

F OFFICIAL
FILE COPY
DO NOT REMOVE

Books belonging
Library must not
leave this library
March 20, 1953

91302932
2684

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Financial Report

Year Ended June 30, 1950

Under provisions of state law, this report is a public document. A copy of the report is being furnished to the parish, all members, and to other interested parties. You should be notified for public hearing. The Parish Board of Education, Centerville, Louisiana, will be held at the office of the parish clerk at 8:00 p.m.

JUN 1 3 1950

Holmes Day

TABLE OF CONTENTS

	Page
INTERIM/INTENT AUDITOR'S REPORT	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
Combined balance sheet - all fund types and account groups	8-9
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types and fiduciary fund types	9-9
Combined statement of revenues, expenditures, and changes in fund balances - budget (GAAP basis) and actual - General and Special Revenue Funds	18-11
Notes to financial statements	14-23
SUPPLEMENTAL INFORMATION	
SCHEDULES OF INDIVIDUAL FUNDS	
General Fund:	
Comparative balance sheet	37
Comparative statement of revenues, expenditures and changes in fund balances	38-39
Special Revenue Funds:	
Comparative balance sheet	42-45
Comparative statement of revenues, expenditures, and changes in fund balances	46-52
Debt Service Funds:	
Comparative balance sheet	53-54
Comparative statement of revenues, expenditures, and changes in fund balances	57-58
Capital Projects Funds:	
Comparative balance sheet	60-61
Comparative statement of revenues, expenditures and changes in fund balances	62-63
Fiduciary Funds:	
Comparative balance sheet	63-64
Expendable Trust Funds -	
Comparative statement of revenues, expenditures, and changes in fund balances	67
Agency Funds -	
School Activity Fund -	
Schedule of changes in deposits due to others	68

	Page
INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION	
<i>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</i>	70-71
<i>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</i>	72-73
<i>Schedule of Expenditures of Federal Awards</i>	74-76
OTHER SUPPLEMENTARY INFORMATION	
<i>Summary Schedule of Prior Year Findings</i>	78
<i>Schedule of Findings and Questioned Costs</i>	79-88
<i>Management's Corrective Action Plan for Current Year Findings</i>	81



**Darnall, Sikes
& Frederick**

LLC Registered Public Accounting Firm

Page 1 of 10 | 10/10/2018 10:52:00 AM

1. 2018 Balance Sheet 100
2. 2018 Income Statement 100
3. 2018 Statement of Expenses 100
4. 2018 Statement of Assets 100
5. 2018 Statement of Liabilities 100
6. 2018 Statement of Net Assets 100

7. 2018 Statement of Cash Flows 100
8. 2018 Statement of Changes in Net Assets 100

9. 2018 Statement of Financial Position 100
10. 2018 Statement of Financial Position 100
11. 2018 Statement of Financial Position 100
12. 2018 Statement of Financial Position 100

13. 2018 Statement of Financial Position 100
14. 2018 Statement of Financial Position 100
15. 2018 Statement of Financial Position 100
16. 2018 Statement of Financial Position 100

Independent Auditor's Report

10/10/2018

17. 2018 Statement of Financial Position 100
18. 2018 Statement of Financial Position 100
19. 2018 Statement of Financial Position 100

20. 2018 Statement of Financial Position 100
21. 2018 Statement of Financial Position 100
22. 2018 Statement of Financial Position 100

23. 2018 Statement of Financial Position 100
24. 2018 Statement of Financial Position 100
25. 2018 Statement of Financial Position 100

26. 2018 Statement of Financial Position 100
27. 2018 Statement of Financial Position 100
28. 2018 Statement of Financial Position 100

29. 2018 Statement of Financial Position 100

Mr. Lloyd Dorso, Superintendent,
and Members of the St. Mary Parish School Board
Centerville, Louisiana

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, 1998, 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-113, "Audit of States, Local Governments, and Non-Profit Organizations". These standards and OMB Circular A-113 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 general purpose 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, 1998, 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 5, 1998, 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.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-113, "Audit 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 of the St. Mary Parish School Board. 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.

10/10/2018

10/10/2018 10:52:00 AM

10/10/2018 10:52:00 AM

10/10/2018 10:52:00 AM

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.

Carroll, Rice & Associates
A Corporation of Certified Public Accountants

Merger City, Louisiana
October 5, 1998

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

ST. MARY PARISH SCHOOL BOARD
Catahoula, Louisiana

Condensed Balance Sheet - All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Cash and interest-bearing deposits	\$ 9,207,687	\$ 86,964	\$ 106,494	\$ 1,364,750
Investments, at cost	11,552,988	3,838,876	833,968	1,646,064
Receivables				
Accounts	1,264,983	3,881	1,418	-
Accrued interest	511,568	17,812	1,880	704,411
Due from other governmental units	11,020	1,233,267	-	-
Due from other funds	6,483,384	3,881	-	1,804,117
Due from schools	5,531	5,534	-	-
Prepaid losses	503,839	-	-	-
Inventory, at cost	107,896	108,863	-	-
Land, buildings and improvements, and furniture and equipment	-	-	-	-
Amount available to debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
Long-term debt under debit	<u>\$ 26,176,711</u>	<u>\$ 3,954,831</u>	<u>\$ 835,382</u>	<u>\$ 3,450,124</u>
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 299,611	\$ 887,664	\$ -	\$ 781,117
Advances interest payable	-	-	-	114,288
Accounts liabilities	3,936,136	264,612	-	-
Due to other funds	6,498,115	711,115	4,797	-
Deposits due to others	-	-	-	-
Compensated absences payable	-	-	-	-
Capital assets payable	-	-	-	-
Bonds payable	-	-	-	-
Long liabilities	<u>14,688,711</u>	<u>1,811,607</u>	<u>4,797</u>	<u>827,487</u>
Fund equity				
Investment in general fund assets	-	-	-	-
Fund balances -				
Reserved for debt service	-	-	918,760	-
Reserved	1,117,261	1,143,288	70,182	18,144,476
Unreserved -				
Assigned	3,881,210	-	-	2,898,679
Undesignated	<u>1,628,609</u>	<u>1,628,609</u>	<u>288,117</u>	<u>31,481,111</u>
Total fund equity	<u>6,427,680</u>	<u>3,472,507</u>	<u>386,967</u>	<u>34,404,266</u>
Total liabilities and fund equity	<u>\$ 32,473,721</u>	<u>\$ 3,394,831</u>	<u>\$ 1,222,349</u>	<u>\$ 3,854,390</u>

