18.68%	\$ 45,507,454	18.61%
Sales & Use Tax	\$ 52,847,766	20.42%	\$ 48,795,600	19.95%
Interest	\$ 3,356,674	01.30%	\$ 7,007,188	02.87%
Meal Sales	\$ 2,746,381	01.06%	\$ 2,688,320	01.10%
Tuition	\$ 987,392	00.38%	\$ 965,985	00.40%
Other	\$ 790,800	00.31%	\$ 742,042	00.30%
Sub-total Local	<u>\$ 109,073,320</u>	<u>42.15%</u>	<u>\$ 105,706,589</u>	<u>43.23%</u>
State Sources				
Equilization	\$ 124,341,219	48.06%	\$ 117,742,209	48.14%
Revenue Sharing	\$ 1,799,322	00.70%	\$ 1,802,063	00.74%
PIP	\$ 885,409	00.34%	\$ 929,037	00.38%
Other	\$ 3,183,339	01.23%	\$ 3,075,553	01.26%
Sub-total State	<u>\$ 130,209,289</u>	<u>50.33%</u>	<u>\$ 123,548,862</u>	<u>50.52%</u>
Federal Sources				
Grants	\$ 19,458,830	07.52%	\$ 15,285,933	06.25%
Sub-total Fed.	<u>\$ 19,458,830</u>	<u>07.52%</u>	<u>\$ 15,285,933</u>	<u>06.25%</u>
Total Revenue	<u>\$ 258,741,439</u>	<u>100.00%</u>	<u>\$ 244,541,384</u>	<u>100.00%</u>

The two most significant local revenue sources are property taxes and sales taxes. Property tax millages are established by the State Constitution and/or tax propositions approved by the electorate. Any increase to current millages or additional millages must be approved by a referendum of the voters. Sales taxes show a continued growth in

collections, which is attributable to the expansion of the local economy over the previous year and to the growth in the population. The School Board collects the maximum two percent sales tax allowed by state law. The decline in earnings on investments is primarily attributable to the lowest interest rates offered since the 1960's.

State revenue sources continue to provide the majority of the School Board's revenue. The increase in the State's 2001-02 appropriation for equalization is composed primarily of additional funding generated by the growth in student enrollment.

The increase in federal sources is primarily due to extra funding for the various programs directed toward students with disabilities, particularly for those in the IDEA or special education program and in after school learning.

The following schedule presents a summary of general governmental funds expenditures for the fiscal year ended June 30, 2002 and the representative percentage of total governmental expenditures for the respective year.

<u>Expenditures</u>	<u>June 30, 2002</u>	<u>Percent</u>	<u>June 30, 2001</u>	<u>Percent</u>
Instructional				
Regular Education	\$ 83,892,097	31.49%	\$ 81,795,569	32.65%
Special Education	\$ 42,332,515	15.89%	\$ 37,450,483	14.95%
Vocational Education	\$ 4,324,161	01.63%	\$ 4,117,904	01.64%
Other Instructional	\$ 8,309,312	03.12%	\$ 6,721,294	02.68%
Special Programs	\$ 3,921,534	01.47%	\$ 3,643,253	01.45%
Adult Education Programs	\$ 525,911	00.20%	\$ 422,939	00.17%
Sub-total Instructional	<u>\$ 143,305,530</u>	<u>53.80%</u>	<u>\$ 134,151,442</u>	<u>53.54%</u>
Support Services				
Pupil Support	\$ 9,425,494	03.54%	\$ 8,574,646	03.42%
Instructional Staff Support	\$ 9,483,156	03.56%	\$ 8,604,165	03.43%
General Administration	\$ 4,121,871	01.55%	\$ 3,764,886	01.50%
School Administration	\$ 12,363,908	04.64%	\$ 10,914,896	04.36%
Business Administration	\$ 1,582,030	00.59%	\$ 1,586,630	00.63%
Operations & Maintenance of Plant	\$ 17,528,724	06.58%	\$ 17,092,972	06.82%
Pupil Transportation	\$ 14,703,637	05.52%	\$ 13,239,045	05.28%
Central Services	\$ 2,208,452	00.83%	\$ 1,813,426	00.72%
Sub-total Support Services	<u>\$ 71,417,272</u>	<u>26.81%</u>	<u>\$ 65,590,666</u>	<u>26.16%</u>
Other Services				
Food Services	\$ 12,687,021	04.76%	\$ 11,946,216	04.77%
Community Service Programs	\$ 964,365	00.36%	\$ 856,772	00.34%
Facilities Acquisition & Const.	\$ 22,808,299	08.56%	\$ 22,391,824	08.93%
Debt Service	\$ 15,205,126	05.71%	\$ 15,689,593	06.26%
Sub-total Other Services	<u>\$ 51,664,811</u>	<u>19.39%</u>	<u>\$ 50,884,405</u>	<u>20.30%</u>
Total Governmental Expenditures	<u>\$ 266,387,613</u>	<u>100.00%</u>	<u>\$ 250,626,513</u>	<u>100.00%</u>

The overall increase in expenditures is primarily attributable to the continued growth in student enrollment. As a result, an additional 44 teachers were added to the staff during the 2002 fiscal year. As shown above, expenditures for instructional purposes increased by \$9.2 million, which represents approximately 6.87% of the total increase in expenditures. This indicates that we are continuing to place a larger portion of our resources into the classroom. Support Service expenditures also increased across the board. The approximate \$1.5 million increase in school administration was mostly due to an increase in the number of assistant principals as part of the Board's goal at lowering the student to administrator ratio for its schools.

General Fund Balance. The fund balance of the General Fund increased in fiscal year 2002 to \$55,886,107, which is the equivalent of 101 days of expenditures. Approximately \$15 million of the general fund balance is primarily earmarked for the improvement in ratings of any future debt issuance but the remaining \$40 million is available for appropriations. The School Board does not anticipate entering the short-term debt market to finance current operating expenditures.

Debt Administration. At June 30, 2002, the School Board had a number of debt issues outstanding, including \$8,885,000 of sales tax bonds, \$143,820,000 of general obligation bonds, and \$835,000 of certificates of indebtedness.

The sales tax bonds are serviced by an irrevocable pledge of the sales taxes collected by the school board. Sales tax receipts are placed in reserve in the debt service funds until sufficient balances are maintained to meet the debt service requirements. As of June 30, 2002, the School Board maintains approximately \$2.6 million in the sinking and reserve funds for these issues.

The general obligation bonds are secured by the good faith and credit of the St. Tammany Parish School Board. These bonds are currently serviced by ad valorem taxes collected by the school board. As of June 30, 2002, the School Board maintains approximately \$9.3 million reserve funds for these issues.

The certificates of indebtedness are serviced by an irrevocable pledge from the levy and collection of a special General Fund ad valorem tax of 4.47 mills.

Not included in the School Board's long-term debt are \$1,955,000 of School District No. 12 General Obligation Bonds defeased in June 1991, \$3,415,000 of School District No. 12 General Obligation Bonds defeased on February 2002, and \$15,000 of School District No. 8 General Obligation Bonds defeased in February 1993. The Notes to the

Financial Statements contain more detailed information on the defeased bonds.

The School Board is limited by state statute from issuing sales tax bonds in excess of seventy-five percent of the anticipated sales tax revenues. The one-cent sales and use tax dedicated to service the bonds will expire in 2007 when the bonds are redeemed.

Cash Management. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit and Louisiana Asset Management Program ("LAMP"). The average yield on investments was 2.58 percent and the School Board earned interest revenue of \$3,499,995 on all investments for the year ended June 30, 2002.

The School Board's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or secured by the pledge of securities owned by the financial institution. These pledged securities are held by a mutually agreed upon third-party financial institution in the name of the School Board. All of the investments held by the School Board during the year and at June 30, 2002 are classified in the category of the lowest credit risk as defined by the Governmental Accounting Standards Board.

Risk Management. In fiscal year 1988, the School Board initiated a limited risk management program for workers' compensation. As part of this comprehensive plan, resources began to be accumulated in an Internal Service Fund to meet potential losses. In addition, various risk control techniques, including employee accident prevention training, have been implemented to minimize accident-related losses. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$250,000.

In addition, in fiscal year 1990, the School Board initiated a limited risk management program for general liability and property damage. Resources are transferred from the General Fund and accumulated in an Internal Service Fund to pay potential claims. The School Board has undertaken a program to determine methods to limit our exposure to general liability claims and to minimize any potential loss of or damage to property. Third party coverage of commercial insurance for individual claims in excess of \$150,000 for both general liability and property damage is maintained by the School Board.

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting and auditing firm of Postlethwaite and Netterville, LPC was selected by the School

Board to perform the fiscal year 2002 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act, as amended and related OMB Circular A-133. The independent auditors' report on the financial statements is included in the financial section of this report. The independent auditors' reports related specifically to the Single Audit Act are included in the Single Audit Section.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the St. Tammany Parish School Board for its comprehensive annual financial report for the fiscal year ended June 30, 2001.

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

The St. Tammany Parish School Board was also awarded a Certificate of Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2001 by the Association of School Business Officials, International (ASBO).

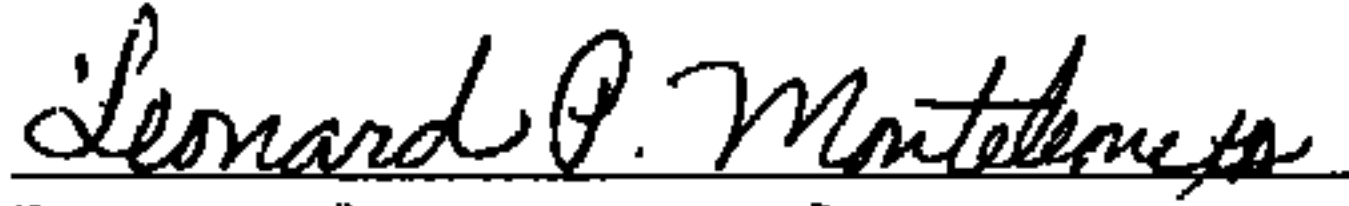
The award certifies that the school system has presented its comprehensive annual financial report to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO. Receiving the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

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

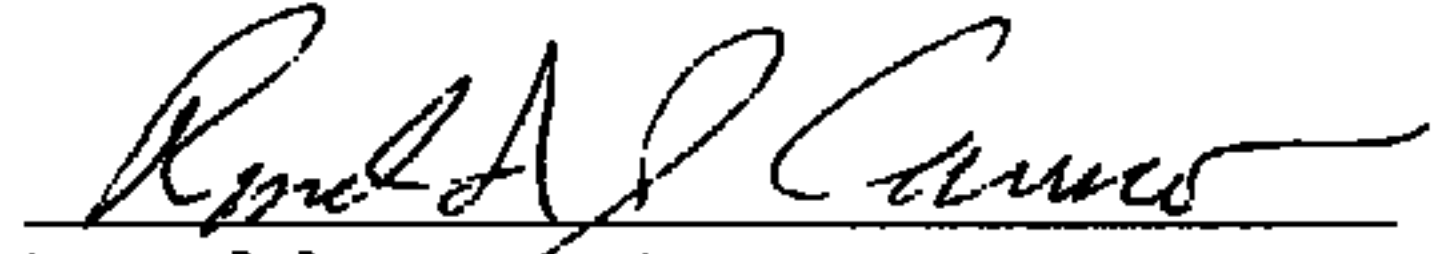
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Business Affairs Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of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

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

Respectfully submitted,



Leonard P. Monteleone
Superintendent



Ronald J. Caruso, CPA
Dir. of Business Affairs

Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Tammany Parish School
Board, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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.



William Patrick Pate
President

Jeffrey L. Esser
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to
ST. TAMMANY PARISH SCHOOL BOARD
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2001

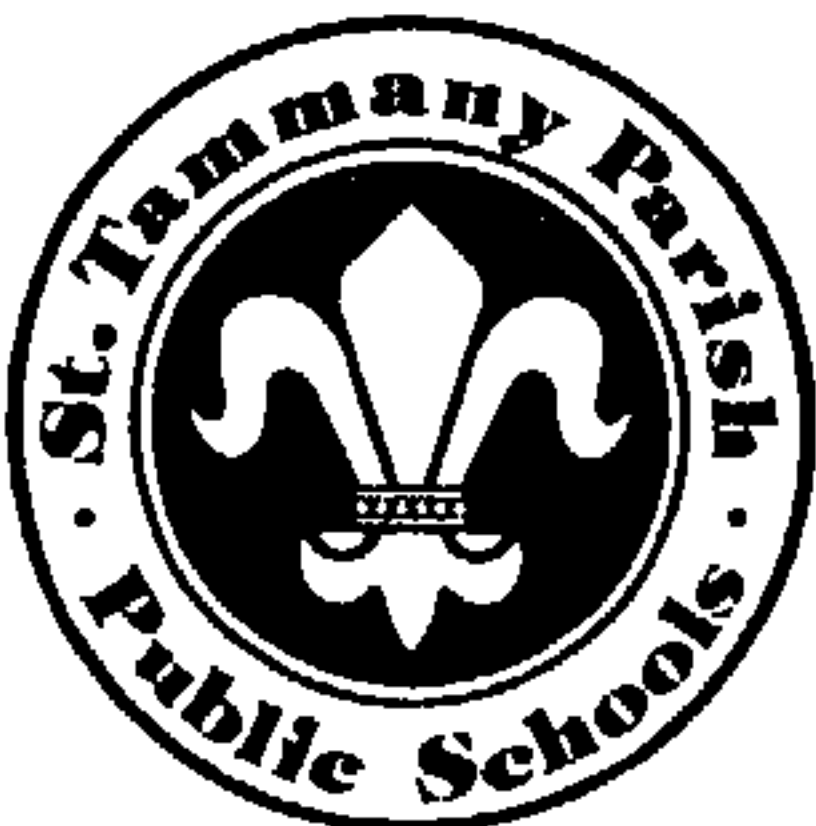
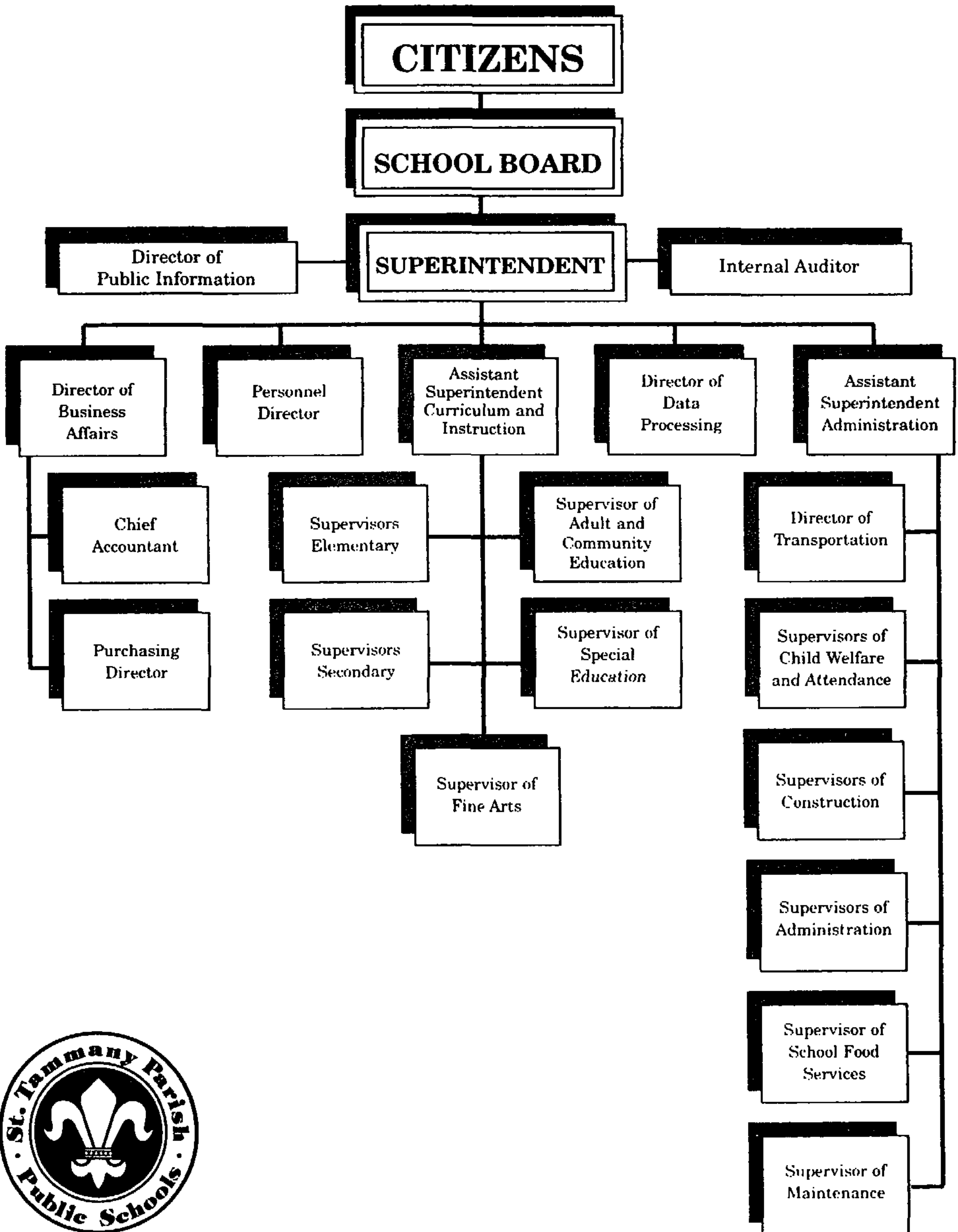
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Clark J. Goldhill
President

David A. Kelly
Interim Executive Director

ST. TAMMANY PARISH SCHOOL BOARD

Organizational Chart



St. Tammany Parish School Board **PRINCIPAL OFFICIALS**

School Board Members

President – John Lamarque Vice President – Diane D. Sambola

Ray A. Alfred
E. Roth Allen
Mary K. Ballisario
Rober Broome
Donald L. Burris
Charles T. Harrell
Elizabeth Heintz

Neal M. Hennegan
Carmen Johnson
James Panks
Donald J. Villere
Patty Young
Daniel G. Zechenelly

Administrative Officials

Leonard P. Monteleone, Superintendent
Richard Tanner, Assistant Superintendent-Administration
Gayle Sloan, Assistant Superintendent-Curriculum and Instruction
Ronald J. Caruso, CPA, Director of Business Affairs
Louis Boullion, Director of Data Processing
Peter J. Jabbia, Personnel Director



Postlethwaite & Netterville

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

www.pncpa.com

Independent Auditors' Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish School Board (the School Board), as of and for the year ended June 30, 2002, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1(C) to the basic financial statements, the School Board adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis* – for State & Local Governments, and Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, in 2002.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 and 55 through 61 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management

regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion to it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying other supplementary information and statistical data on pages 62 through 116 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The other supplementary information included in the statistical data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Postlethwaite & Netterville

December 5, 2002

ST. TAMMANY PARISH SCHOOL BOARD

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

ST. TAMMANY PARISH SCHOOL BOARD

Management's Discussion and Analysis June 30, 2002

As management of the St. Tammany Parish School Board, we offer readers of the St. Tammany Parish School Board's financial statements this narrative overview and analysis of the financial activities of the St. Tammany Parish School Board for the fiscal year ended June 30, 2002. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages vi through xv and the School Board's financial statements, which begins on page 1.

FINANCIAL HIGHLIGHTS

The financial highlights for the St. Tammany Parish School Board for fiscal year ending June 30, 2002 were:

- The School Board's general fund expended nearly \$206 million dollars on a budgetary basis in fiscal year ending June 30, 2002 on education for St. Tammany Parish. The majority of these funds, or 85 percent, nearly \$176 million, was spent on instructional and support programs with less than 15 percent spent on administration, operation and maintenance of schools.
- Certified teachers received a salary increase of \$3,060 in 2002 bringing the beginning teacher salary to \$29,098. Non-certificated employees received a \$1,000 salary increase. The net costs of this increase to the School Board was approximately \$9 million.
- The total health and life insurance premiums paid by the School Board in 2002 were \$23,961,190 an increase of 24.9 percent from prior year.
- The School Board's general fund revenues on a budgetary basis for fiscal year ending June 30, 2002 were nearly \$216 million. The largest sources of funds were from the State of Louisiana Minimum Foundation Program (\$123 million), ad valorem taxes (\$34 million) and operating transfers from the sales tax funds (\$50 million).
- The assets of the St. Tammany Parish School Board exceeded its liabilities at the close of the year by \$103 million, of this amount, \$52.5 million must be used to meet the School Board's ongoing obligations to the citizen's of St. Tammany Parish and its creditors.
- The St. Tammany Parish School Board's net assets increased by \$11.1 million. The majority of this increase was due to Louisiana's minimum foundation program and Federal operating grants.

ST. TAMMANY PARISH SCHOOL BOARD

Management's Discussion and Analysis June 30, 2002

- The St. Tammany Parish School Board's governmental funds reported combined ending fund balances of \$135 million, and increase of \$36.4 million in comparison of prior year. Most of this came from the issuance of \$44 million in general obligation bonds in February of 2002.
- The School Board expended \$25 million on capital projects in 2002. The majority of these expenditures were on construction of a new school and additions of classrooms.
- The School Board's general fund budget had an operating surplus of \$10.4 million.
- The School Board issued \$47 million in new debt in 2002 a portion of the proceeds is budgeted to be used on the \$30 million in new capital projects budgeted for 2003 and early retirement of \$3.5 million in outstanding debt. As of June 30, 2002, the School Board had \$164 million in long-term debt outstanding.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements include the Statement of Net Assets and the Statement of Activities (on pages 15 and 16, respectively); they provide information about the financial position of the School Board as a whole and present a longer-term view of the School Board's finances. Fund Financial Statements start on page 17. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the School Board's operations in more detail than the government-wide statements by providing information about the School Board's most significant funds. The fiduciary fund statements provide financial information about activities for which the School Board acts solely as a trustee or agent for the benefit of those outside of the government.

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

ST. TAMMANY PARISH SCHOOL BOARD

Management's Discussion and Analysis June 30, 2002

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

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 54 of this report.

Other information

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 64 through 96 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Our analysis of the School Board as a whole begins on page 15. One of the most important questions asked about the School Board's finances is, "Is the School Board as a whole better off or worse off as a result of the years activities?" The Statement of Net Assets and the Statement of Activities report information about the School Board as a whole and about activities in a way that helps answer the question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

Governmental Activities – Most of the School Boards basic services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program ("MFP") Funds, and state and federal grants

ST. TAMMANY PARISH SCHOOL BOARD

Management's Discussion and Analysis

June 30, 2002

finance most of these activities. In the internal service funds, the School Board charges fees to departments to help cover the costs of certain services it provides by being self insured. The School Board's general liability and workers' compensation programs are accounted for here.

Business-type activities – Business-type activities are those activities which are conducted by the School Board whereas the fees/charges for those services provided are intended to be sufficient to realize a profit. The School Board did not have any such activities in fiscal years ending June 30, 2002 or 2001.

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

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

	Governmental Activities	
	<u>2002</u>	<u>2001</u>
Assets:		
Current and other assets	\$164,316	\$128,996
Capital Assets	<u>128,378</u>	<u>117,838</u>
Total Assets	<u>292,694</u>	<u>246,834</u>
Liabilities:		
Long-term debt outstanding	164,207	122,407
Other liabilities	<u>25,616</u>	<u>32,639</u>
Total Liabilities	<u>189,823</u>	<u>155,046</u>
Net Assets:		
Invested in capital assets, net of debt	28,978	29,905
Restricted	21,415	17,958
Unrestricted	<u>52,479</u>	<u>43,925</u>
Total Net Assets	<u>\$102,872</u>	<u>\$ 91,788</u>

In fiscal year ending June 30, 2002, the School Board issued \$47 million in general obligation bonds for the purpose of adding/building new schools and adding additional classrooms to existing schools. The increase in current assets and other assets, long-term debt outstanding, and net assets can largely be attributed to the proceeds from this bond issuance.

ST. TAMMANY PARISH SCHOOL BOARD

**Management's Discussion and Analysis
June 30, 2002**

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

	<u>Governmental Activities</u>	
	<u>2002</u>	<u>2001</u>
Revenues		
Program Revenues:		
Charges for services	\$ 3,734	\$ 3,659
Operating grants and contributions	20,438	15,817
Capital grants and contributions	752	715
General revenues:		
Property taxes	48,344	45,507
Sales taxes	52,848	48,796
State Equalization (MFP)	124,341	117,742
Other general revenues	<u>11,779</u>	<u>15,702</u>
Total revenues	<u>262,236</u>	<u>247,938</u>
Program expenses		
Regular programs	87,254	84,469
Special education programs	43,764	38,210
Vocational education	4,624	4,379
Other instructional programs	8,683	6,951
Special programs	4,121	3,818
Adult education programs	561	437
Pupil support	9,806	8,818
Instructional staff support	9,810	8,794
General administration	4,272	3,847
School administration	12,747	11,116
Business administration	1,647	1,637
Operation and maintenance of plant	18,261	17,583
Pupil transportation	15,138	13,446
Central services	2,368	1,948
Food services	13,241	12,273
Community services programs	995	893
Unallocated depreciation expense	7,641	6,481
Interest on long-term debt	<u>6,242</u>	<u>6,625</u>
Total Expenses	<u>251,175</u>	<u>231,725</u>
Increase in net assets	<u>\$ 11,061</u>	<u>\$ 16,213</u>

Revenues increased 5.8 percent or approximately \$14,298,000. The largest increases were sales and ad valorem (property) taxes, federal and state grants and MFP money. Sales taxes increased from prior year at a rate of approximately 8.3 percent which is a result of economic growth in St. Tammany Parish. New home construction and rising property values resulted in a 6.2 percent increase in ad valorem tax revenues. Along with economic prosperity came an influx of additional residents and students.

ST. TAMMANY PARISH SCHOOL BOARD

Management's Discussion and Analysis June 30, 2002

The student enrollment continued to increase from 32,680 students in 2001 to 32,870 students in 2002 along with MFP funding for those additional students. In addition, the School Board received approximately \$4.2 million in additional federal and state grants than in prior years.

Expenditures increased 8.4 Percent or approximately \$19,450,000 in 2002, which was slightly higher than revenues grew for the same period. After capital expenditures, the second largest increases were in instructional programs as part of the School Boards plan to reduce classroom size and enhance student achievement. Salary and benefits cost account for the vast majority of costs for the School Board. The increase in instructional programs as well as other programs is mainly attributed to increase in salaries across the board funded by local and state sources and additional teachers and support staff hired for the reasons stated above. Higher fuel costs resulted in higher pupil transportation costs.

REPORTING THE SCHOOL BOARD'S MOST SIGNIFICANT FUNDS

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

Our analysis of the School Board's major funds begins on page 55. The fund financial statements begin on page 17 and provide detailed information about the most significant funds – not the School Board as a whole. Some funds are required to be established by State law or by bond covenants. However, the School Board establishes other funds to help it control and manage financial resources for particular purposes or to demonstrate that it is meeting legal responsibilities for using certain taxes, grants, and other money.

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

Governmental Funds – most of the School boards basic services are reported in the governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation on pages 19 and 22.

ST. TAMMANY PARISH SCHOOL BOARD

Management's Discussion and Analysis June 30, 2002

The School Board's governmental funds reported combined ending fund balances of \$134,999,075, and increase of \$36,364,396 in comparison with the prior year. The components of this increase is described below.

The general fund balance increased by \$11,324,681 from prior year to \$56,886,107 as of June 30, 2002. General fund expenditures before transfers and other financing uses increased 5.9 percent, or \$11.2 million from prior year. General fund revenue before transfers and other financing sources increased only 4.3 percent, or \$6.8 million. Operating transfers, mostly from the sales tax funds increased \$6.4 million from 2001. The nearly 9 percent increase in sales tax revenue was much higher than originally budgeted.

