

DEBT SERVICE FUNDS

DEBT SERVICE FUNDS

Consolidated School District No. 1, Special School District No. 4, Fifth Ward Special School District No. 1, Sixth Ward Special District No. 3, Amelia Subdistrict No. 1 of Sixth Ward Special School District No. 3, and School District No. 8 Funds

The school district debt service funds accumulate monies to retire the outstanding bond issues of the respective school districts. The bond issues are financed by a special tax levy on property within the territorial limits of the various school districts.

The bond issues for Amelia Subdistrict No. 1 of the Sixth Ward Special School District No. 3, Fifth Ward Special School District No. 1, Sixth Ward Special District No. 3, and School District No. 8 have been retired. Remaining assets represent collection of prior year ad valorem taxes and are reserved for school district expenditures.

Elementary and Secondary Education Act - Title VII	Drug-Free Schools and Communities	Job Training Partnership Act	School Districts Maintenance	School Lunch	Goals 2000	Vocational Education	Totals	
							1997	1996
\$ -	\$ -	\$ -	\$2,489,512	\$ -	\$ -	\$ -	\$ 2,489,512	\$ 2,127,901
-	-	-	110,665	26,228	-	-	136,893	270,743
-	-	-	-	668,890	-	-	668,890	655,320
-	-	-	60,034	-	-	-	60,034	803
-	-	-	335,121	937,754	-	-	1,272,875	1,190,853
43,619	169,548	324,738	-	2,844,396	142,857	91,785	7,505,596	7,719,065
-	-	-	-	263,042	-	-	263,042	276,374
<u>43,619</u>	<u>169,548</u>	<u>324,738</u>	<u>2,995,332</u>	<u>4,740,310</u>	<u>142,857</u>	<u>91,785</u>	<u>12,396,842</u>	<u>12,241,059</u>
-	31,718	20,242	88,105	-	36,392	-	176,495	214,328
-	-	-	-	-	-	-	258,827	212,060
-	-	-	10,898	-	-	78,779	89,677	97,933
-	-	-	14,468	-	-	-	16,220	4,543
7,882	-	1,618	-	-	287	-	2,350,489	2,768,483
1,438	-	290,540	-	-	-	-	291,978	250,648
-	128,629	-	-	-	-	12,511	527,419	531,225
32,876	6,142	610	83,385	-	106,178	-	883,763	772,720
-	-	-	82,699	-	-	-	84,818	72,612
-	-	-	32,988	-	-	-	32,988	28,299
-	-	-	81,139	-	-	-	102,296	63,625
-	2,700	6,724	2,132,624	-	-	495	2,196,017	2,085,904
-	359	-	11,035	-	-	-	37,660	53,045
-	-	-	-	4,912,207	-	-	4,912,207	4,658,730
-	-	-	310,049	-	-	-	337,138	324,544
<u>42,196</u>	<u>169,548</u>	<u>319,734</u>	<u>2,847,390</u>	<u>4,912,207</u>	<u>142,857</u>	<u>91,785</u>	<u>12,297,992</u>	<u>12,138,699</u>
<u>1,423</u>	<u>-</u>	<u>5,004</u>	<u>147,942</u>	<u>(171,897)</u>	<u>-</u>	<u>-</u>	<u>98,850</u>	<u>102,360</u>
-	-	-	205,267	-	-	-	205,267	429,504
(1,423)	-	(5,004)	(499,324)	-	-	-	(622,129)	(902,663)
-	-	-	54,528	-	-	-	54,528	101
-	-	-	-	-	-	-	-	(3,000)
<u>(1,423)</u>	<u>-</u>	<u>(5,004)</u>	<u>(239,529)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(362,334)</u>	<u>(476,058)</u>
-	-	-	(91,587)	(171,897)	-	-	(263,484)	(373,698)
-	-	-	3,230,107	671,421	-	-	3,901,528	4,275,226
\$ -	\$ -	\$ -	\$3,138,520	\$ 499,524	\$ -	\$ -	\$ 3,638,044	\$ 3,901,528
=====	=====	=====	=====	=====	=====	=====	=====	=====

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
Special Revenue Funds

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Year Ended June 30, 1997
With Comparative Totals for Year Ended June 30, 1996

	Improving America's Schools Act			Preschool Incentive	Special Education Programs	Education for Economic Security Act - Title II
	Title I	Title I Migrant	Title VI			
Revenues:						
Local sources -						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-	-	-
Food service	-	-	-	-	-	-
Other	-	-	-	-	-	-
State sources -						
Unrestricted grants-in-aid	-	-	-	-	-	-
Federal sources -						
Restricted grants-in-aid	2,973,327	38,950	68,629	71,272	665,258	71,217
Other - commodities	-	-	-	-	-	-
Total revenues	2,973,327	38,950	68,629	71,272	665,258	71,217
Expenditures:						
Current -						
Instruction:						
Regular programs	-	-	-	-	38	-
Special education programs	-	-	-	27,513	231,314	-
Vocational education programs	-	-	-	-	-	-
Other instructional programs	-	-	-	-	1,752	-
Special programs	2,237,308	37,664	-	5,543	60,187	-
Adult and continuing education programs	-	-	-	-	-	-
Support services:						
Pupil support services	161,428	-	-	32,532	182,224	10,095
Instructional staff services	423,674	-	68,629	3,897	97,250	61,122
General administration	1,352	-	-	-	767	-
School administration	-	-	-	-	-	-
Business services	6,461	-	-	-	14,696	-
Operation and maintenance of plant services	46,177	-	-	68	7,229	-
Student transportation services	1,265	-	-	353	24,648	-
Non-instructional services -						
Food service operations	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	27,089	-
Total expenditures	2,877,665	37,664	68,629	69,906	647,194	71,217
Excess (deficiency) of revenues over expenditures	95,662	1,286	-	1,366	18,064	-
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(95,662)	(1,286)	-	(1,366)	(18,064)	-
Sales of fixed assets	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total other financing sources (uses)	(95,662)	(1,286)	-	(1,366)	(18,064)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	-
Fund balances, beginning	-	-	-	-	-	-
Fund balances, ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ST. MARY PARISH SCHOOL BOARD
 Centerville, Louisiana
 Special Revenue Funds (Continued)

Combining Balance Sheet
 June 30, 1997
 With Comparative Totals for June 30, 1996

	Elementary and Secondary Education Act - Title VII	Drug-Free Schools and Communities	Job Training Partnership Act	School Districts Maintenance	School Lunch	Goals 2000	Vocational Education	Totals	
								1997	1996
ASSETS									
Cash and interest-bearing deposits	\$ -	\$ -	\$ 12,347	\$ 1,250,318	\$ 299,960	\$ 12,318	\$ -	\$ 1,582,425	\$ 950,731
Investments, at cost	-	-	-	2,125,186	465,842	-	-	2,591,028	3,894,072
Receivables:									
Accounts	-	-	21	5,523	250	56	-	5,850	24,028
Accrued interest	-	-	-	12,843	-	-	33,774	12,843	142,310
Due from other governmental units	-	24,521	63,962	-	-	-	-	963,930	827,781
Due from other funds	-	-	5,717	15,770	-	-	-	42,920	22,754
Inventory, at cost	-	-	-	-	125,725	-	-	125,725	124,062
Total assets	\$ -	\$ 24,521	\$ 82,047	\$ 3,409,640	\$ 891,777	\$ 12,374	\$ 33,774	\$ 5,324,721	\$ 5,985,738
LIABILITIES AND FUND EQUITY									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 3,490	\$ 52,862	\$ 8,652	\$ 12,127	\$ -	\$ 96,870	\$ 93,081
Accrued liabilities	-	2,893	18,379	9,653	106,358	-	-	266,097	274,854
Due to other funds	-	21,628	60,178	208,605	277,243	247	33,774	1,323,710	1,716,275
Total liabilities	-	24,521	82,047	271,120	392,253	12,374	33,774	1,686,677	2,084,210
Fund balances:									
Reserved for maintenance	-	-	-	3,138,520	-	-	-	3,138,520	-
Reserved for food service	-	-	-	-	499,524	-	-	499,524	671,421
Unreserved, designated	-	-	-	-	-	-	-	-	725,000
Unreserved, undesignated	-	-	-	-	-	-	-	-	2,505,107
Total fund balances	-	-	-	3,138,520	499,524	-	-	3,638,044	3,901,528
Total liabilities and fund balances	\$ -	\$ 24,521	\$ 82,047	\$ 3,409,640	\$ 891,777	\$ 12,374	\$ 33,774	\$ 5,324,721	\$ 5,985,738