Financial Statement Types (Trust and) Agency	Account Group		Totals	
	General	General	Billion-dollar Only	
	Fund Assets	Long-Term Debt	1999	2001
\$ 703,834	\$ -	\$ -	\$ 11,478,136	\$ 9,124,318
71,737	-	-	25,267,687	37,791,317
-	-	-	1,269,983	1,126,028
829	-	-	1,124,214	249,422
-	-	-	1,786,536	1,111,364
-	-	-	7,236,343	4,300,770
-	-	-	8,881	-
-	-	-	321,919	171,650
-	-	-	481,961	361,775
-	67,960,176	-	67,960,176	68,894,626
-	-	943,716	943,716	361,709
-----	-----	943,716	943,716	361,709
-----	-----	943,716	943,716	361,709
\$ 764,600	\$ 67,960,176	\$ 21,708,000	\$ 39,688,961	\$ 116,421,620
\$ 894	\$ -	\$ -	\$ 13,316,363	\$ 141,858
-	-	-	134,286	-
-	-	-	8,193,348	5,688,067
-	-	-	7,236,343	4,300,770
751,001	-	-	783,001	751,654
-	-	1,089,892	1,999,001	1,795,026
-	-	671,367	671,367	-
-----	-----	18,808,889	19,825,000	18,188,889
751,896	-----	21,708,000	20,898,876	18,477,665
-	67,960,176	-	67,960,176	68,894,626
-	-	-	943,716	361,709
-	-	-	21,991,169	26,878,981
-	-	-	12,444,678	11,341,646
11,738	-----	-----	4,676,175	1,777,262
11,738	67,960,176	-----	49,899,671	102,156,888
\$ 764,600	\$ 67,960,176	\$ 21,708,000	\$ 116,421,620	\$ 116,421,620

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types and Fiduciary Fund Types
Year Ended June 30, 1998

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Local sources	\$ 21,262,598	\$ 3,491,833	\$ 2,204,273	\$ 1,489,717
State sources	31,806,792	1,218,231	-	-
Federal sources	288,215	8,241,882	-	18,800
Total revenues	<u>53,357,605</u>	<u>13,552,946</u>	<u>2,204,273</u>	<u>1,508,517</u>
Expenditures:				
Current -				
Education:				
Regular programs	22,088,744	167,760	-	-
Special education programs	6,578,215	227,514	-	-
Vocational education programs	1,614,814	183,318	-	-
Other instructional programs	804,792	43,678	-	-
Special programs	194,276	2,430,798	-	-
Adult and continuing education programs	193,948	242,721	-	-
Support services:				
Payroll support services	2,121,364	586,173	-	-
Instructional staff services	2,668,827	882,008	-	11,140
General administrative	947,684	83,752	68,746	91,782
Food administration	3,649,323	21,220	-	18,182
Business services	291,848	187,783	48	2,922
Operation and maintenance of plant services	4,897,817	2,287,623	13,311	84,381
Student transportation services	2,154,847	48,646	-	-
Contract services	1,247,964	6,828	-	-
Non-instructional services:				
Fund services	116,828	4,982,268	-	-
Community service program	3,278	-	-	-
Facilities acquisition and construction	142,512	594,119	58,151	1,873,822
Debt service -				
Principal retirement	-	-	428,008	-
Interest and bond charges	-	-	982,682	-
Total expenditures	<u>52,817,812</u>	<u>13,928,168</u>	<u>1,528,823</u>	<u>1,904,222</u>
Excess (deficiency) of revenues over expenditures	<u>539,793</u>	<u>624,778</u>	<u>675,450</u>	<u>604,295</u>

Fiduciary Fund Types	Trust and Agency	Totals	
		(Millions and Only)	
		1999	1997
\$	811	\$ 28,269,894	\$ 21,662,387
	-	33,201,813	38,662,388
		<u>8,936,919</u>	<u>8,058,659</u>
	<u>811</u>	<u>30,600,793</u>	<u>29,721,046</u>
	-	15,256,590	21,825,877
	-	6,896,079	6,185,278
	-	1,889,530	1,718,132
	-	848,670	763,460
	-	2,687,874	2,338,843
	-	341,323	499,907
	-	2,681,533	2,456,117
	-	3,683,186	3,048,304
	-	1,211,287	1,152,187
1,312		<u>3,682,838</u>	<u>3,128,738</u>
	-	782,884	608,904
	-	6,496,763	6,348,336
	-	2,584,683	2,706,409
	-	1,253,894	499,838
	-	3,879,173	4,956,410
	-	1,378	4,978
	-	4,986,898	3,379,041
	-	479,880	1,588,324
	-	<u>892,602</u>	<u>118,480</u>
	<u>1,312</u>	<u>11,316,864</u>	<u>87,093,758</u>
	<u>4680</u>	<u>11,286,854</u>	<u>281,008</u>

(Continued)

ST. MARY PARISH SCHOOL BOARD
Catonville, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types and Fiduciary Fund Types (Continued)
Year Ended June 30, 1998

	Governmental Fund Types			
	General	Special Revenues	Debt Service	Capital Projects
Other financing sources (uses)				
Capital transfers in	138,187	88,183	-	2,179,865
Capital transfers out	(1,823,185)	(138,587)	(1,233)	(857,438)
Proceeds from issuance of debt	-	-	-	-
Proceeds from capital lease	673,698	-	-	-
Sale of fixed assets	-	-	-	-
Other	8,880	3,974	-	-
Total other financing sources (uses)	____(1,216,520)	____(50,430)	____(1,233)	____(677,573)
Excess (deficiency) of revenues and other sources over expenditures and other uses	____(263,763)	____(24,763)	____648,771	____(998,618)
Fund balances, beginning	____15,743,493	____3,618,846	____345,846	____21,583,685
Fund balances, ending	____\$ 15,479,730	____\$ 3,594,083	____\$ 354,617	____\$ 20,585,067

Fiduciary Fund Types	Totals	
	(Millions of Dollars)	
	1994	1993
-	2,470,247	2,274,145
-	(2,470,247)	(2,270,344)
-	-	18,508,809
-	471,846	-
-	-	54,538
<u>-----</u>	<u>-----</u>	<u>-----</u>
	42,853	4,172
<u>-----</u>	<u>-----</u>	<u>-----</u>
	570,526	15,256,211
0993	(311,204)	18,848,817
<u>-----</u>	<u>-----</u>	<u>-----</u>
12,718	41,641,484	20,800,557
<u>-----</u>	<u>-----</u>	<u>-----</u>
11,784	2,41,021,152	2,41,041,034

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOLS BOARD
Criswell, Louisiana

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual - General and Special Revenue Funds
Year Ended June 30, 1998

	General Fund		Variance - Favorable - (Unfavorable)
	Budget	Actual	
Revenues:			
Local taxes	\$ 21,295,250	\$ 21,261,580	\$ 33,670
State grants	34,965,434	34,956,792	8,642
Federal grants	262,688	288,038	25,350
Total revenues	<u>56,523,372</u>	<u>56,506,410</u>	<u>16,962</u>
Expenditures:			
Current -			
Instruction:			
Regular programs	21,689,899	22,088,788	398,889
Special education programs	6,596,878	6,578,215	18,663
Vocational education programs	1,643,118	1,619,818	23,300
Other instruction programs	770,470	804,702	34,232
Special programs	284,657	196,276	88,381
Adult and continuing education programs	194,117	192,546	1,571
Support services:			
Fiscal support services	3,156,458	3,121,364	35,094
Instructional staff services	3,619,088	3,669,837	(50,749)
General administration	1,014,120	987,668	26,452
School administration	3,483,088	3,489,325	(6,237)
Business services	875,806	994,648	(118,842)
Operation and maintenance of plant services	4,184,306	4,857,817	(673,511)
Machine/computer/IT services	2,776,361	2,534,847	241,514
Central services	670,347	1,247,644	(577,297)
Non-instructional services:			
Plant services	111,470	136,628	(25,158)
Community service programs	5,880	1,378	4,502
Facilities acquisition and construction	249,341	181,533	167,808
Total expenditures	<u>62,812,886</u>	<u>62,621,433</u>	<u>191,453</u>
Excess (deficiency) of revenues over expenditures	<u>3,710,486</u>	<u>3,884,977</u>	<u>174,491</u>