Capital project fund balance increased \$25,442,008 in the current year. This increase was a result of \$47.4 million in general obligation debt issued in 2002 offset by \$22.8 million in expenditures on capital assets and construction and \$3.4 million for early extinguishment of debt.

The special revenue funds had a decrease in fund balance of \$2,021,968 mostly due to the transfer of prior year surpluses in the 1977 sales tax fund to the General fund.

The debt service funds saw a slight increase of \$1,679,098 in 2002 up from \$10,305,666 in 2001 due to both lower annual debt service payments and slightly higher ad valorem tax collections. The \$11,984,764 in fund balance in the debt service funds is reserved for future debt service payments.

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

ST. TAMMANY PARISH SCHOOL BOARD

Management's Discussion and Analysis June 30, 2002

Net assets in the proprietary funds declined \$147,388 from the prior year to \$3,701,837 in 2002. The decline in the Workers' Compensation Fund net assets of \$834,566 was mainly attributed to administrative costs for a new third party administrator for the School Board's workers' compensation claims and settling of older claims in 2002. The risk management fund actually had an increase of net assets of \$687,178 because of reduced claims.

Fiduciary Funds - The School Board is trustee, or fiduciary, for its student activity funds that are under the control and administration of the Board. All of the School Board's fiduciary activities are reported in the Statement of Fiduciary Net Assets and the Statement of Changes in Net Assets on pages 26 and 27 of this section. These funds are not available to the School Board to finance its operations, and therefore not included in the government-wide financial statements. The School Board is responsible for ensuring that the assets reported by these funds are used for their intended purposes.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$31,792 increase in budgetary fund balance) and can be briefly summarized as follows:

\$2.1 million increase in projected revenues as follows:

- \$1.1 million increase in minimum foundation program
- \$1.2 million decrease in investment interest
- \$1.4 million increase in sales tax revenue
- \$.3 million increase in ad valorem taxes
- \$.3 million increase due to one time salary supplement for non-certificated personnel
- \$.2 million increase in miscellaneous other revenues

\$2.1 million increase in projected expenditures as follows:

- \$.9 million increase in salaries and benefits funded through the minimum foundation program and local sources
- \$.6 million increase in equipment and supplies expenditures
- \$.6 million increase in textbook expenditures
- \$.3 million increase in software expenditures
- \$.3 million decrease in administrative miscellaneous expenditures

The Board's General Fund balance of \$55,886,107 reported on pages 17 through 18 differs from the General Fund's budgetary fund balance of \$55,413,409 reported in the budgetary comparison schedule on page 56. This is principally because the budgetary fund balance includes both transfers in and bond proceeds as a source of funds available for appropriation and transfers out and repayment of debt as a charge to appropriations, while, the statement of activities does not.

ST. TAMMANY PARISH SCHOOL BOARD

**Management's Discussion and Analysis
June 30, 2002**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2002, the School Board invested in broad range of capital assets, including land, school facilities, and equipment totaling \$128 million. (See Table 4 below) The net increase (including additions and deductions) in capital assets in 2002 was \$10.5 million, or 8.9 percent, over last year.

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

	<u>Governmental Activities</u>	
	<u>2002</u>	<u>2001</u>
Land	\$ 7,603	\$ 7,427
Buildings & Improvements	101,926	84,451
Equipment	4,519	5,026
Construction in progress	<u>14,330</u>	<u>20,934</u>
Total	<u>\$128,378</u>	<u>\$117,838</u>

Major additions in 2002 include:

Construction of a new school in the Mandeville area	\$ 6,845,000
Construction of classroom additions throughout the Parish	\$ 16,221,000
Renovation of athletic facilities in the Slidell area	\$ 749,000
Purchase of vacant land for the purpose of constructing a New school in the Mandeville area	\$ 174,000
Miscellaneous additions/renovations throughout the Parish	\$ 1,002,000
Totals	<u>\$ 24,991,000</u>

The School Board's fiscal year 2003 budget for capital projects is \$30 million, principally for classroom additions, school renovations, science labs, athletic facilities and construction of a new central office building. The School Board issued \$47 million in new debt in 2002 to finance these projects. More detailed information about the School Board's capital assets is presented in Note 7 to the financial statements.

ST. TAMMANY PARISH SCHOOL BOARD

Management's Discussion and Analysis June 30, 2002

Long-term Debt

As of June 30, 2002, the School Board had \$163.5 million in long-term debt outstanding an increase of \$35,050,000 or 27.2 percent over the amount of June 30, 2001 – as shown in Table 5.

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

	Governmental Activities	
	<u>2002</u>	<u>2001</u>
General obligation bonds (backed by the School Board)	\$143,820	\$106,550
Revenue bonds and notes (backed by specific tax and fee revenue)	\$ 8,885	\$ 10,335
Certificates of Indebtedness (backed by specific tax and fee revenue)	\$ 835	\$ 1,625
Compensated Absences	<u>\$ 10,667</u>	<u>\$ 10,001</u>
Totals	<u>\$164,207</u>	<u>\$128,511</u>

The School Board issued \$47.4 million in new general obligation debt in 2002 mainly to finance the construction and maintenance of facilities. In addition, to improve cash flow and to take advantage of lower interest rates, the School Board defeased nearly \$3.6 million of general obligation debt by issuing refunding bonds. By refinancing the debt, the School Board will save \$1.2 million in principle and interest over the next 10 years.

Subsequent to year-end, the School Board issued an additional \$4 million in new debt to refinance the remaining balance of the 1992, \$11 million sales tax bonds. The School Board expects to realize an additional savings of approximately \$300,000 by refinancing this debt over the remaining four years.

The School Board's bond rating was increased in 2002 to AAA by *Standard & Poors*. The State constitution limits the amount of general obligation debt that the School Board can issue to 35 percent of the assessed value of all taxable property within the school district. The School Board's outstanding general obligation debt of \$143.8 million is significantly below the current \$324 million limit.

ST. TAMMANY PARISH SCHOOL BOARD

Management's Discussion and Analysis

June 30, 2002

The School Board initiated a risk management program for general liability and workers' compensation in prior years. The School Board purchases commercial insurance for claims in excess of coverage provided through its self-insurance funds. The School Board had \$1.8 million in claims and judgments outstanding for fiscal year ending June 30, 2002 and in 2001. Other obligations include accrued vacation pay and sick leave. More detailed information about the School Board's long-term liabilities is presented in Notes 8 and 9 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The following are currently known St. Tammany Parish economic factors considered into the 2002-03 fiscal year:

- Sales taxes are expected to continue to increase for St. Tammany Parish, as the Parish remains one of the wealthiest parishes in the State of Louisiana.
- St. Tammany Parish School Board student attendance is expected to continue to increase for the next couple of years at a rate similar to the recent past years.
- Pressure to increase teacher salaries to keep up with the *Southern Average* continues and is likely that salary cost will increase accordingly.

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

- Sales taxes had increased at approximately 6 percent above fiscal year ended June 30, 2002 levels.
- State of Louisiana House Bill 31 (*The Stelly Plan*) was voted into law on November 5, 2002 which calls for a reduction in state sales taxes in exchange for an increase in Louisiana income taxes. The effect if any of this new law on local school districts such as St. Tammany are not yet known.
- The unofficial student count in October 2002 for fiscal year ending June 30, 2003 showed an increase of 1,084 in student attendance.
- The School Board issued \$4 million in general obligation bonds in October 2002 to refinance the remaining balance on \$11 million in general obligation bonds issued in 1992. The savings on this refinancing is expected to be around \$300,000.

All of these factors were considered in preparing the St. Tammany Parish School Board's budget for the 2002-03 fiscal year.

ST. TAMMANY PARISH SCHOOL BOARD

**Management's Discussion and Analysis
June 30, 2002**

REQUESTS FOR INFORMATION

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

ST. TAMMANY PARISH SCHOOL BOARD

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



"DEGAS VASE"
by: Nicolas Salvetti
2nd Grade
Abita Elementary
Teacher: Mr. Brewster

Students love to
draw - here they
use oil pastels and
pencil.

"SELF PORTRAIT"
by: Rachel Jocks
Pearl River Junior High
Teacher: Darlene Powell



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

Statement A

**Statement of Net Assets
For the Year Ended June 30, 2002**

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 45,547,739
Investments	44,421,300
Receivables (Net):	
Taxes:	
Ad valorem	856,177
Sales and use	4,487,574
Intergovernmental :	
Federal	1,992,272
State	1,524,605
Other Receivables:	
Other	359,107
Inventory	320,068
Restricted cash and cash equivalents	9,246,001
Restricted investments	55,561,509
Capital assets:	
Land	7,602,890
Capital assets, net of depreciation	<u>120,775,238</u>
TOTAL ASSETS	<u>292,694,480</u>
LIABILITIES	
Accounts, salaries and other payables	22,805,896
Deferred revenue	1,101,929
Claims and judgments	1,673,495
Other	34,120
Long-term liabilities:	
Due within one year	9,795,000
Due in more than one year	<u>154,412,456</u>
TOTAL LIABILITIES	<u>189,822,896</u>
NET ASSETS	
Invested in capital assets, net of related debt	28,978,182
Restricted for:	
Maintenance and operations	9,466,049
Debt Service	11,948,764
Unrestricted	<u>52,478,589</u>
TOTAL NET ASSETS	<u>\$ 102,871,584</u>

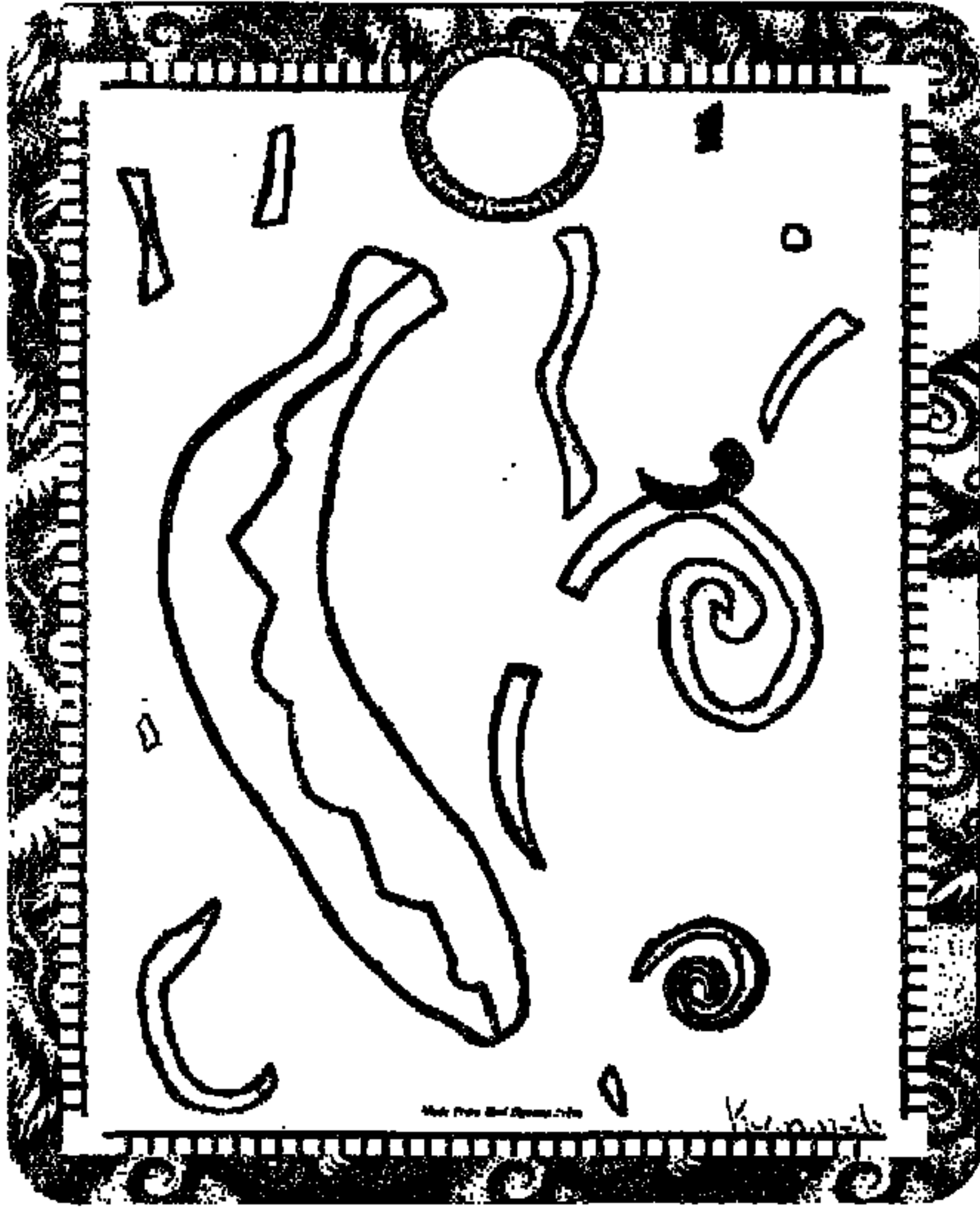
The notes to the basic financial statements are an integral part of this statement

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Statement of Activities
For the Year Ended June 30, 2002

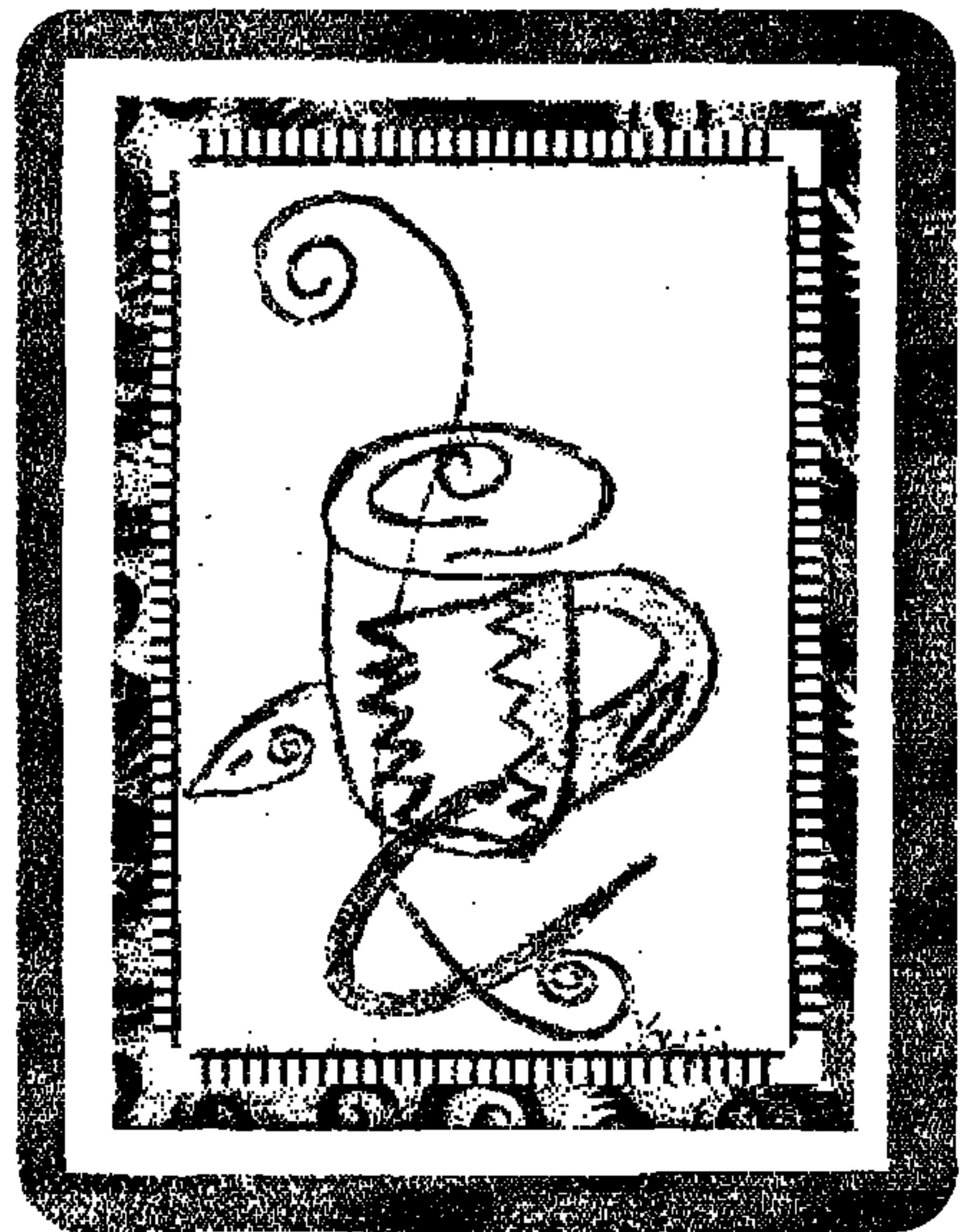
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
FUNCTIONS/PROGRAMS					
<i>Governmental Activities:</i>					
<i>Instruction:</i>					
Regular Programs	\$87,253,791	\$208,698	\$2,624,450	\$0	(\$84,420,643)
Special Education Programs	43,764,346	0	3,387,177	0	(40,377,169)
Vocational Educational Programs	4,624,007	0	296,216	0	(4,327,791)
Other Instructional Programs	8,683,473	0	1,148,646	0	(7,534,827)
Special Programs	4,121,088	0	3,739,247	0	(381,841)
Adult Educational Programs	561,205	0	279,461	0	(281,744)
<i>Support Services:</i>					
Pupil Support	9,805,615	0	993,897	0	(8,811,718)
Instructional Staff Support	9,809,344	0	2,101,745	0	(7,707,599)
General Administration	4,271,971	0	9,591	0	(4,262,380)
School Administration	12,747,955	0	466,969	0	(12,280,986)
Business Administration	1,646,685	0	0	0	(1,646,685)
Operation and Maintenance of Plant	18,261,133	0	195,412	0	(18,065,721)
Pupil Transportation	15,137,579	0	433,314	0	(14,704,265)
Central Services	2,367,639	0	0	0	(2,367,639)
Food Services	13,241,043	2,746,381	4,761,883	752,333	(4,980,446)
Unallocated depreciation on Facilities	7,641,343	0	0	0	(7,641,343)
Community Service Programs	994,973	778,694	0	0	(216,279)
Interest on Long-term Debt	6,242,420	0	0	0	(6,242,420)
<i>Total Governmental Activities</i>	<u>\$251,175,610</u>	<u>\$3,733,773</u>	<u>\$20,438,008</u>	<u>\$752,333</u>	<u>(\$226,251,496)</u>
<i>General Revenues:</i>					
<i>Taxes:</i>					
					\$48,344,307
					52,847,766
					1,799,322
<i>Grants and Contributions not Restricted to Specific Programs-</i>					
					124,341,219
					3,499,995
					6,479,498
<i>Total General Revenues</i>					<u>237,312,107</u>
<i>Changes in Net Assets</i>					11,060,611
<i>Net Assets, Beginning as restated</i>					<u>91,810,973</u>
<i>Net Assets, Ending</i>					<u>\$102,871,584</u>

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



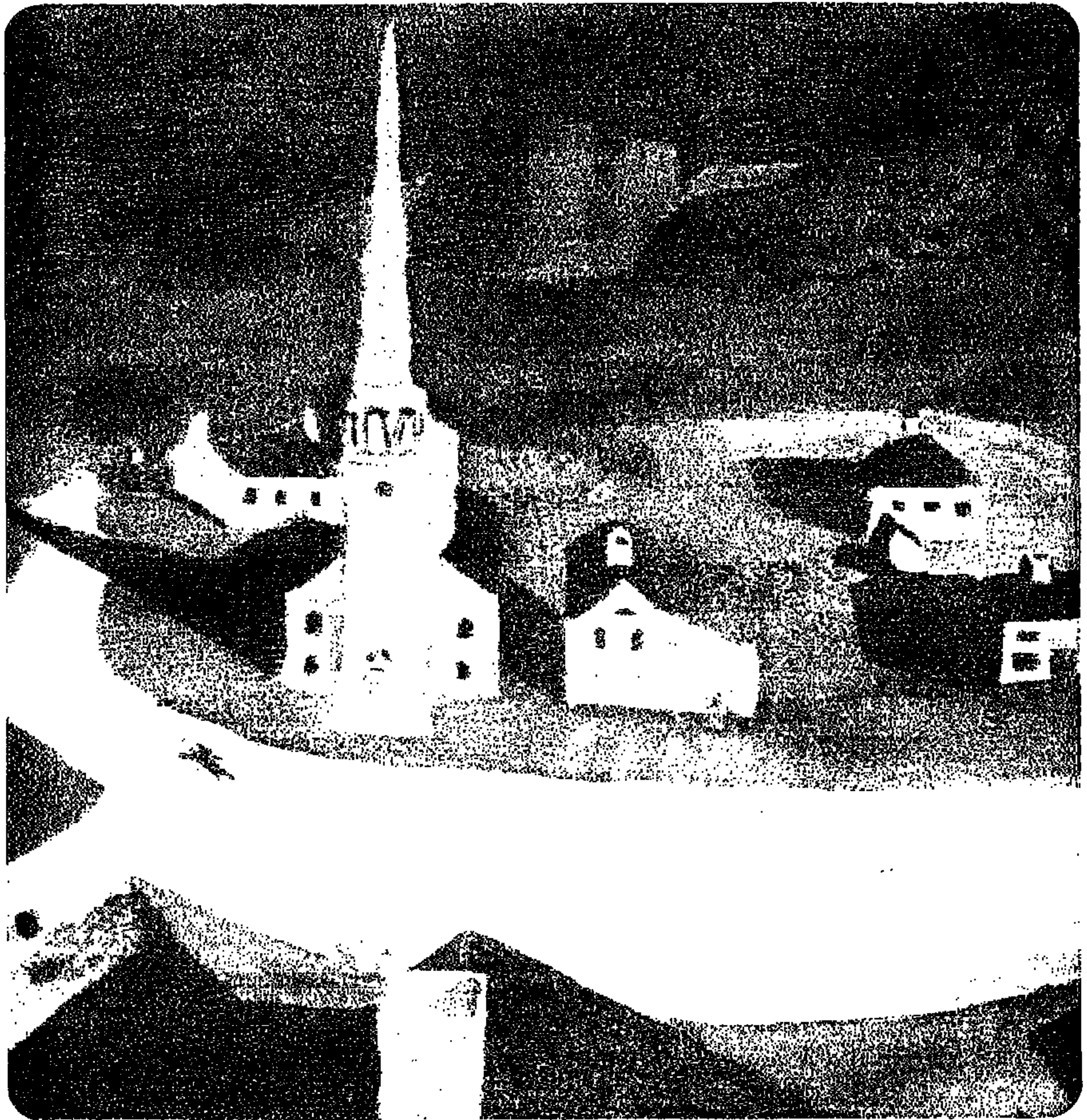
Products of the
Banana Republics

by Kymesha
Pine View Middle School
Mrs. Tate's Class
4th grade



ST. TAMMANY PARISH SCHOOL BOARD

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



"THE MIDNIGHT RIDE OF PAUL REVERE"

by: Jennifer Schurr
Fontainebleau High School
Teacher: Alack/ Culbertson

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

**Governmental Funds - Balance Sheet
June 30, 2002
With Comparative Totals for June 30, 2001**

	Major Fund Types			
	<u>General</u>	<u>1966 Sales Tax Fund</u>	<u>1977 Sales Tax Fund</u>	<u>\$44 Million Construction</u>
Assets				
Cash and cash equivalents	\$25,360,194	\$5,909	\$57,840	\$156,919
Investments	43,261,342			43,720,753
Receivables:				
Taxes:				
Ad valorem	601,586			
Sales and use		2,243,787	2,243,787	
Intergovernmental:				
Federal	53,526			
State	691,806			
Other	343,224	794	794	
Due from other funds	7,763,450		7,827	
Inventory				
Total Assets	<u>\$78,075,128</u>	<u>\$2,250,490</u>	<u>\$2,310,248</u>	<u>\$43,877,672</u>
Liabilities and Fund Balances				
Liabilities:				
Salaries and wages payable	\$16,703,020			
Payroll deductions and withholdings payable	2,878,977			
Accounts payable	907,872	\$25,804	\$25,804	\$190
Contracts and retainages payable				
Due to other funds	428,550	2,218,778	2,218,778	
Other liabilities	34,120			
Deferred revenues	236,482			
Total Liabilities	<u>21,189,021</u>	<u>2,244,582</u>	<u>2,244,582</u>	<u>190</u>
Fund Balances:				
Reserved for:				
Reserved for encumbrances	1,472,698			770,418
Reserved for inventory				
Reserved for debt service				
Unreserved, undesignated	55,413,409	5,908	65,666	43,107,064
Total Fund Balance	<u>56,886,107</u>	<u>5,908</u>	<u>65,666</u>	<u>43,877,482</u>
Total Liabilities and Fund Balances	<u>\$78,075,128</u>	<u>\$2,250,490</u>	<u>\$2,310,248</u>	<u>\$43,877,672</u>

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

Statement C

	Non-Major Fund Types	Totals	
		(Memorandum Only)	
		2002	2001
<u>\$55 Million Construction</u>	<u>Other Governmental</u>		
\$2,319,789	\$22,562,738	\$50,463,389	\$80,842,807
11,630,710	315,859	98,928,664	32,457,195
	254,591	856,177	744,611
		4,487,574	4,154,006
	1,938,746	1,992,272	1,845,470
	832,799	1,524,605	2,804,369
	4,287	349,099	245,266
	548,382	8,319,659	8,657,629
	320,068	320,068	277,781
<u>\$13,950,499</u>	<u>\$26,777,470</u>	<u>\$167,241,507</u>	<u>\$132,029,134</u>
		\$16,703,020	\$15,464,231
		2,878,977	929,673
\$232,552	\$413,451	1,605,673	6,030,336
1,096,133	463,250	1,559,383	1,508,089
	3,493,224	8,359,330	8,657,629
	0	34,120	46,298
	865,447	1,101,929	758,199
<u>1,328,685</u>	<u>5,235,372</u>	<u>32,242,432</u>	<u>33,394,455</u>
		9,466,049	7,652,530
6,626,271	596,662	94,329	83,252
	94,329	11,948,764	10,305,666
5,995,543	11,948,764	113,489,933	80,593,231
<u>12,621,814</u>	<u>8,902,343</u>	<u>134,999,075</u>	<u>98,634,679</u>
<u>\$13,950,499</u>	<u>\$26,777,470</u>	<u>\$167,241,507</u>	<u>\$132,029,134</u>

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

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2002**

Total fund balances – governmental funds \$ 134,999,075

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

Cost of capital assets	\$ 307,633,626	
Accumulated depreciation	<u>(179,255,498)</u>	128,378,128

Elimination of interfund assets and liabilities

Interfund assets	\$ (8,319,659)	
Interfund liabilities	<u>8,359,330</u>	39,671

Net assets of the internal service fund reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement less interfunds eliminated in the consolidation into the governmental activities.