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
Special Revenue Funds

Combining Balance Sheet
June 30, 1997

With Comparative Totals for June 30, 1996

	Improving America's Schools Act		Preschool Incentive	Special Education Programs	Education for Economic Security Act - Title II
	Title I	Title VI			
ASSETS					
Cash and interest-bearing deposits	\$ -	\$ -	\$ -	\$ 753	\$ -
Investments, at cost	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Due from other governmental units	663,086	15,112	11,446	142,293	9,736
Due from other funds	1,127	15	-	20,291	-
Inventory, at cost	-	-	-	-	-
Total assets	\$664,213	\$15,127	\$11,446	\$163,337	\$9,736
	=====	=====	=====	=====	=====
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 10,124	\$ 24	\$ -	\$ 8,297	\$ 8
Accrued liabilities	114,049	367	1,667	10,259	1,266
Due to other funds	540,040	14,736	9,779	144,781	8,462
Total liabilities	<u>664,213</u>	<u>15,127</u>	<u>11,446</u>	<u>163,337</u>	<u>9,736</u>
Fund balances:					
Reserved for maintenance	-	-	-	-	-
Reserved for food service	-	-	-	-	-
Unreserved, designated	-	-	-	-	-
Unreserved, undesignated	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$664,213	\$15,127	\$11,446	\$163,337	\$9,736
	=====	=====	=====	=====	=====

(continued)

Job Training Partnership Act Fund

The Job Training Partnership Act provides funds from the federal government for adult and youth training programs.

School Districts Maintenance Fund

The School Districts Maintenance Fund accounts for the purchases of new equipment, for repairs and renovation of existing buildings and equipment, and for the maintenance of the grounds for School Districts 1, 2, and 3. Financing is provided primarily by a special property tax levy on property within each district and by the related state revenue sharing. Individual account balances of the School Districts Maintenance Fund at June 30, 1997, are as follows:

District 1	\$ 684,477
District 2	559,546
District 3	<u>1,894,497</u>
Total fund equity	<u>\$3,138,520</u>

School Lunch Fund

The School Lunch Fund is a program that provides nourishing morning and noon meals for students in all grades. This fund is supplemented by both federal and state funds that are based on reimbursement and participation.

Goals 2000

To provide disadvantaged and disabled children access to high quality and developmentally appropriate preschool programs that help prepare children for school.

Vocational Education

To provide funding for the instructional needs of vocational education in St. Mary Parish.

SPECIAL REVENUE FUNDS

Elementary and Secondary Education Act - As Amended by the Improving America's Schools Act

Title 1 of the Improving America's Schools Act (IASA) is a program for economically and educationally deprived school children that is federally financed, state-administered, and locally operated by the School Board. Title 1 services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

Title 1 Migrant of the Improving America's Schools Act (IASA) is a program for children of migrant parents that is federally financed, state-administered, and locally operated by the School Board. This service is supplementary and is designed to meet the special needs of migratory children.

Title VI of the Improving America's Schools Act (IASA) is a program by which the federal government provides the teaching force with access to programs for the continued improvement of their professional skills and the opportunity to acquire the knowledge and skills needed to instruct and prepare all American students for the next century.

Preschool Incentive Fund

A program for expanding educational services to noncategorical preschool handicapped children ages three to five years.

Special Education Funds

Special education funds are federally financed programs of free education, emphasizing language and motor development in the least restrictive environment to handicapped children.

Education for Economic Security Act - Title II Fund

Title II of the Education for Economic Security Act (EESA) is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science, computer learning, and foreign languages and to increase the accessibility of such instruction to all students.

Elementary and Secondary Education Act - Title VII Fund

Title VII of the Elementary and Secondary Education Act (ESEA) is a program by which the federal government provides funds to the School Board to develop and carry out programs of bilingual education in elementary and secondary schools.

Drug-Free Schools and Communities Fund

Drug-Free Schools and Communities is a program by which the federal government provides funds to the School Board for drug abuse education and prevention that is coordinated with related community efforts and resources.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
General Fund

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances
Years Ended June 30, 1997 and 1996

	1997	1996
Revenues:		
Local sources -		
Ad valorem taxes	\$ 4,342,910	\$ 4,138,067
Sales taxes	12,198,457	10,738,554
Tuition	384,413	207,745
Interest earnings	1,061,736	927,223
Other	675,424	1,735,247
State sources -		
Unrestricted grants-in-aid	27,845,691	26,432,520
Restricted grants-in-aid	1,543,820	1,280,065
Federal sources -		
Restricted	71,395	57,019
Total revenues	48,123,846	45,516,440
Expenditures:		
Current -		
Instruction:		
Regular programs	21,643,236	18,998,065
Special education programs	5,926,751	5,547,919
Vocational education programs	1,428,445	1,287,366
Other instructional programs	546,970	508,756
Special programs	199,554	176,974
Adult and continuing education programs	204,929	264,759
Support services:		
Pupil support services	1,938,708	1,617,258
Instructional staff services	2,133,640	1,943,183
General administration	1,396,803	1,280,500
School administration	3,094,788	2,990,838
Business services	500,986	497,584
Operation and maintenance of plant services	3,921,181	3,351,657
Student transportation services	2,358,749	2,201,582
Central services	499,958	509,879
Non-instructional services:		
Food service operations	54,285	8,084
Community service programs	4,978	4,978
Facilities acquisition and construction	64,572	43,819
Total expenditures	45,918,533	41,233,201
Excess of revenues over expenditures	2,205,313	4,283,239
Other financing sources (uses):		
Operating transfers in	122,805	110,965
Operating transfers out	(1,200,000)	(418,618)
Sales of fixed assets	-	225
Gain on sale of investments	-	85,482
Other	(177)	(36,456)
Total other financing sources (uses)	(1,077,372)	(258,402)
Excess of revenues and other sources over expenditures and other uses	1,127,941	4,024,837
Fund balances, beginning	14,617,552	10,592,715
Fund balances, ending	\$15,745,493	\$14,617,552

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
General Fund

Comparative Balance Sheet
June 30, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash and interest-bearing deposits	\$ 5,778,471	\$ 8,513,336
Investments, at cost	15,809,760	11,728,317
Receivables:		
Accounts	1,520,188	1,338,523
Accrued interest	235,183	247,460
Due from other governmental agencies	354,434	204,933
Due from other funds	1,628,951	1,185,053
Prepaid items	517,650	489,310
Inventory, at cost	<u>242,050</u>	<u>377,580</u>
 Total assets	 \$26,086,687	 \$24,084,512
	<u>=====</u>	<u>=====</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 265,398	\$ 463,594
Accrued liabilities	7,421,970	6,971,095
Due to other funds	<u>2,653,826</u>	<u>2,032,271</u>
Total liabilities	<u>10,341,194</u>	<u>9,466,960</u>
 Fund balances:		
Reserved for bus	975	-
Reserved for federal programs	177,747	127,359
Reserved for workers compensation	280,000	280,000
Reserved for programs to reduce truancy	52,753	56,733
Reserved for inventory	242,050	377,580
Reserved for prepaid expenses and deposits	517,650	489,310
Unreserved, designated	13,235,160	10,263,793
Unreserved, undesignated	<u>1,239,158</u>	<u>3,022,777</u>
Total fund balances	<u>15,745,493</u>	<u>14,617,552</u>
 Total liabilities and fund balances	 \$26,086,687	 \$24,084,512
	<u>=====</u>	<u>=====</u>

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in other funds.