Special Revenue Funds

<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 3,435,811	\$ 3,491,803	\$ 55,992
1,245,633	1,274,221	28,588
<u>8,240,268</u>	<u>8,241,682</u>	<u>(1,414)</u>
13,821,642	13,806,306	15,336
179,770	187,766	7,996
562,334	287,514	274,820
106,654	195,516	88,862
45,154	45,678	524
2,477,828	2,419,799	57,829
348,118	345,777	2,341
545,794	548,172	(2,378)
983,076	942,658	40,418
84,573	83,218	1,355
71,788	70,271	1,517
149,048	147,788	1,260
2,247,876	2,295,623	(47,747)
46,172	46,444	(272)
6,000	6,000	-
3,123,823	4,042,345	918,522
-	-	-
<u>230,820</u>	<u>344,312</u>	<u>(113,492)</u>
13,315,345	15,824,268	2,508,923
<u>(212,494)</u>	<u>(17,624)</u>	<u>(194,870)</u>

(Continued)

ST. MARY PARISH SCHOOL BOARD
 Centerville, Louisiana

Condensed Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual - General and Special Revenue Funds (Continued)
 Year Ended June 30, 1998

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Other financing sources (uses):			
Operating transfers in	135,348	118,397	16,951
Operating transfers out	(2,003,185)	(2,813,885)	-
Income from capital assets	-	873,844	873,844
Other	-----	15,888	(15,888)
Total other financing sources (uses)	(1,867,837)	(1,811,856)	55,981
Deficiency of revenues and other sources over expenditures and other uses	(1,298,760)	(863,562)	435,198
Fund balances, beginning	(1,295,880)	(1,345,860)	-----
Fund balances, ending	\$ (1,494,640)	\$ (1,449,312)	\$ 45,328

Special Revenue Funds		
Project	Actual	Variance - Favorable (Unfavorable)
15,000	58,185	25,185
(142,855)	(138,995)	4,860
<u>318</u>	<u>3,020</u>	<u>2,358</u>
<u>(127,545)</u>	<u>(75,130)</u>	<u>58,922</u>
(339,717)	(94,762)	215,915
<u>261,899</u>	<u>3,628,059</u>	<u>—</u>
<u>\$ 1,312,769</u>	<u>\$ 3,163,248</u>	<u>\$ 229,975</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

INTRODUCTION

The St. Mary Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:31 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 11,500 pupils for the 1997-98 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.

NOTE 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, or portions thereof, 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 services provided by the School Board, the School Board is a separate governmental reporting entity, primary government.

Certain units of local government over which the School Board exercises 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 governmental functions or activities.

ST. MARY PARISH SCHOOL BOARD
Catahoula, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 classification 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.

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.

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 expenditure purposes).

Agency Fund

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

Account Groups

Account groups are used to establish accounting control and accountability for the School Board's general fund 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.

General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fund assets) are accounted for in the general fund 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. Budgetary 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., resources and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 measurable and available (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 related liability positions have been made.

All valuations taxes are recorded in the year the taxes are due and payable. All valuations 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 administered 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 unused 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 billed by the contractor.

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Other Financing Sources (Used)

Transactions between funds that are not expected to be repaid (or any other type), 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.

B. 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.

C. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve the 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 in an extension of formal budgetary integration in the funds.

D. Interest-Bearing Deposits

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

E. 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
Cottleville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. 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.

1. Inventory

Inventory of the School Land Fund consists of land 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.

5. Long-Term Liabilities and Fixed Assets

Long-term liabilities reported 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 infrastructure 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.

1. Compensated Absences

All 12-month employees in the central office earn from 15 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.

Sabbatical leave may be granted for rest and recuperation with doctor's certification and for professional and cultural improvement. Any employee with a teaching contract 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.

ST. MARY PARISH SCHOOL BOARD
Crescent, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Due to its restrictive nature, substantial leave benefits are recorded as expenditures in the period taken and no liability is recorded in advance of the withdrawal.

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 expenditures is reported for these amounts.

In accordance with the provisions of Statement No. 36, of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for unvesting, accumulating rights to receive vacation pay. A liability has been recorded in the general long-term debt account group for up to 23 days of accumulated sick leave for all eligible employees.

As June 30, 1998, employees of the School Board have accumulated and vested \$1,069,992 of compensated absence benefits, which are recorded within the general long-term debt account group since they are not payable from expendable available financial resources.

M. Fund Deposits

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use. Designated fund balances represent legislative 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.

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

O. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the School Board's management to make estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures or expenses, as appropriate. Accordingly, actual results may differ from these estimates.

ST. MARY PARISH SCHOOL BOARD
 Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Miscellaneous 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.

NOTE 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, 1998, the School Board has cash and interest-bearing deposits (bank balances) totaling \$1,478,116 as follows:

Demand deposits and money market accounts	\$ 11,098,116
Time deposits	<u>288,000</u>
Total	<u>\$ 11,478,116</u>

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, 1998, are secured as follows:

Bank balances	\$ 27,181,318
Federal deposit insurance	\$ 104,329
Pledged securities (category 3)	<u>30,645,469</u>
Total	<u>\$ 58,931,116</u>
 Excess of federal insurance and pledged securities over bank balances	 <u>\$ 4,278,375</u>

ST. MARY PARISH SCHOOL BOARD
 Covington, Louisiana

Notes to Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (CONTINUED)

Pledged securities in Category 2 includes unsecured 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 uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 18 days of being notified by the School Board that the trust agent has failed to pay deposited funds upon demand.

Although in total, an excess of Federal Insurance and pledged securities over bank balances exists as June 30, 1998, three banks were found to have deficiencies of adequate Federal Insurance and pledged securities. Farmers State Bank had a deficiency of \$189,945. Morgan City Bank & Trust had a deficiency of \$51,210. Whitney National Bank had a deficiency of \$39,881.

NOTE 3 CONCENTRATION OF CREDIT RISK

The School Board maintains cash balances at several financial institutions. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000 for interest-bearing accounts and \$100,000 for non interest-bearing accounts. At June 30, 1998, the School Board's uninsured cash balances totaled \$261,978.

NOTE 4 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 unsecured and unregistered investments with securities held by the counterparty's trust department or agent in the School Board's name. Category 3 includes unsecured 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>Carrying Amount</u>	<u>Market Value</u>
U. S. Government Securities - Category 1	<u>\$15,387,660</u>	<u>\$15,412,436</u>

NOTE 5 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.

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.