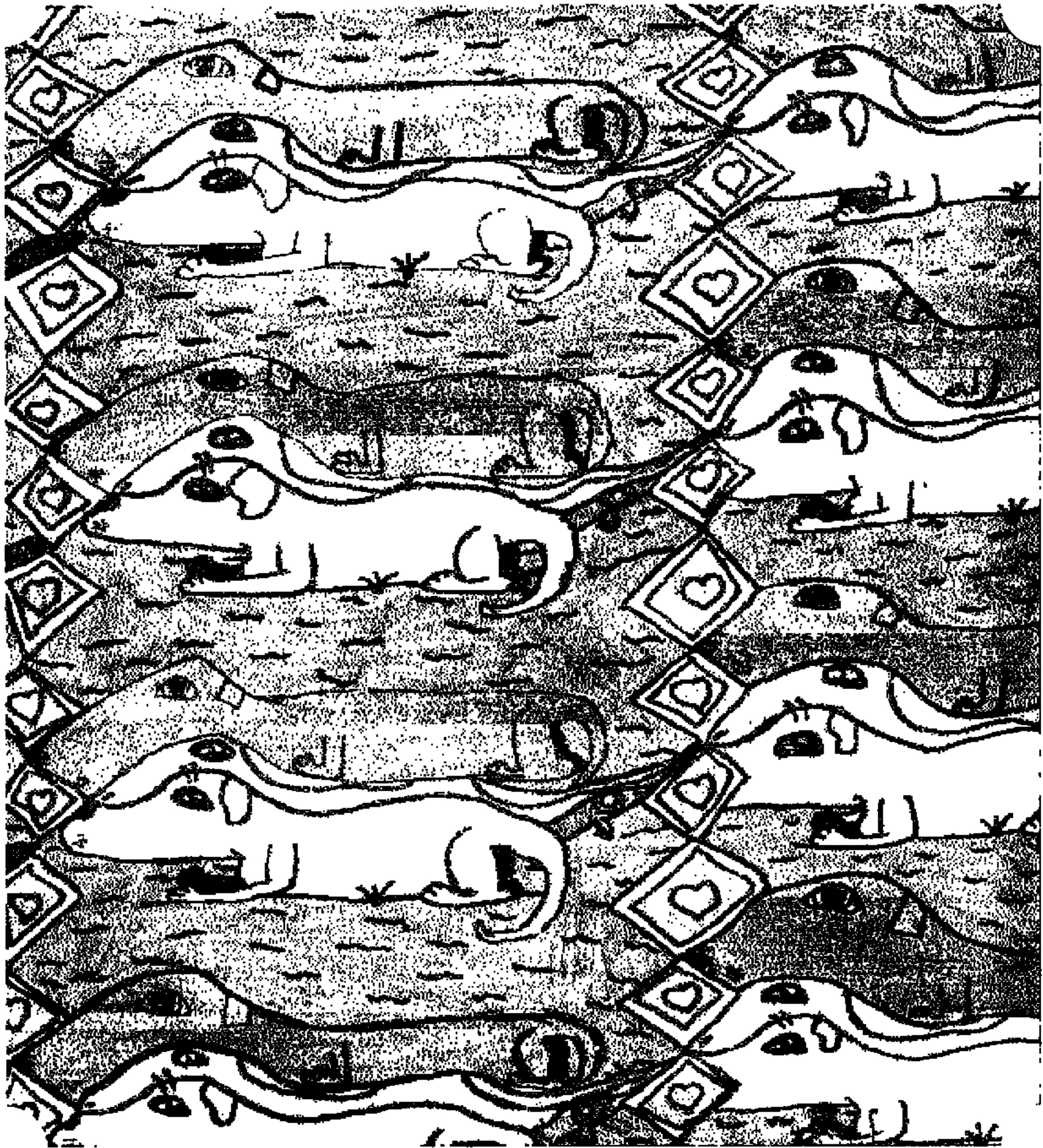
Total net assets	\$ 3,701,837	
Interfund liabilities	14,939	
Interfund assets	<u>(54,610)</u>	3,662,166

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All Liabilities – both current and long-term – are reported in the Statement of Net Assets.

Balance at June 30, 2002 are:		
Bonds payable	\$ (153,540,000)	
Compensated absences	<u>(10,667,456)</u>	<u>(164,207,456)</u>

Net assets – governmental activities \$ 102,871,584

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



"Translating Tessellation - Puppy Love"

by : Sarah Willson

4th Grade

Mandeville Middle School

Teacher: Mrs. Baragona

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2002
With Comparative Totals for the Year Ended June 30, 2001

	Major Fund Types				
	General	1966 Sales Tax Fund	1977 Sales Tax Fund	\$44 Million Construction	\$55 Million Construction
Revenues					
Local sources:					
Taxes:					
Ad valorem	\$34,245,594				
Sales and use		\$26,423,883	\$26,423,883		
Rentals, leases, and royalties					
Tuition	208,698				
Earnings on investments	1,860,064	49,147	50,703	\$197,797	\$589,136
Food service					
Other	674,423				
State sources:					
Equalization	123,157,701				
Contributions to Teachers' Retirement	114,847				
Revenue sharing	1,799,322				
Professional Improvement Program	885,409				
Other	1,347,704				
Federal sources	583,265				
Total Revenues	<u>\$164,877,027</u>	<u>\$26,473,030</u>	<u>\$26,474,586</u>	<u>\$197,797</u>	<u>\$589,136</u>
Expenditures					
Current:					
Instruction:					
Regular Ed programs	81,623,426				
Special Ed programs	39,304,082				
Vocational Ed programs	4,027,945				
Other instructional programs	7,160,666				
Special programs	422,580				
Adult Ed programs	471,862				
Support services:					
Pupil support	8,431,597				
Instructional staff support	7,463,799				
General administration	3,027,343	304,083	304,083	26,617	
School administration	11,896,939				
Business administration	1,582,030				
Operation and maintenance of plant	17,333,312				
Pupil transportation	14,270,323				
Central services	2,208,452				
Food service	1,641,058				
Community service programs	42,604			173,297	15,797,752
Facilities acquisition and construction	197,401				
Debt service:					
Issuance costs				120,401	
Principal retirement					
Interest and bank charges					
Total Expenditures	<u>201,105,218</u>	<u>304,083</u>	<u>304,083</u>	<u>320,315</u>	<u>15,797,752</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(36,228,192)</u>	<u>26,168,947</u>	<u>26,170,503</u>	<u>(122,518)</u>	<u>(15,208,616)</u>
Other Financing Sources (Uses)					
Payment to escrow agent from bond proceeds					
Accrued interest on issued bonds				44,000,000	
Proceeds from bonds	51,276,981		51,930		
Operating transfers in	(3,743,091)	(26,168,040)	(28,193,043)		
Operating transfers out					
Total Other Financing Sources (Uses)	<u>47,533,890</u>	<u>(26,168,040)</u>	<u>(28,141,113)</u>	<u>44,000,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures And Other Financing Uses	<u>11,305,698</u>	<u>907</u>	<u>(1,970,610)</u>	<u>43,877,482</u>	<u>(15,208,616)</u>
Fund Balances, Beginning of Year (as restated)	<u>45,580,409</u>	<u>5,002</u>	<u>2,036,277</u>	<u>0</u>	<u>27,830,430</u>
Fund Balances, End of Year	<u>\$56,886,107</u>	<u>\$5,909</u>	<u>\$65,667</u>	<u>\$43,877,482</u>	<u>\$12,621,814</u>

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

Statement E

Non-major Fund Types	Totals (Memorandum Only)	
	2002	2001
Other Governmental		
\$14,098,713	\$48,344,307	\$45,507,454
	52,847,766	48,795,600
3,420	3,420	4,200
778,694	987,392	965,985
609,827	3,356,674	7,007,188
2,746,381	2,746,381	2,688,320
112,957	787,380	761,263
1,183,518	124,341,219	117,742,209
	114,847	111,340
	1,799,322	1,802,063
	885,409	929,037
1,720,788	3,068,492	2,964,213
18,875,565	19,458,630	15,285,933
<u>\$40,129,863</u>	<u>\$258,741,439</u>	<u>\$244,564,805</u>
2,268,671	83,892,097	81,795,569
3,028,433	42,332,515	37,450,483
296,216	4,324,161	4,117,904
1,148,646	8,309,312	6,721,294
3,498,954	3,921,534	3,643,253
54,249	525,911	422,939
993,897	9,425,494	8,574,646
2,019,357	9,483,156	8,604,165
454,745	4,121,871	3,764,886
466,969	12,363,908	10,914,896
0	1,582,030	1,586,630
195,412	17,528,724	17,092,972
433,314	14,703,637	13,239,045
0	2,208,452	1,813,426
11,045,963	12,687,021	11,946,216
921,761	964,365	856,772
6,639,849	22,808,299	22,391,824
13,335	13,335	0
8,965,000	8,965,000	9,065,000
6,106,390	6,226,791	6,624,593
<u>48,556,161</u>	<u>266,387,613</u>	<u>250,626,513</u>
<u>(8,426,298)</u>	<u>(7,646,174)</u>	<u>(6,061,708)</u>
(3,417,294)	(3,417,294)	0
17,866	17,866	0
3,410,000	47,410,000	0
7,722,650	59,051,561	52,138,803
(947,387)	(59,051,561)	(52,138,803)
<u>6,785,835</u>	<u>44,010,572</u>	<u>0</u>
(1,640,463)	36,364,398	(6,061,708)
23,182,561	98,634,679	104,696,387
<u>\$21,542,098</u>	<u>\$134,999,077</u>	<u>\$98,634,679</u>

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

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Activities
June 30, 2002**

Total net changes in fund balances – governmental funds \$ 36,364,398

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

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

Capital outlays	\$20,578,306	
Depreciation expense	<u>(10,038,289)</u>	
		\$ 10,540,017

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

\$ (35,030,000)

In the Statement of Activities, certain operating expenses-compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (\$1,097,999) exceeded the amounts used (\$431,583) by \$666,416.

\$ (666,416)

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

Net income (loss)		\$ <u>(147,388)</u>
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Change in net assets of governmental activities		\$ <u>11,060,611</u>
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The notes to the financial statements are an integral part of this statement.

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

**Proprietary Fund Type - Internal Service Fund
Combined Statement of Net Assets
June 30, 2002
With Comparative Totals for June 30, 2001**

	<u>2002</u>	<u>2001</u>
Current Assets		
Cash and cash equivalents	\$5,384,496	\$5,287,765
Accounts receivable	10,008	359,566
Due from other funds	54,610	
Total Assets	<u>\$5,449,114</u>	<u>\$5,647,331</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$58,843	\$19,248
Due to other funds	14,939	
Liability for self-insurance losses	1,067,919	878,858
Claims liability	605,576	900,000
Total Liabilities	<u>\$1,747,277</u>	<u>\$1,798,106</u>
Net Assets		
Restricted for employee benefits (as restated)	\$596,743	\$1,431,309
Unrestricted	3,105,094	2,417,916
Total Net Assets (as restated)	<u>\$3,701,837</u>	<u>\$3,849,225</u>
Total Liabilities and Net Assets	<u>\$5,449,114</u>	<u>\$5,647,331</u>

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

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Proprietary Fund Type - Internal Service Funds
Combined Statement of Revenues, Expenses , and
Changes in Net Assets
For the Year Ended June 30, 2002
With Comparative Totals for the Year Ended June 30, 2001

	<u>2002</u>	<u>2001</u>
Operating Revenues		
Employer contributions	\$3,208,245	\$3,045,880
Insurance proceeds	125,350	52,065
Total Operating Revenues	<u>3,333,595</u>	<u>3,097,945</u>
Operating Expenses		
Administrative	108,992	198,933
Contractual services	312,549	198,933
Premium payments	1,074,623	843,459
Benefit Payments	1,930,360	1,305,470
Claims	303,143	562,063
Increase (Decrease) in provision for self-insurance losses	<u>(105,363)</u>	<u>(17,836)</u>
Total Operating Expenses	<u>3,624,304</u>	<u>2,892,089</u>
Operating Income (Loss)	<u>(290,709)</u>	<u>205,856</u>
Non-Operating Revenues		
Earnings on investments	<u>143,321</u>	<u>298,699</u>
Changes in Net Assets	<u>(147,388)</u>	<u>504,555</u>
Total Net Assets - Beginning of Year	<u>3,849,225</u>	<u>3,344,670</u>
Total Net Assets - End of Year	<u>\$3,701,837</u>	<u>\$3,849,225</u>

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

Statement I

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

**Proprietary Fund Type - Internal Service Funds
Combined Statement of Cash Flows
For the Year Ended June 30, 2002
With Comparative Totals For June 30, 2001**

	<u>2002</u>	<u>2001</u>
Cash Flows From Operating Activities		
Cash receipts from:		
Employer contributions	\$3,208,245	\$2,749,233
Insurance proceeds	125,350	52,065
Cash payments for:		
Benefits and claims	(1,884,021)	(1,924,461)
Insurance premiums	(1,074,623)	(843,459)
Other	(421,541)	(198,933)
 Net Cash Provided (Used) By Operating Activities	 <u>(46,590)</u>	 <u>(165,555)</u>
 Cash Flows From Investing Activities		
Earnings on investments	<u>143,321</u>	<u>339,177</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 96,731	 173,622
 Cash and Cash Equivalents at Beginning of Year	 <u>5,287,765</u>	 <u>5,114,143</u>
 Cash and Cash Equivalents at End of Year	 <u>\$5,384,496</u>	 <u>\$5,287,765</u>
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(\$290,709)	\$205,856
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Decrease in provision for self insurance losses	(105,363)	(314,483)
Changes in assets and liabilities:		
(Increase) decrease in receivables	294,948	69,398
Increase (decrease) in payables	54,534	(126,326)
Decrease in deferred revenue		
 Net cash provided (used) by operating activities	 <u>(\$46,590)</u>	 <u>(\$165,555)</u>

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

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

**Fiduciary Fund
Statement of Fiduciary Net Assets - School Activity Funds
For the Year Ended June 30, 2002
With Comparatives Totals for June 30, 2001**

	<u>2002</u>	<u>2001</u>
Assets		
Cash and cash equivalents	\$1,590,422	\$1,633,510
Investments	2,383,753	2,032,436
Total Assets	<u>\$3,974,175</u>	<u>\$3,665,946</u>
Liabilities		
Deposits due others	\$3,974,175	\$3,665,946
Total Liabilities	<u>\$3,974,175</u>	<u>\$3,665,946</u>

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



"AT THE BEACH"

by Tara Oxner

Fontainebleau High School

Teachers: Alack and Culbertson

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

Fiduciary Fund

**Statement of Changes in Net Assets - School Activity Funds
Year Ended June 30, 2002**

	<u>Balance June 30, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2002</u>
ASSETS				
Cash and cash equivalents	\$1,633,510	\$8,910,115	\$8,953,203	\$1,590,422
Investments	<u>2,032,436</u>	<u>1,224,126</u>	<u>872,809</u>	<u>2,383,753</u>
TOTAL ASSETS	<u>\$3,665,946</u>	<u>10,134,241</u>	<u>9,826,012</u>	<u>3,974,175</u>
LIABILITIES				
Deposits due others	<u>\$3,665,946</u>	<u>\$10,134,241</u>	<u>\$9,826,012</u>	<u>\$3,974,175</u>

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

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

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ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

The St. Tammany Parish School Board (School Board) was created by Louisiana Revised Statute (LRS) 17:51 for the purpose of providing public education for the children within St. Tammany Parish, Louisiana. The School Board is authorized by LRS 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is comprised of 15 members who are elected from 15 districts for concurrent terms of four years expiring in December 2002.

The School Board operates 51 schools within the parish with a total enrollment of approximately 32,900 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

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

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ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
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B. BASIS OF PRESENTATION-FUND ACCOUNTING

The accounts of the School Board are organized on the basis of funds, 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 comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the School Board's governmental fund types:

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

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ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

Capital Projects Funds

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

Proprietary Fund Type:

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

Internal Service Funds

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

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

Risk Management Fund - This fund is used to account for general liability, which is fully insured for FYE June 30, 2002 with a deductible of \$150,000 per occurrence, and property damage, which is fully insured for FYE June 30, 2002 with a deductible of \$150,000 per occurrence.

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

Fiduciary Fund Type:

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

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

Agency Fund

The School Board maintains one agency fund, the School Activity Agency Fund, which accounts for assets held by the Board as an agent for the individual schools and school organizations.

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets and the Statement of Changes in Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from the exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Internal Activities The workers' compensation and risk management funds provide services to the governmental funds. Accordingly, these funds were rolled up into the governmental activities. Pursuant to GASB 34, as much as possible, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion.

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

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

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ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

Fund Financial Statements (FFS)

Fund financial statements report detailed information about the School Board. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

Governmental Funds

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.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund type are included on the balance sheet.

The School Board applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 in accounting and reporting its proprietary fund operations unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements.

The governmental and fiduciary fund types (agency fund) are reported in the financial statements on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when they become both measurable and available. Available means expected to be collected within two months for property taxes. Revenues not considered available are recorded as deferred revenues. The following practices in recording revenues and expenditures have been used for the governmental funds.

Revenues

Federal and state entitlements, which include state equalization and state revenue sharing, are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants which are restricted as to the purpose of the expenditures are recorded when the reimbursable expenditures

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

have been made. Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, based on the assessed value on January 1, become due on November 15 of each year, and become delinquent on December 31. An enforceable lien attaches to the property as of November 15. The taxes were levied by the School Board on May 11, 2000. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected and are unremitted by the St. Tammany Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations. Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month in which the School Board considers them available to finance current year obligations and are collected by the St. Tammany Parish Tax Collector. Substantially all other revenues are recorded when received.

Expenditures

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

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

Deferred Revenues

Deferred revenues arise when resources are received before the School Board has a legal claim to them, such as when grant monies are received prior to the incurrence of qualifying expenditures, when tuition is received in advance of the commencement of classes or when there is an inventory of donated food commodities at year end. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

D. BUDGET PRACTICES

The proposed budgets for fiscal year 2002 were completed and made available for public inspection at the School Board office on August 2, 2001. A public hearing was held on August 9, 2001 for suggestions and comments from taxpayers. The proposed fiscal year 2002 budgets were formally adopted by the School Board on September 13, 2001. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service and Capital Projects Funds were published in the official journal ten days prior to the public hearings.

The budgets for the General and Capital Projects Funds for the fiscal year 2002 were prepared on the modified accrual basis of accounting except that outstanding encumbrances at the close of the fiscal year are treated as expenditures. The Special Revenue and Debt Service Funds' budgets for the 2001 fiscal year were prepared on a modified accrual basis, consistent with generally accepted accounting principles (GAAP).

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

The level of control over the budget is exercised at the function or program level for the General and Special Revenue Funds, at the project level for the Capital Projects Funds and at the individual debt issue level for the Debt Service Funds. The Superintendent is authorized to transfer budget amounts within each function; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five per cent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five per cent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget were not material.

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ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

The following is a reconciliation between the excess (deficiency) of revenues and other financing sources over expenditures and other financing uses for the General and Capital Projects Funds as reflected in Basis Financial Statements, which is prepared on a GAAP basis, and in Other Supplemental Information, which is prepared on a non-GAAP basis. Because the budgets in the Special Revenue and Debt Service Funds are prepared on a modified accrual basis, no differences in budget basis and GAAP basis occur for those funds.

General Fund:

Excess of revenues and other financing sources over expenditures and other financing uses – Basis Financial Statements	\$ 11,305,698
Add - prior year encumbrances liquidated	564,130
Less - current year encumbrances	<u>(1,472,696)</u>
Excess of revenues and other financing sources over expenditures and other financing uses – Other Supplementary Information	<u>\$ 10,397,132</u>

Capital Projects Funds:

Excess of revenues and other financing sources over expenditures and other financing uses – Basis Financial Statements	\$ 25,468,525
Add - prior year encumbrances liquidated	7,088,400
Less - current year encumbrances	<u>(8,026,905)</u>
Excess of revenues and other financing sources over expenditures and other financing uses – Other Supplementary Information	<u>\$ 24,530,020</u>

E. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General Fund and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. As materials are subsequently received and construction contracts are executed, liabilities are recorded and the related encumbrances are liquidated.

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

F. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits.

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

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less at date of acquisition are considered to be cash equivalents in the Internal Service Funds.

G. 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.

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

I. INVENTORY

Inventory of the School Food Service Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Education. The commodities are recorded as revenues and expenditures when consumed. Commodities inventory at year-end is recorded as deferred revenue. The purchased food is recorded as expenditures when consumed. All inventory items purchased are valued at cost (first-in, first-out), and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

J. CAPITAL ASSETS

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

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

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

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

K. LONG-TERM OBLIGATIONS

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

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ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

L. COMPENSATED ABSENCES

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

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

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

At June 30, 2002, employees of the School Board have accumulated and vested \$10,667,456 of compensated absence benefits in salary and salary related payments.

M. SALES AND USE TAXES

On June 25, 1966, the voters of St. Tammany Parish approved a one per cent sales and use tax which, after payment of necessary costs and expenses of collecting the tax, is dedicated for payments of salaries of teachers and other school personnel and for other operating expenses. On September 18, 1976, the voters of St. Tammany Parish approved a one per cent sales tax to be levied on behalf of the St. Tammany Parish School Board for a period of 15 years. On May 5, 1990 the voters of the parish authorized an extension of this tax for an additional 15 years, until expiration in 2007. The proceeds are dedicated for the purposes of capital improvements, maintenance, and operating expenses of the School Board. The sales and use taxes are collected by the St. Tammany Parish Tax Collector for a fee of 1.15 per cent of the monthly collections.

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ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

N. RESTRICTED NET ASSETS-GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

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

O. RESERVES OF FUND BALANCE – FUND FINANCIAL STATEMENTS

Reserves on the governmental funds represent portions of fund balances that are not available for appropriations for expenditures or have been legally segregated for future use.

P. CLAIMS AND JUDGEMENTS

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

The liability for such losses is recorded in the Internal Service Funds. Incurred but not reported claims as of June 30, 2002, have been considered in determining the accrued liability.

Q. COMPARATIVE DATA AND TOTAL COLUMNS ON COMBINED STATEMENTS

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

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ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2002, the following funds had actual expenditures over appropriations, at the functional level:

<u>Fund and Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
Adult education programs	\$ 469,781	\$ 471,662	\$ 1,881
Instructional staff support	7,299,427	7,467,590	168,163
Special Revenue Funds:			
Sales Tax 1966-general administration	302,000	304,083	2,083
Sales Tax 1977-general administration	302,000	304,083	2,083
IDEA*	4,048,814	4,431,035	382,221
Vocational education*	0	207	207
IASA*	670,304	711,162	40,858
Miscellaneous Programs*	2,735,355	3,750,226	1,014,871
Debt Service Fund:			
Sales Tax Bond Reserve-transfers out	50,000	51,931	1,931
Capital Projects Fund:			
Parishwide construction-Architect & Engineers	300,000	303,204	3,204

("**") Revenues exceeded budgeted amounts by same amounts thus the net affect on net income was \$0.

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last budget revision. The excess expenditures were funded by available and appropriable fund balances.

3. AD VALOREM TAXES

The following is a summary of authorized and levied parish-wide ad valorem taxes for the fiscal year ended June 30, 2002:

	<u>Mills</u>	<u>Year of Expiration</u>
Constitutional	4.47	N/A
Additional Support	6.26	2013
Construction, Maintenance and Operations	4.47	2013
Improve, Maintain and Operating	46.00	2013
Bond and Interest - District No. 12	<u>25.90</u>	2022
Total millage	<u>87.10</u>	

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ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

4. CASH AND CASH EQUIVALENTS

At June 30, 2002, the School Board's carrying value of deposits are as follows:

Money market accounts:	
Governmental Funds	\$ 50,463,389
Proprietary Funds	<u>4,330,351</u>
Total money market accounts	<u>\$ 54,793,740</u>

Cash balances of all funds are combined to the extent possible. Interest earned on deposits is distributed to the individual funds based on the invested balances of the participating funds during the year. Interest is recorded when earned.

Under state law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. At June 30, 2002, cash and cash equivalents are entirely insured or collateralized with securities held by a mutually acceptable third party financial institution in the School Board's name; however, the securities may be released only upon the written authorization of the School Board. This is the lowest credit risk as defined by the Governmental Accounting Standards Board. The bank balances are fully insured and collateralized at June 30, 2002 as follows:

Money market accounts	\$ 59,550,782
Time deposit accounts (investments)	<u>41,950,000</u>
Total bank balances	<u>\$101,500,782</u>
Federal deposit insurance	300,000
Pledged securities	<u>114,016,469</u>
Total collateral	<u>\$114,316,469</u>

In addition, at year-end, the individual schools held cash, cash equivalents and investments of \$3,974,175 in various accounts. The balances of these accounts are fully collateralized with either FDIC insurance and/or pledged securities. Because these accounts are not assets of the School Board (Agency Funds) the balances are not reflected in the fund financial statement or the government-wide financial statements.

5. INVESTMENTS

Investments of \$99,982,809 (\$98,928,664 in the governmental funds and \$1,054,145 in the proprietary funds) at June 30, 2002 include \$58,032,809 that are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. The remaining \$41,950,000 are deposited in certificates of deposit. In accordance with GASB Codification Section I50.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by rule 2-a7, which governs registered money market funds. The Lamp portfolio includes only securities and other obligations in which local

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

governments in Louisiana are authorized to invest. Accordingly, Lamp investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentality's, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of Lamp assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized costs and market value. For purposes of determining participant's shares, investments are valued at amortized cost that approximates fair value. Lamp is designed to be highly liquid to give its participants immediate access to their account balances.

6. DUE FROM/TO OTHER FUNDS

Individual balances due from/to other funds are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 7,763,450	\$ 428,550
Special Revenue Funds:		
IASA	313,219	1,866,702
IDEA	-	518,989
Vocational Education	415	20,710
Miscellaneous Programs	38,445	886,531
8G	30,470	181,633
School Food Service	-	125
1977 Sales Tax	7,827	2,218,778
1966 Sales Tax	-	2,218,778
Community Ed	-	10,014
Total Special Revenue Funds	<u>390,376</u>	<u>7,922,260</u>
Debt Service Funds:		
Sales Tax Bond Sinking	165,833	-
Sales Tax Bond Reserve	-	7,827
Total Debt Service Funds	<u>165,833</u>	<u>7,827</u>
Capital Projects Funds:		
Parish Wide Construction	-	693
Total Capital Project Funds	<u>-</u>	<u>693</u>
 Total Governmental Fund Type	 <u>\$ 8,319,659</u>	 <u>\$8,359,330</u>
Internal Service Funds:		
Risk Management	54,235	14,939
Workmans' Compensation	<u>375</u>	<u>-</u>
Total Internal Service Funds	<u>54,610</u>	<u>14,939</u>
 Total Proprietary Fund Type	 <u>\$ 54,610</u>	 <u>\$ 14,939</u>
 Total	 <u>\$ 8,374,269</u>	 <u>\$8,374,269</u>

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

7. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in capital assets are as follows:

	Balance as of July 1, 2001 (as restated)	Additions	Deletions	Balance June 30, 2002
Governmental activities:				
Land	\$ 7,427,195	\$ 175,695	\$ -	\$ 7,602,890
Buildings and improvements	233,787,217	24,835,801	-	258,623,018
Furniture and equipment	24,939,150	2,433,345	295,005	27,077,490
Construction in progress	20,933,711	18,561,775	25,165,258	14,330,228
Total	<u>\$ 287,087,273</u>	<u>\$46,006,616</u>	<u>\$ 25,460,263</u>	<u>\$ 307,633,626</u>
Less accumulated depreciation:				
Buildings and improvements	\$ 149,335,555	\$ 7,362,428	\$ -	\$156,697,983
Furniture and equipment	19,913,609	2,675,861	31,955	22,557,515
Construction in progress	-	-	-	-
Total accumulated depreciation	<u>\$ 169,249,164</u>	<u>10,038,289</u>	<u>31,955</u>	<u>\$179,255,498</u>
Governmental activities Capital assets, net	<u>\$ 117,838,109</u>	<u>\$35,968,327</u>	<u>\$ 25,428,308</u>	<u>\$128,378,128</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 966,343
Special programs	223,121
Vocational education programs	176,379
Other instructional programs	136,908
Special programs	87,584
Adult/continuing education programs	20,278
Pupil support	110,997
Instructional staff support	55,417
General administration	32,409
School administration	31,023
Business administration	19,483
Operation and maintenance of plant	231,916
Pupil transportation	14,112
Central services	96,130
Food services	191,773
Community service programs	3,073
Facilities, Acquisitions & Construction	<u>7,641,343</u>
Total depreciation expense	<u>\$10,038,289</u>

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

Construction in progress at June 30, 2002 is composed of the following:

	<u>Project</u>	<u>Incurred as of</u>	<u>Committed</u>
	<u>Authorization</u>	<u>June 30, 2002</u>	<u>Committed</u>
Abita Springs Elementary	\$ 1,078,035	\$ 943,120	\$ 134,915
Chatta Ima Elementary	160,500	5,351	155,149
Covington High	1,925,000	1,126,045	798,955
Covington High	133,750	5,351	155,149
Creekside Junior High	6,285,395	5,244,018	1,041,377
Fifth Ward Junior High	1,680,435	33,405	1,647,030
Lee Road Junior High	401,250	395,150	6,100
Lyon Elementary	160,500	5,351	155,149
Mandeville High	2,027,000	1,114,613	912,387
Mandeville High	187,250	2,140	185,110
Pearl River High	267,500	225,910	41,590
Pitcher Junior High	347,750	203,291	144,459
St. Tammany Junior High	509,605	39,917	469,688
Salmen High	2,110,000	1,283,059	826,941
Schoen Middle	3,729,900	41,147	3,688,753
Sixth Ward Junior High	294,115	18,194	275,921
Slidell High	3,072,150	1,720,269	1,351,881
Slidell High	321,000	36,604	284,396
Woodlake Elementary	<u>2,576,383</u>	<u>1,886,659</u>	<u>689,724</u>
Total	<u>\$27,267,518</u>	<u>\$14,330,228</u>	<u>\$12,937,290</u>

8. RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation in fiscal year 1988. Premiums are paid into the Workers' Compensation Internal Service Fund by all funds from which salaries are paid and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2002, a total of \$2,419,421 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$250,000. An amount for self-insurance losses of \$1,067,919 has been accrued as a liability based upon an actuary's estimate. Interfund premiums are based primarily upon the individual funds' claims experience and are reported as expenditures in the individual funds.