SCHEDULES OF INDIVIDUAL FUNDS

SUPPLEMENTAL INFORMATION

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

Board Member

Daniel Brumfield	\$ 7,200
Wayne Deslatte	7,200
Joseph Foulcard	7,200
Beatrice Guarisco	7,800
Marilyn LaSalle	7,200
Louis Lipari, President	7,800
Mary Lockley	7,200
Oswald Melancon	7,200
Willie Peters	7,200
Michael Taylor	7,200
Ronnie Trimm	<u>7,200</u>
 Total	 \$80,400 <u>=====</u>

(17) Changes in Agency Fund Deposits

A summary of changes in agency fund deposits due others follows:

Fund	Balance at July 1, 1996	Additions	Reductions	Balance at June 30, 1997
School Activity	\$712,662 <u>=====</u>	\$2,326,684 <u>=====</u>	\$2,285,715 <u>=====</u>	\$753,631 <u>=====</u>

(18) Report Classification

Certain previously reported amounts have been reclassified to conform to 1997 report classifications.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

(15) Reserved Fund Balances

At June 30, 1997, the School Board has reserved portions of fund balances as follows:

General Fund -		
Bus		\$ 975
Federal Programs		177,747
Workers Compensation Letters of Credit		280,000
Prepaid Items		517,650
Inventory		242,050
Truancy		52,753
		<u>1,271,175</u>
Special Revenue Funds -		
Food Service		499,524
Maintenance		3,138,520
		<u>3,638,044</u>
Debt Service Funds -		
Other		128,800
Debt Retirement		215,146
		<u>343,946</u>
Capital Projects Funds -		
Construction		19,366,621
Incomplete Contracts		2,435,259
		<u>21,801,880</u>
Total reserved fund balances		<u>\$27,055,045</u>

(16) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ending June 30, 1997 follows:

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

(13) Pending Litigation

A. Contingencies

At June 30, 1997, 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 in order to evaluate the likelihood of an unfavorable outcome to the School Board. It is the opinion of the School Board, after conferring with legal counsel, that the liabilities, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

B. Grant Audit

The School Board receives grants for specific purposes that are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the School Board, such disallowances, if any, will not be significant.

(14) Designated Fund Balances

At June 30, 1997, the School Board has designated portions of fund balances as follows:

General Fund -	
Future Occurrences	\$ 5,500,000
Asbestos Abatement	500,000
Wildlife Exhibits	35,882
Insurance Deductibles	900,000
Insurance Stabilization	851,513
Capital Outlay	2,903,678
Technological Advances	1,691,188
Electrical Upgrade	595,367
Plumbing Upgrade	<u>257,532</u>
	<u>13,235,160</u>
Capital Projects Funds -	
Designated for Construction	<u>75,886</u>
Total designated fund balances	<u>\$13,311,046</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

(12) Risk Management

A. Workers' Compensation

The School Board has established a limited risk management program for workers' compensation. The School Board hired PCA Solutions, Inc. as administrator for this program. During the fiscal year 1997, a total of \$208,888 was incurred in benefits and administrative costs. The School Board purchases commercial insurance for individual claims in excess of \$175,000. Incurred but not paid claims have been accrued as a liability in the General Fund.

B. General Liability

The School Board has also established a limited risk management program for general liability insurance. The school board hired Gallagher Bassett Services, Inc. as administrator for this program. During the fiscal year 1997, a total of \$43,488 was incurred in claims and administrative costs. The School Board purchases commercial insurance for individual claims in excess of \$25,000. Incurred but not paid claims have been accrued as a liability in the General Fund.

C. Reconciliation of Claims Liabilities

Changes in the claims liability amounts for the risk management programs are as follows:

	<u>Beginning of Fiscal year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at Fiscal Year-End</u>
Workers' Compensation	\$154,457	\$208,888	\$202,869	\$160,476
General Liability	\$107,439	\$ 43,488	\$ 65,187	85,740

Claims payable of \$160,476 for workers' compensation at June 30, 1997 was obtained from information provided by the third party administrator.

Claims payable of \$85,740 for general liability insurance at June 30, 1997 was obtained from information provided by the third party administrator.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P. O. Box 94123, Baton Rouge, Louisiana 70804-9123.

C. Parochial Employees' Retirement System

Plan members are required to contribute 9.5 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 7.75 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 1997, 1996 and 1995 were \$2,204, \$2,288 and \$3,329, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Parochial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70898-4619.

D. Louisiana School Employee's Retirement System

Plan members are required to contribute 6.35 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 6.0 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 1997, 1996 and 1995 were \$198,956, \$182,840 and \$165,300, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana School Employee Retirement System, P. O. Box 44516, Baton Rouge, Louisiana 70804-4516.

(11) Post-Retirement Health Care

The St. Mary Parish School Board provides certain continuing health care 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. The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee, the State, and the School Board. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due. The School Board's total cost of providing these benefits was \$1,380,831 for the year ended June 30, 1997.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

The remainder of the proceeds of this tax is used to construct, maintain, and acquire capital improvements and for other school purposes provided that such proceeds are not used to construct new classroom facilities.

On March 8, 1988, the voters of the parish approved a one-half of one percent (1/2 percent) sales and use tax to be levied by the School Board. The net proceeds of the tax are used to provide additional support to public elementary and secondary schools by providing funds for salary obligations and educational management, advancement, and enrichment. On January 15, 1996, the tax was renewed for an additional period of seven (7) years from termination of its current use.

Sales and use taxes are collected for and remitted to the School Board by the St. Mary Parish Council.

(10) Pension Plan

Eligible employees of the School Board participate in one of four multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

A. Louisiana Teachers' Retirement System of Louisiana - Regular

Plan members are required to contribute 8.0 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 16.3 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 1997, 1996 and 1995 were \$4,373,702, \$4,333,843 and \$4,059,600, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana Teachers' Retirement System, P. O. Box 94123, Baton Rouge, Louisiana 70804-9123.

B. Louisiana Teachers' Retirement System of Louisiana - Plan B

Plan members are required to contribute 5.0 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 16.3 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 1997, 1996 and 1995 were \$289,040, \$269,966 and \$255,172, respectively, equal to the required contribution for each year.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

Compensated absences reported at June 30, 1997, reflect amounts due to eligible employees, for unused sick leave, up to a maximum of 25 days.

The annual requirements to amortize all bonds outstanding at June 30, 1997, including interest payments of \$9,649,917 follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>
1998	\$ 1,462,602
1999	2,019,122
2000	1,991,622
2001	1,958,123
2002	1,923,622
2003 - 2012	<u>19,794,826</u>
Total	\$29,149,917 =====

(9) Sales Tax

On December 7, 1965, the voters of the parish approved a one percent sales and use tax to be levied by the St. Mary Parish Council, of which 30 percent of the net proceeds is to be remitted to the St. Mary Parish School Board. The proceeds received by the School Board are dedicated to supplement the salaries of teachers and school employees and for general operations of the public schools of St. Mary Parish.

On August 14, 1975, the voters of the parish approved a one-fourth of one percent (1/4 percent) sales and use tax to be levied by the School Board. The net proceeds of the tax are used to provide additional funds for the payment of salaries of teachers and other school board personnel and/or for other employee benefits.

On April 12, 1979, the voters of the parish approved seven-tenths of one percent (7/10 percent) sales and use tax to be levied by the School Board. The proceeds of the tax were used first for payment of debt service requirements on bonds issued for the purpose of financing the purchase, construction and acquisition of air conditioning facilities and equipment for parish schools. The net proceeds after satisfying the bond service requirements, which have been retired since February 1, 1995, are used each month in the following priority:

Payment of the cost of utilities.

An amount equal to 65 percent of the total net proceeds of this tax is set aside and used to supplement other funds for the payment of salaries and/or other employee benefits of teachers and other school board personnel.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Trust and Agency</u>	<u>Total</u>
Accounts	\$ 265,398	\$ 96,870	\$278,716	\$ 948	\$ 641,932
Salaries and withholdings	7,175,754	266,097	-	-	7,441,851
Self-insurance liability	<u>246,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>246,216</u>
Total	<u>\$7,687,368</u>	<u>\$362,967</u>	<u>\$278,716</u>	<u>\$ 948</u>	<u>\$8,329,999</u>

(8) Changes in General Long-Term Debt

The following is a summary of the long-term obligation transactions of the St. Mary Parish School Board for the year ended June 30, 1997:

	<u>Bonded Debt</u>	<u>Capital Leases</u>	<u>Compensated Absences</u>	<u>Total</u>
Long-term obligations payable at July 1, 1996	\$ 1,580,000	\$52,789	\$1,685,870	\$ 3,318,659
Additions:	19,500,000	-	107,226	19,607,226
Deductions:	<u>1,580,000</u>	<u>52,789</u>	<u>-</u>	<u>1,632,789</u>
Long-term obligations payable at June 30, 1997	<u>\$19,500,000</u>	<u>\$ -</u>	<u>\$1,793,096</u>	<u>\$21,293,096</u>

Bonds payable at June 30, 1997 is comprised of the following individual issues:

\$16,500,000 1997 General Obligation Bonds of Consolidated School District No. 1 with final payment date occurring in 2012; interest at 5.00 to 10.00 percent; payable by levy of ad valorem tax	\$16,500,000
\$3,000,000 1997 General Obligation Bonds of Special School District No. 4 with final payment date occurring in 2012; interest at 5.25 to 10.00 percent; payable by levy of ad valorem tax	<u>3,000,000</u>
Total bonded debt	<u>\$19,500,000</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

Debt Service		
Consolidated School District #1	41,247	42,353
Special School District #4	4,238	4,238
Capital Project Funds:		
Roof - A/C Replacement	2,488,947	10,202
Consolidated School District #1	-	254,309
Construction	94,417	-
Special School District #4	<u>-</u>	<u>12,082</u>
 Total interfund receivables/payables	 \$4,300,720	 \$4,300,720
	<u>=====</u>	<u>=====</u>

(6) General Fixed Assets

A summary of general fixed assets follows:

	Balance <u>July 1, 1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 1997</u>
Construction in Progress	\$ 200,897	\$ 822,329	\$200,897	\$ 822,329
Land	1,217,735	-	-	1,217,735
Buildings and Improvements	38,524,494	859,398	37,920	39,345,972
Furniture and Equipment	<u>19,191,096</u>	<u>611,868</u>	<u>687,374</u>	<u>19,115,590</u>
Total	<u>\$59,134,222</u>	<u>\$2,293,595</u>	<u>\$926,191</u>	<u>\$60,501,626</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

At June 30, 1997, the Construction Fund has construction commitments of \$75,886.

(7) Accounts, Salaries and Other Payables

The payables of \$8,329,999 at June 30, 1997, are as follows:

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

The St. Mary Parish Sheriff bills and collects the property taxes for the School Board. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended June 30, 1997, ad valorem taxes totaling 85.95 mills were levied on property and dedicated as follows:

	1997	
	Net Assessed Valuations	Mills
Parishwide taxes:		
Constitutional	211,231,465	8.65
Consolidated school district No. 5	211,231,465	11.45
District taxes:		
Maintenance taxes -		
Consolidated school district No. 3 (School maintenance district No. 1)	84,876,838	10.38
Consolidated school district No. 2 (School maintenance district No. 2)	54,895,845	13.37
Sixth Ward special school district No. 3 (School maintenance district No. 3)	71,429,872	13.31
Bond and interest taxes -		
Consolidated school district No. 1	55,900,474	24.12
Amelia sub-district No. 1 of Sixth Ward school district No. 3	20,587,829	4.67

The taxes levied were \$8,255,927 for the year ended June 30, 1997.

(5) Interfund Receivables, Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$1,628,951	\$2,653,826
Special Revenue Funds:		
Title 1	1,127	540,040
Title 1 - Migrant	-	4,237
Title VI	15	14,736
Preschool Incentive	-	9,779
Special Education Programs	20,291	144,781
Education for Economic Security Act - Title II	-	8,462
Drug-Free Schools and Communities	-	21,628
Job Training Partnership Act	5,717	60,178
School Districts Maintenance	15,770	208,605
School Lunch	-	277,243
Goals 2000	-	247
Vocational Education	-	33,774

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

Bank balances	<u>\$29,337,305</u>
Federal deposit insurance	\$ 725,200
Pledged securities (category 3)	<u>34,998,697</u>
 Total	 <u>35,723,897</u>
 Excess of federal insurance and pledged securities over bank balances	 \$ 6,386,592 <u>=====</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the School Board's name. Even though the pledged securities are considered uncollaterized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

(3) Investments

The School Board's investments are categorized below to give an indication of the level of risk assumed by it at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School Board or its agent in the School Board's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the School Board's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the School Board's name.

	<u>Category 1</u>		<u>Market</u>
	<u>Carrying</u>		<u>Value</u>
	<u>Amount</u>		<u>Value</u>
U. S. Government Securities	\$37,593,319		\$37,623,634
	<u>=====</u>		<u>=====</u>

(4) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the School Board in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

0. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank 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, notes or bills as well as certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1997, the School Board has cash and interest-bearing deposits (book balances) totaling \$9,154,514 as follows:

Demand deposits and money market accounts	\$7,874,514
Time deposits	<u>1,280,000</u>
Total	\$9,154,514 =====

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the 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 bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1997, are secured as follows:

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

Sabbatical leave may be granted for rest and recuperation with doctor's certification and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Due to its restrictive nature, sabbatical leave benefits are recorded as expenditures in the period taken and no liability is recorded in advance of the sabbatical.

Vested or accumulated sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

In accordance with the provisions of Statement No. 16, of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive vacation pay. A liability has been recorded in the general long-term debt account group for up to 25 days of accumulated sick leave for all eligible employees.

At June 30, 1997, employees of the School Board have accumulated and vested \$1,793,096 of compensated absence benefits, which is recorded within the general long-term debt account group since they are not payable from expendable available financial resources.

M. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

I. Short-term Interfund Receivables/Payables

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

J. Inventories

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

Inventory of the General Fund consists of office supplies and textbooks maintained in the central warehouse for use in all departments and schools.

K. Long-Term Liabilities and Fixed Assets

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. This account group is not a "fund". It is concerned only with the measurement of financial position and is not involved with measurement of results of operations.

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. Fixed assets are valued at actual historical cost. Donated fixed assets are stated at their estimated fair market value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

L. Compensated Absences

All 12-month employees in the central office earn from 10 to 19 days of vacation leave each year, depending on their length of service with the School Board. Unused vacation leave at the end of each fiscal year can be carried forward to the succeeding fiscal year to a maximum of ten days.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, debt extinguishment, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

E. Budgets

Proposed budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP) and are presented to the School Board by the Superintendent prior to the commencement of each fiscal year. After public hearings, the proposed budgets, after any amendments deemed necessary, are adopted by the Board. Budgetary amendments are processed in the same manner. Budgets are prepared only for the General Fund and all Special Revenue Funds.

All appropriations lapse at the end of each fiscal year.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by the School Board in the General Fund, the School District's Maintenance Special Revenue Funds and in the Capital Projects funds as an extension of formal budgetary integration in the funds.

G. Interest-Bearing Deposits

Interest-bearing deposits include demand deposits, money market accounts, and time deposits which are stated at cost.

H. Investments

Under state law, the School Board may invest in direct obligations of the United States government, in time certificates of deposit and in bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies and/or the United States government. Investments are stated at cost or amortized cost.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November by the Parish Assessor based on the assessed value, become due on December 31 of each year, and become delinquent on January 1. An enforceable lien attaches to the property as of January 1. 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. Mary 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 collected by the School Board.

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, if it is expected to be paid within the next twelve months. Liabilities which will not be liquidated with expendable available financial resources are recorded in the general long-term debt account group.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group.

General Long-Term Debt Account Group

Long-term debt expected to be financed from governmental funds is accounted for in the general long-term debt account group.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds 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 the governmental funds and expendable trust funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The following practices in recording revenues and expenditures have been used for the governmental funds.

Revenues

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

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.

Debt Service Funds

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

Capital Projects Funds

Capital Projects Funds are used to account for financial resources received and used to acquire, construct, or improve capital facilities not reported in other governmental funds.

Fiduciary Fund Types:

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. The following are the School Board's fiduciary fund types:

Expendable Trust Funds

Expendable trust funds are accounted for in essentially the same manner as governmental funds. The resources, including both principal and revenues earned on that principal may be expended for purposes designated by the trust agreement (e.g., donations received for specific expendable purposes).

Agency Funds

Agency funds account for assets held by the School Board in a custodial capacity (i.e., assets equal liabilities) and do not involve measurement of operations.

Account Groups:

Account groups are used to establish accounting control and accountability for the School Board's general fixed assets and general long-term debt. The account groups are not funds. They are concerned only with the measurement of financial position, not with measurement of results of operations.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements (Continued)

Certain units of local government over which the School Board exercises no oversight responsibility, such as the parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the School Board. The School Board is not a component unit of any other entity and does not have any component units which require inclusion in the financial statements of the School Board.