ST. MARY PARISH SCHOOL BOARD
 Centerville, Louisiana

Notes to Financial Statements

NOTE 5 AD VALOREM TAXES (CONTINUED)

For the year ended June 30, 1998, ad valorem taxes totaling 182.36 mills were levied on property and distributed as follows:

	1998	
	Net Assessed Valuation	Mills
Parishwide taxes:		
Constitutional	216,584,650	8.88
Consolidated school district No. 3	216,584,650	11.48
District taxes:		
Maintenance taxes -		
Consolidated school district No. 3 (School maintenance district No. 1)	85,488,986	10.28
Consolidated school district No. 2 (School maintenance district No. 2)	60,190,967	13.37
Sixth Ward special school district No. 3 (School maintenance district No. 3)	69,788,677	13.31
Bond and interest taxes -		
Consolidated school district No. 1	55,958,563	11.88
Fourth Ward special school district	30,330,623	12.88

The taxes levied were \$9,186,618 for the year ended June 30, 1998.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES

	Interfund Receivables	Interfund Payables
General Fund	\$ 4,410,386	\$ 4,458,229
Special Revenue Funds:		
Title I	148	883,368
Title I - Allport	-	4,383
Preschool Incentive	-	3,193
Special Education Programs	-	27,827
Education for Economic Security Act - Title II	-	3,889
Drug Free Schools and Communities	-	6,261
Job Training Partnership Act	3,574	16,818
School Districts Maintenance	-	212
School Lunch	177	296,898
Loans	-	31,525

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

NOTE 6 INTERFUND RECEIVABLES, PAYABLES (CONTINUED)

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Vocational/Adult Education	-	14,608
Title VII	-	12,728
Starting Points - Franchised	-	12,141
Debt Service:		
Amelia Tim Fund	-	4,790
Capital Project Funds:		
District Construction	2,881,851	-
Total interfund receivables/payables	<u>\$ 2,226,141</u>	<u>\$ 2,316,141</u>

NOTE 7 GENERAL FIXED ASSETS

A summary of general fixed assets follows:

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
Construction in Progress	\$ 822,209	\$ 2,467,289	\$ 401,815	\$ 2,887,783
Land	1,211,793	-	-	1,211,793
Buildings and Improvements	39,345,872	2,288,106	31,882	41,595,906
Furniture and Equipment	25,113,368	1,381,831	928,681	25,565,858
Total	<u>\$68,591,628</u>	<u>\$3,845,526</u>	<u>\$ 1,360,958</u>	<u>\$71,075,176</u>

At June 30, 1998, the Construction Fund has construction commitments of \$19,385,249.

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

NOTE 8 ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$18,131,389 at June 30, 1998, are as follows:

	General Fund	Special Revenue Funds	Capital Projects Funds	Trust and Agency	Total
Accounts	\$ 299,643	\$ 897,844	\$ 711,167	\$ 891	\$ 1,809,545
Salaries and withholdings	3,676,084	264,623	-	-	3,940,707
Arbitrage Interest	-	-	116,280	-	116,280
Self insurance	-	-	-	-	-
Liability	<u>216,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,552</u>
Total	<u>\$ 3,192,279</u>	<u>\$ 1,162,467</u>	<u>\$ 827,447</u>	<u>\$ 891</u>	<u>\$ 5,183,131</u>

NOTE 9 CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the long-term obligations transactions of the St. Mary Parish School Board for the year ended June 30, 1998:

	Bonded Debt	Capital Leases	Compensated Absences	Total
Long-term obligations payable at July 1, 1987	\$18,580,808	\$ -	\$ 1,793,896	\$21,200,086
Additions	-	631,646	286,896	918,542
Deductions	<u>479,028</u>	<u>2,302</u>	<u>-</u>	<u>481,330</u>
Long-term obligations payable at June 30, 1998	<u>\$18,101,780</u>	<u>\$ 629,344</u>	<u>\$ 1,599,992</u>	<u>\$21,331,116</u>

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

NOTE 9 CHANGES IN GENERAL LONG-TERM DEBT (CONTINUED)

Bonds payable at June 30, 1998 is comprised of the following individual issues:

<p>\$14,500,000 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</p>	<p>\$ 14,005,000</p>
<p>\$5,000,000 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</p>	<p><u>2,015,000</u></p>
Total bonded debt	<p><u>\$ 16,020,000</u></p>

The annual requirements to amortize all bonds outstanding at June 30, 1998, including interest payments of \$2,857,315 follows:

Year Ending June 30,	General Obligations
1999	\$ 2,819,122
2000	1,894,622
2001	1,918,123
2002	1,915,622
2003	1,929,162
2004 - 2012	<u>17,805,666</u>
Total	<p><u>\$ 27,682,315</u></p>

Compensated absences reported at June 30, 1998 of \$1,599,895, reflect amounts due to eligible employees, for unused sick leave, up to a maximum of 25 days.

The School Board records items under capital assets as assets with the related obligations in the accompanying financial statements. The following is an analysis of equipment under capital lease agreements at June 30, 1998:

Computer Equipment	\$ 597,688
Office Equipment	<u>77,562</u>
Total	<p><u>\$ 675,250</u></p>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 9 CHANGES IN GENERAL LONG-TERM DEBT COMPOSITION:

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 1988:

Year Ending June 30,

1989	\$	154,643
2000		154,643
2001		154,643
2002		154,643
2003		<u>151,850</u>
Total minimum lease payments		730,422
Less: Amount representing interest		<u>(102,884)</u>
Present value of minimum lease payments		<u>\$ 627,538</u>

NOTE 10 SALES TAX

On December 7, 1955, the voters of the parish approved a one percent sales and use tax to be levied by the St. Mary Parish Council, of which 34 percent of the net proceeds to be received by 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 31, 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 a 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, 1982, 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.

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.

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

NOTE 10 SALES TAX (CONTINUED)

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 this 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 13, 1996, the tax was renewed for an additional period of seven (7) years from termination of its current use.

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

NOTE 11 PENSION PLAN

Eligible employees of the School Board participate in one of four multiple-employer public employer 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 2.8 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 16.4 percent of the total annual covered salary. The School Board's contributions to the system for the years-ended June 30, 1998, 1997 and 1996 were \$5,858,136, \$4,571,302, and \$4,513,843, 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 70804-8123.

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

Plan members are required to contribute 5.8 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 15.4 percent of the total annual covered salary. The School Board's contributions to the system for the years-ended June 30, 1998, 1997 and 1996 were \$295,622, \$289,848, and \$289,966, 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 70804-8123.

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

NOTE 11 PENSION PLAN (CONTINUED)

C. Parishial 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, 1998, 1997 and 1996 were \$1,767, \$2,284, and \$2,288, 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 Parishial Employees' Retirement System, P. O. Box 14619, Baton Rouge, Louisiana 70804-4619.

D. Louisiana School Employee's Retirement System

Plan members are required to contribute 6.25 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 6.8 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 1998, 1997 and 1996 were \$288,619, \$798,998, and \$182,840, 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.

NOTE 12 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 \$1,377,688 for the year ended June 30, 1998.