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

In addition, the School Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and natural disasters. During fiscal year 1990, the School Board established a Risk Management Fund (an internal service fund) to account for and finance its uninsured risk of loss. Under this program, the Risk Management Fund provides coverage up to a maximum of \$150,000 for each general liability claim and \$150,000 for each property damage claim. The School Board purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded this commercial coverage during the fiscal year.

The General Fund of the School Board makes payments to the Risk Management Fund based on estimates of the amounts needed to pay claims and to accumulate funds for future catastrophic losses. At June 30, 2002, \$3,105,094 of fund equity is designated for future catastrophic losses. The claims liability of \$605,576 reported in the Fund at June 30, 2002 is based on the requirements of Governmental Accounting Standards Board which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

Changes in the claims liability amount in previous fiscal years were as follows:

	<u>Beginning of Fiscal Year Liability</u>	<u>Benefit Claims and Changes in Estimates</u>	<u>Payments And Claims</u>	<u>Balance at Fiscal Year-End</u>
Workers' Compensation:				
1992-93	625,505	806,967	551,603	880,869
1993-94	880,869	813,785	727,379	967,275
1994-95	967,275	783,809	621,322	1,129,762
1995-96	1,129,762	804,968	971,398	963,332
1996-97	963,332	703,135	851,223	815,244
1997-98	815,244	1,246,261	1,106,116	955,389
1998-99	955,389	1,492,873	1,266,378	1,181,884
1999-00	1,181,884	963,236	1,248,426	896,694
2000-01	896,694	1,287,634	1,305,470	878,858
2001-02	\$ 878,858	\$2,119,421	\$1,930,360	\$1,067,919
Risk Management:				
1992-93	391,000	301,887	283,451	409,436
1993-94	409,436	819,898	402,128	827,206
1994-95	827,206	539,874	394,954	972,126
1995-96	972,126	920,627	920,627	972,126
1996-97	972,126	462,088	566,693	867,521
1997-98	867,521	529,393	496,914	900,000
1998-99	900,000	580,853	580,853	900,000
1999-00	900,000	711,930	711,930	900,000
2000-01	900,000	562,063	562,063	900,000
2001-02	\$ 900,000	\$ 8,719	\$ 303,143	\$605,576

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

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

9. CHANGES IN LONG-TERM DEBT

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

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002	Due Within One Year
Sales Tax Bonds	\$ 10,335,000	\$	\$ 1,450,000	\$ 8,885,000	\$1,545,000
General Obligation Bonds	106,550,000	47,410,000	10,140,000	143,820,000	7,415,000
Certificates of Indebtedness	<u>1,625,000</u>	<u></u>	<u>790,000</u>	<u>835,000</u>	<u>835,000</u>
	118,510,000	47,410,000	12,380,000	153,540,000	\$9,795,000
Compensated Absences	<u>10,001,040</u>	<u>1,097,999</u>	<u>431,583</u>	<u>10,667,456</u>	<u>-</u>
Total	<u>\$128,511,040</u>	<u>\$48,507,999</u>	<u>\$12,811,583</u>	<u>\$ 164,207,456</u>	<u>\$9,795,000</u>

In April 2002, the School Board issued \$47,410,000 in general obligation bonds with a final maturity date of April 1, 2020. Approximately \$44,000,000 of the bond proceeds less the issuance costs will be used to fund construction of new and existing buildings. The remaining portion was deposited into an irrevocable trusts to be used to refund the remaining bonds from the \$5,000,000, series 1992 School District Number 12 bonds. The interest rate on the 2002 bonds ranges from 3.50% to 5.00%. The interest rate on the 1992 bonds ranged from 5.40% to 9.00%. By refunding the 1992 bonds, which are considered defeased, the School Board will save approximately \$1,250,000 in future interest payments the School Board would have made.

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

A schedule of the individual issues outstanding as of June 30, 2002 is as follows:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Sales Tax Bonds:					
1992	\$ 11,000,000	5.75%	2007	\$ 896,425	\$ 4,980,000
1995	<u>7,500,000</u>	5.50%	2007	<u>674,575</u>	<u>3,905,000</u>
Total Sales Tax Bonds	<u>18,500,000</u>			<u>1,571,000</u>	<u>8,885,000</u>
General Obligation Bonds:					
1993	13,195,000	4.8-5.0%	2013	3,244,900	9,775,000
1996	25,000,000	5.4-8.0%	2016	9,570,158	20,630,000
1997	7,415,000	4.9-5.2%	2010	1,490,616	6,040,000
1998A	55,000,000	4.4-5.0%	2018	22,982,590	48,255,000
1998B	14,480,000	4.4-5.0%	2011	2,261,190	11,710,000
2002	<u>47,410,000</u>	3.5-5.0%	2022	<u>25,964,348</u>	<u>47,410,000</u>
Total General Obligation Bonds	<u>162,500,000</u>			<u>65,513,802</u>	<u>143,820,000</u>
Certificates of Indebtedness					
1994	<u>6,000,000</u>	5.00%	2003	<u>41,750</u>	<u>835,000</u>
Total	<u>\$187,000,000</u>			<u>\$67,126,552</u>	<u>\$153,540,000</u>

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish or by the 1977 sales and use tax. At June 30, 2002, the School Board has accumulated \$11,948,764 in the debt service funds for future debt service requirements.

The Sales Tax Bonds require the maintenance of a reserve as additional security for debt repayment. At June 30, 2002, the School Board has accumulated \$1,850,000 in reserve and is in compliance with the requirements of the debt agreement.

The sales tax bonds, general obligation bonds, and certificates of indebtedness are due as follows:

Year Ending June 30,	<u>Principal Payments</u>		Interest Payments	Total
	<u>Bonds</u>	<u>Certificates of Indebtedness</u>		
2003	\$ 9,795,000	\$ 835,000	\$ 7,579,890	\$ 18,209,890
2004	10,235,000		7,048,989	17,283,989
2005	9,705,000		6,540,533	16,245,533
2006	9,465,000		6,029,629	15,494,629
2007	10,020,000		5,554,822	15,574,822
2008-2012	44,270,000		21,082,615	65,352,615
2013-2017	39,485,000		10,686,074	50,171,074
2018-2022	19,730,000		2,604,000	22,334,000
	<u>\$152,705,000</u>	<u>\$ 835,000</u>	<u>\$67,126,552</u>	<u>\$220,666,552</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded solely by ad valorem taxes in excess of 35 percent of the assessed value of taxable property. At June 30, 2002, the statutory limit is \$323,949,656 and the legal debt margin is \$189,431,863. Outstanding bonded debt payable from ad valorem taxes at June 30, 2002 totaled \$143,820,000.

10. PRIOR YEAR DEFEASANCE OF DEBT

On April 1, 2002, the School Board defeased the 1992 General Obligation Bonds maturing April 1, 2012. On June 1, 1991, the School Board defeased the June 1, 1984 School District No. 12 General Obligation Bonds maturing on or after March 1, 1995. On February 1, 1993, the School Board defeased the June 1, 1980 School District No. 8 General Obligation Bonds maturing on or after March 1, 1994. For each defeasement an irrevocable trust fund was created. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in the trust funds.

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the School Board. As of June 30, 2002, the following outstanding bonds are considered defeased:

	<u>Amount Outstanding</u>
School District No. 12:	
June 1, 1984	\$ 1,955,000
August 1, 1992	3,415,000
School District No. 8:	
June 1, 1980	<u>15,000</u>
 Total	 <u>\$ 5,385,000</u>

11. TAX ARBITRAGE REBATE

Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). For fiscal year 2002, no arbitrage was due to the IRS.

12. RETIREMENT PLANS

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

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description: The School Board participates in two membership plans of the TRS, the Regular Plan and Plan A. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information of the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy: Plan members are required to contribute 8.0 percent and 9.1 percent of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 13.1 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, 2002, 2001, and 2000, were \$16,506,102, \$16,230,818, and \$17,206,228, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LSERS)

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

Funding Policy: For fiscal years 2000, 2001 and 2002, neither plan members nor the School Board were required to contribute to LSERS since it is considered actuarially to be fully funded. 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.

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

13. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In accordance with State statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. Currently, 957 retirees are eligible to participate in these benefits. These benefits for retirees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the retirees and by the School Board. During fiscal year 2001, the School Board contributed 62% of the total premium for life insurance and 95% of the total premium for health care insurance provided to the retirees. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due. The School Board's cost of providing all health care benefits and life insurance premiums to the approximately 3,450 active and 775 retired participating employees amounted to \$23,961,190 for 2002. For 2002, the cost of premiums paid for retirees totaled \$5,917,792.

14. LEASES

The School Board has operating lease agreements for the rental of office equipment and classroom space. Rental expenditures for the year ended June 30, 2002 are as follows:

Office Equipment	\$ 591,570
Classroom Space	<u>55,003</u>
Total	<u>\$ 646,573</u>

15. CHANGES IN AGENCY DEPOSITS DUE OTHERS

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

Balance at Beginning of Year	\$ 3,665,946
Additions	10,134,241
Deductions	<u>9,826,012</u>
Balance at End of Year	<u>\$ 3,974,175</u>

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Financial Statements
June 30, 2002

16. LITIGATION AND CLAIMS

At June 30, 2002, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at an estimate, if any, of the amount or range of potential loss to the School Board. As a result of the review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", or "remote", as defined by the Governmental Accounting Standards Board. Amounts of claims classified as "probable" have been accrued in the claims liability and the liability for self-insurance losses, as explained in Note 8. The amount of claims and lawsuits that have been classified as "reasonably possible" individually range from \$3,000 to \$100,000. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

The School Board participates in a number of federal financial assistance programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 2002, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time, although the School Board expects such amounts, if any, to be immaterial.

17. PRIOR PERIOD ADJUSTMENTS

The beginning fund balances of the General Fund, School Food Services Fund, and the \$50 Million Construction Capital Projects Fund has been restated by \$18,981, \$(2,600), and 7,037, respectively. The restatement was due to prior year revenue not recorded in the proper year and had a net affect of \$23,418 on prior year income. The beginning net assets of the workers' compensation fund (proprietary fund) has been restated by \$296,647. The restatement was due to prior year revenue not recorded in the proper year and had a net affect of \$296,647 on prior year income. The restatement had no affect on current year income or assets.



“Louisiana Irises”
by: Jessica Dean
Fontainebleau High School
Teachers: Alack/ Culbertson

ST. TAMMANY PARISH SCHOOL BOARD

**REQUIRED SUPPLEMENTARY
INFORMATION - OTHER**

**BUDGETARY COMPARISON
SCHEDULES**



"Ballerina"
by Lacey Wans
Kindergarten, Cypress Cove
Teacher: Mrs. Hebert

"Vase"
by Shandell
5th grade
Pine View Middle School

Wouldn't DEGAS be
proud of the young
artists who admire his
work?



ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

General Fund
Budget Comparison Schedule (Non GAAP Basis)
For the Year Ended June 30, 2002

	Budgeted Amounts		Net Change	2002 Actual	Variance From Budget
	Original	Final			
Budgetary Fund Balance, Beginning of Year (as restated)	\$44,997,296	\$44,997,296	\$0	\$45,016,277	\$18,981
Resources (Inflows)					
Local Sources:					
Ad valorem taxes	\$33,203,841	\$33,505,926	\$302,085	\$34,245,594	\$739,668
Tuition:					
Summer school	150,000	150,000	0	150,439	439
Driver education	61,000	61,000	0	58,979	(2,021)
Earnings on investments	3,000,000	1,775,000	(1,225,000)	1,860,064	85,064
Medical services	282,000	282,000	0	308,552	26,552
Other	354,834	354,834	0	365,151	10,317
Total Resources From Local Sources	37,051,675	36,128,760	(922,915)	36,988,779	860,019
State Sources:					
Equalization	122,039,127	123,157,701	1,118,574	123,157,701	0
Contributions to					
Teachers' Retirement	111,340	111,340	0	114,847	3,507
Revenue sharing	1,802,063	1,802,063	0	1,799,322	(2,741)
Professional Improvement Program	929,000	929,000	0	885,409	(43,591)
Special education	155,884	164,621	8,737	165,644	1,023
Adult education	171,500	203,762	32,262	187,474	(16,288)
Non-public students	487,322	501,644	14,322	501,932	288
Salary supplement	0	335,631	335,631	97,988	(237,643)
Miscellaneous	270,000	208,043	(61,957)	394,666	186,623
Total Resources From State Sources	125,966,236	127,413,805	1,447,569	127,304,983	(108,822)
Federal Sources:					
ROTC	341,000	348,000	7,000	355,779	7,779
School to Work	0	0	0	2,274	2,274
Adult education	190,000	190,000	0	225,212	35,212
Total Resources From Federal Sources	531,000	538,000	7,000	583,265	45,265
Total Resources	\$163,548,911	\$164,080,565	\$531,654	\$164,877,027	\$796,462
Other Financing Sources					
Operating transfers in:					
1966 Sales Tax Fund	\$23,770,508	\$24,474,939	\$704,431	\$25,258,179	\$783,240
1977 Sales Tax Fund	21,405,359	22,091,290	685,931	25,123,345	\$3,032,055
School Food Service Fund	211,000	218,000	7,000	216,306	(\$1,694)
Idea Fund	0	148,562	148,562	148,562	\$0
Indirect costs	325,511	420,000	94,489	530,589	\$110,589
Total Other Financing Sources	\$45,712,378	\$47,352,791	\$1,640,413	\$51,276,981	\$3,924,190
Amounts Available for Appropriations	\$254,258,585	\$256,430,652	\$2,172,067	\$261,170,285	\$4,739,633

(continued...)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

General Fund
Budget Comparison Schedules (Non GAAP Basis)
For the Year Ended June 30, 2002

	Budgeted Amounts		Net Change	2002 Actual	Variance From Budget
	Original	Final			
Expenditures					
Current:					
Instruction:					
Regular Ed programs	\$81,840,557	\$83,338,445	(\$1,497,888)	\$82,360,955	\$977,490
Special Ed programs	39,330,950	39,509,883	(178,933)	39,304,130	205,753
Vocational Ed programs	4,174,833	4,109,723	65,110	4,027,369	82,354
Other instructional programs	7,620,288	8,265,533	(645,245)	7,349,202	916,331
Special programs	384,725	431,752	(47,027)	422,580	9,172
Adult Ed programs	432,518	469,781	(37,263)	471,662	(1,881)
Support Services:					
Pupil support	8,406,759	8,518,338	(111,579)	8,432,040	86,298
Instructional staff support	7,408,425	7,299,427	108,998	7,467,590	(168,163)
General administration	3,187,935	3,188,398	(463)	3,024,484	163,914
School administration	12,183,777	11,987,915	195,862	11,845,868	142,047
Business administration	1,783,825	1,732,188	51,637	1,582,030	150,158
Operation and maintenance of plant	18,546,545	18,513,172	33,373	17,364,017	1,149,155
Pupil transportation	14,635,935	14,551,720	84,215	14,270,323	281,397
Central services	2,647,776	2,832,586	(184,810)	2,210,244	622,342
Food service	1,712,548	1,694,676	17,872	1,641,058	53,618
Community service programs	48,605	48,605	0	42,832	5,773
Facilities acquisition and construction	233,507	227,641	5,866	197,401	30,240
Operating transfers out	3,743,091	3,743,091	0	3,743,091	0
Total Charges to Appropriations	\$208,322,599	\$210,462,874	(\$2,140,275)	\$205,756,876	\$4,705,998
Budgetary Fund Balance, Ending	\$45,935,986	\$45,967,778	\$31,792	\$55,413,409	\$9,445,631

See notes to budgetary comparison schedules

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

**1966 Sales Tax Fund
Budget Comparison Schedule (Non GAAP Basis)
For the Year Ended June 30, 2002**

	Budgeted Amounts		Net Change	2002 Actual	Variance From Budget
	Original	Final			
Budgetary Fund Balance, Beginning of Year	\$5,000	\$5,000	\$0	\$5,002	\$2
Resources (Inflows)					
Local sources:					
Taxes-sales and use	\$24,906,369	\$25,669,800	\$763,431	\$26,423,883	\$754,083
Earnings on investments	75,000	17,000	(58,000)	49,147	32,147
Amounts Available for Appropriations	<u>24,986,369</u>	<u>25,691,800</u>	<u>705,431</u>	<u>26,478,032</u>	<u>786,232</u>
Charges to Appropriations (Outflows)					
Support services-general administration	301,000	302,000	1,000	304,083	(2,083)
Operating transfers out	<u>24,680,369</u>	<u>25,384,800</u>	<u>704,431</u>	<u>26,168,040</u>	<u>(783,240)</u>
Total Charges to Appropriations	<u>24,981,369</u>	<u>25,686,800</u>	<u>705,431</u>	<u>26,472,123</u>	<u>(785,323)</u>
Budgetary Fund Balance, End of Year	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>	<u>\$5,909</u>	<u>\$909</u>

See notes to budgetary comparison schedules

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

1977 Sales Tax Fund
Budget Comparison Schedule (Non GAAP Basis)
For the Year Ended June 30, 2002

	Budgeted Amounts		Net Change	2002 Actual	Variance From Budget
	Original	Final			
Budgetary Fund Balance, Beginning of Year	\$2,036,276	\$2,036,276	\$0	\$2,036,277	\$1
Resources (Inflows)					
Local sources:					
Taxes-sales and use	\$24,906,369	\$25,669,800	\$763,431	\$26,423,883	\$754,083
Earnings on investments	75,000	18,500	(56,500)	50,703	32,203
Fund Transfers In	70,000	50,000	(20,000)	51,930	1,930
Amounts Available for Appropriations	<u>27,087,645</u>	<u>27,774,576</u>	<u>686,931</u>	<u>28,562,793</u>	<u>788,217</u>
Charges to Appropriations (Outflows)					
Support services-general administration	301,000	302,000	1,000	304,083	(2,083)
Operating transfers out	<u>24,475,057</u>	<u>25,160,988</u>	<u>685,931</u>	<u>28,193,043</u>	<u>(3,032,055)</u>
Total Charges to Appropriations	<u>24,776,057</u>	<u>25,462,988</u>	<u>686,931</u>	<u>28,497,126</u>	<u>(3,034,138)</u>
Budgetary Fund Balance, End of Year	<u>\$2,311,588</u>	<u>\$2,311,588</u>	<u>\$0</u>	<u>\$65,667</u>	<u>(\$2,245,921)</u>

See notes to budgetary comparison schedules

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2002

A. BUDGETS

General Budget Practices

The proposed budgets for fiscal year 2002 were completed and made available for public inspection at the School Board office on August 2, 2001. A public hearing was held on August 9, 2001 for suggestions and comments from taxpayers. The proposed fiscal year 2002 budgets were formally adopted by the School Board on September 13, 2001. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service and Capital Projects Funds were published in the official journal ten days prior to the public hearings.

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

The level of control over the budget is exercised at the function or program level for the General and Special Revenue Funds, at the project level for the Capital Projects Funds and at the individual debt issue level for the Debt Service Funds. The Superintendent is authorized to transfer budget amounts within each function; however, any supplemental appropriations that amend the total expenditures of any fund require School Board approval. As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five per cent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five per cent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget were not material.

Budget Basis of Accounting

The budgets for the General and Capital Projects Funds for the fiscal year 2002 were prepared on the modified accrual basis of accounting except that outstanding encumbrances at the close of the fiscal year are treated as expenditures. The Special Revenue and Debt Service Funds' budgets for the 2002 fiscal year were prepared on a modified accrual basis, consistent with generally accepted accounting principles (GAAP).

Encumbrances

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

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2002

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

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2002, the following funds had actual expenditures over appropriations, at the functional level:

<u>Fund and Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
Adult education programs	\$ 469,781	\$ 471,662	\$ 1,881
Instructional staff support	7,299,427	7,467,590	168,163
Special Revenue Funds:			
Sales Tax 1966-general adm.	302,000	304,083	2,083
Sales Tax 1977-general adm.	302,000	304,083	2,083

Actual expenditures exceeded appropriations as a result of unanticipated expenditures occurring in the month of June after the last budget revision. The excess expenditures were funded by available and appropriable fund balances.

C. BUDGET TO GAAP RECONCILIATION

Sources/inflows of resources:

Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	<u>General Fund</u> \$ 261,170,285
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue	(45,016,277)
Transfer from other funds is considered as revenue on budgetary basis but is considered operating transfers on a GAAP basis	<u>(51,276,981)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	\$ <u>164,877,027</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 205,756,876
Accruals of expenditures in prior years were considered current year expenditures on the budgetary basis	(908,566)
Transfer to other funds is considered as outflows on budgetary basis but is considered operating transfers on a GAAP basis	<u>(3,743,091)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	\$ <u>201,105,219</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2002

Sources/inflows of resources:

	1966 SALES
	<u>TAX FUND</u>
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 26,478,032
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue	<u>(5,002)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	<u>\$ 26,473,030</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 26,472,123
Transfer to other funds is considered as outflows on budgetary basis but is considered operating transfers on a GAAP basis	<u>(26,168,040)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	<u>\$ 304,083</u>

Sources/inflows of resources:

	1977 SALES
	<u>TAX FUND</u>
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 28,562,793
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue	(2,036,277)
Transfer from other funds is considered as revenue on budgetary basis but is considered operating transfers on a GAAP basis	<u>(51,930)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	<u>\$ 26,474,586</u>

Uses/outflows of resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the Budgetary Comparison Schedule	\$ 28,497,126
Transfer to other funds is considered as outflows on budgetary basis but is considered operating transfers on a GAAP basis	<u>(28,193,043)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds	<u>\$ 304,083</u>

ST. TAMMANY PARISH SCHOOL BOARD

OTHER SUPPLEMENTAL INFORMATION

ST. TAMMANY PARISH SCHOOL BOARD

OTHER MAJOR GOVERNMENTAL FUNDS

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

**\$44 Million Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	\$100,000	\$197,797	\$97,797
Bond proceeds	44,000,000	44,000,000	0
Total Revenues	<u>44,100,000</u>	<u>44,197,797</u>	<u>97,797</u>
Expenditures			
Facilities acquisition and construction:			
Bond sale expense	150,000	120,401	29,599
Construction contracts	5,000	630	4,370
Architects and engineers	1,000,000	943,085	56,915
Election expense	30,000	26,617	3,383
Equipment	0	0	0
Other	5,000	0	5,000
Total Expenditures	<u>1,190,000</u>	<u>1,090,733</u>	<u>99,267</u>
Excess of Revenues Over Expenditures	42,910,000	43,107,064	197,064
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>\$42,910,000</u>	<u>\$43,107,064</u>	<u>\$197,064</u>

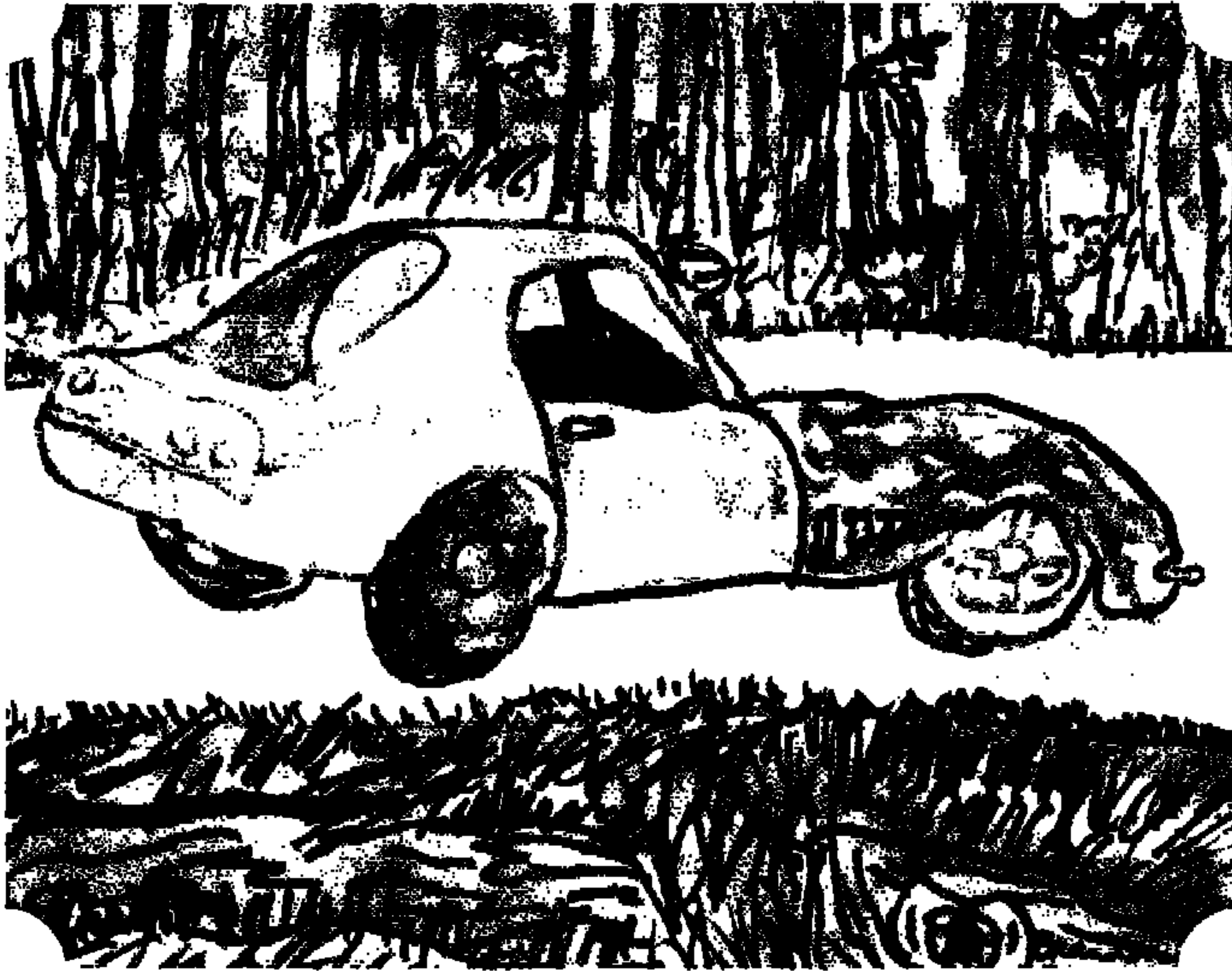
**ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana**

**\$55 Million Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	<u>\$575,000</u>	<u>\$589,136</u>	<u>\$14,136</u>
Total Revenues	<u>575,000</u>	<u>589,136</u>	<u>14,136</u>
Expenditures			
Facilities acquisition and construction:			
Equipment	1,000,000	804,582	195,418
Construction contracts	13,750,000	14,610,539	(860,539)
Architects and engineers	750,000	705,516	44,484
Land purchases	300,000	172,845	127,155
Legal services	10,000	2,031	7,969
Other	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Total Expenditures	<u>15,835,000</u>	<u>16,295,513</u>	<u>(460,513)</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,260,000)	(15,706,377)	(446,377)
Fund Balance, Beginning of Year	<u>21,701,920</u>	<u>21,701,920</u>	<u>0</u>
Fund Balance, End of Year	<u>\$6,441,920</u>	<u>\$5,995,543</u>	<u>(\$446,377)</u>

ST. TAMMANY PARISH SCHOOL BOARD

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



"SPORTS CAR"
by: Brandon Blappert
4th Grade
Sixth Ward Junior High
Teacher: Darlene Powell

"MATH PORTRAIT"
by: Davis Fontcuberta
8th Grade
William Pitcher Junior High
Teacher: Paulo Dufour
"Studying Weird Math Signs"



Aspiring Fauvists!