C. Fund Accounting

The School Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the School Board are classified into two categories: governmental and fiduciary. Each category, in turn, is divided into separate "fund types". The fund classifications and a description of each existing fund type 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 are accounted for through governmental funds. The measurement focus is based 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.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

INTRODUCTION

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

The School Board operates twenty-six schools within the parish with a total enrollment of 11,740 pupils for the 1996-97 year. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

(1) Summary of Significant Accounting Policies

A. Basis of Presentation

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

B. Reporting Entity

For financial reporting purposes, the School Board includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the School Board. Because the School Board members are independently elected and are solely accountable for fiscal matters, which include (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, and (3) fiscal management for controlling the collection and disbursement of funds, and because of the scope of public service provided by the School Board, the School Board is a separate governmental reporting entity, primary government.

<u>Special Revenue Funds</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 3,322,100	\$ 3,355,329	\$ 33,229
1,287,856	1,272,875	(14,981)
<u>7,888,013</u>	<u>7,768,638</u>	<u>(119,375)</u>
<u>12,497,969</u>	<u>12,396,842</u>	<u>(101,127)</u>
180,761	176,495	4,266
255,499	258,827	(3,328)
87,656	89,677	(2,021)
2,753	16,220	(13,467)
2,345,306	2,350,489	(5,183)
461,895	291,978	169,917
520,468	527,419	(6,951)
914,742	883,763	30,979
82,093	84,818	(2,725)
31,800	32,988	(1,188)
105,404	102,296	3,108
2,203,266	2,196,017	7,249
47,695	37,660	10,035
-	-	-
4,802,379	4,912,207	(109,828)
-	-	-
<u>283,527</u>	<u>337,138</u>	<u>(53,611)</u>
<u>12,325,244</u>	<u>12,297,992</u>	<u>27,252</u>
<u>172,725</u>	<u>98,850</u>	<u>(73,875)</u>
200,000	205,267	5,267
(379,662)	(622,129)	(242,467)
54,000	54,528	528
-	-	-
<u>(125,662)</u>	<u>(362,334)</u>	<u>(236,672)</u>
47,063	(263,484)	(310,547)
<u>3,901,528</u>	<u>3,901,528</u>	<u>-</u>
\$ 3,948,591	\$ 3,638,044	\$(310,547)
=====	=====	=====

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual - General and Special Revenue Funds
Year Ended June 30, 1997

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Local sources	\$18,206,700	\$18,662,940	\$ 456,240
State sources	28,700,385	29,389,511	689,126
Federal sources	283,120	71,395	(211,725)
Total revenues	<u>47,190,205</u>	<u>48,123,846</u>	<u>933,641</u>
Expenditures:			
Current -			
Instruction:			
Regular programs	22,098,207	21,643,236	454,971
Special education programs	5,952,480	5,926,751	25,729
Vocational education programs	1,457,204	1,428,445	28,759
Other instructional programs	577,761	546,970	30,791
Special programs	199,087	199,554	(467)
Adult and continuing education programs	266,331	204,929	61,402
Support services:			
Pupil support services	1,948,169	1,938,708	9,461
Instructional staff services	2,120,941	2,133,640	(12,699)
General administration	1,483,784	1,396,803	86,981
School administration	3,134,367	3,094,788	39,579
Business services	519,221	500,986	18,235
Operation and maintenance of plant services	3,961,295	3,921,181	40,114
Student transportation services	2,416,879	2,358,749	58,130
Central services	514,793	499,958	14,835
Non-instructional services:			
Food services	20,473	54,285	(33,812)
Community service programs	5,000	4,978	22
Facilities acquisition and construction	8,000	64,572	(56,572)
Total expenditures	<u>46,683,992</u>	<u>45,918,533</u>	<u>765,459</u>
Excess (deficiency) of revenues over expenditures	<u>506,213</u>	<u>2,205,313</u>	<u>1,699,100</u>
Other financing sources (uses):			
Operating transfers in	138,219	122,805	(15,414)
Operating transfers out	(1,505,012)	(1,200,000)	305,012
Sales of fixed assets	-	-	-
Other	(77)	(177)	(100)
Total other financing sources (uses)	<u>(1,366,870)</u>	<u>(1,077,372)</u>	<u>289,498</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(860,657)</u>	<u>1,127,941</u>	<u>1,988,598</u>
Fund balances, beginning	<u>14,617,552</u>	<u>14,617,552</u>	<u>-</u>
Fund balances, ending	<u>\$13,756,895</u> =====	<u>\$15,745,493</u> =====	<u>\$1,988,598</u> =====

The accompanying notes are an integral part of this statement.

Fiduciary Fund Types Expendable Trust Funds	Totals (Memorandum Only)	
	1997	1996
\$ 673	\$23,662,387	\$22,330,236
-	30,662,386	28,903,438
-	8,058,659	8,208,194
<u>673</u>	<u>62,383,432</u>	<u>59,441,868</u>
-	21,825,877	19,225,186
-	6,185,578	5,759,979
-	1,518,122	1,385,297
-	563,460	513,299
-	2,550,043	2,945,460
-	496,907	515,407
-	2,466,127	2,148,483
-	3,018,301	2,715,902
-	1,552,187	1,396,358
948	3,128,724	3,023,170
-	608,501	571,206
-	6,246,336	5,616,848
-	2,396,409	2,254,627
-	499,958	509,879
-	4,966,492	4,666,814
-	4,978	4,978
-	2,379,061	2,070,142
-	1,580,224	1,475,000
-	110,481	209,405
<u>948</u>	<u>62,097,766</u>	<u>57,007,440</u>
<u>(275)</u>	<u>285,666</u>	<u>2,434,428</u>
-	2,274,345	1,328,084
-	(2,274,345)	(1,328,084)
-	19,500,000	-
-	54,528	326
-	-	85,482
-	(177)	(39,456)
-	<u>19,554,351</u>	<u>46,352</u>
(275)	19,840,017	2,480,780
<u>12,549</u>	<u>21,803,435</u>	<u>19,322,655</u>
\$12,274 =====	\$41,643,452 =====	\$21,803,435 =====

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types and Expendable Trust Funds
Year Ended June 30, 1997

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Local sources	\$18,662,940	\$ 3,355,329	\$1,526,672	\$ 116,773
State sources	29,389,511	1,272,875	-	-
Federal sources	71,395	7,768,638	-	218,626
Total revenues	<u>48,123,846</u>	<u>12,396,842</u>	<u>1,526,672</u>	<u>335,399</u>
Expenditures:				
Current -				
Instruction:				
Regular programs	21,643,236	176,495	6,146	-
Special education programs	5,926,751	258,827	-	-
Vocational education programs	1,428,445	89,677	-	-
Other instructional programs	546,970	16,220	270	-
Special programs	199,554	2,350,489	-	-
Adult and continuing education programs	204,929	291,978	-	-
Support services:				
Pupil support services	1,938,708	527,419	-	-
Instructional staff services	2,133,640	883,763	-	898
General administration	1,396,803	84,818	46,211	24,355
School administration	3,094,788	32,988	-	-
Business services	500,986	102,296	20	5,199
Operation and maintenance of plant services	3,921,181	2,196,017	4,892	124,246
Student transportation services	2,358,749	37,660	-	-
Central services	499,958	-	-	-
Non-instructional services:				
Food services	54,285	4,912,207	-	-
Community service programs	4,978	-	-	-
Facilities acquisition and construction	64,572	337,138	11,275	1,966,076
Debt service -				
Principal retirement	-	-	1,580,224	-
Interest and fiscal charges	-	-	110,481	-
Total expenditures	<u>45,918,533</u>	<u>12,297,992</u>	<u>1,759,519</u>	<u>2,120,774</u>
Excess (deficiency) of revenues over expenditures	<u>2,205,313</u>	<u>98,850</u>	<u>(232,847)</u>	<u>(1,785,375)</u>
Other financing sources (uses):				
Operating transfers in	122,805	205,267	1,456	1,944,817
Operating transfers out	(1,200,000)	(622,129)	(235,710)	(216,506)
Proceeds for issuance of debt	-	-	-	19,500,000
Sale of fixed assets	-	54,528	-	-
Gain on sale of investments	-	-	-	-
Other	(177)	-	-	-
Total other financing sources (uses)	<u>(1,077,372)</u>	<u>(362,334)</u>	<u>(234,254)</u>	<u>21,228,311</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,127,941	(263,484)	(467,101)	19,442,936
Fund balances, beginning	<u>14,617,552</u>	<u>3,901,528</u>	<u>811,047</u>	<u>2,460,759</u>
Fund balances, ending	<u>\$15,745,493</u>	<u>\$ 3,638,044</u>	<u>\$ 343,946</u>	<u>\$21,903,695</u>

The accompanying notes are an integral part of this statement.