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

NOTE 11 RISK MANAGEMENT

A. Workers' Compensation

The School Board has established a limited risk management program for workers' compensation. The School Board hired Management Services, USA, an administrator for this program. During the fiscal year 1998, a total of \$278,035 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 Benefit Services, Inc. as administrator for this program. During the fiscal year 1998, a total of \$11,591 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 Liability

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

	<u>Beginning of Fiscal year Liability</u>	<u>Claims and Changes in Estimation</u>	<u>Benefits Payments and Claims</u>	<u>Balance at Fiscal Year - End</u>
Workers' Compensation	<u>\$ 168,426</u>	<u>\$ 278,035</u>	<u>\$ 276,598</u>	<u>\$ 199,863</u>
General Liability	<u>\$ 85,780</u>	<u>\$ 11,591</u>	<u>\$ 41,713</u>	<u>\$ 55,658</u>

Claims payable of \$199,863 for workers' compensation at June 30, 1998 was obtained from information provided by the third party administrator.

Claims payable of \$55,658 for general liability insurance at June 30, 1998 was obtained from information provided by the third party administrator.

NOTE 12 PENDING LITIGATION

A. Contingencies

At June 30, 1998, 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

ST. MARY PARISH SCHOOL BOARD
Catahoula, Louisiana

Notes to Financial Statements

NOTE 14 PENDING LITIGATION (CONTINUED)

might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

B. Grant Funds

The School Board routinely 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.

NOTE 15 DESIGNATED FUND BALANCES

As June 30, 2003, the School Board has designated portions of fund balances as follows:

General Fund -

Future Occurrences	\$ 6,080,000
Bond Sinking	34,070
Floor Tile	180,000
Asbestos Abatement	580,000
Wildlife Exhibits	77,382
Insurance Deductibles	980,000
Insurance Stabilization	1,493,000
Technological Advances	71,512
Electrical Upgrade	187,200
Flooring Upgrade	<u>208,273</u>
	<u>\$ 8,586,367</u>

Capital Projects Fund -

Designated for Construction	<u>2,858,000</u>
-----------------------------	------------------

Total designated fund balances \$ 11,444,367

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Notes to Financial Statements

NOTE 16 RESERVE/FUND BALANCES

At June 30, 1998, the School Board has reserved portions of fund balances as follows:

General Fund -	
Federal Programs	\$ 494,459
Workers Compensation Letters of Credit	290,000
Treasury	90,158
Inventory	105,896
Prepaid Items	<u>521,839</u>
	<u>1,502,352</u>
Special Revenue Funds -	
Maintenance	2,128,219
Fund Services	<u>484,845</u>
	<u>2,613,064</u>
Debt Service Funds -	
Debt Retirement	915,150
Other	<u>12,362</u>
	<u>927,512</u>
Capital Projects Funds -	
Construction	<u>18,146,476</u>
Total reserved fund balances	<u>\$ 32,012,924</u>

NOTE 17 COMPENSATION OF BOARD MEMBERS

A detail of the compensation paid to individual board members for the year ending June 30, 1998 follows:

<u>Board Member</u>	
David Beardsfield	\$ 7,200
Wayne Debatte	7,200
Joseph Fourcand	7,200
Bonnie Grunberg	7,200
Marilyn Lahaie	7,200
Scott Lique, President	8,400
Mary Loukley	7,200
Conrad Melanson	7,200
Willie Peters	7,200
Michael Taylor	7,200
Ronnie Trimm	<u>7,200</u>
Total	<u>\$ 88,400</u>

ST. MARY PARISH SCHOOL BOARD
Cottoville, Louisiana

Notes to Financial Statements

NOTE 18 CHANGES IN AGENCY FUND DEPOSITS

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

<u>Fund</u>	<u>Balance at July 1, 1997</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at June 30, 1998</u>
School Activity	\$ 753,611	\$ 2,282,328	\$ 2,281,958	\$ 753,981

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

GENERAL FUND

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

ST. MARY PARISH SCHOOL BOARD
Conserville, Louisiana
General Fund

Comparative Balance Sheet
June 30, 1998 and 1997

ASSETS	1998	1997
Cash and interest-bearing deposits	\$ 8,217,887	\$ 3,778,071
Investments, at cost	13,552,988	11,809,760
Receivables:		
Accounts	1,204,183	1,238,188
Accounts interest	711,280	335,185
Due from other governmental agencies	513,253	354,034
Due from other funds	4,418,185	1,628,951
Due from students	3,131	-
Prepaid items	521,609	513,600
Inventory, at cost	—,345,086	—,245,000
Total assets	<u>26,179,731</u>	<u>17,668,689</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 299,643	\$ 283,798
Accrued liabilities	7,938,908	7,421,970
Due to other funds	—,658,223	—,653,826
Total liabilities	<u>8,696,774</u>	<u>8,360,594</u>
Fund balances:		
Reserved for fees	-	979
Reserved for federal programs	89,888	177,107
Reserved for workers compensation	386,808	386,808
Reserved for programs to reduce liability	70,259	72,153
Reserved for inventory	313,898	242,858
Reserved for prepaid expenses and deposits	521,838	517,658
Unreserved, designated	9,586,268	13,235,168
Unreserved, undesignated	—,608,609	—,279,138
Total fund balances	<u>15,481,811</u>	<u>15,745,693</u>
Total liabilities and fund balances	<u>24,178,585</u>	<u>24,116,287</u>

ST. MARY PARISH SCHOOL BOARD
 Centerville, Louisiana
 General Fund

Comparative Statement of Revenue, Expenditures, and Changes in Fund Balance
 Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenue:		
Local sources -		
Ad valorem taxes	\$ 4,482,075	\$ 4,342,910
State taxes	12,829,746	12,795,457
Tuition	181,581	384,413
Interest earnings	1,298,069	1,861,736
Other	1,347,111	675,624
State sources -		
Unrestricted grants-in-aid	29,452,968	27,849,691
Restricted grants-in-aid	2,500,432	1,543,820
Capital sources -		
Restricted	<u>288,218</u>	<u>71,385</u>
Total revenue	<u>51,811,880</u>	<u>48,123,846</u>
Expenditures:		
Current -		
Instruction:		
Regular programs	25,088,784	21,643,234
Special education programs	6,578,215	5,926,151
Vocational education programs	1,614,014	1,428,445
Other instructional programs	884,792	546,978
Special programs	196,276	199,354
Adult and continuing education programs	193,546	284,829
Support services:		
Pupil support services	2,121,181	1,938,108
Instructional staff services	2,869,927	2,133,648
General administration	967,684	1,294,881
School administration	3,848,323	3,894,788
Business services	391,818	308,096
Operation and maintenance of plant services	4,091,817	3,921,881
Student transportation services	2,534,847	2,358,749
Central services	1,247,904	496,838
Non-instructional services:		
Food service operations	126,828	54,285
Community service programs	1,278	4,878
Facilities acquisition and construction	<u>142,513</u>	<u>84,572</u>
Total expenditures	<u>52,627,837</u>	<u>45,928,513</u>
Change of unrestricted fund expenditures	<u>815,843</u>	<u>2,205,313</u>

(Continued)

ST. MARY PARISH SCHOOL BOARD
 Centerville, Louisiana
 General Fund

Comparative Statement of Revenue, Expenditures, and Changes in Fund Balance (Continued)
 Years Ended June 30, 1998 and 1997

	1998	1997
Other financing sources (uses):		
Operating transfers in	178,097	(17,585)
Operating transfers out	(7,071,183)	(1,208,980)
Proceeds from capital sales	673,846	-
Other	(2,886)	(1,172)
Total other financing sources (uses)	(6,262,126)	(1,427,737)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(783,567)	1,127,941
Fund balances, beginning	15,285,493	14,413,532
Fund balances, ending	14,501,926	15,541,473

SPECIAL REVENUE FUNDS:

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

Title I 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 I 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 maintained activities.