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Nonmajor Governmental Funds
Combining Balance Sheet - By Fund Type
June 30, 2002
With Comparative Totals for June 30, 2001

	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
				2002	2001
Assets and Other Debits					
Assets:					
Cash and cash equivalents	\$4,287,246	\$11,506,199	\$6,769,293	\$22,562,738	\$23,401,082
Investments	0	105,813	210,046	315,859	0
Receivables:					
Taxes:					
Ad valorem	0	254,591	0	254,591	221,877
Intergovernmental:					
Federal	1,938,746	0	0	1,938,746	1,769,264
State	832,799	0	0	832,799	354,821
Other	2,747	1,540	0	4,287	13,560
Due from other funds (note 6)	382,549	165,833	0	548,382	3,035,637
Inventory (note 1-f)	320,068	0	0	320,068	277,781
Total Assets and Other Debits	\$7,764,155	\$12,033,976	\$6,979,339	\$26,777,470	\$29,073,902
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$146,479	\$13,389	\$253,583	\$413,451	\$232,839
Retainage payable	0	0	463,250	463,250	337,949
Due to other funds (note 6)	3,484,704	7,827	693	3,493,224	4,598,317
Other liabilities	0	0	0	0	28,912
Deferred revenues	801,451	63,996	0	865,447	693,324
Total Liabilities	4,432,634	85,212	717,526	5,235,372	5,891,341
Fund balances:					
Reserved for encumbrances	0	0	596,662	596,662	950,890
Reserved for inventory	94,329	0	0	94,329	83,252
Reserved for debt service	0	11,948,764	0	11,948,764	10,305,666
Unreserved, undesignated	3,237,192	0	5,665,151	8,902,343	11,833,753
Total Fund Balances	3,331,521	11,948,764	6,261,813	21,542,098	23,182,561
Total Liabilities and Fund Balances	\$7,764,155	\$12,033,976	\$6,979,339	\$26,777,470	\$29,073,902

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2002
With Comparative Totals for the Year Ended June 30, 2001

	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
				2002	2001
Revenues:					
Local sources:					
Taxes:					
Ad valorem	\$0	\$14,098,713	\$0	\$14,098,713	\$13,270,712
Sales and use	0	0	0	0	0
Rentals, leases, and royalties	3,420	0	0	3,420	4,200
Tuition	778,694	0	0	778,694	755,411
Earnings on investments	73,251	270,623	265,953	609,827	1,325,315
Food service	2,746,381	0	0	2,746,381	2,688,320
Other	112,957	0	0	112,957	38,908
State sources:					
Equalization	1,183,518	0	0	1,183,518	1,183,518
Contributions to					
Teachers' Retirement	0	0	0	0	0
Revenue sharing	0	0	0	0	0
Professional Improvement Program	0	0	0	0	0
Other	1,720,788	0	0	1,720,788	1,215,469
Federal sources	18,875,565	0	0	18,875,565	14,754,875
Total revenues	\$25,494,574	\$14,369,336	\$265,953	\$40,129,863	\$35,236,728
Expenditures					
Current:					
Instruction:					
Regular Ed programs	2,268,671	0	0	2,268,671	1,531,603
Special Ed programs	3,028,433	0	0	3,028,433	1,789,079
Vocational Ed programs	296,216	0	0	296,216	285,653
Other instructional programs	1,148,646	0	0	1,148,646	293,388
Special programs	3,498,954	0	0	3,498,954	3,315,299
Adult Ed programs	54,249	0	0	54,249	19,045
Support services:					
Pupil support	993,897	0	0	993,897	918,848
Instructional staff support	2,019,357	0	0	2,019,357	2,044,048
General administration	9,591	450,154	0	459,745	434,551
School administration	466,969	0	0	466,969	13,218
Business administration	0	0	0	0	0
Operation and maintenance of plant	195,412	0	0	195,412	175,442
Pupil transportation	433,314	0	0	433,314	150,957
Central services	0	0	0	0	0
Food service	11,045,963	0	0	11,045,963	10,504,221
Community service programs	921,761	0	0	921,761	816,014
Facilities acquisition and construction	0	0	6,639,849	6,639,849	3,768,509
Debt service:					
Issuance costs	0	13,335	0	13,335	0
Principal retirement	0	8,965,000	0	8,965,000	9,065,000
Interest and bank charges	0	6,106,390	0	6,106,390	6,624,593
Total expenditures	26,381,433	15,534,879	6,639,849	48,556,161	41,749,468
Excess (Deficient) of Revenues Over Expenditures	(886,859)	(1,165,543)	(6,373,896)	(8,426,298)	(6,512,740)
Other Financing Sources					
Payment to escrow agent from bond proceeds	0	(3,417,294)	0	(3,417,294)	0
Proceeds from bond sale	0	3,410,000	0	3,410,000	0
Accrued interest on issued bonds	0	17,866	0	17,866	0
Operating transfers in	1,732,650	2,850,000	3,140,000	7,722,650	7,199,114
Operating transfers out	(895,458)	(51,931)	0	(947,387)	(649,623)
Total other financing sources (uses)	837,194	2,808,641	3,140,000	6,785,835	6,549,491
Excess (Deficient) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(49,665)	1,643,098	(3,233,896)	(1,640,463)	36,751
Fund Balances, Beginning of Year (as restated)	3,381,186	10,305,666	9,485,709	23,182,561	23,145,810
Fund Balances, End of Year	\$3,331,521	\$11,948,764	\$6,261,813	\$21,542,098	\$23,182,561

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2002
With Comparative Totals for June 30, 2001

	IASA	IDEA	Vocational Education	Miscellaneous Programs	8G
Assets					
Cash and cash equivalents	\$1,172,849	\$0	\$0	\$356,644	\$0
Receivables	384,363	540,287	20,724	1,094,538	151,163
Due from other funds	313,219	0	415	38,445	30,470
Inventory	0	0	0	0	0
Total Assets	\$1,870,431	\$540,287	\$21,139	\$1,489,627	\$181,633
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$3,623	\$21,298	\$429	\$27,490	\$0
Due to other funds	1,866,702	518,989	20,710	886,531	181,633
Other liabilities	0	0	0	0	0
Deferred revenues	106	0	0	575,606	0
Total Liabilities	1,870,431	540,287	21,139	1,489,627	181,633
Fund balances					
Reserved for inventory	0	0	0	0	0
Unreserved, undesignated	0	0	0	0	0
Total Fund Balances	0	0	0	0	0
Total Liabilities and Fund Balances	\$1,870,431	\$540,287	\$21,139	\$1,489,627	\$181,633

Exhibit 5

School Food Service	Community Education	Totals (Memorandum Only)	
		2002	2001
\$2,412,622	\$345,131	\$4,287,246	\$3,140,684
577,627	5,590	2,774,292	2,127,157
0	0	382,549	2,964,597
320,068	0	320,068	277,781
<u>\$3,310,317</u>	<u>\$350,721</u>	<u>\$7,764,155</u>	<u>\$8,510,219</u>
\$90,444	\$3,195	\$146,479	\$28,912
125	10,014	3,484,704	4,304,379
0	0	0	28,912
225,739	0	801,451	693,324
<u>316,308</u>	<u>13,209</u>	<u>4,432,634</u>	<u>5,055,527</u>
94,329	0	94,329	83,252
2,899,680	337,512	3,237,192	3,297,934
<u>2,994,009</u>	<u>337,512</u>	<u>3,331,521</u>	<u>3,381,186</u>
<u>\$3,310,317</u>	<u>\$350,721</u>	<u>\$7,764,155</u>	<u>\$8,436,713</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Nonmajor Special Revenue Funds

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2002
With Comparative Totals for the Year Ended June 30, 2001**

	<u>IASA</u>	<u>IDEA</u>	<u>Vocational Education</u>	<u>Miscellaneous Programs</u>	<u>8G</u>
Revenues					
Local sources:					
Rentals, leases and royalties	\$0	\$0	\$0	\$0	\$0
Tuition	0	0	0	0	0
Earnings on investments	0	0	0	0	0
Food service	0	0	0	0	0
Other	1,976	0	0	14,336	0
State sources:					
Equalization	0	0	0	0	0
Other	0	0	0	1,120,148	600,640
Federal sources					
	<u>5,579,873</u>	<u>4,789,779</u>	<u>296,423</u>	<u>2,698,129</u>	<u>0</u>
Total Revenues	<u>\$5,581,849</u>	<u>\$4,789,779</u>	<u>\$296,423</u>	<u>\$3,832,613</u>	<u>\$600,640</u>
Expenditures					
Current:					
Instruction:					
Regular Ed programs	1,134,830	0	0	744,073	389,768
Special Ed programs	0	3,024,853	0	1,367	2,213
Vocational Ed programs	0	0	296,216	0	0
Other instructional programs	0	0	0	1,148,646	0
Special programs	3,085,901	0	0	290,745	122,308
Adult Ed programs	0	0	0	54,249	0
Support services:					
Pupil support	256,514	714,443	0	22,940	0
Instructional staff support	711,162	495,642	0	733,328	79,225
General administration	6,549	2,255	207	544	36
School administration	0	0	0	466,969	0
Operation and maintenance of plant	146,760	34,161	0	14,491	0
Pupil transportation	2,114	159,681	0	264,429	7,090
Food service	0	0	0	8,445	0
Community service programs	0	0	0	0	0
Total Expenditures	<u>5,343,830</u>	<u>4,431,035</u>	<u>296,423</u>	<u>3,750,226</u>	<u>600,640</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>238,019</u>	<u>358,744</u>	<u>0</u>	<u>82,387</u>	<u>0</u>
Other Financing Sources (Uses)					
Operating transfers in	0	0	0	0	0
Operating transfers out	<u>(238,019)</u>	<u>(358,744)</u>	<u>0</u>	<u>(82,387)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(238,019)</u>	<u>(358,744)</u>	<u>0</u>	<u>(82,387)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	0	0	0	0	0
Fund Balances, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances, End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Exhibit 6

School Food Service	Community Education	Totals (Memorandum Only)	
		2002	2001
\$0	\$3,420	\$3,420	\$4,200
0	778,694	778,694	755,411
73,251	0	73,251	162,400
2,746,381	0	2,746,381	2,688,320
74,824	21,821	112,957	38,908
1,183,518	0	1,183,518	1,183,518
0	0	1,720,788	1,215,469
5,505,771	5,590	18,875,565	14,754,875
<u>\$9,583,745</u>	<u>\$809,525</u>	<u>\$25,494,574</u>	<u>\$20,803,101</u>
0	0	2,268,671	1,531,603
0	0	3,028,433	1,789,079
0	0	296,216	285,653
0	0	1,148,646	293,388
0	0	3,498,954	3,315,299
0	0	54,249	19,045
0	0	993,897	918,848
0	0	2,019,357	2,044,048
0	0	9,591	18,086
0	0	466,969	13,218
0	0	195,412	175,442
0	0	433,314	150,957
11,037,518	0	11,045,963	10,504,221
0	921,761	921,761	816,014
<u>11,037,518</u>	<u>921,761</u>	<u>26,381,433</u>	<u>21,874,901</u>
<u>(1,453,773)</u>	<u>(112,236)</u>	<u>(886,859)</u>	<u>(1,071,800)</u>
1,592,650	140,000	1,732,650	1,709,114
(216,306)	0	(895,456)	(536,623)
<u>1,376,344</u>	<u>140,000</u>	<u>837,194</u>	<u>1,172,491</u>
(77,429)	27,764	(49,665)	100,691
3,071,438	309,748	3,381,186	3,280,495
<u>\$2,994,009</u>	<u>\$337,512</u>	<u>\$3,331,521</u>	<u>\$3,381,186</u>

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

**IASA Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Local sources - other	\$0	\$1,976	\$1,976
Federal sources	5,980,046	5,579,873	(400,173)
Total Revenues	<u>5,980,046</u>	<u>5,581,849</u>	<u>(398,197)</u>
Expenditures			
Instruction:			
Regular Ed programs	1,257,991	1,134,830	123,161
Special programs	3,312,882	3,085,901	226,981
Support services:			
Pupil support	315,518	256,514	59,004
Instructional staff support	670,304	711,162	(40,858)
General administration	8,309	6,549	1,760
Operation and maintenance of plant	160,019	146,760	13,259
Pupil transportation	2,731	2,114	617
Total Expenditures	<u>5,727,754</u>	<u>5,343,830</u>	<u>383,924</u>
Excess of Revenues Over Expenditures	252,292	238,019	(14,273)
Other Financing Sources (Uses) Operating transfers out	<u>(252,292)</u>	<u>(238,019)</u>	<u>14,273</u>
Excess Revenues Over Expenditures and Other Financing Sources (Uses)	0	0	0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

**IDEA Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Federal sources	\$4,395,840	\$4,789,779	\$393,939
Total Revenues	<u>4,395,840</u>	<u>4,789,779</u>	<u>393,939</u>
Expenditures			
Instruction-Special Ed programs	2,730,477	3,024,853	(294,376)
Support services:			
Pupil support	652,480	714,443	(61,963)
Instructional staff support	489,478	495,642	(6,164)
General administration	3,000	2,255	745
Operation and maintenance of plant	28,198	34,161	(5,963)
Pupil transportation	145,181	159,681	(14,500)
Total expenditures	<u>4,048,814</u>	<u>4,431,035</u>	<u>(382,221)</u>
Excess of Revenues Over Expenditures	347,026	358,744	11,718
Other Financing Sources (Uses)			
Operating transfers out	<u>(347,026)</u>	<u>(358,744)</u>	<u>(11,718)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	0	0	0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

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

**Vocational Education Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Federal sources	<u>\$325,567</u>	<u>\$296,423</u>	<u>(\$29,144)</u>
Total Revenues	<u>325,567</u>	<u>296,423</u>	<u>(29,144)</u>
Expenditures			
Instruction-Vocational Ed programs	325,567	296,216	29,351
General Administration	<u>0</u>	<u>207</u>	<u>(207)</u>
Total Expenditures	<u>325,567</u>	<u>296,423</u>	<u>29,144</u>
Excess of Revenues Over Expenditures	0	0	0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**Miscellaneous Programs Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Local sources-other	\$5,200	\$14,336	\$9,136
State sources-other	755,683	1,120,148	364,465
Federal sources	1,987,083	2,698,129	711,046
Total revenues	<u>2,747,966</u>	<u>3,832,613</u>	<u>1,084,647</u>
Expenditures			
Instruction:			
Regular Ed programs	623,443	744,073	(120,630)
Special Ed programs	2,000	1,367	633
Other instructional programs	948,068	1,148,646	(200,578)
Special programs	124,235	290,745	(166,510)
Adult Ed programs	54,620	54,249	371
Support services:			
Pupil support	43,536	22,940	20,596
Instructional staff support	470,414	733,328	(262,914)
General administration	2,100	544	1,556
School administration	94,940	466,969	(372,029)
Operation and maintenance of plant	20,483	14,491	5,992
Pupil transportation	351,516	264,429	87,087
Food Service	0	8,445	(8,445)
Total expenditures	<u>2,735,355</u>	<u>3,750,226</u>	<u>(1,014,871)</u>
Excess of Revenues Over Expenditures	12,611	82,387	69,776
Other Financing Sources (Uses)			
Operating transfers out	<u>(12,611)</u>	<u>(82,387)</u>	<u>(69,776)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	0	0	0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u>0</u>	<u>0</u>	<u>0</u>

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

**8G Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
State sources-other	\$622,182	\$600,640	(\$21,542)
Total Revenues	<u>622,182</u>	<u>600,640</u>	<u>(21,542)</u>
Expenditures			
Instruction:			
Regular Ed programs	414,114	389,768	24,346
Special Ed programs	0	2,213	(2,213)
Special programs	123,592	122,308	1,284
Support services:			
Instructional staff support	76,614	79,225	(2,611)
Operations and maintenance of plant	51	0	51
General administration	0	36	(36)
Pupil transportation	7,811	7,090	721
Total Expenditures	<u>622,182</u>	<u>600,640</u>	<u>21,542</u>
Excess of Revenues Over Expenditures	0	0	0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

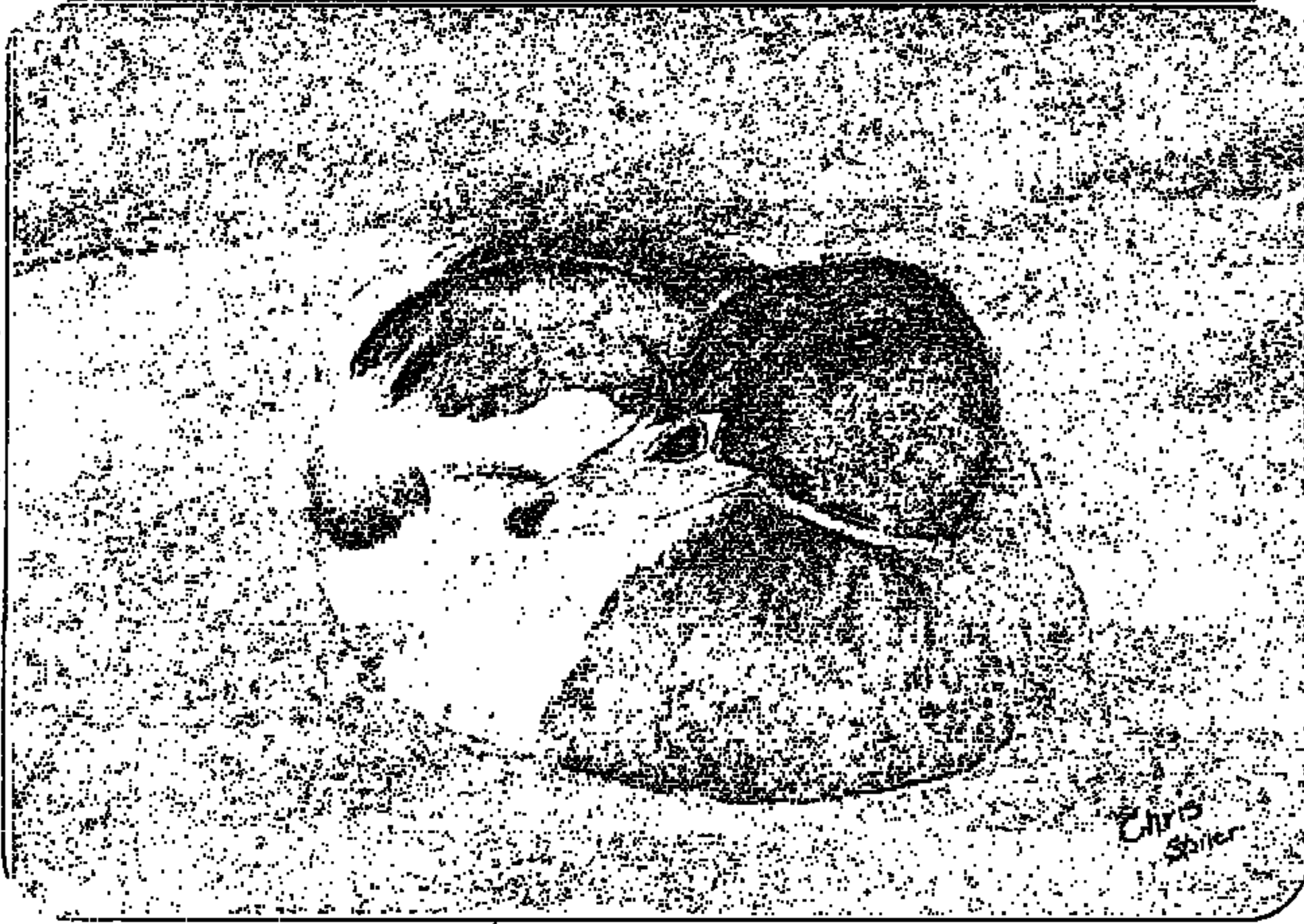
**School Food Service Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Local sources:			
Earnings on investments	\$90,000	\$73,251	(\$16,749)
Food service	2,800,000	2,746,381	(53,619)
Other	72,453	74,824	2,371
State sources - Equalization	1,183,518	1,183,518	0
Federal sources	5,150,000	5,505,771	355,771
Total Revenues	<u>9,295,971</u>	<u>9,583,745</u>	<u>287,774</u>
Expenditures			
Food service	11,177,693	11,037,518	140,175
Total Expenditures	<u>11,177,693</u>	<u>11,037,518</u>	<u>140,175</u>
Excess (Deficiency) Revenues Over Expenditures	(1,881,722)	(1,453,773)	427,949
Other Financing Sources (Uses)			
Operating transfers in	1,592,650	1,592,650	0
Operating transfers out	(218,000)	(216,306)	1,694
Total Other Financing Sources (Uses)	<u>1,374,650</u>	<u>1,376,344</u>	<u>1,694</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(507,072)	(77,429)	429,643
Fund Balance, Beginning of Year-As Restated	3,074,038	3,071,438	(2,600)
Fund Balance, End of Year	<u>\$2,566,966</u>	<u>\$2,994,009</u>	<u>\$427,043</u>

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

**Community Education Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

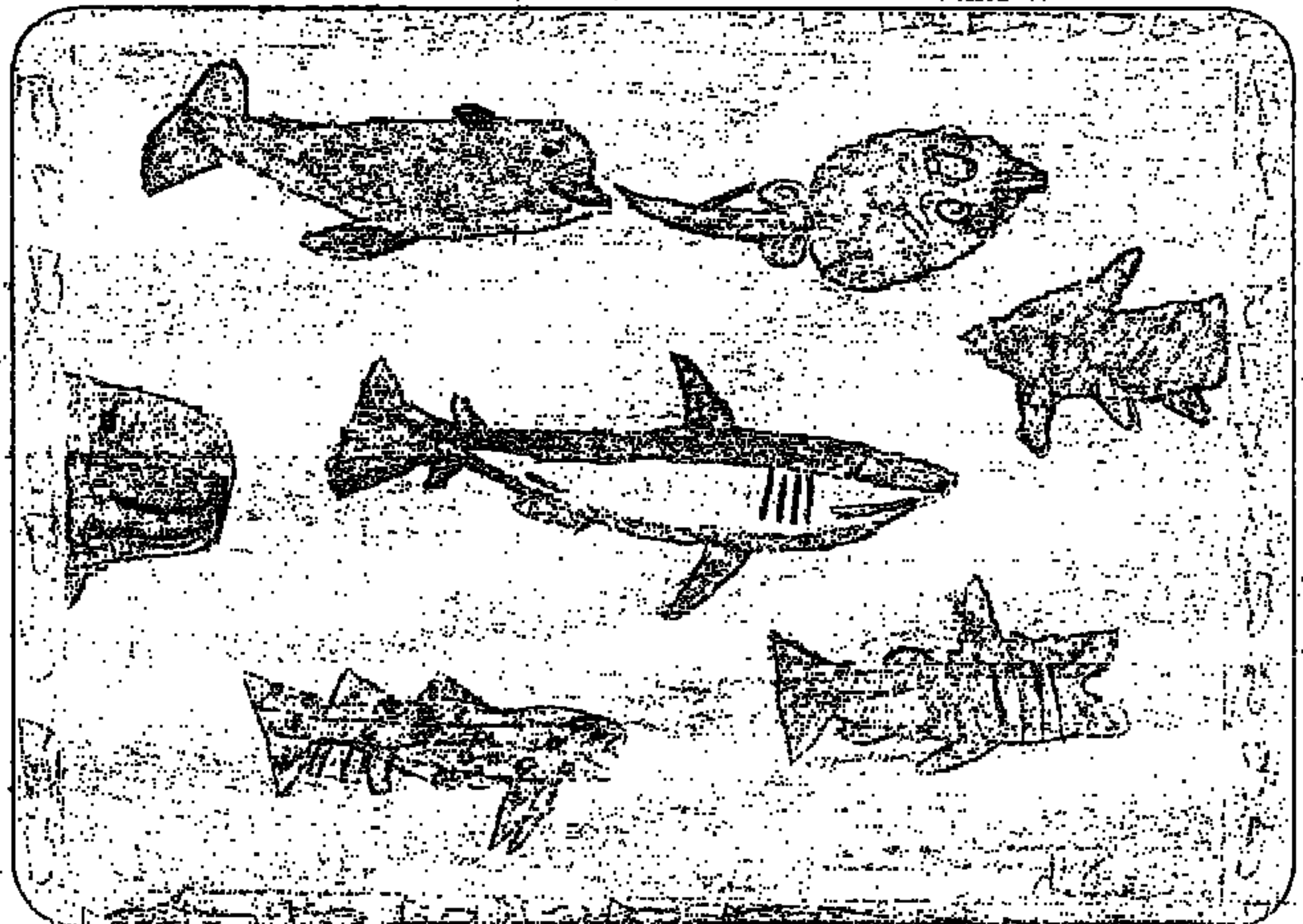
	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Local sources:			
Rentals, leases and royalties	\$3,000	\$3,420	\$420
Tuition	725,000	778,694	53,694
Federal Sources	0	5,590	5,590
Miscellaneous	<u>14,200</u>	<u>21,821</u>	<u>7,621</u>
Total Revenues	<u>742,200</u>	<u>809,525</u>	<u>67,325</u>
Expenditures			
Community service programs	<u>1,191,950</u>	<u>921,761</u>	<u>270,189</u>
Total Expenditures	<u>1,191,950</u>	<u>921,761</u>	<u>270,189</u>
Excess (Deficiency) of Revenues Over Expenditures	(449,750)	(112,236)	337,514
Other Financing Sources (Uses)			
Operating transfers in	<u>140,000</u>	<u>140,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(309,750)	27,764	337,514
Fund Balance, Beginning of Year	<u>309,748</u>	<u>309,748</u>	<u>0</u>
Fund Balance, End of Year	<u><u>(\$2)</u></u>	<u><u>\$337,512</u></u>	<u><u>\$337,514</u></u>



"MALLARD"
by: Chris Stoner
6th Grade
Lake Harbor Middle
Teachers: Kennedy/Dooley

LOUISIANA WATERLIFE

"SEALIFE"
by: Alex Breedon
2nd Grade
Mandeville Elementary
Teachers:
Mr. Hasmig Brewster