Account Groups		Totals (Memorandum Only)	
General Fixed Assets	General Long-Term Debt	1997	1996
\$ -	\$ -	\$ 9,154,514	\$10,973,200
-	-	37,593,319	15,926,861
-	-	1,526,038	1,350,114
-	-	249,422	388,702
-	-	1,318,364	1,047,509
-	-	4,300,720	3,747,477
-	-	517,650	489,310
-	-	367,775	501,642
60,501,626	-	60,501,626	59,134,222
-	261,799	261,799	718,575
-	<u>21,031,297</u>	<u>21,031,297</u>	<u>2,600,084</u>
<u>\$60,501,626</u>	<u>\$21,293,096</u>	<u>\$136,822,524</u>	<u>\$96,877,696</u>
\$ -	\$ -	\$ 641,932	\$ 915,292
-	-	7,688,067	7,245,949
-	-	4,300,720	3,747,477
-	-	753,631	712,662
-	1,793,096	1,793,096	1,685,870
-	-	-	52,789
-	19,500,000	19,500,000	1,580,000
-	<u>21,293,096</u>	<u>34,677,446</u>	<u>15,940,039</u>
60,501,626	-	60,501,626	59,134,222
-	-	215,146	718,575
-	-	26,839,899	3,967,506
-	-	13,311,046	11,490,883
-	-	1,277,361	5,626,471
<u>60,501,626</u>	<u>-</u>	<u>102,145,078</u>	<u>80,937,657</u>
<u>\$60,501,626</u>	<u>\$21,293,096</u>	<u>\$136,822,524</u>	<u>\$96,877,696</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1997

	Governmental Fund Types			Fiduciary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency
ASSETS AND OTHER DEBITS					
Cash and interest-bearing deposits	\$ 5,778,471	\$1,582,425	\$ 93,423	\$ 944,377	\$755,818
Investments, at cost	15,809,760	2,591,028	251,629	18,929,867	11,035
Receivables:					
Accounts	1,520,188	5,850	-	-	-
Accrued interest	235,183	12,843	-	1,396	-
Due from other governmental units	354,434	963,930	-	-	-
Due from other funds	1,628,951	42,920	45,485	2,583,364	-
Prepaid items	517,650	-	-	-	-
Inventories, at cost	242,050	125,725	-	-	-
Land, buildings and improvements, and furniture and equipment	-	-	-	-	-
Amount available in debt service funds	-	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-	-
Total assets and other debits	\$26,086,687	\$5,324,721	\$390,537	\$22,459,004	\$766,853
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ 265,398	\$ 96,870	\$ -	\$ 278,716	\$ 948
Accrued liabilities	7,421,970	266,097	-	-	-
Due to other funds	2,653,826	1,323,710	46,591	276,593	-
Deposits due to others	-	-	-	-	753,631
Compensated absences payable	-	-	-	-	-
Capital leases payable	-	-	-	-	-
Bonds payable	-	-	-	-	-
Total liabilities	10,341,194	1,686,677	46,591	555,309	754,579
Fund equity:					
Investment in general fixed assets	-	-	-	-	-
Fund balances -					
Reserved for debt service	-	-	215,146	-	-
Reserved	1,271,175	3,638,044	128,800	21,801,880	-
Unreserved -					
Designated	13,235,160	-	-	75,886	-
Undesignated	1,239,158	-	-	25,929	12,274
Total fund equity	15,745,493	3,638,044	343,946	21,903,695	12,274
Total liabilities and fund equity	\$26,086,687	\$5,324,721	\$390,537	\$22,459,004	\$766,853

The accompanying notes are an integral part of this statement.

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the St. Mary Parish School Board taken as a whole. The accompanying schedule of expenditures of federal awards as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the St. Mary Parish School Board, Louisiana.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
October 27, 1997



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

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Danny P. Freckler	3
Clayton E. Dorn	4
Eugene H. Darnall, III	5
Paula D. Dorn	6
Stephanie M. Higginbotham	7
Floyd H. Dorn	8
Cecil A. Henton	9
K. Glenn J. Dorn, III	10
Jennifer S. Z. Dorn	11
Stephen R. Dorschner, M.S.	12
Chris A. Dorn	13
Alan M. Dorn	14
Jane P. Dorn	15
Christine A. Ruffolo	16
John P. V. Dorn	17
Steven C. Mason	18
Ellen Pennington	19
Janet L. Dorn	20

Independent Auditor's Report

Mr. Steve Gauthier, Superintendent,
and Members of the St. Mary Parish School Board
Centerville, Louisiana

125 Rue St. Louis	21
Lafayette, LA 70501	22
12511 E. Co. Rd. 13	23
Louisiana, LA 70501	24
1201 Riverside	25
Morgan City, LA 70351	26
1011 P. O. Box 101	27
Abbey, LA 70511	28

We have audited the accompanying general purpose financial statements of the St. Mary Parish School Board, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (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 the general purpose 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Parish School Board as of June 30, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 27, 1997, on our consideration of the St. Mary Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

125 Rue St. Louis	21
Lafayette, LA 70501	22
12511 E. Co. Rd. 13	23
Louisiana, LA 70501	24
1201 Riverside	25
Morgan City, LA 70351	26
1011 P. O. Box 101	27
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ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Financial Report

Year Ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewing, 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 ~~FEB 11 1998~~

ST. MARY PARISH SCHOOL BOARD

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 1997

Material Noncompliance - Financial Reporting

The results of our tests disclose no instances of noncompliance that are required to be reported under Government Auditing Standards.

Reportable Condition - Major Program

There is nothing to be reported in relation to conditions in internal control over major programs.

Findings Related to Federal Programs

The result of our tests disclosed no findings related to federal programs.

Part 2 Findings Relating to an Audit in Accordance with Government Auditing Standards

The results of our tests disclosed no findings relating to an audit in accordance with Government Auditing Standards.

Part 3 Findings and Questioned Costs Relating to Federal Programs

The results of our tests disclosed no findings or questioned costs related to federal programs.

ST. MARY PARISH SCHOOL BOARD

Schedule of Findings and Questioned Costs
Year Ended June 30, 1997

Part 1 Summary of Auditor's Results

Major Program - Identification

The St. Mary Parish School Board, at June 30, 1997, had three major programs:

Title I, which received funds from the Department of Education "passed through" the State Department of Education.

Special Education Idea - Part H , which received funds from the Department of Education "passed through" the State Department of Education.

School Food Service, which received funds from the Department of Agriculture "passed through" the State Department of Agriculture and the State Department of Education.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the fiscal year ended June 30, 1997.

Low-Risk Auditee

The St. Mary Parish School Board is not considered a low-risk auditee for the fiscal year ended June 30, 1997.

Auditor's Report - Financial Statements

An unqualified opinion has been issued on the St. Mary Parish School Board's general purpose financial statements as of and for the year ended June 30, 1997.

Auditor's Report - Major Program

In our opinion, the St. Mary Parish School Board complied, in all material respects, with the requirements that are applicable to its major federal program for the year ended June 30, 1997.

Reportable Conditions - Financial Reporting

There is nothing to be reported in relation to reportable conditions in internal control over financial reporting.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 1997

Program Title	Federal CFDA Number	Grantor Number	Expenditures	Amounts to Subrecipients
Grants for Strengthening the Skills of Teachers and Instruction in Math, Science, Foreign Languages, and Computer Learning	84.168 84.168	97-1ASA-51-2 28-96-5051-II-C/O	\$ 70,536 681	- -
Handicapped - Preschool Grants	84.173A	97-PF-51	71,272	-
Drug-Free Schools and Communities - State Grants	84.186	28-96-7051-DC/O 97-1ASA-51-D	42,571 126,977	- -
Title III - Goals 2000 Louisiana Goals 2000	84.276	9276A0018	142,857	-
Total U. S. Department of Education			<u>\$4,431,788</u>	<u>\$ -</u>
U. S. Department of Energy: Grant Programs for Schools and Hospitals and Buildings Owned by Units of Local Governments and Public Care Institutions	81.052	DE-FG48-94R613695	\$ 78,735	\$ -
U. S. Department of Justice: ROTC Troop to Teachers			\$ 59,156 12,239 <u>\$ 71,395</u>	\$ - - -
Total Federal Assistance			<u>\$7,934,160</u>	<u>\$ -</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 1997