Title I 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.

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.

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.

Individuals with Disabilities Education Act

Preschool initiative fund is a program for expanding educational services to nonetiological preschool handicapped children ages three to five years.

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

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.

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 as June 30, 1998, are as follows:

Michael Taylor	3,200
Rennie Trimm	_____1,200
Total	<u>\$_____4,400</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

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

Vocational/Adult Education

This is made up of the Carl D. Perkins Vocational Fund, Applied Technology Education Act Fund, and an adult education fund. These provide funding for the instructional needs of vocational and adult education in St. Mary Parish.

Starting Points – Introduced

To provide "at risk" 4 year olds access to education.

School Districts Maintenance Fund

The School Districts Maintenance Fund accounts for the purchase 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 school state revenue sharing. Individual account balances of the School Districts Maintenance Fund at June 30, 1999, are as follows:

District 1	\$ 518,187
District 2	906,990
District 3	<u>2,121,200</u>
Total fund equity	<u>\$ 3,546,377</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.

Lottery

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

Vocational/Adult Education

This is made up of the Carl D. Perkins Vocational Fund, Applied Technology Education Act Fund, and an adult education fund. These provide funding for the instructional needs of vocational and adult education in St. Mary Parish.

Starting Points - Essential

To provide "at risk" 4 year olds access to education.

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

Combining Balance Sheet
 June 30, 1998

With Comparative Totals for June 30, 1997

	Improving America's Schools Act		
	Title I		
	Title I	Migrant	Title VI
ASSETS			
Cash and interest-bearing deposits	\$ -	\$ 6,762	\$ -
Investments, if any	-	-	-
Receivables:			
Accounts	-	-	-
Accrued interest	-	-	-
Due from other governmental units	471,896	-	7,842
Due from other funds	149	-	-
Due from schools	-	-	-
Inventory, if any	-	-	-
	\$ 472,145	\$ 6,762	\$ 7,842
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 471,418	\$ -	\$ 6,960
Accrued liabilities	191,451	585	879
Due to other funds	249,356	6,110	-
Total liabilities	\$ 872,225	\$ 6,705	\$ 7,839
Fund balances:			
Reserve for maintenance	-	-	-
Reserve for fiscal service	-	-	-
Total fund balances	-	-	-
Total liabilities and fund balances	\$ 872,225	\$ 6,705	\$ 7,839

Improving America's Schools Act		Individuals with Disabilities Education Act		Drug-Free Schools and Communities	Job Training Partnership Act
Title II	Title VII	Preschool Initiative	Special Education		
\$ -	\$ -	\$ -	\$ 3,654	\$ -	\$ 00
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,287	42,714	18,814	184,388	18,284	48,510
-	-	-	-	-	2,574
-	-	-	-	-	-
<u>\$ 11,287</u>	<u>\$ 42,714</u>	<u>\$ 18,814</u>	<u>\$ 184,388</u>	<u>\$ 18,284</u>	<u>\$ 48,510</u>
\$ 4,970	\$ 34,787	\$ 12,899	\$ 123,878	\$ 4,864	\$ 72,100
1,424	5,267	1,847	9,120	2,178	4,585
2,890	11,520	5,383	21,621	6,300	18,913
<u>11,287</u>	<u>42,714</u>	<u>18,814</u>	<u>184,388</u>	<u>13,239</u>	<u>10,008</u>
-	-	-	-	-	-
<u>11,287</u>	<u>42,714</u>	<u>18,814</u>	<u>184,388</u>	<u>13,239</u>	<u>10,008</u>

(Continued)

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

Combining Balance Sheet (Continued)
 June 30, 1998
 With Comparative Totals for June 30, 1997

	School District Maintenance	School Lunch	Lesse
ASSETS			
Cash and interest-bearing deposits	\$ -	\$ 48,176	\$ 21,621
Investments, at cost	3,095,217	642,758	-
Receivables:			
Accounts	2,683	183	999
Accrued interest	66,896	1,736	-
Due from other governmental units	-	-	4,185
Due from other funds	-	177	-
Due from schools	3,524	-	-
Inventory, at cost	-----	138,662	-----
Total assets	<u>\$ 3,128,680</u>	<u>\$ 830,118</u>	<u>\$ 26,805</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 31,582	\$ 5,470	\$ 4,176
Accrued liabilities	80,229	113,624	-
Due to other funds	-----	276,628	50,428
Total liabilities	<u>\$ 111,811</u>	<u>\$ 395,722</u>	<u>\$ 54,604</u>
Fund balances:			
Reserve for maintenance	3,028,509	-	-
Reserve for food service	-----	434,396	-----
Total fund balances	<u>\$ 3,028,509</u>	<u>\$ 434,396</u>	<u>\$ 54,604</u>
Total liabilities and fund balances	<u>\$ 3,128,680</u>	<u>\$ 830,118</u>	<u>\$ 26,805</u>

Vocational/Adult Education	Starting Points - Proctored	Totals	
		1998	1999
\$ 8,368	\$ -	\$ 80,564	\$ 1,582,425
-	-	1,838,076	2,599,818
-	-	1,982	3,830
-	-	17,802	12,841
41,836	28,879	1,271,287	861,890
-	-	1,988	-
-	-	1,524	42,800
<u> </u>	<u> </u>	<u>128,802</u>	<u>115,215</u>
\$ 49,204	\$ 28,879	\$ 1,280,889	\$ 2,354,211

\$ 5,848	\$ 43,804	\$ 887,864	\$ 86,888
11,432	1,537	264,602	260,897
<u>17,280</u>	<u>15,341</u>	<u>752,172</u>	<u>1,351,708</u>
49,204	28,879	1,823,669	1,886,671
-	-	1,178,318	1,108,522
<u> </u>	<u> </u>	<u>884,282</u>	<u>879,528</u>
<u> </u>	<u> </u>	<u>1,243,139</u>	<u>1,673,298</u>
\$ 49,204	\$ 28,879	\$ 1,280,889	\$ 2,354,211

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

Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Year Ended June 30, 1998
 With Comparative Totals for June 30, 1997