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

NON-MAJOR DEBT SERVICE FUNDS

**Combining Balance Sheet
June 30, 2002
With Comparative Totals for June 30, 2001**

	<u>Sales Tax Bond Sinking</u>	<u>Sales Tax Bond Reserve</u>	<u>Certificate Sinking</u>
ASSETS			
Cash and cash equivalents	\$624,580	\$1,857,827	\$6,144
Investments	0	0	0
Receivables	0	0	0
Due from other funds	<u>165,833</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u><u>\$790,413</u></u>	<u><u>\$1,857,827</u></u>	<u><u>\$6,144</u></u>
 LIABILITIES AND EQUITY			
Liabilities:			
Accounts payable	\$0	\$0	\$0
Deferred revenue	0	0	0
Due to other funds	<u>0</u>	<u>7,827</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>7,827</u>	<u>0</u>
 Equity:			
Fund balances:			
Reserved for debt service	790,413	1,850,000	6,144
Unreserved, undesignated	<u>0</u>	<u>0</u>	<u>0</u>
Total Equity	<u>790,413</u>	<u>1,850,000</u>	<u>6,144</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$790,413</u></u>	<u><u>\$1,857,827</u></u>	<u><u>\$6,144</u></u>

Parishwide School District No. 12	Totals (Memorandum Only)	
	2002	2001
\$9,017,648	\$11,506,199	\$10,103,605
105,813	105,813	0
256,131	256,131	221,877
<u>0</u>	<u>165,833</u>	<u>0</u>
<u>\$9,379,592</u>	<u>\$12,033,976</u>	<u>\$10,325,482</u>
\$13,389	\$13,389	\$11,989
63,996	63,996	0
<u>0</u>	<u>7,827</u>	<u>7,827</u>
<u>77,385</u>	<u>85,212</u>	<u>19,816</u>
9,302,207	11,948,764	10,305,666
<u>0</u>	<u>0</u>	<u>0</u>
<u>9,302,207</u>	<u>11,948,764</u>	<u>10,305,666</u>
<u>\$9,379,592</u>	<u>\$12,033,976</u>	<u>\$10,325,482</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

NON-MAJOR DEBT SERVICE FUNDS

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2002
With Comparative Totals for the Year Ended June 30, 2001**

	Sales Tax Bond Sinking	Sales Tax Bond Reserve	Certificate Sinking
Revenues			
Local sources:			
Taxes-ad valorem	\$0	\$0	\$0
Earnings on investments	26,428	51,931	189
Total Revenues	26,428	51,931	189
Expenditures			
Debt Service:			
Support services-administration	0	0	0
Issuance costs	0	0	0
Principal Retirement	1,450,000	0	790,000
Interest and bank charges	583,358	0	82,755
Other	0	0	0
Total Expenditures	2,033,358	0	872,755
Excess (Deficiency) of Revenues Over Expenditures	(2,006,930)	51,931	(872,566)
Other Financing Sources			
Payments to escrow agent from bond proceeds	0	0	0
Proceeds from bond sale	0	0	0
Accrued interest on issued bonds	0	0	0
Operating transfers in	1,990,000	0	860,000
Operating transfers out	0	(51,931)	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(16,930)	0	(12,566)
Fund Balances, Beginning of Year	807,343	1,850,000	18,710
Fund Balances, End of Year	\$790,413	\$1,850,000	\$6,144

Parishwide School District No. 12	Totals (Memorandum Only)	
	2002	2001
\$14,098,713	\$14,098,713	\$13,270,712
192,075	270,623	543,872
<u>14,290,788</u>	<u>14,369,336</u>	<u>13,814,584</u>
450,154	450,154	416,465
13,335	13,335	0
6,725,000	8,965,000	9,065,000
5,440,277	6,106,390	6,624,593
0	0	0
<u>12,628,766</u>	<u>15,534,879</u>	<u>16,106,058</u>
1,662,022	(1,165,543)	(2,291,474)
(3,417,294)	(3,417,294)	0
3,410,000	3,410,000	0
17,866	17,866	0
0	2,850,000	2,850,000
0	(51,931)	(113,000)
<u>1,672,594</u>	<u>1,643,098</u>	<u>445,526</u>
<u>7,629,613</u>	<u>10,305,666</u>	<u>9,860,140</u>
<u>\$9,302,207</u>	<u>\$11,948,764</u>	<u>\$10,305,666</u>

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

**Sales Tax Bond Sinking Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	<u>\$25,000</u>	<u>\$26,428</u>	<u>\$1,428</u>
Total Revenues	<u>25,000</u>	<u>26,428</u>	<u>1,428</u>
Expenditures			
Debt service:			
Principal retirement	1,450,000	1,450,000	0
Interest and bank charges	<u>585,105</u>	<u>583,358</u>	<u>1,747</u>
Total Expenditures	<u>2,035,105</u>	<u>2,033,358</u>	<u>1,747</u>
Deficiency of Revenues Over Expenditures	(2,010,105)	(2,006,930)	3,175
Other Financing Sources (Uses)			
Operating transfers in	<u>1,990,000</u>	<u>1,990,000</u>	<u>0</u>
Total Financing Sources (Uses)	<u>1,990,000</u>	<u>1,990,000</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over Expenditures	(20,105)	(16,930)	3,175
Fund Balance, Beginning of Year	<u>807,343</u>	<u>807,343</u>	<u>0</u>
Fund Balance, End of Year	<u><u>\$787,238</u></u>	<u><u>\$790,413</u></u>	<u><u>\$3,175</u></u>

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

**Sales Tax Bond Reserve Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	<u>\$50,000</u>	<u>\$51,931</u>	<u>\$1,931</u>
Total Revenues	<u>50,000</u>	<u>51,931</u>	<u>1,931</u>
Other Financing Sources (Uses)			
Operating transfers out	<u>(50,000)</u>	<u>51,931</u>	<u>(1,931)</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>51,931</u>	<u>(1,931)</u>
Excess of Revenues Over Other Financing Uses	0	0	0
Fund Balance, Beginning of Year	<u>1,850,000</u>	<u>1,850,000</u>	<u>0</u>
Fund Balance, End of Year	<u>\$1,850,000</u>	<u>\$1,850,000</u>	<u>\$0</u>

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

**Certificates Sinking Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	\$175	\$189	\$14
Total Revenues	<u>175</u>	<u>189</u>	<u>14</u>
Expenditures			
Debt service:			
Principal retirement	790,000	790,000	0
Interest and bank charges	83,250	82,755	495
Total Expenditures	<u>873,250</u>	<u>872,755</u>	<u>495</u>
Excess (Deficiency) of Revenues Over Expenditures	(873,075)	(872,566)	509
Other Financing Sources (Uses)			
Operating transfers in	860,000	860,000	0
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	(13,075)	(12,566)	509
Fund Balance, Beginning of Year	<u>18,710</u>	<u>18,710</u>	<u>0</u>
Fund Balance, End of Year	<u><u>\$5,635</u></u>	<u><u>\$6,144</u></u>	<u><u>\$509</u></u>

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

**Parishwide School District No. 12 Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Local sources:			
Taxes-ad valorem	\$13,790,378	14,098,713	308,335
Earnings on investments	175,000	192,075	17,075
Total Revenues	<u>13,965,378</u>	<u>14,290,788</u>	<u>325,410</u>
Expenditures			
Support services-general administration	454,188	450,154	4,034
Debt service:			
Issuance Costs	31,000	13,335	17,665
Principal retirement	6,725,000	6,725,000	0
Interest and bank charges	5,440,277	5,440,277	0
Total Expenditures	<u>12,650,465</u>	<u>12,628,766</u>	<u>21,699</u>
Excess (Deficiency) Revenues Over Expenditures	1,314,913	1,662,022	347,109
Other Financing Sources (Uses)			
Payment to Escrow Agent from Bond Proceeds	(3,417,294)	(3,417,294)	0
Proceeds From Sale of Bonds	3,410,000	3,410,000	0
Accrued Interest on Issued Bonds	15,000	17,866	2,866
Total Other Financing Sources (Uses)	<u>7,706</u>	<u>10,572</u>	<u>2,866</u>
Excess (Deficiency) Revenues Over Expenditures and Other Sources (Uses)	1,322,619	1,672,594	349,975
Fund Balance, Beginning of Year	<u>7,629,613</u>	<u>7,629,613</u>	<u>0</u>
Fund Balance, End of Year	<u>\$8,952,232</u>	<u>\$9,302,207</u>	<u>\$349,975</u>

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

Nonmajor Capital Project Funds

**Combining Balance Sheet-NON GAAP
June 30, 2002
With Comparative Totals for June 30, 2001**

	<u>\$50 Million Construction</u>	<u>\$25 Million Construction</u>	<u>Roofing Construction</u>
ASSETS			
Cash and cash equivalents	\$510,645	\$2,473,263	\$1,123,477
Investments	0	105,242	52,402
Receivables	0	0	0
Due from other funds	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u><u>\$510,645</u></u>	<u><u>\$2,578,505</u></u>	<u><u>\$1,175,879</u></u>
LIABILITIES AND EQUITY			
Liabilities:			
Accounts payable	\$2,040	\$0	\$13,650
Retainage payable	174,804	37,688	59,767
Due to other funds	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u><u>176,844</u></u>	<u><u>37,688</u></u>	<u><u>73,417</u></u>
Equity:			
Fund balances:			
Reserved for encumbrances	0	69,675	70,374
Unreserved, undesignated	<u>333,801</u>	<u>2,471,142</u>	<u>1,032,088</u>
Total Equity	<u><u>333,801</u></u>	<u><u>2,540,817</u></u>	<u><u>1,102,462</u></u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$510,645</u></u>	<u><u>\$2,578,505</u></u>	<u><u>\$1,175,879</u></u>

<u>Parishwide Construction</u>	<u>Totals (Memorandum Only)</u>	
	<u>2002</u>	<u>2001</u>
\$2,661,908	\$6,769,293	\$10,156,773
52,402	210,046	0
0	0	10,488
0	0	70,940
<u>\$2,714,310</u>	<u>\$6,979,339</u>	<u>\$10,238,201</u>
\$237,893	\$253,583	\$118,432
190,991	463,250	337,949
693	693	286,111
<u>429,577</u>	<u>717,526</u>	<u>742,492</u>
456,613	596,662	959,890
1,828,120	5,665,151	8,535,819
<u>2,284,733</u>	<u>6,261,813</u>	<u>9,495,709</u>
<u>\$2,714,310</u>	<u>\$6,979,339</u>	<u>\$10,238,201</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

CAPITAL PROJECTS FUNDS-NON GAAP

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2002
With Comparative Totals for the Year Ended June 30, 2001**

	<u>\$50 Million Construction</u>	<u>\$25 Million Construction</u>	<u>Roofing Construction</u>
Revenues			
Local sources:			
Earnings on investments	\$18,301	\$134,392	\$33,755
Other	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>18,301</u>	<u>134,392</u>	<u>33,755</u>
Expenditures			
Facilities acquisition and construction:			
Site improvements			
Construction contracts	29,820	2,389,275	1,147,755
Architect and engineers	65,998	87,689	64,208
Land purchases	0	0	0
Equipment	0	102,919	0
Other	<u>118</u>	<u>272</u>	<u>826</u>
Total Expenditures	<u>95,936</u>	<u>2,580,155</u>	<u>1,212,789</u>
Excess (Deficiency) of Revenues Over Expenditures	(77,635)	(2,445,763)	(1,179,034)
Other Financing Sources			
Operating transfers in	<u>0</u>	<u>0</u>	<u>1,250,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures	(77,635)	(2,445,763)	70,966
Fund Balances, Beginning of Year (as restated)	<u>411,436</u>	<u>4,986,580</u>	<u>1,031,496</u>
Fund Balances, End of Year	<u>\$333,801</u>	<u>\$2,540,817</u>	<u>\$1,102,462</u>

Exhibit 21

<u>Parishwide Construction</u>	<u>Totals (Memorandum Only)</u>	
	<u>2002</u>	<u>2001</u>
\$79,505	\$265,953	\$619,043
0	0	0
<u>79,505</u>	<u>265,953</u>	<u>619,043</u>
833,915	833,915	514,836
1,516,822	5,083,672	2,738,936
203,796	421,691	397,576
0	0	0
196,436	299,355	107,848
0	1,216	9,313
<u>2,750,969</u>	<u>6,639,849</u>	<u>3,768,509</u>
(2,671,464)	(6,373,896)	(3,149,466)
<u>1,890,000</u>	<u>3,140,000</u>	<u>2,640,000</u>
(781,464)	(3,233,896)	(509,466)
<u>3,066,197</u>	<u>9,495,709</u>	<u>10,005,175</u>
<u>\$2,284,733</u>	<u>\$6,261,813</u>	<u>\$9,495,709</u>

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

**\$50 Million Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	\$17,500	\$18,301	\$801
Total Revenues	<u>17,500</u>	<u>18,301</u>	<u>801</u>
Expenditures			
Facilities acquisition and construction:			
Construction contracts	200,000	29,820	170,180
Architects and engineers	5,500	432	5,068
Equipment	150,000	0	150,000
Other	833	118	715
Total Expenditures	<u>356,333</u>	<u>30,370</u>	<u>325,963</u>
Excess (Deficiency) of Revenues Over Expenditures	(338,833)	(12,069)	326,764
Fund Balance, Beginning of Year (as restated)	<u>338,833</u>	<u>345,870</u>	<u>7,037</u>
Fund Balance, End of Year	<u>\$0</u>	<u>\$333,801</u>	<u>\$333,801</u>

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

**\$25 Million Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	<u>\$130,000</u>	<u>\$134,392</u>	<u>\$4,392</u>
Total Revenues	<u>130,000</u>	<u>134,392</u>	<u>4,392</u>
Expenditures			
Facilities acquisition and construction:			
Legal Services	5,000	272	4,728
Construction contracts	3,000,000	2,222,014	777,986
Architects and engineers	200,000	75,427	124,573
Equipment	750,000	102,919	647,081
Other	<u>5,000</u>	<u>0</u>	<u>5,000</u>
Total Expenditures	<u>3,960,000</u>	<u>2,400,632</u>	<u>1,559,368</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,830,000)</u>	<u>(2,266,240)</u>	<u>1,563,760</u>
Fund Balance, Beginning of Year	<u>4,737,382</u>	<u>4,737,382</u>	<u>0</u>
Fund Balance, End of Year	<u>\$907,382</u>	<u>\$2,471,142</u>	<u>\$1,563,760</u>

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

**Reroofing Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	<u>\$33,000</u>	<u>\$33,755</u>	<u>\$755</u>
Total Revenues	<u>33,000</u>	<u>33,755</u>	<u>755</u>
Expenditures			
Facilities acquisition and construction:			
Construction contracts	2,000,000	1,214,016	785,984
Architects and engineers	140,000	68,321	71,679
Other	<u>2,000</u>	<u>826</u>	<u>1,174</u>
Total Expenditures	<u>2,142,000</u>	<u>1,283,163</u>	<u>858,837</u>
Excess (Deficiency) Revenues Over Expenditures	<u>(2,109,000)</u>	<u>(1,249,408)</u>	<u>859,592</u>
Other Financing Sources (Uses)			
Operating transfers in	<u>1,250,000</u>	<u>1,250,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,250,000</u>	<u>1,250,000</u>	<u>0</u>
Excess (Deficiency) Revenues and Other Financing Sources Over Expenditures and Other Uses	<u>(859,000)</u>	<u>592</u>	<u>859,592</u>
Fund Balance, Beginning of Year	<u>1,031,496</u>	<u>1,031,496</u>	<u>0</u>
Fund Balance, End of Year	<u><u>\$172,496</u></u>	<u><u>\$1,032,088</u></u>	<u><u>\$859,592</u></u>

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

**Parishwide Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 2002**

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
Revenues			
Earnings on investments	<u>\$78,000</u>	<u>\$79,505</u>	<u>\$1,505</u>
Total Revenues	<u>78,000</u>	<u>79,505</u>	<u>1,505</u>
Expenditures			
Facilities acquisition and construction:			
Site improvements	1,200,000	833,915	366,085
Construction contracts	1,685,000	1,228,900	456,100
Architects and engineers	300,000	303,204	(3,204)
Equipment	<u>200,000</u>	<u>196,436</u>	<u>3,564</u>
Total Expenditures	<u>3,385,000</u>	<u>2,562,455</u>	<u>822,545</u>
Excess (Deficiency)	(3,307,000)	(2,482,950)	824,050
Other Financing Sources (Uses)			
Operating transfers in	<u>1,890,000</u>	<u>1,890,000</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,890,000</u>	<u>1,890,000</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(1,417,000)	(592,950)	824,050
Fund Balance, Beginning of Year	<u>2,421,070</u>	<u>2,421,070</u>	<u>0</u>
Fund Balance, End of Year	<u><u>\$1,004,070</u></u>	<u><u>\$1,828,120</u></u>	<u><u>\$824,050</u></u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Proprietary Fund Type - Internal Service Funds
Combining Statement of Net Assets
June 30, 2002

	<u>Workers'</u> <u>Compensation</u>	<u>Risk</u> <u>Management</u>	<u>Total</u> <u>June 30,</u> <u>2002</u>
Current Assets			
Cash and cash equivalents	\$1,702,032	\$3,682,464	\$5,384,496
Accounts receivable	10,008	0	10,008
Due from other funds	375	54,235	54,610
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$1,712,415</u>	<u>\$3,736,699</u>	<u>\$5,449,114</u>
Liabilities and Net Assets			
Current Liabilities			
Accounts payable	\$47,753	\$11,090	\$58,843
Due to other funds	0	14,939	14,939
Liability for self-insurance losses	1,067,919	0	1,067,919
Claims liability	0	605,576	605,576
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>1,115,672</u>	<u>631,605</u>	<u>1,747,277</u>
Net Assets			
Restricted for employee benefits	596,743	0	596,743
Unrestricted	0	3,105,094	3,105,094
	<u> </u>	<u> </u>	<u> </u>
Total Net Assets (as restated)	<u>596,743</u>	<u>3,105,094</u>	<u>3,701,837</u>
Total Liabilities and Net Assets	<u>\$1,712,415</u>	<u>\$3,736,699</u>	<u>\$5,449,114</u>

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

**Proprietary Fund Type - Internal Service Funds
Combining Statement of Revenues, Expenses , and
Changes in Net Assets
For the Year Ended June 30, 2002**

	<u>Workers' Compensation</u>	<u>Risk Management</u>	<u>Total June 30, 2002</u>
Operating Revenue			
Employer contributions	\$1,671,646	\$1,536,599	\$3,208,245
Insurance proceeds	50,000	75,350	125,350
Total operating revenue	<u>1,721,646</u>	<u>1,611,949</u>	<u>3,333,595</u>
Operating Expenses			
Administrative	48,874	60,118	108,992
Contractual services	226,526	86,023	312,549
Premium payments	213,661	860,962	1,074,623
Benefit Payments	1,930,360	0	1,930,360
Claims	0	303,143	303,143
Increase (Decrease) in provision for self-insurance losses	189,061	(294,424)	(105,363)
Total operating expenses	<u>2,608,482</u>	<u>1,015,822</u>	<u>3,624,304</u>
Operating Income (Loss)	(886,836)	596,127	(290,709)
Non-Operating Revenue			
Earnings on investments	52,270	91,051	143,321
Total Non-Operating Revenue	<u>52,270</u>	<u>91,051</u>	<u>143,321</u>
Changes in Net Assets	(834,566)	687,178	(147,388)
Net Assets, Beginning of Year (as reported)	1,431,309	2,417,916	3,849,225
Net Assets, End of Year	<u>\$596,743</u>	<u>\$3,105,094</u>	<u>\$3,701,837</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Proprietary Fund Type - Internal Service Fund
Combining Statement of Cash Flows
For the Year Ended June 30, 2002

	<u>Workers'</u> <u>Compensation</u>	<u>Risk</u> <u>Management</u>	<u>Total</u> <u>June 30,</u> <u>2002</u>
Cash Provided by Operating Activities			
Cash receipts from:			
employer contributions	\$1,671,646	\$1,536,599	\$3,208,245
insurance proceeds	50,000	75,350	\$125,350
Cash payments for:			
Benefits and claims	(1,540,511)	(343,510)	(\$1,884,021)
Insurance premiums	(213,661)	(860,962)	(\$1,074,623)
Other	(275,400)	(146,141)	(\$421,541)
Net Cash Provided (Used) by Operating Activities	<u>(307,926)</u>	<u>261,336</u>	<u>(46,590)</u>
Cash Provided by Investing Activities			
Earnings on investments	<u>52,270</u>	<u>91,051</u>	<u>\$143,321</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(255,656)</u>	<u>352,387</u>	<u>96,731</u>
Cash and Cash Equivalents, Beginning of Year	<u>1,957,688</u>	<u>3,330,077</u>	<u>\$5,287,765</u>
Cash and Cash Equivalents, End of Year	<u>\$1,702,032</u>	<u>\$3,682,464</u>	<u>\$5,384,496</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(\$886,836)	596,127	(290,709)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Increase (Decrease) in provision for self insurance losses	189,061	(294,424)	(105,363)
Changes in assets and liabilities:			
(Increase) decrease in receivables	343,922	(48,974)	294,948
Increase (decrease) in payables	45,927	8,607	54,534
Decrease in deferred revenue			
Net Cash Provided (Used) by Operating Activities	<u>(\$307,926)</u>	<u>\$261,336</u>	<u>(\$46,590)</u>

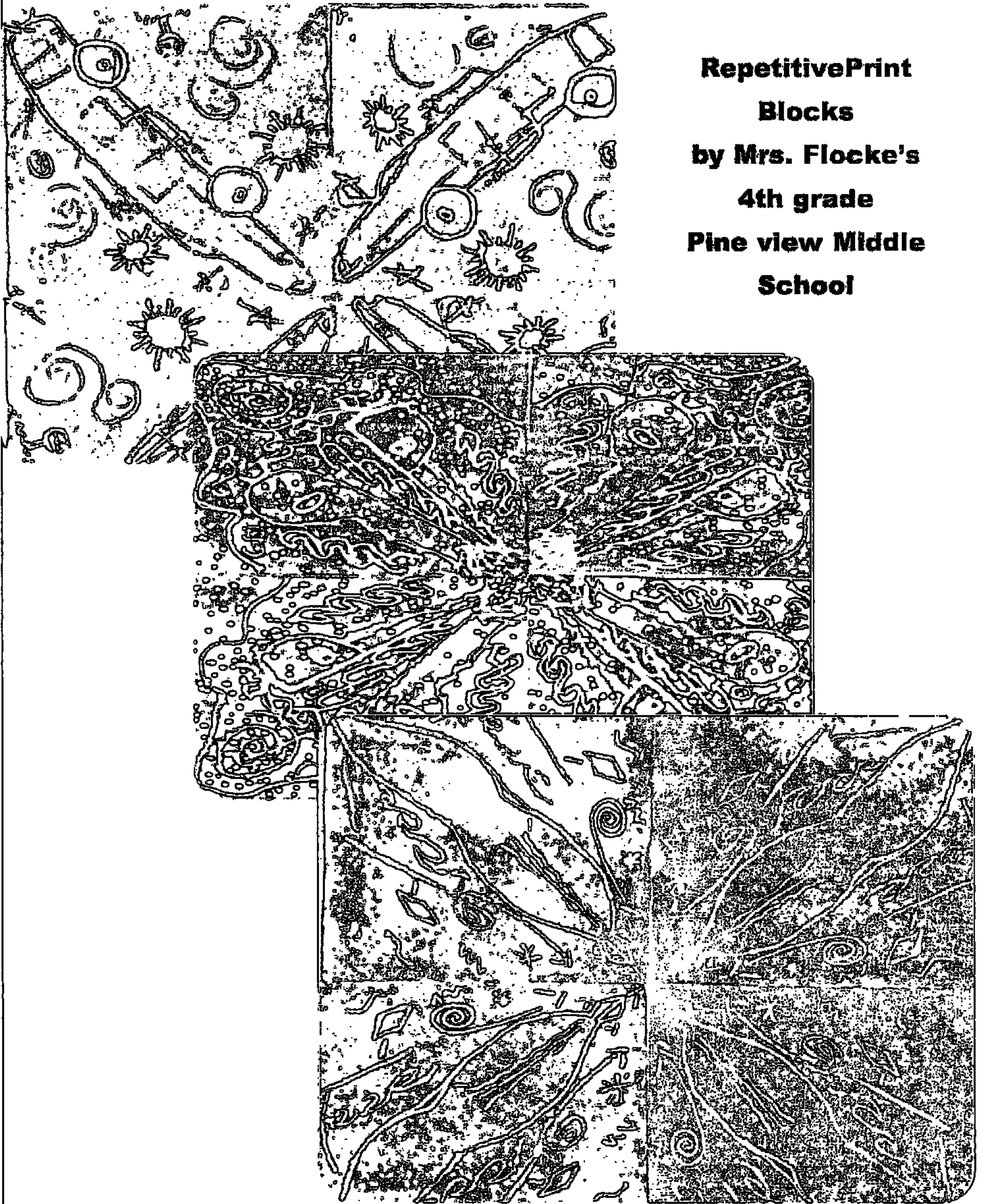
ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

SCHOOL ACTIVITY AGENCY FUND

**Schedule of Changes in Deposits
By School
For the Year Ended June 30, 2002**

School	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002
Abita Springs Elementary	\$31,949	\$61,175	\$64,201	\$28,923
Abney Elementary	47,447	150,445	134,200	63,692
Alton Elementary	7,590	15,338	19,774	3,154
Bayou Woods Elementary	31,624	68,239	54,648	45,215
Bonne Ecole Elementary	60,583	144,562	147,617	57,528
Brock Elementary	27,916	59,376	35,424	51,868
Chahta-Ima Elementary	3,336	50,864	48,799	5,401
Covington Elementary	45,649	105,940	105,136	46,453
Cypress Cove Elementary	29,930	146,735	150,867	25,798
Florida Ave. Elementary	62,665	82,425	80,232	64,858
Folsom Elementary	21,576	67,731	69,980	19,327
Honey Island Elementary	22,808	149,904	132,956	39,754
Lyon Elementary	34,732	115,147	108,166	41,713
Madisonville Elementary	18,669	103,871	91,951	30,589
Magnolia Trace Elementary	23,468	186,050	148,905	60,613
Mandeville Elementary	86,580	157,416	144,908	99,088
Pontchartrain Elementary	95,990	223,265	210,801	108,454
Riverside Elementary	19,339	79,648	83,045	15,942
Whispering Forest Elementary	51,785	136,479	126,457	61,807
Woodlake Elementary	57,879	182,371	188,759	51,491
Covington Pathways	1,411	17,921	16,781	2,551
Slidell Pathways	500	3,553	942	3,111
Abita Springs Middle	39,094	114,412	102,716	50,790
Bayou LaCombe Middle	8,294	31,842	29,930	10,206
Carolyn Park Middle	56,459	153,173	164,197	45,435
Lake Harbor Middle	0	196,281	161,451	34,830
Little Oak Middle	21,599	228,189	230,629	19,159
Mandeville Middle	94,752	220,458	231,900	83,310
Pine View Middle	6,106	113,058	91,982	27,182
Schoen, C.J. Middle	1,569	1,594	3,163	0
Tchefuncte Middle	82,649	218,766	235,782	65,633
Boyet Jr. High	76,257	135,463	152,978	58,742
Clearwood Jr. High	50,505	133,925	129,960	54,470
Fifth Ward Jr. High	63,264	160,559	162,377	61,446
Folsom Jr. High	29,727	89,232	85,206	33,753
Fontainebleau Jr. High	89,728	300,909	302,494	88,143
Lee Road Jr. High	18,339	195,847	189,308	24,878
Madisonville Jr. High	27,181	162,602	178,393	11,390
Mandeville Jr. High	80,680	232,411	249,040	64,051
Pearl River Jr. High	26,205	80,727	85,669	21,263
Pitcher Jr. High	33,292	124,817	119,755	38,354
St. Tammany Jr. High	73,064	135,503	147,804	60,763
Sixth Ward Jr. High	33,367	74,079	66,441	41,005
Slidell Jr. High	208,093	252,320	230,627	228,786
Covington High	238,662	719,328	685,743	272,247
Fontainebleau High	366,648	821,812	692,431	496,029
Mandeville High	252,460	765,661	773,950	244,171
Northshore High	232,936	677,710	635,835	274,811
Pearl River High	123,533	282,746	295,558	110,721
Salmen High	215,484	422,079	430,747	206,816
Slidell High	332,575	780,283	795,397	317,461
TOTAL	\$3,665,946	\$10,134,241	\$9,826,012	\$3,974,175

**Repetitive Print
Blocks
by Mrs. Flocke's
4th grade
Pine view Middle
School**



Kodey Arsenaux



"BLUE DOG"

by Kodey Arsenaux

1st Grade

Riverside Elementary

Teacher: Mrs. Ashton

Lesson: Barbara Shaw

Artist Studied: George

Rodrigue

©

"PELICAN"

Monica Sicomo

3rd Grade

Whispering Forest

Teacher: Darlene Powell

Artist Studied: John

James Audobon

Students
study Louisiana
Artists!