Program Title	Federal CFDA Number	Grantor Number	Expenditures	Amounts to Subrecipients
U. S. Department of Education: Direct Programs - Bilingual Education	84.003L	T003L30029-95	\$ 43,619	\$ -
Passed through Louisiana Department of Education Adult Education State Administered Programs	84.002	ABE	155,016	-
Educationally Deprived Children - Local Education Agencies	84.010	Capital Expense Grant 97-032-51 School Support Team 96-032-51C/O	19,642 2,625,339 8,800 319,546	- - - -
Migrant Education - Based State Formula Grant Program	84.011	FY-97-M-28-51-1	38,950	-
Handicapped - State Grants	84.027A 84.027A	97-FT-51 96-FT-51C/O	528,880 42,794	- -
Vocational Education Basic Grants to States	84.048	28-97-CD-2-BG 28-96-CD-2-BGC/O	78,119 13,666	- -
Federal Programs for Educational Improvement	84.151	28-96-0051-C/O 97-1ASA-51-6	7,907 60,722	- -
Special Education IDEA-Part H	84.181	95-CIT3-51 96-CIT2-51	10,630 23,264	- -

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 1997

Program Title	Federal CFDA Number	Grantor Number	Expenditures	Amounts to Subrecipients
U. S. Department of Agriculture: Passed through Louisiana Department of Education & Agriculture -				
Food Distribution Program	10.550	F75101	\$ 278,435	\$ -
School Breakfast Program	10.553	688-0309	720,496	-
National School Lunch Program	10.555	688-0308	<u>2,123,899</u>	-
Total U. S. Department of Agriculture			<u>\$3,122,830</u>	<u>\$ -</u>
U. S. Department of Health and Human Services: Passed through Louisiana Department of Education -				
Starting Points Preschool Program	93.57		\$ 59,690	\$ -
Job Opportunities and Basic Skills Training	93.561		<u>104,042</u>	-
Total U. S. Department of Health and Human Services			<u>\$ 163,732</u>	<u>\$ -</u>
U. S. Department of Labor: Passed through St. Landry Parish Police Jury Job Training Partnership Act				
	17.250	209-96-40-101-1326-2C-106	\$ 19,961	\$ -
		209-96-40-101-1456-21C-106	39,721	-
		209-96-40-101-5026-2B-106	1,618	-
		5401	<u>4,380</u>	-
Total U. S. Department of Labor			<u>\$ 65,680</u>	<u>\$ -</u>

Internal Control Over Compliance

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

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

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
October 27, 1997



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

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Moreau, Louisiana 70558

100 P. O. Box 100
Abbeville, Louisiana 70511

Mr. Steve Gauthier, Superintendent,
and Members of the St. Mary Parish School Board
Centerville, Louisiana

Compliance

We have audited the compliance of the St. Mary Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. The St. Mary Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Mary Parish School Board's management. Our responsibility is to express an opinion on the St. Mary Parish School Board's compliance based on our audit.

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

In our opinion, the St. Mary Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Very truly yours,
Eugene H. Darnall, CPA, CMA, CFPS
Eugene H. Darnall, CPA, CMA, CFPS

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.

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
October 27, 1997



Eugene H. Darnall, CPA, RPA, CMA, CFSA

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Danny P. Frederick, CPA
Clayton D. Darnall, CPA
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Jane R. H. Taylor, CPA
Christine A. Rappaport, CPA
John P. Arnold, CPA
Steven G. Messinger, CPA
Ellen Perreault, CPA
Lamara L. Taylor, CPA

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

125 Rue Bayou de la
Lafayette, Louisiana
70501-3181

12311 Leominster
Farmington, Louisiana
70501-3100

1201 Biala
Shreveport, Louisiana
70501-3100
Morgan City, Louisiana
70354-3100

4011 E. 7th
Abbeville, Louisiana
70511-3100

July 1, 1997

Mr. Steve Gauthier, Superintendent
and Members of the St. Mary Parish School Board
Centerville, Louisiana

We have audited the financial statements of the St. Mary Parish School Board as of and for the year ended June 30, 1997, and have issued our report thereon dated October 27, 1997. We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

Compliance

As part of obtaining reasonable assurance about whether the St. Mary Parish 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 St. Mary Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or

Amended
Certified Public Accountant
State of Louisiana

INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
Agency Fund
School Activity Funds

Schedule of Changes in Deposits Due to Others
Year Ended June 30, 1997

	Balance July 1, 1996	Additions	Reductions	Balance June 30, 1997
St. Mary Parish Alternative	\$ 1,466	\$ 1,333	\$ 1,240	\$ 1,559
J. S. Aucoin Elementary	49,901	24,809	22,273	52,437
Baldwin Elementary	5,494	27,487	28,677	4,304
Bayou Vista Elementary	12,656	55,864	52,193	16,327
Berwick Elementary	8,311	80,296	69,930	18,677
Berwick Junior High	22,659	120,983	107,131	36,511
Berwick Senior High	59,317	287,685	279,959	67,043
Centerville High	23,645	134,304	137,951	19,998
W. P. Foster Elementary	13,215	44,336	33,471	24,080
Franklin Adult Education	-	6,048	4,367	1,681
Franklin Junior High	49,370	97,375	89,546	57,199
Franklin Senior High	58,541	331,635	366,975	23,201
Thomas Gibbs Elementary	6,071	19,338	19,358	6,051
Glencoe Elementary	7,232	24,108	27,187	4,153
G. W. Hamilton Elementary	7,834	15,311	15,325	7,820
Mary Hines Elementary	12,951	36,665	43,037	6,579
LaGrange Elementary	13,318	54,967	44,885	23,400
J. B. Maitland Elementary	5,446	29,014	28,433	6,027
Morgan City Adult Education	-	6,294	5,172	1,122
Morgan City Junior High	29,610	76,911	74,327	32,194
Morgan City Senior High	155,438	398,289	404,647	149,080
M. E. Norman Elementary	36,086	15,922	15,627	36,381
Patterson Junior High	14,522	83,159	77,701	19,980
Patterson Senior High	68,847	174,608	154,668	88,787
M. D. Shannon Elementary	15,588	48,523	49,700	14,411
H. A. Watts Elementary	14,109	56,097	51,412	18,794
Hernandez Elementary	7,815	53,569	58,980	2,404
Wyandotte Elementary	13,220	21,754	21,543	13,431
	<u>\$712,662</u>	<u>\$2,326,684</u>	<u>\$2,285,715</u>	<u>\$753,631</u>
	=====	=====	=====	=====

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
Fiduciary Funds
Expendable Trust Funds

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Year Ended June 30, 1997
With Comparative Totals for Year Ended June 30, 1996

	Ann Dangerfield Scholarship	J. J. Hebert Memorial	C. J. Peltier Scholarship	<u>Totals</u>	
				<u>1997</u>	<u>1996</u>
Revenues:					
Local sources -					
Interest earnings	\$ 673	\$ -	\$ -	\$ 673	\$ 597
Donations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>
Total revenues	<u>673</u>	<u>-</u>	<u>-</u>	<u>673</u>	<u>1,597</u>
Expenditures:					
Tuition Grants	<u>948</u>	<u>-</u>	<u>-</u>	<u>948</u>	<u>-</u>
Excess of revenues over expenditures	(275)	-	-	(275)	1,597
Fund balances, beginning	<u>11,935</u>	<u>380</u>	<u>234</u>	<u>12,549</u>	<u>10,952</u>
Fund balances, ending	<u>\$11,660</u> =====	<u>\$ 380</u> =====	<u>\$ 234</u> =====	<u>\$12,274</u> =====	<u>\$12,549</u> =====

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
Fiduciary Funds

Combining Balance Sheet
June 30, 1997

With Comparative Totals for June 30, 1996

	Expendable Trust Funds				Agency Fund School Activity	Totals	
	Ann Dangerfield Scholarship	J. J. Hebert Memorial	C. J. Peltier Scholarship			1997	1996
ASSETS							
Cash	\$ 1,573	\$ 380	\$ 234		\$753,631	\$755,818	\$714,249
Investments, at cost	<u>11,035</u>	-	-		-	<u>11,035</u>	<u>10,962</u>
Total assets	<u>\$12,608</u>	<u>\$ 380</u>	<u>\$ 234</u>		<u>\$753,631</u>	<u>\$766,853</u>	<u>\$725,211</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 948	\$ -	\$ -		\$ -	\$ 948	\$ -
Deposits due others	<u>948</u>	-	-		<u>753,631</u>	<u>753,631</u>	<u>712,662</u>
Total liabilities					<u>753,631</u>	<u>754,579</u>	<u>712,662</u>
Fund balances:							
Unreserved - undesignated	<u>11,660</u>	<u>380</u>	<u>234</u>		-	<u>12,274</u>	<u>12,549</u>
Total fund balances	<u>11,660</u>	<u>380</u>	<u>234</u>		-	<u>12,274</u>	<u>12,549</u>
Total liabilities and fund balances	<u>\$12,608</u>	<u>\$ 380</u>	<u>\$ 234</u>		<u>\$753,631</u>	<u>\$766,853</u>	<u>\$725,211</u>

FIDUCIARY FUNDS

Ann Dangerfield Scholarship, J. J. Hebert Memorial, C. J. Peltier Scholarship, Expendable Trust Funds

The expendable trust funds invest donated monies in a trustee capacity and expend the funds in accordance with the wishes of the donors.