	Improving America's Schools Act		
	Title I		
	Title I	Migrant	Title VI
Revenues:			
Local sources -			
All revenue taxes	\$ -	\$ -	\$ -
Income penalties	-	-	-
Food service	-	-	-
Other	150	-	-
State sources -			
State-aided grants-in-aid	-	-	-
Federal sources -			
State-aided grants-in-aid	3,176,555	44,705	64,264
Other - commodities	-	-	-
Total revenues	<u>3,176,705</u>	<u>44,705</u>	<u>64,264</u>
Expenditures:			
Current -			
Instruction:			
Regular programs	-	-	-
Special education programs	-	-	-
Vocational education programs	-	-	-
Other instructional programs	-	-	-
Special programs	1,100,507	41,807	-
Adult and continuing education programs	-	-	-
Support services:			
Pupil support services	145,609	-	11,799
Instructional staff services	405,117	-	52,474
Central administration	362	-	-
School administration	-	-	-
Business services	4,797	-	-
Operation and maintenance of plant services	58,782	204	-
Student transportation services	2,143	-	-
Central services	3,518	-	-
Non-instructional services -			
Food service operations	-	-	-
Facility acquisition and construction	-	-	-
Total expenditures	<u>1,671,118</u>	<u>42,011</u>	<u>64,274</u>
Excess (Deficiency) of revenues over expenditures	<u>1,505,587</u>	<u>2,694</u>	<u>-</u>

Improving America's Schools Act		Individuals with Disabilities Education Act		Drug-Free Schools and Communities	Job Training Partnership Act
Title II	Title VII	Prevalent Incidence	Special Education		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
78,000	128,758	66,300	628,734	113,843	209,311
<u>78,000</u>	<u>128,758</u>	<u>66,300</u>	<u>628,734</u>	<u>113,843</u>	<u>209,311</u>
-	-	-	-	-	-
-	-	-	-	423	12,889
-	-	6,347	151,907	-	-
-	-	-	-	-	-
-	-	-	1,731	-	-
-	74,889	19,890	-	-	-
-	800	-	-	-	89,706
-	1,204	40,852	193,967	113,624	-
78,000	28,481	3,439	118,115	-	-
-	-	-	810	-	-
-	-	-	-	-	-
-	-	-	11,947	-	-
-	-	68	9,835	1,888	4,506
-	211	-	23,119	-	-
-	-	-	2,338	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>78,000</u>	<u>136,662</u>	<u>84,426</u>	<u>612,449</u>	<u>115,843</u>	<u>209,311</u>
<u>-</u>	<u>4,186</u>	<u>1,793</u>	<u>17,211</u>	<u>-</u>	<u>-</u>

(Continued)

ST. MARY PARISH SCHOOLS, INCORPORATED
 Denhamville, Louisiana
 Special Revenue Funds

Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Continued)
 Year Ended June 30, 1998
 With Comparative Totals for June 30, 1997

	School District Maintenance	School Lease	Lease
Revenues:			
Local sources -			
Ad valorem taxes	\$ 2,579,904	\$ -	\$ -
Interest earnings	183,702	35,836	-
Fund transfer	-	699,249	-
Other	7,662	490	-
State sources -			
Unrestricted grants-in-aid	106,667	917,716	-
Federal sources -			
Restricted grants-in-aid	-	2,675,634	111,267
Other - contributions	-	286,788	-
Total revenues	<u>2,777,933</u>	<u>4,625,433</u>	<u>111,267</u>
Expenditures			
Current -			
Instruction:			
Regular programs	24,817	-	103,393
Special education programs	-	-	-
Vocational education programs	9,211	-	-
Other instructional programs	41,923	-	-
Special programs	6,982	-	-
Adult and continuing education programs	-	-	-
Support services:			
Facility support services	-	-	-
Instructional staff services	60,483	-	-
General administration	82,090	-	-
School administration	50,325	-	-
Business services	91,000	-	-
Operation and maintenance of plant services	2,201,870	-	-
Student transportation services	14,677	-	-
Control services	-	-	-
Non-instructional services -			
Plant services operations	-	4,992,245	-
Facilities acquisition and construction	264,702	-	-
Total expenditures	<u>2,776,182</u>	<u>4,992,245</u>	<u>111,267</u>
Excess (deficiency) of revenues over expenditures	<u>111,751</u>	<u>(1,117,245)</u>	<u>-</u>

Nonfinancial/Global Exposition	Starting Points Precedent	Totals	
		1991	1992
\$ -	\$ -	\$ 2,570,864	\$ 2,488,112
-	-	221,258	178,899
-	-	690,249	668,899
-	-	8,983	68,814
-	-	1,274,201	1,375,819
265,041	78,123	1,254,894	1,200,796
-----	-----	286,788	283,612
265,041	78,123	11,886,838	12,359,842
-	-	167,766	176,495
-	-	257,514	214,837
186,285	-	193,516	89,677
-	-	43,678	18,239
-	79,178	2,414,798	2,350,489
154,286	-	347,773	361,816
33,946	-	268,172	372,439
-	-	982,058	881,741
-	-	83,255	84,818
-	-	50,320	22,888
-	-	183,783	309,296
483	-	2,385,423	2,366,877
-	96	48,688	17,660
-	-	6,038	-
-	-	4,980,388	4,911,281
-	-	368,315	371,138
309,492	79,639	12,024,568	12,282,882
-----	-----	-----	-----
1,348	2,615	11,619	91,825

(Cont'd)

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

**Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Continued)**
 Year Ended June 30, 1998
 With Comparative Totals for June 30, 1997

	Improving America's Schools Act		
	Title I		
	Title I	Migrant	Title VI
Other financing sources (used):			
Operating transfers in	-	-	-
Operating transfers out	(100,148)	(1,550)	-
State of flood monies	-	-	-
Other	-----	-----	-----
Total other financing sources (used)	-----	-----	-----
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-
Fund balances, beginning	-----	-----	-----
Fund balances, ending	-----	-----	-----

Improving America's Schools Act		Individuals with Disabilities Education Act		Drug-Free Schools and Communities	Job Training Partnership Act
Title II	Title VII	Preschool Incentives	Special Education		
-	-	-	-	-	-
-	(4,186)	(1,280)	(13,311)	-	-
-	-	-	-	-	-
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
-	(4,186)	(1,280)	(13,311)	-	-
-	-	-	-	-	-
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>

(Continued)

SE. MARY PARISH SCHOOL BOARD
 Centerville, Louisiana
 Special Revenue Fund

Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances (Continued)
 Year Ended June 30, 1999
 With Comparative Totals for June 30, 1997

	School Districts Maintenance	School Lease	Lease
Other financing sources (used):			
Operating transfers in	11,000	23,115	-
Operating transfers out	-	-	-
Sales of fixed assets	-	-	-
Other	1,024	-	-
Total other financing sources (used)	<u>12,024</u>	<u>23,115</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(843)	(94,579)	-
Fund balances, beginning	<u>5,118,512</u>	<u>495,524</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,275,669</u>	<u>\$ 400,945</u>	<u>\$ -</u>

Vocational/Adult Education	Scoring Points Per/1000	Totals	
		1998	1997
-	-	58,183	399,307
(15,389)	(16,600)	(114,297)	(612,079)
-	-	-	54,318
-	-	3,633	-
<u>15,389</u>	<u>(16,600)</u>	<u>(75,114)</u>	<u>(162,314)</u>
-	-	(94,767)	(163,486)
-	-	3,638,646	3,900,518
<u>15,389</u>	<u>(16,600)</u>	<u>\$ 3,502,118</u>	<u>\$ 3,638,646</u>

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 School District No. 1, and Amelia Subdistrict No. 1 of Sixth Ward Special School District No. 1 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. 1, Fifth Ward Special School District No. 1, and Sixth Ward Special District No. 1 have been retired. Remaining monies represent collection of prior year ad valorem taxes and are reserved for school district expenditures.