Table 1

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

**Government-wide Expenses by Function
Fiscal Years Ended June 30, 2001**

	<u>June 30, 2002</u>	<u>June 30, 2001</u>
Governmental Activities;		
Instruction:		
Regular programs	\$87,253,791	\$84,469,462
Special ed. programs	43,764,346	38,209,685
Vocational ed. programs	4,624,007	4,379,030
Other instructional programs	8,683,473	6,950,731
Special programs	4,121,088	3,817,801
Adult ed. programs	561,205	437,420
Support services:		
Pupil support	9,805,615	8,817,759
Instructional staff support	9,809,344	8,793,830
General administration	4,271,971	3,847,394
School administration	12,747,955	11,115,928
Business administration	1,646,685	1,637,047
Operation and maintenance of plant	18,261,133	17,583,421
Pupil transportation	15,137,579	13,446,369
Central services	2,367,639	1,948,164
Food services	13,241,043	12,273,048
Unallocated depreciation expense	7,641,343	6,480,684
Community service programs	994,973	892,720
Interest on long-term debt	6,242,420	6,624,593
	<u>6,242,420</u>	<u>6,624,593</u>
Total governmental activities	<u><u>\$251,175,610</u></u>	<u><u>\$231,725,086</u></u>

Note: The above information is available only for the years shown.

Table 2

ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA

Government-wide Revenues
Fiscal Years Ended June 30,

	<u>June 30, 2002</u>	<u>June 30, 2001</u>
Program Revenues:		
Charges for services	\$3,733,773	\$3,658,505
Operating grants and contributions	20,438,008	15,817,481
Capital grants and contributions	752,333	714,985
General Revenues:		
Ad valorem taxes	48,344,307	45,507,454
Sales and use taxes	52,847,766	48,795,600
State revenue sharing	1,799,322	1,802,063
Minimum foundation program	124,341,219	117,742,209
Interests and investment earnings	3,499,995	7,305,887
Other miscellaneous	6,479,498	6,617,265
Total governmental activities	<u>\$262,236,221</u>	<u>\$247,961,449</u>

Note: The above information is available only for the years shown.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

General Fund Expenditures by Function
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Instruction			Support Services				
	Regular Ed Programs	Special Ed Programs	Other Programs	Pupil Support Services	Instructional Staff Support	General Administration	School Administration	Business Administration
1993	\$46,931,281	\$17,156,796	\$4,802,657	\$4,359,334	\$3,851,302	\$1,679,544	\$6,807,562	\$809,538
1994	49,476,931	19,221,373	5,204,179	4,621,729	4,315,790	2,076,696	7,255,193	876,286
1995	54,674,839	21,853,260	6,125,842	5,216,295	4,825,474	2,021,695	8,192,367	1,059,538
1996	57,176,090	24,119,662	6,693,220	5,474,147	4,938,319	2,566,886	8,740,377	1,096,043
1997	62,538,271	27,452,174	7,357,686	6,050,112	5,519,268	2,308,558	10,009,169	1,149,804
1998	68,662,667	30,353,316	8,303,694	6,650,424	5,966,842	2,318,068	10,401,807	1,252,376
1999	72,433,920	32,754,851	9,027,966	7,281,105	6,432,566	2,465,956	10,721,643	1,399,455
2000	73,785,154	34,445,565	9,878,663	7,352,035	6,703,377	2,650,489	10,890,055	1,486,139
2001	80,263,966	35,661,404	10,992,005	7,665,798	6,560,117	2,772,849	10,901,678	1,586,630
2002	81,623,426	39,304,082	12,082,853	8,431,597	7,463,799	3,027,343	11,896,939	1,582,030

Table 3

<u>Operation and Maintenance of Plant</u>	<u>Pupil Transportation</u>	<u>Central Activities</u>	<u>Food Service</u>	<u>Community Service Programs</u>	<u>Facilities Acquisition and Construction</u>	<u>Debt Service</u>	<u>Total</u>
\$9,817,983	\$7,949,159	\$914,315	\$224,944	\$17,826	\$119,329	\$124,766	\$105,566,336
10,408,114	8,279,239	1,393,556	643,288	28,911	103,234	41,283	113,945,802
11,595,233	8,924,263	1,118,305	690,666	27,064	154,225	67,724	126,546,790
12,408,116	9,678,857	1,253,259	752,614	36,788	145,711		135,080,089
13,285,388	10,628,069	1,394,746	872,370	37,885	556,912		149,160,412
14,022,575	11,190,562	1,535,856	881,017	33,879	201,684		161,774,767
14,563,643	11,684,723	1,758,373	1,032,479	33,960	199,161		171,789,801
14,789,523	12,008,109	1,942,967	1,102,879	43,751	385,336		177,464,042
16,917,530	13,088,088	1,813,426	1,441,995	40,758	223,103		189,919,347
17,333,312	14,270,323	2,208,452	1,641,058	42,604	197,401		201,105,219

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

General Fund Revenues by Source
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Local Sources				State Sources	
	Ad Valorem Taxes	Tuition	Earnings On Investments	Other	Equalization	Contributions to Teachers' Retirement
1993	15,927,847	127,440	305,332	440,930	63,351,967	223,120
1994	17,190,593	125,251	431,975	364,158	69,921,213	202,627
1995	19,032,717	149,401	805,002	427,091	76,660,386	190,291
1996	20,124,363	147,340	1,102,542	429,438	81,569,868	178,803
1997	24,177,250	154,412	1,375,408	446,336	92,312,015	169,212
1998	25,990,794	169,963	1,604,305	377,795	99,195,469	160,037
1999	26,534,959	207,170	1,958,052	573,862	106,736,966	157,280
2000	29,246,334	198,203	2,660,879	652,491	111,640,762	132,408
2001	32,236,742	210,574	3,301,445	624,917	116,558,691	111,340
2002	34,245,594	208,698	1,860,064	674,423	123,157,701	114,847

Table 4

<u>Revenue Sharing</u>	<u>Professional Improvement Program</u>	<u>Other</u>	<u>Federal Sources</u>	<u>Total</u>
1,514,148	1,393,496	785,952	265,412	84,335,644
1,541,151	1,332,784	1,205,323	265,425	92,580,500
1,569,300	1,292,745	2,176,624	347,557	103,651,114
1,650,879	1,256,489	642,343	252,740	107,354,805
1,631,845	1,200,771	1,069,436	267,077	122,803,762
1,721,553	1,153,762	2,405,952	334,481	133,114,111
1,781,976	1,130,613	2,785,670	305,664	142,172,212
1,753,710	1,018,771	1,576,656	475,339	149,355,553
1,802,063	929,037	1,748,744	531,058	158,054,611
1,799,322	885,409	1,347,704	583,265	164,877,027

Table 5

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

**Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Year Tax Levy Collections (1)</u>	<u>Total Tax Collections (1)</u>	<u>Percentage of Total Current Year Collections to Tax Levy</u>	<u>Current Year Outstanding Taxes</u>	<u>Percentage of Current Year Outstanding Taxes to Tax Levy</u>
1993	\$22,249,929	\$21,238,827	\$22,499,923	95.1%	\$1,011,102	4.5%
1994	24,221,576	23,031,420	24,272,958	95.1%	1,190,156	4.9%
1995	26,111,200	25,686,081	26,881,093	98.4%	425,119	1.6%
1996	28,304,369	27,432,575	28,419,028	96.9%	871,794	3.1%
1997	33,989,981	32,981,367	34,136,248	97.0%	1,008,614	3.0%
1998	37,323,704	35,451,881	36,698,311	95.0%	1,871,823	5.0%
1999	37,921,259	36,371,394	37,543,149	95.9%	1,549,565	4.1%
2000	41,120,255	39,759,869	41,292,355	96.7%	1,660,386	3.3%
2001	46,310,731	44,240,854	45,507,454	95.5%	2,069,877	4.5%
2002	49,560,110	47,180,514	48,344,307	95.1%	2,379,596	4.9%

(1) Source: St. Tammany Tax Collector's Office

Table 6

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

**Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Real Estate Assessed Value</u>	<u>Commercial and Other Property Assessed Value</u>	<u>Total Assessed Value</u>	<u>Homestead Exemption Value</u>	<u>Total Assessed Value Taxed</u>	<u>Total Estimated Actual Value</u>	<u>Percentage of Total Assessed Value to Total Estimated Actual Value</u>
1993	\$374,560,203	\$95,970,349	\$470,530,552	\$215,077,907	\$255,452,645	\$4,246,180,037	11.1%
1994	398,500,909	104,160,566	502,661,475	224,572,278	278,089,197	4,534,965,530	11.1%
1995	420,818,901	115,744,760	536,563,661	236,779,583	299,784,078	4,829,278,397	11.1%
1996	453,039,166	124,016,650	577,055,816	252,091,848	324,963,968	5,201,903,433	11.1%
1997	532,174,889	134,343,983	666,518,872	276,278,015	390,240,857	6,058,688,723	11.0%
1998	573,279,924	147,820,260	721,100,184	292,584,805	428,515,379	6,552,878,573	11.0%
1999	583,140,747	160,875,374	744,016,121	308,640,221	435,375,900	6,733,548,083	11.0%
2000	615,274,982	178,671,405	793,946,387	321,842,771	472,103,616	7,159,968,947	11.1%
2001	677,730,005	193,753,558	871,483,563	339,787,718	531,695,845	7,872,082,277	11.1%
2002	722,448,235	203,144,702	925,592,937	356,569,968	569,022,969	8,043,876,643	11.5%

Source: St. Tammany Parish Assessor's Office

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

**Property Tax Rates (per \$1,000 of Assessed Valuation)
All Direct and Overlapping Governments
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	School Board Millage	Other Governments (Parishwide)		
		Parish Council Millage	Law Enforcement Millage	Assessor Millage
1993	87.10	18.35	12.94	3.21
1994	87.10	18.35	12.94	3.21
1995	87.10	18.35	12.94	3.21
1996	87.10	18.35	12.94	3.21
1997	87.10	20.82	12.94	3.21
1998	87.10	17.76	12.94	3.05
1999	87.10	17.76	12.94	3.05
2000	87.10	19.76	12.94	3.05
2001	87.10	18.95	12.94	3.00
2002	87.10	16.67	12.94	3.21

Source: Respective Taxing Jurisdiction

Table 7

Other Governments (Special Districts)						
City of Abita Springs Millage	City of Covington Millage	City of Madisonville Millage	City of Mandeville Millage	City of Pearl River Millage	City of Slidell Millage	Other
19.18	19.60	12.80	18.25	5.83	36.44	393.83
19.18	18.60	13.80	18.25	5.83	35.11	395.64
19.18	18.25	11.30	19.18	5.83	33.93	398.52
19.18	26.80	11.30	17.95	5.83	33.93	428.28
19.70	24.55	11.52	17.60	5.83	37.54	433.18
15.72	24.55	11.52	17.30	5.83	37.04	437.70
15.72	24.55	11.52	16.95	5.83	36.62	437.84
15.72	24.55	11.52	16.80	5.83	36.25	441.26
15.72	24.15	11.63	16.40	5.83	34.79	460.69
17.86	24.15	11.63	16.30	10.00	34.64	458.94

Table 8

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

**Principal Taxpayers
June 30, 2002
(Unaudited)**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Fiscal Year 2002 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Central La. Elec. Co.	Utility	\$30,341,400	3.28%
BellSouth Communications	Telephone	20,228,670	2.19%
Hibernia National Bank	Bank	8,888,410	0.96%
Wash.-St. Tammany Elect.	Utility	4,340,470	0.47%
ATMOS Energy of Louisiana	Utility	4,211,190	0.45%
Tri-States NGL Pipeline, LLC	Pipeline	4,010,380	0.43%
Banc One Management Corp.	Bank	3,874,440	0.42%
EPIC Development, Inc.	Real Estate	3,718,560	0.40%
McKesson Corp.	Warehousing	3,447,880	0.37%
Renaissance Media Group LLC	Communications	3,272,260	0.35%
		<u>\$86,333,660</u>	<u>9.33%</u>

Source: St. Tammany Parish Assessor's Office

Table 9

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

**Computation of Legal Debt Margin
June 30, 2002
(Unaudited)**

Assessed valuations:		
Taxable assessed value		\$569,002,159
Add back:		
Exempt property		<u>356,568,288</u>
Total assessed value		<u>\$925,570,447</u>
Legal debt margin:		
Debt limitation-35 percent of total assessed value		\$323,949,656
Less:		
Debt applicable to limitation:		
Total general obligation bonded debt	\$143,820,000	
Less: Amount available for repayment of general obligation bonds	<u>9,302,207</u>	
Total general obligation debt applicable to limitation		<u>134,517,793</u>
Legal debt margin		<u>\$189,431,863</u>

Table 10

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

**State Support and Local Support
Per Student
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Number of Students</u>	<u>State Support(1)</u>	<u>State Support per Student</u>	<u>Total Student Expenditures(1)</u>	<u>Total Cost per Student</u>	<u>Local Support(1)</u>	<u>Local Support per Student</u>
1993	29,282	\$67,606,305	\$2,343	\$117,639,147	\$4,017	\$44,448,991	\$1,518
1994	30,504	74,732,474	2,450	128,290,620	4,206	49,726,002	1,630
1995	31,412	83,704,980	2,665	141,910,870	4,518	54,184,671	1,725
1996	31,852	87,141,280	2,736	150,924,250	4,738	61,056,129	1,917
1997	32,677	98,043,602	3,000	165,721,221	5,071	66,670,666	2,040
1998	32,559	107,633,632	3,306	181,031,180	5,560	72,555,734	2,228
1999	32,567	115,251,077	3,539	191,633,809	5,884	75,861,509	2,329
2000	32,495	118,502,516	3,647	199,146,081	6,129	84,146,447	2,590
2001	32,680	123,548,862	3,781	212,351,734	6,498	88,985,360	2,723
2002	32,870	124,341,219	3,783	228,094,818	6,939	93,651,098	2,849

(1) Consists of General Fund and Special Revenue Funds.

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

**Ratio of Net General Obligation Debt
To Assessed Value and Net
Bonded Debt per Capita and Per Student
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Population(1)</u>	<u>Number of Students</u>	<u>Assessed Value(2)</u>	<u>Gross Bonded Debt(3)</u>	<u>Less Debt Service Fund(4)</u>	<u>Net Bonded Debt</u>	<u>Percentage of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>	<u>Net Bonded Debt per Student</u>
1993	153,351	29,282	\$470,530,552	\$50,320,000	\$2,804,369	\$47,515,631	10.1	\$310	\$1,623
1994	155,990	30,504	502,661,475	60,260,000	2,743,386	57,516,614	11.4	369	1,886
1995	164,394	31,412	536,563,661	57,165,000	3,536,974	53,628,026	10.0	326	1,707
1996	170,321	31,852	577,055,816	53,695,000	4,762,929	48,932,071	8.5	287	1,536
1997	174,856	32,677	666,518,872	75,130,000	6,617,872	68,512,128	10.3	392	2,097
1998	180,692	32,559	721,100,184	70,655,000	8,450,210	62,204,790	8.6	344	1,911
1999	183,727	32,567	744,016,121	120,230,000	8,108,246	112,121,754	15.1	610	3,443
2000	188,053	32,495	793,946,387	113,520,000	7,230,791	106,289,209	13.4	565	3,271
2001	191,268	32,680	871,483,563	106,550,000	7,629,613	98,920,387	11.4	517	3,027
2002	193,466	32,870	925,570,447	143,820,000	9,302,207	134,517,793	14.5	695	4,092

(1) Source: Louisiana Technical University

(2) From Table 9

(3) General obligation bonds

(4) Amount available for repayment of general obligation bonds

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

**Percentage of Annual Debt Service Expenditures
For General Bonded Debt to
Total General Fund Expenditures
Last Ten Fiscal Years
(Unaudited)**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Percentage of Debt Service to General Fund Expenditures</u>
1993	\$4,065,000	\$4,020,050	\$8,085,050	\$105,566,426	7.66%
1994	3,710,000	4,451,363	8,161,363	113,945,802	7.16%
1995	4,115,000	4,664,815	8,779,815	126,546,790	6.94%
1996	4,975,000	4,927,773	9,902,773	135,080,089	7.33%
1997	5,630,000	5,532,069	11,162,069	149,160,412	7.48%
1998	6,215,000	5,544,845	11,759,845	161,774,767	7.27%
1999	7,740,000	5,964,317	13,704,317	171,789,801	7.98%
2000	8,680,000	7,124,348	15,804,348	177,464,042	8.91%
2001	9,065,000	6,616,931	15,681,931	189,919,347	8.26%
2002	8,965,000	6,106,390	15,071,390	201,105,219	7.49%

Table 13

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

**Computation of Direct and Overlapping General Bonded Debt
June 30, 2002
(Unaudited)**

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
St. Tammany Parish School Board	<u>\$143,820,000</u>	100%	<u>\$143,820,000</u>
Overlapping:			
City of Abita Springs	717,000 *	100%	717,000
City of Covington	1,825,000 *	100%	1,825,000
City of Mandeville	13,475,000 **	100%	13,475,000
City of Slidell	10,130,687	100%	10,130,687
Parish Council	<u>275,000 *</u>	100%	<u>275,000</u>
Total Overlapping	<u>26,422,687</u>		<u>26,422,687</u>
Total	<u>\$170,242,687</u>		<u>\$170,242,687</u>

* As of 12/31/01

** As of 8/31/02

Source: Respective government entities

Table 14

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

**Demographic Statistics
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year	Population(1)	Total Number of Students	Public Schools		Private Schools	
			Number of Students	Percentage of Number of Students to Total Students	Number of Students	Percentage of Number of Students to Total Students
1992	148,137	32,476	28,522	87.8	3,954	12.2
1993	153,351	32,840	29,282	89.2	3,558	10.8
1994	155,990	34,640	30,504	88.1	4,136	11.9
1995	164,394	35,768	31,412	87.8	4,356	12.2
1996	170,321	36,772	31,852	86.6	4,920	13.4
1997	174,856	37,801	32,677	86.4	5,124	13.6
1998	180,692	37,903	32,559	85.9	5,344	14.1
1999	183,727	38,104	32,567	85.5	5,537	14.5
2000	188,053	38,349	32,495	84.7	5,854	15.3
2001	191,268	38,747	32,680	84.3	6,067	15.6
2002	193,466	38,608	32,870	85.1	5,738	14.9

(1) Source: Louisiana Technical University

Table 15

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

**Property Value and Bank Deposits
Last Ten Calendar Years
(Unaudited)**

<u>Calendar Year</u>	<u>Estimated Actual Property Value</u>	<u>Bank Deposits(1)</u>
1992	\$4,246,180,037	\$302,235,000
1993	4,534,965,530	294,135,000
1994	4,829,278,397	288,612,000
1995	5,201,903,433	33,948,000
1996	6,058,688,723	37,082,000
1997	6,552,878,573	41,562,000
1998	6,733,548,083	71,012,000
1999	7,159,968,947	104,745,000
2000	7,872,082,277	133,135,000
2001	8,043,876,643	160,466,000

(1) Consists of deposit liabilities of major banks and savings and loan institutions domiciled in St. Tammany Parish.

Source: Annual Report of the Office Of Financial Institutions, State of Louisiana.

Note-Does not include construction because neither the parish nor the numerous municipal governing authorities maintain this information.

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

**Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 2002
(Unaudited)**

Ray A. Alfred	\$9,600
E. Roth Allen	9,600
Robert Broome	9,600
Donald L. Burris	9,600
Charles T. Harrell	9,600
Elizabeth Heintz	9,600
Neal M. Hennegan	9,600
Carmen Johnson	9,600
John C. Lamarque	10,800
Mary K. Bellisario	9,600
James Panks	9,600
Diane Sambola	9,600
Donald J. Villere	9,600
Patti Young	9,600
Daniel G. Zechenelly	9,600
	<hr/>
	<u>\$145,200</u>

This Schedule of Compensation paid to Board Members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the School Board Members have elected the monthly payment method of

Table 17

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

**Miscellaneous Statistical Data
June 30, 2002
(Unaudited)**

<u>DEGREE</u>	<u>NO. OF TEACHERS</u>	<u>% OF TOTAL</u>
Bachelor's Degree	1,360	53.35%
Master's Degree	854	33.50%
Master's + 30	300	11.77%
Education Specialist	25	0.98%
Doctorate	10	0.39%
Totals:	<u>2,549</u>	<u>100.00%</u>

<u>YEARS OF EXPERIENCE</u>	<u>NO. OF TEACHERS</u>	<u>% OF TOTAL</u>
0-5	509	19.97%
6-10	488	19.14%
11-14	326	12.79%
15-19	344	13.50%
20-24	383	15.03%
25-over	499	19.58%
Totals:	<u>2,549</u>	<u>100.00%</u>

Year of incorporation: 1900
Form of government: School Board President
Area of parish: 1,141 square miles
Regular School Days: 182
Population: 193,466

	<u>NUMBER OF SCHOOLS</u>		<u>ENROLLMENT</u>
Elementary	23	Elementary	10,573
Middle	7	Middle	4,808
Junior	14	Junior	7,850
Senior	7	Senior	9,639
	<u>51</u>		<u>32,870</u>

ST. TAMMANY PARISH SCHOOL BOARD

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

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

We have audited the financial statements of St. Tammany Parish School Board (the School Board), as of and for the year ended June 30, 2002, and have issued our report thereon dated December 5, 2002, which includes an explanatory paragraph regarding the adoption of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis* -- for State and Local Governments, and Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 that we have reported to management of the School Board in a separate letter dated December 5, 2002.

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

Postlethwaite & Netterville

December 5, 2002

2017-2018

Single Audit Section



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

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

Compliance

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

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

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2002-1 through 2002-6.

Internal Control Over Compliance

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

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the School Board's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 2002-2.

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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the School Board as of and for the year ended June 30, 2002, and have issued our report thereon dated December 5, 2002, which includes an explanatory paragraph regarding the adoption of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements — and Management's Discussion and Analysis* — for State and Local Governments, and Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2002 as required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

Postlethwaite + Netterville

April 3, 2003

ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Pass Through Grantor Award Number	Expenditures
<u>United States Department of Agriculture</u>			
Passed Through Louisiana Department of Agriculture:			
Food Distribution Program	10.550	NONE	\$752,333
Passed Through Louisiana Department of Education:			
School Breakfast Program	10.553	NONE	1,072,467
National School Lunch Program	10.555	NONE	3,680,971
Total United States Department Of Agriculture			<u>5,505,771</u>
<u>United States Department of Education</u>			
Direct Program- After School Learning Center	84.287B	S287B010850	1,462,781
Direct Program- FIE-Funds to Improve Education	84.215K	R215K010009A	77,466
Passed Through Louisiana Department of Education:			
Adult Education-State Administered Program	84.002A	0244-52	208,581
	84.002A	280144-52	16,631
	84.002A	0044-52-C	15,057
	84.002A	0143-52	283
	84.002A	0222-52	11,721
	84.002A	0213-52	4,197
	84.002A	0207-52	22,991
			<u>279,461</u>
Evenstart	84.213C	PL100-297	5,590
Improving America's School Act (IASA):			
Title I: Helping Disadvantaged Children Meet High Standards			
	84.010A	01-T1-52	149,824
	84.010A	02-CI-52	13,112
	84.010A	02-T1-52	3,599,536
	84.010A	00-T1-52-1C/O	1,718
	84.010A	02-T1-52-C/O	1,025
	84.010A	01-T1-52C/O	159,625
			<u>3,924,840</u>
Title II: Dwight D. Eisenhower Professional Development Program			
	84.281A	01-50-52	15,465
	84.281A	02-50-52	130,881
	84.281A	00-50-52-1C/O	318
			<u>146,664</u>
Title IV: Safe and Drug Free School and Communities			
	84.186A	01-70-52	3,277
	84.186A	01-70-52-DC/O	19,681
	84.186A	00-70-52-DC/O	544
	84.186A	02-70-52	150,707
			<u>174,209</u>
Title VI: Innovative Education Program Strategies			
	84.298	01-00-52	13,608
	84.298	02-00-52	213,170
			<u>226,778</u>
Class Size Reduction			
	84.340A	01-01-52C/O	76,571
	84.340A	01-01-52	14,006
	84.340A	00-01-52-6C/O	164
	84.340A	02-01-52	1,016,641
			<u>1,107,382</u>
Total IASA			<u>5,579,873</u>

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Pass Through Grantor Award Number	Expenditures
Individuals with Disabilities Education Act (IDEA): Part B-Regular Education	84.027A	28-02-B1-52	\$3,553,348
	84.027A	00-B1-52-S	929,458
			<u>4,482,806</u>
Preschool Education	84.173A	28-02-P1-52	247,167
	84.173A	28-01-P1-52	40,862
			<u>288,029</u>
Part H-Infants and Families	84.181A	28-01-H3-52	96
	84.181A	28-02-C5-52	18,848
			<u>18,944</u>
Total IDEA			<u>4,789,779</u>
Vocational Education: Basic Grants to States	84.048	0202-52	<u>296,423</u>
LEARN-Educate America Act (EAA): Professional Development	84.276A	2800PD-52L	<u>2,863</u>
School to Work	84.278E	NONE	23,251
	84.278E	NONE	2,274
	84.278E	STW-0054-2001	10,000
			<u>35,525</u>
Technology Literacy Challenge	84.318X	280146-52	21,562
	84.318X	280114-52	54,346
	84.318X	280149-52	7,527
	84.318X	0214-52	179,270
	84.318X	0236-52	144,841
			<u>407,546</u>
High Schools That Work	84.243	NONE	<u>4,491</u>
Total United States Department of Education			<u>12,936,208</u>
<u>National Science Foundation</u>			
Direct Program - Presidential Award for Excellence in Science and Mathematics Teaching	47.066	NONE	<u>5,692</u>
Total National Science Foundation			<u>5,692</u>
<u>United States Department of Health and Human Development</u>			
Passed Through the Louisiana Department of Education:			
TANF	93.558	238-52	105,879
TANF-PreGED Skills Option Program	93.558	236-52	310,415
TANF-Early Childhood Development	93.558	235-52	226,718
TANF-After School Tutorial Program	93.558	NONE	6,778
Total United States Department of Health and Human Development			<u>649,790</u>
<u>United States Department of Defense</u>			
Air Force - JROTC	12.998	NONE	82,473
Army - JROTC	12.998	NONE	91,215
Marines - JROTC	12.998	NONE	43,091
Navy - JROTC	12.998	NONE	139,000
Total United States Department of Defense			<u>355,779</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$19,458,830</u>
See accompanying Notes to Schedule of Federal Awards			

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Schedule of Expenditures of Federal Awards

June 30, 2002

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of the St. Tammany Parish School Board (the School Board). The School Board reporting entity is defined in the notes to the financial statements for the year ended June 30, 2002. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in the notes to the School Board's financial statements for the year ended June 30, 2002. Commodities received, which are non-cash revenue, are valued at prices provided by the U.S. Department of Agriculture. Any received but unused commodities are recorded as deferred revenue until used.