School Activity Agency Fund

The school activity agency fund is custodial in nature and accounts for activities within all twenty-six schools comprising the system. Monies accumulated within the student activity agency fund are under the supervision of the School Board, however, the monies are the properties of the respective schools and student bodies and are not available for use by the School Board.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
Capital Project Funds

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Year Ended June 30, 1997
With Comparative Totals for Year Ended June 30, 1996

	Hurricane Construction	Roof-A/C Replacement	Consolidated School District No. 1	Construction	Special School District No. 4	Totals
						1997
Revenues:						
Local sources -						
Interest earnings	\$ -	\$ 111,312	\$ 2,869	\$ 1,803	\$ 789	\$ 116,773
Federal sources	<u>139,891</u>	<u>78,735</u>	-	-	-	<u>218,626</u>
Total revenues	<u>139,891</u>	<u>190,047</u>	<u>2,869</u>	<u>1,803</u>	<u>789</u>	<u>335,399</u>
Expenditures:						
Current -						
Support services:						
Instructional staff services	-	898	-	-	-	898
General administration	-	853	19,412	-	4,090	24,355
Business services	-	-	3,409	-	1,790	5,199
Operation and maintenance of plant	-	122,872	-	1,374	-	124,246
Facilities acquisition and construction	-	721,109	359,796	869,681	15,490	1,966,076
Total expenditures	-	<u>845,732</u>	<u>382,617</u>	<u>871,055</u>	<u>21,370</u>	<u>2,120,774</u>
Excess (deficiency) of revenues over expenditures	<u>139,891</u>	<u>(655,685)</u>	<u>(379,748)</u>	<u>(869,252)</u>	<u>(20,581)</u>	<u>(1,785,375)</u>
Other financing sources (uses)						
Operating transfers in	-	1,350,000	-	594,817	-	1,944,817
Operating transfers out	(200,000)	-	(16,282)	-	(224)	(216,506)
Proceeds from issuance of debt	-	-	16,500,000	-	3,000,000	19,500,000
Total other financing sources (uses)	<u>(200,000)</u>	<u>1,350,000</u>	<u>16,483,718</u>	<u>594,817</u>	<u>2,999,776</u>	<u>21,228,311</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(60,109)	694,315	16,103,970	(274,435)	2,979,195	19,442,936
Fund balances, beginning	<u>86,038</u>	<u>1,816,830</u>	<u>14,422</u>	<u>543,469</u>	-	<u>2,460,759</u>
Fund balances, ending	<u>\$ 25,929</u>	<u>\$2,511,145</u>	<u>\$16,118,392</u>	<u>\$ 269,034</u>	<u>\$2,979,195</u>	<u>\$ 2,460,759</u>

CAPITAL PROJECTS FUNDS

Hurricane Construction Fund

The Hurricane Construction Fund is used to account for insurance and FEMA proceeds and expenditures attributable to the destruction caused by Hurricane Andrew in August, 1992.

Roof-A/C Replacement Fund

The board appropriated funds to provide for reroofing and air conditioner replacement at several existing schools by transfer from the General Fund.

Consolidated School District No. 1 Fund

The Consolidated School District No. 1 Fund is used to acquire land, buildings, and other school-related facilities within the district. In addition, it is used to purchase the necessary equipment and furnishings for the schools. Funding has been provided by the proceeds of the \$16,500,000 bond issues dated May 1, 1997.

Construction Fund

The board appropriated funds to provide for the construction of additional classroom facilities and reroofing projects at several existing schools by transfer from the General Fund.

Special School District #4

Special School District #4 is used to acquire or improve land, building sites & other school - related facilities within the district. In addition, it is used to purchase the necessary equipment and furnishings for the schools. Funding has been provided by the proceeds of the \$3,000,000 bond issues dated May 1, 1997.

School District No. 8	Totals	
	1997	1996
\$ -	\$1,402,939	\$1,360,188
385	123,733	53,653
<u>385</u>	<u>1,526,672</u>	<u>1,413,841</u>
-	6,146	12,795
-	270	-
-	46,211	43,246
-	-	4,033
-	20	20
4,892	4,892	35,756
10,188	11,275	42,261
-	1,580,224	1,475,000
-	110,481	209,405
<u>15,080</u>	<u>1,759,519</u>	<u>1,822,516</u>
<u>(14,695)</u>	<u>(232,847)</u>	<u>(408,675)</u>
(5,267)	(235,710)	-
-	1,456	-
<u>(5,267)</u>	<u>(234,254)</u>	<u>-</u>
(19,962)	(467,101)	(408,675)
<u>19,962</u>	<u>811,047</u>	<u>1,219,722</u>
\$ -	\$ 343,946	\$ 811,047
=====	=====	=====

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
Debt Service Funds

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Year Ended June 30, 1997
With Comparative Totals for Year Ended June 30, 1996

	<u>Consolidated</u> <u>School</u> <u>District</u> <u>No. 1</u>	<u>Special</u> <u>School</u> <u>District</u> <u>No. 4</u>	<u>Fifth</u> <u>Ward</u> <u>Special</u> <u>School</u> <u>District</u> <u>No. 1</u>	<u>Sixth</u> <u>Ward</u> <u>Special</u> <u>School</u> <u>District</u> <u>No. 3</u>	<u>Amelia</u> <u>Subdistrict</u> <u>No.1 of</u> <u>Sixth Ward</u> <u>Special</u> <u>School</u> <u>District</u> <u>No. 3</u>
Revenues:					
Local sources -					
Ad valorem taxes	\$1,315,512	\$ -	\$ -	\$ -	\$ 87,427
Interest earnings	<u>100,949</u>	<u>13,583</u>	<u>123</u>	<u>3,434</u>	<u>5,259</u>
Total revenues	<u>1,416,461</u>	<u>13,583</u>	<u>123</u>	<u>3,434</u>	<u>92,686</u>
Expenditures:					
Current -					
Instruction:					
Regular programs	-	-	6,146	-	-
Other instructional	-	-	270	-	-
Support services:					
General administration	43,168	-	-	-	3,043
School administration	-	-	-	-	-
Business services	-	-	-	-	20
Operation and maintenance of plant services	-	-	-	-	-
Facilities acquisition and construction	-	-	1,087	-	-
Debt service -					
Principal retirement	1,420,000	224	-	-	160,000
Interest and fiscal charges	<u>101,041</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,440</u>
Total expenditures	<u>1,564,209</u>	<u>224</u>	<u>7,503</u>	<u>-</u>	<u>172,503</u>
Excess (deficiency) of revenues over expenditures	<u>(147,748)</u>	<u>13,359</u>	<u>(7,380)</u>	<u>3,434</u>	<u>(79,817)</u>
Other financing sources (uses):					
Operating transfers out	(230,443)	-	-	-	-
Operating transfers in	<u>1,232</u>	<u>224</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total financing sources	<u>(229,211)</u>	<u>224</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	<u>(376,959)</u>	<u>13,583</u>	<u>(7,380)</u>	<u>3,434</u>	<u>(79,817)</u>
Fund balances, beginning	<u>592,105</u>	<u>-</u>	<u>7,814</u>	<u>64,696</u>	<u>126,470</u>
Fund balances, ending	<u>\$ 215,146</u> =====	<u>\$13,583</u> =====	<u>\$ 434</u> =====	<u>\$68,130</u> =====	<u>\$ 46,653</u> =====