3. Relationship to General Purpose Financial Statements

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

General Fund – Grants	\$ 583,265
Special Revenue Fund	<u>18,875,565</u>
Total	<u>\$ 19,458,830</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, 2002, which will differ from the schedule by the amount of encumbrances as of June 30, 2002, liquidated to the dates of the report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Findings and Questioned Costs

Year Ended June 30, 2002

(1) Summary of Auditors' Results

- (a) The type of report issued on the financial statements: unqualified opinion
- (b) Reportable conditions in internal control were disclosed by the audit of the financial statements: none reported Material weaknesses: no
- (c) Noncompliance which is material to the financial statements: no
- (d) Reportable conditions in internal control over major programs: yes Material weaknesses: no
- (e) The type of report issued on compliance for major programs: unqualified opinion
- (f) Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133: yes
- (g) Major program:
 - United States Department of Education:
 - Improving America's School Act (IASA), CFDA No. 84.010
 - Special Education Cluster, CFDA Numbers 84.027 and 84.173
 - Twenty-first Century Community Learning Centers, CFDA No. 84.287B
 - United States Department of Health and Human Services:
 - Temporary Assistance for Needy Families (TANF), CFDA No. 93.558
- (h) Dollar threshold used to distinguish between Type A and Type B programs: \$583,765
- (i) Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133: yes

(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: None

(3) Findings and Questioned Costs relating to Federal Awards: yes

2002-1

Federal program and specific federal award identification:

CFDA Title: Improving America's School Act (IASA)

CFDA Number: 84.010

Federal award number: None

Criteria: OMB Circular A-87, item h, subpart 4, requires that employees working on a sole single Federal award, support by periodic certifications that the employees worked solely on that program for the period covered by periodic certifications. These certifications should be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. For employees working on multiple activities or cost objectives, a distribution of their salaries or wages should be supported by personnel activity reports or equivalent documentation which meets the standards defined in the Circular; at a minimum, the reports should be made at least monthly.

Condition: Out of a sample of forty employees selected, three office employees did not have certifications.

Questioned Costs: Questioned costs, if any, cannot be determined.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Findings and Questioned Costs. Continued

Context: Certifications were not completed for all required employees.

Effect: Certifications were not completed for all required employees.

Cause: The Program Director had knowledge of the requirements but the certifications were not required to be completed.

Recommendation: The Program Director should comply with the provisions of OMB Circular A-87.

Management's response: Certifications were obtained and signed by the appropriate supervisory official as required on all employees for Title I; however, the three missing certifications were those certifications required for the three supervisors for the department. We were not aware that certifications were required on supervisory officials and upon notification the supervisor for Title I obtained the certifications and will continue to do so. Contact Person: Phyllis Morgan, Supervisor of Instruction - Title I (985) 898-6428.

2002-2

Federal program and specific federal award identification:

CFDA Title: Individuals with Disabilities Education Act (IDEA) – Part B

CFDA Number: 84.027

Federal award number: None

Criteria: OMB Circular A-87, item h, subpart 4, requires that employees working on a sole single Federal award, support by periodic certifications that the employees worked solely on that program for the period covered by periodic certifications. These certifications should be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. For employees working on multiple activities or cost objectives, a distribution of their salaries or wages should be supported by personnel activity reports or equivalent documentation which meets the standards defined in the Circular; at a minimum, the reports should be made at least monthly.

Condition: Out of a sample of forty employees selected, no certifications were provided for twenty-six employees.

Questioned Costs: Questioned costs, if any, cannot be determined.

Context: Certifications were not completed for all required employees.

Effect: Certifications were not completed for all required employees.

Cause: The Program Director had knowledge of the requirements but the certifications were not required to be completed.

Recommendation: The Program Director should comply with the provisions of OMB Circular A-87.

Management's response: We are aware of the requirement for certifications and will obtain the necessary certifications for the period in question. In the future, certifications will be required on all employees and supervisory officials and will be collected by the Supervisor of Special Education. Contact Person: Carole D. Hillier, Supervisor of Special Education (985) 898-3310.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Findings and Questioned Costs, Continued

2002-3

Federal program and specific federal award identification:

CFDA Title: Individuals with Disabilities Education Act (IDEA) - Part B

CFDA Number: 84.027

Federal award number: None

Criteria: In accordance with OMB Circular A-87 Attachment B item h. charges to Federal awards for salaries and wages will be based on payrolls documented in accordance with generally accepted practice of the governmental unit.

Condition: An employee was overpaid by \$15,490 and the salary was charged to the Federal Grant.

Questioned Costs: The questioned costs are \$15,490.

Context: The employee was overpaid and the federal grant was overcharged.

Effect: The Federal Grant was overcharged by \$15,490.

Cause: The employee was being paid full salary when she was on sick leave and should have only been paid a portion of regular salary or no salary at all.

Recommendation: The Program Director should periodically review the salary charges to Federal Grants to verify compliance.

Management's response: The overpayment was discovered and corrected by departmental personnel prior to its discovery by the auditors and steps were already being taken toward seeking reimbursement from the employee. The application for leave was submitted to personnel and approved prior to granting of any leave. The approval was forwarded to the school from which the application was originated. The school should have entered the employee as on leave when entering bimonthly payroll information. However, the school nurse in question works at several schools throughout the system and because of this the base school was not entering the employee as absent and thus the employee continued to receive full pay. The amount in question was subsequently removed from the federal programs and recorded as a receivable from the employee in the general fund. The school will reimburse the funds through reduction of a subsequent reimbursement request. The Personnel Department has supplied all schools and departments with a list of its base personnel and reinstructed them as to their responsibility as it relates to payroll information for absent employees. Contact Person: Pete Jabbia, Director of Personnel (985) 898-3223.

2002-4

Federal program and specific federal award identification:

CFDA Title: Individuals with Disabilities Education Act (IDEA) - Part B and Improving America's School Act (IASA)

CFDA Numbers: 84.027 and 84.010

Federal award number: None

Criteria: In accordance with OMB Circular A-87 Attachment B, Section 25, Item d, Subpart 3, contributions to reserve contributions to reserves for workman's compensation should be based on sound actuarial principles.

Condition: The current rates charged to Federal grants for workman's compensation charges have not been reviewed for several years.

Questioned Costs: Questioned costs if any cannot be determined

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Findings and Questioned Costs, Continued

Context: A total of \$16,730 for workman's compensation charges was charged to the Title I funds during 2002. A total of \$16,339 for workman's compensation charges was charged to Special Education funds during 2002.

Effect: Rates charged to federal funds may not be accurate.

Cause: The School Board need to comply with OMB Circular A-87 Attachment B, Section 25, Item d, Subpart 3.

Recommendation: We recommend that the School Board obtain an actuarial study of cash on hand and rates charged for premiums for the workman's compensation fund.

Management's response: We agree that the rates charged for workers' compensation charges should be based on sound actuarial principles. We are researching this matter to determine the best route to take in determining a new workers' compensation rate. In fiscal year ending June 30, 2002, the School Board collected \$1,671,646 in premiums and paid out \$1,930,360 in benefits. The Workers' Compensation fund had an operating loss of \$886,836 for the same period. Contact Person: Ronald Caruso, Director of Business Affairs (985) 898-3217.

2002-5

Federal program and specific federal award identification:

CFDA Title: Twenty-first Century Community Learning Centers

CFDA Number: 84.287B

Federal award number: None

Criteria: OMB Circular A-87, item h, subpart 4, requires that employees working on a sole single Federal award, support by periodic certifications that the employees worked solely on that program for the period covered by periodic certifications. These certifications should be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. For employees working on multiple activities or cost objectives, a distribution of their salaries or wages should be supported by personnel activity reports or equivalent documentation which meets the standards defined in the Circular; at a minimum, the reports should be made at least monthly.

Condition: Out of a sample of forty employees selected, no certifications were provided for nine employees.

Questioned Costs: Questioned costs, if any, cannot be determined.

Context: Certifications were not completed for all required employees.

Effect: Certifications were not completed for all required employees.

Cause: The Program Director had no knowledge of the requirements.

Recommendation: The Program Director should comply with the provisions of OMB Circular A-87.

Management's response: We are aware of the requirement for certifications and will obtain the necessary certifications for the period in question. In the future, certifications will be required for all employees and supervisory officials and will be collected by the Supervisor of Elementary Instruction. Contact Person: Marion Arrowsmith, Supervisor of Elementary Instruction (985) 892-2276.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Findings and Questioned Costs, Continued

2002-6

Federal program and specific federal award identification:

CFDA Title: Temporary Assistance for Needy Families (TANF)

CFDA Number: 93.558

Federal award number: None

Criteria: OMB Circular A-87, item h, subpart 4, requires that employees working on a sole single Federal award, support by periodic certifications that the employees worked solely on that program for the period covered by periodic certifications. These certifications should be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee. For employees working on multiple activities or cost objectives, a distribution of their salaries or wages should be supported by personnel activity reports or equivalent documentation which meets the standards defined in the Circular; at a minimum, the reports should be made at least monthly.

Condition: Out of a sample of forty employees selected, no certifications were provided for seven employees.

Questioned Costs: Questioned costs, if any, cannot be determined.

Context: Certifications were not completed for all required employees.

Effect: Certifications were not completed for all required employees.

Cause: The Program Director had no knowledge of the requirements.

Recommendation: The Program Director should comply with the provisions of OMB Circular A-87.

Management's response: We are aware of the requirement for certifications and will obtain the necessary certifications for the period in question. In the future, certifications will be required for all employees and supervisory officials and will be collected by the Supervisor of Elementary Instruction and Acting Assistant Superintendent Curriculum and Instruction. Contact Persons: Marion Arrowsmith, Supervisor of Elementary Instruction and Dr. Margo Guilott, Ph.D., Acting Assistant Superintendent Curriculum and Instruction.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Prior Audit Findings

Year Ended June 30, 2002

2001-1

Federal program and specific federal award identification:

CFDA Title: National School Lunch Program

CFDA Number: 10.555

Federal award number: None

Criteria: CFR 245.6a requires the School Board to verify the current free and reduced price eligibility of households selected from a sample of applications that it has approved for free or reduced price meals.

Condition: During the verification process, if the School Board determines that a student does not meet the eligibility requirements for free or reduced price lunch the student's meal plan should be changed accordingly. For 1 of 30 verifications we reviewed, we noted the student's records did not indicate that the student was eligible for reduced price lunch, however, the student's meal plan was not changed to paid.

Questioned Costs: The student received 180 reduced price meals during the school year, resulting in a known questioned cost of \$257. The number of students receiving reduced price meals as of June 30, 2001 was 2,251.

Recommendation: The School Board should review that all student meal plan changes as determined by the verification test have been made.

Management's response: Resolved

ST. TAMMANY PARISH SCHOOL BOARD

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ST. TAMMANY PARISH SCHOOL BOARD
PERFORMANCE AND STATISTICAL DATA
FOR THE YEAR ENDED JUNE 30, 2002



Postlethwaite & Netterville

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Independent Accountants' Report On Applying Agreed-Upon Procedures

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

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

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

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

- 1) We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

We noted no exceptions in our sample of 25 transactions. In testing the mathematical accuracy of Schedule 1, P & N noted the Total General Fund Instructional Expenditures does not sum to the total reported on Schedule 1.

Education Levels of Public School Staff (Schedule 2)

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

The total number of full-time teachers as reported on Schedule 2 is 2,414 and the total number of full-time teachers as reported on Schedule 4 is 2,391.

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

The total number of principals and assistant principals as reported on Schedule 2 is 103 and the total number of principals and assistant principals as reported on Schedule 4 is 104.

4. We did not obtain a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. The data provided by the School Board was as of June 2001, we were unable to trace a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Number and Type of Public Schools (Schedule 3)

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

Lake Harbor Middle School, Operation Jumpstart, Covington Pathways, and Slidell Pathways were included on Schedule 3 but not reported on the Title I application.

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

6. We obtained a list of teachers by classification as of October 1st and as reported on the schedule and traced a sample of 20 teachers to the individual's personnel file and determined if the individual's experience was properly classified on the schedule. We did not obtain a list of Principals and Assistant Principals as of October 1st.

No exceptions noted on the 20 classroom teachers selected for testwork.

Public School Staff Data (Schedule 5)

7. We did not obtain a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and were unable to trace a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule. We were provided with a copy of the PEP report to the State of Louisiana which did not contain the data in the required format.
8. We were unable to recalculate the average salaries and full-time equivalents reported in the schedule.

We did not obtain a list of all classroom teachers and were unable to perform this recalculation.

Class Size Characteristics (Schedule 6)

9. We did not obtain a list of classes by school, school type, and class size as reported on the schedule and were unable to reconcile school type classifications to Schedule 3 data as obtained in procedure 5. We were unable to trace a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

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

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

We noted no exceptions.

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

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

We noted no exceptions.

The Iowa Tests (Schedule 9)

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

We noted no exceptions.

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



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

Postlethwaite & Nettville

December 26, 2002



ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA

Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2002

Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial Statistical Report (AFSR).

Schedule 4 - Experience of Public Teachers and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data

This schedule includes average classroom teachers salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - The Graduation Exit Exam

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 - The IOWA Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

St. Tammany Parish School Board
General Fund Instructional and Support Expenditures and
Certain Local Revenue Sources
2001-2002

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	85,846,618	
Other Instructional Staff Activities	13,270,187	
Employee Benefits	29,184,416	
Purchased Professional and Technical Services	201,700	
Instructional Materials and Supplies	4,788,922	
Instructional Equipment	245,456	
Total Teacher and Student Interaction Activities	133,537,299	

Other Instructional Activities 398,599

Pupil Support Activities 8,432,040

Less: Equipment for Pupil Support Activities (4,661)

Net Support Activities 8,427,379

Instructional Staff Services 7,467,590

Less: Equipment for Instructional Staff Services (21,023)

Net Instructional Staff Services 7,446,567

Total General Fund Instructional Expenditures 149,411,245

Total General Fund Equipment Expenditures 1,320,825

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	2,425,492
Renewable Ad Valorem Taxes	30,888,762
Debt Service Ad Valorem Taxes	14,098,713
Up to 1% Collections by the Sheriff on Taxes Other Than School Taxes	931,340
Sales and Uses Taxes	52,847,765
Total Local Taxation Revenue	101,192,072

Local Earnings on Investments in Real Property:

Earnings from 16th Section Property 0

Earnings from Other Real Property 0

Total Local Earnings on Investments in Real Property 0

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Taxes 131,432

Revenue Sharing - Other Taxes 1,667,890

Revenue Sharing - Excess Portion 0

Other Revenue in Lieu of Taxes 0

Total State Revenue in Lieu of Taxes 1,799,322

Non Public Textbook Revenue 140,288

Non Public Transportation Revenue 361,644

Prepared by the St. Tammany Parish School Board

Schedule 2

**St. Tammany Parish School Board
Educational Levels of Public School Staff
As of October 1, 2001**

Category	Full Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0.00%	8	100.00%	0	0.00%	0	0.00%
Bachelor's Degree	1400	58.19%	0	0.00%	0	0.00%	0	0.00%
Master's Degree	729	30.30%	0	0.00%	35	33.98%	0	0.00%
Master's Degree +30	250	10.39%	0	0.00%	49	47.57%	0	0.00%
Specialist in Education	19	0.79%	0	0.00%	10	9.71%	0	0.00%
Ph. D. or Ed. D.	8	0.33%	0	0.00%	9	8.74%	0	0.00%
Total	2406	100.00%	8	100.00%	103	100.00%	0	0.00%

Prepared by the St. Tammany Parish School Board

**St. Tammany Parish School Board
Number and Type of Public Schools
For the Year Ended June 30, 2002**

Schedule 3

Type	Number
Elementary	23
Middle/Jr. High	18
Secondary	7
Combination	3
Total	51

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

Prepared by the St. Tammany Parish School Board

Schedule 4

St. Tammany Parish School Board
 Experience of Public Principals and Full Time Classroom Teachers
 As of October 1, 2001

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	16	17	17	2	1	0	0	53
Principals	14	7	17	5	3	4	1	51
Classroom Teachers	119	159	606	306	336	384	481	2391
Total	149	183	640	313	340	388	482	2495

Prepared by the St. Tammany Parish School Board

St. Tammany Parish School Board
Public School Staff Data
For the Year Ended June 30, 2002

Schedule 5

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers Salary Including Extra Compensation	\$39,086	\$39,032
Average Classroom Teachers Salary Excluding Extra Compensation	\$38,513	\$38,455
Number of Teacher Full-time Equivalents (FTE's) used in Computation of Average Salaries	2,293	2,277

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

Prepared by the St. Tammany Parish School Board

Schedule 6

**St. Tammany Parish School Board
Class Size Characteristics, 2001-2002
As of October 1, 2001**

School Type	Class Size Range											
	1-20		21-26		27-33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	46.10	765	41.70	691	12.20	203	0.00	0				
Elementary Activity Classes	46.60	278	32.80	196	20.40	122	0.20	1				
Middle/Jr. High	36.00	511	35.00	496	29.00	411	0.00	0				
Middle/Jr. High Activity Classes	28.60	89	21.60	67	45.30	141	4.50	14				
High	38.80	1086	31.60	885	29.60	831	0.00	0				
High Activity Classes	43.90	128	17.80	52	21.20	62	17.10	50				
Combination	100.00	8	0.00	0	0.00	0	0.00	0				
Combination Activity Classes	0.00	0	0.00	0	0.00	0	0.00	0				

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

Prepared by the St. Tammany Parish School Board

Schedule 7

St. Tammany Parish School Board
Louisiana Educational Assessment Program (LEAP) for the 21st Century
Fiscal Year Ended June 30, 2002

District Achievement Level Results	ENGLISH LANGUAGE ARTS						MATHEMATICS									
	2002			2001			2002			2001			2000			
	Number	Percent		Number	Percent		Number	Percent		Number	Percent		Number	Percent		
Students Grade 4																
Advanced	200	8.0%		62	2.5%		108	3.8%		90	4.3%		104	3.6%		4.2%
Proficient	704	28.3%		665	26.8%		483	26.4%		456	19.4%		453	18.4%		18.3%
Basic	1065	42.8%		1260	50.7%		1200	46.4%		1233	48.2%		1148	49.6%		46.3%
Approaching Basic	380	15.3%		358	14.4%		434	16.0%		442	17.4%		446	17.8%		18.0%
Unsatisfactory	140	5.6%		140	5.6%		265	7.3%		264	10.6%		330	10.6%		13.3%
Total	2489	100.0%		2485	100.0%		2490	100.0%		2485	100.0%		2481	100.0%		100.0%

District Achievement Level Results	SCIENCE						SOCIAL STUDIES									
	2002			2001			2002			2001			2000			
	Number	Percent		Number	Percent		Number	Percent		Number	Percent		Number	Percent		
Students Grade 8																
Advanced	57	2.3%		50	2.1%		59	2.0%		51	2.3%		37	2.1%		1.5%
Proficient	742	29.4%		624	26.1%		479	30.1%		523	19.0%		509	21.9%		20.6%
Basic	1093	43.3%		1097	45.9%		1370	40.2%		1233	54.4%		1255	51.6%		50.9%
Approaching Basic	476	18.9%		461	19.3%		425	19.1%		400	16.9%		433	16.7%		17.6%
Unsatisfactory	156	6.2%		159	6.6%		186	8.5%		183	7.4%		232	7.7%		9.4%
Total	2524	100.0%		2391	100.0%		2519	100.0%		2390	100.0%		2466	100.0%		100.0%

Prepared by the St. Tammany Parish School Board

Schedule 8

St. Tammany Parish School Board
The Graduate Exit Exam for the 21st Century
Fiscal Year Ended June 30, 2002

District Achievement Level Results	ENGLISH LANGUAGE ARTS						MATHEMATICS									
	2002			2001			2002			2001			2000*			
	Number	Percent		Number	Percent		Number	Percent		Number	Percent		Number	Percent		
Students Grade 10																
Advanced	70	3.16%		40	1.85%		293	13.20%		242	11.17%		0	0.00%		0
Proficient	510	23.06%		553	25.51%		462	20.82%		565	26.08%		0	0.00%		0
Basic	1133	51.22%		1138	52.49%		902	40.65%		829	38.27%		0	0.00%		0
Approaching Basic	349	15.78%		306	14.11%		267	12.03%		219	10.11%		0	0.00%		0
Unsatisfactory	150	6.78%		131	6.04%		295	13.29%		311	14.36%		0	0.00%		0
Total	2212	100.00%		2168	100.00%		2219	100.00%		2166	100.00%		0	0.00%		0

District Achievement Level Results	SCIENCE						SOCIAL STUDIES									
	2002			2001*			2002			2001*			2000*			
	Number	Percent		Number	Percent		Number	Percent		Number	Percent		Number	Percent		
Students Grade 11																
Advanced	132	6.40%		0	0.00%		46	2.23%		0	0.00%		0	0.00%		0
Proficient	555	26.89%		0	0.00%		346	16.78%		0	0.00%		0	0.00%		0
Basic	850	41.18%		0	0.00%		1117	54.17%		0	0.00%		0	0.00%		0
Approaching Basic	332	16.09%		0	0.00%		350	16.97%		0	0.00%		0	0.00%		0
Unsatisfactory	195	9.45%		0	0.00%		203	9.84%		0	0.00%		0	0.00%		0
Total	2064	100.00%		0	0.00%		2062	100.00%		0	0.00%		0	0.00%		0

Note: * There was no GEE 21 in 1999 and or 2000.

Prepared by the St. Tammany Parish School Board

St. Tammany Parish School Board
The IOWA Tests
Fiscal Year Ended June 30, 2002

Schedule 9

	Composite		
	2002	2001	2000
Test of Basic Skills (ITBS)			
Grade 3	69	70	69
Grade 5	66	66	65
Grade 6	67	68	67
Grade 7	65	64	64
Test of Educational Development (ITED)			
Grade 9	61	63	64

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

Prepared by the St. Tammany Parish School Board



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CONFIDENTIAL

December 5, 2002

Members of the St. Tammany Parish School Board
St. Tammany Parish School Board
212 West 17th Avenue
Covington, Louisiana 70439-0940

Dear Members of the Board:

We have audited the financial statements of the St. Tammany Parish School Board (the School Board) for the year ended June 30, 2002, and have issued our report thereon dated December 5, 2002, which was unqualified. In planning and performing our audit of the financial statements of the School Board, we considered the School Board's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the School Board's organization gained during our work to make comments and suggestions that we hope will be useful to you. The current year comments, with management's response, are included in Appendix A. The status of prior year comments, which have been resolved, is included in Appendix B.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended for the information of the members of the School Board, management and the State of Louisiana Legislative Auditor's Office, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Postlethwaite & Netterville

Current Year Comments

02.1 – Information Technology

As part of the audit, we reviewed the general controls over the information system processes of the School Board. We noted the following recommendations:

- The School Board needs to develop a disaster recovery plan/business continuity plan. At the very least, server documentation, configuration, backed up data and copies of license agreements should be stored off site. While management believes a local network consulting firm in New Orleans would help in restoring data and equipment if a complete loss occurred, a formal agreement is not in place. We recommend that a complete disaster and business continuity plan be developed, contracts/agreements approved as necessary and appropriate personnel be trained. A complete plan should consist of all equipment and configurations, as well as software license agreements.
- The School Board should assess the fire protection in both the computer room and network area. A complete review should be made for fire protection and planning. At the very least, Halon/FM 200 fire extinguishers should be mounted in obvious places.

Management's Response

We have a disaster recovery plan and an offsite backup location. We do believe that it would be improved by bringing licenses off site and creating formal agreements for the local network-consulting firm. We will look into the matter and make a determination after consultation with management and legal representation. The Personnel building meets fire codes in that extinguishers are at every exit. We are currently investigating a suppression system similar to the one recommended. Contact Person: Louis Boullion, Director of Data Processing, (985) 898-3237.

02.2 – Bank Reconciliations

The bank reconciliations for payroll and accounts payable checking accounts were not reconciled during fiscal year 2002. We recommend the School Board reconcile all bank accounts monthly; if delay situations arose, the chief financial officer/controller should be notified and corrective actions should be taken.

Management Response:

Bank reconciliations will be performed monthly on all bank accounts. Contact Person: Ronald Caruso, Director of Business Affairs, (985) 898-3217.

Prior Year Comments

01.1 – School Lunch Program Verifications

CFR 245.6a requires entities participating in the National School Lunch Program to verify the current free and reduced price eligibility of households selected from a sample of the applications it has approved. During the verification process if the School Board determines that a student does not meet eligibility requirements for free or reduced lunch the student's meal plan should be changed accordingly. For 1 of the 30 verifications we reviewed, we noted the student's records did not indicate the student was eligible for reduced price lunch; however, the student's meal plan was not changed. We recommend that procedures be put in place to ensure that all changes to be made are accurately reflected in the records and that the changes are reviewed by a party other than the individual responsible for the input.

Status

All verifications are being subsequently verified by an independent employee. Contact Person: Sylvia Dunn, Director of School Food Services, (985) 898-3371

01.2 – Reporting Model Changes

After years of study and consideration of the needs of users of government financial statements, the Governmental Accounting Standards Board (GASB) issued its revolutionary new reporting model in June 2000. The new model dramatically changes the presentation of governments' external financial statements. In the GASB's view, the objective of the new model is to enhance the clarity and usefulness of government financial statements to the citizenry, oversight bodies, investors and creditors. It will substantially affect the Board's financial data accumulation and financial statement presentation processes. Some of the key aspects of the changes follow:

Management's Discussion and Analysis (MD&A) – A comprehensive MD&A will now be included as required supplementary information. The MD&A will introduce the financial statements by presenting an analysis of the government's financial performance for the year and its financial position at year-end. The MD&A will be in addition to the transmittal letter currently required for the Government Finance Officer's Association (GFOA) award candidates, such as your School Board, but we expect that the GFOA will make changes in their requirements so as to avoid any duplication between the two documents.

Statement of Activities – Governments will now be required to use a "net program cost" format for the entity-wide statements instead of a traditional operating statement. This new format groups revenues and expenses by functional categories (such as public safety, public works, etc.) The new purpose of the new statement is to inform readers about the cost of specific functions to the extent to which they are financed with program revenues or general revenues of the government (such as tax revenues). Governments will have the option of reporting both direct and indirect program costs.

Appendix B, continued

Capital Contributions – Capital contributions to enterprise funds would be reported as non-operating revenues (rather than direct additions to equity); governments would no longer report contributed capital equity accounts. This change would recognize all contributed resources – including grants, tap fees, and equity accounts. It would also eliminate the confusion caused by reporting negative retained earnings (offset) by large contributed capital balances.

The effective date of the new pronouncement will require implementation by the School Board for its year ending June 30, 2002. The magnitude of these changes and the time required to prepare for implementation should not be underestimated. We recommend that the School Board begin to look at its systems and processes to ensure that the required information will be available to ensure timely implementation. We recommend that the School Board consider the cost of required changes to its systems and processes to ensure availability of necessary funds in its upcoming budget and also consider identifying training programs for key staff members to attend.

Status

The School Board implemented GASB Statement 34 beginning fiscal year ending June 30, 2002. Contact Person: Brett M. Stoltz, CPA, CGFM, Chief Accountant, (985) 898-3220.