ST. MARY PARISH SCHOOL BOARD
 Covington, Louisiana
 Debt Service Fund

Combining Balance Sheet
 June 30, 1998

With Comparative Totals for June 30, 1997

	<u>Consolidated District No. 2</u>	<u>Special School District No. 4</u>	<u>FIBS Ward Special School District No. 1</u>
ASSETS			
Cash and interest-bearing deposits	\$ 148,740	\$ 2,354	\$ -
Investments, at cost	276,735	164,819	458
Accounts receivable	1,401	12	-
Accrued interest	1,300	-	-
Due from other funds	-----	-----	-----
Total assets	\$ 428,476	\$ 167,175	\$ 458
LIABILITIES AND FUND BALANCES			
Liabilities:			
Due to other funds	\$ -----	\$ -----	\$ -----
Fund balances:			
Reserved for debt service	708,174	167,174	-
Reserved	-----	-----	458
Total fund balances	708,174	167,174	458
Total liabilities and fund balances	\$ 708,174	\$ 167,174	\$ 458

North Ward Special School District No. 3	Amelia Subdistrict No. 2 of North Ward Special School District No. 3	Totals	
		1998	1997
\$ -	\$ 4,797	\$ 166,891	\$ 93,420
71,884	-	815,888	751,829
-	-	1,415	-
-	-	1,500	-
<u> -</u>	<u> -</u>	<u> -</u>	<u> 83,482</u>
<u>\$ 71,884</u>	<u>\$ 4,797</u>	<u>\$ 982,514</u>	<u>\$ 835,311</u>
\$ -	\$ 4,797	\$ 4,797	\$ 48,381
-	-	918,118	786,930
<u>71,884</u>	<u> -</u>	<u>72,302</u>	<u>128,311</u>
<u>71,884</u>	<u> -</u>	<u>546,112</u>	<u>511,396</u>
<u>\$ 71,884</u>	<u>\$ 4,797</u>	<u>\$ 982,514</u>	<u>\$ 835,311</u>

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana
LHM Service Funds

Comparing Statement of Revenues, Expenditures,
 And Changes in Fund Balances
 June 30, 1993
 With Comparative Totals for Year Ended June 30, 1992

	Consolidated School District No. 1	Special School District No. 1	5th Ward Special School District No. 1
Revenues:			
Local sources:			
Ad valorem taxes	\$ 1,831,369	\$ 364,022	\$ -
Interest earnings	31,781	5,411	24
Total revenues	<u>1,863,150</u>	<u>369,433</u>	<u>24</u>
Expenditures:			
Current:			
Instruction:			
Regular programs	-	-	-
Other instruction	-	-	-
Support services:			
General administration	51,458	11,296	-
Emulsion services	28	28	-
Operation and maintenance of plant services	-	-	-
Facilities acquisition and construction	-	-	-
Other services:			
Principal retirement	489,008	25,008	-
Interest and fiscal charges	326,150	126,448	-
Total expenditures	<u>816,616</u>	<u>152,752</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,046,534</u>	<u>216,681</u>	<u>24</u>
Other financing sources (uses):			
Operating transfers out	(1,223)	-	-
Operating transfers in	-	-	-
Total financing uses	<u>(1,223)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	\$ 1,045,311	\$ 216,681	\$ 24
Fund balances, beginning	211,198	(1,781)	628
Fund balances, ending	<u>\$ 216,509</u>	<u>\$ (1,100)</u>	<u>\$ 652</u>

Sixth Ward Special District District No. 1	Sixth Ward Special School District No. 2	Totals	
		1980	1981
\$ 1,714	\$ 167	\$ 2,186,368	\$ 1,600,879
-	862	37,856	110,731
<u>1,714</u>	<u>829</u>	<u>2,224,224</u>	<u>1,711,610</u>
-	-	-	5,146
-	-	-	299
-	-	48,746	48,711
-	-	48	29
-	15,111	15,111	-8,897
-	98,150	98,151	11,275
-	-	476,800	1,389,234
-	-	992,652	118,481
-	87,462	1,178,879	1,718,818
<u>1,714</u>	<u>98,652</u>	<u>682,400</u>	<u>(152,867)</u>
-	-	61,150	(119,716)
-	-	-	1,456
-	-	(1,152)	(158,258)
1,714	98,652	684,179	147,401
<u>68,118</u>	<u>86,652</u>	<u>140,586</u>	<u>111,642</u>
<u>\$ 71,932</u>	<u>\$ 87,514</u>	<u>\$ 725,117</u>	<u>\$ 313,543</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.

District Construction Fund

The board appropriated funds to provide for reconstruction projects at each District.

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 \$36,500,000 bond issue dated May 1, 1997.

Construction Fund

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

Special School District No. 4 Fund

Special School District No. 4 Fund 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 \$2,000,000 bond issue dated May 1, 1997.

THE MARY PARKER SCHOOL BOARD
 Centerville, Louisiana
 Capital Projects Funds

Combining Balance Sheet
 June 30, 1998

With Comparative Totals for June 30, 1997

	Bluffton Construction	District Construction	Consolidated School District No. 1	Construction
ASSETS				
Cash and interest-bearing deposits	\$ 202,171	\$ -	\$ 712,178	\$ -
Investments, at cost	-	715,487	64,115,058	-
Accounts receivable	-	1,561	686,718	-
Due from other funds	-	2,881,821	-	-
Total assets	\$ 202,171	\$ 3,668,869	\$ 762,992,654	\$ -
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 179,546	\$ 286,437	\$ 279,737	\$ -
Advances interest payable	-	-	181,584	-
Due to other funds	-	-	-	-
Total liabilities	179,546	286,437	461,321	-
Fund balances:				
Reserved for construction contracts	-	-	-	-
Reserved for construction	-	-	11,961,888	-
Designated for construction	20,929	2,812,649	-	-
Unreserved - unassigned	-	-	-	-
Total fund balances	20,929	2,812,649	11,961,888	-
Total liabilities and fund balances	\$ 200,475	\$ 3,119,086	\$ 15,986,349	\$ -

Special District District No. 4	Totals	
	1968	1967
\$ 147,440	\$ 1,264,758	\$ 964,177
2,688,928	17,830,088	18,928,867
111,170	791,893	3,196
<u>2,947,538</u>	<u>2,887,731</u>	<u>2,595,239</u>
<u>\$ 2,947,538</u>	<u>\$ 21,810,526</u>	<u>\$ 21,628,091</u>
\$ 3,240	\$ 711,667	\$ 258,750
14,690	116,280	-
<u>20,930</u>	<u>827,947</u>	<u>258,750</u>
		2,433,299
2,579,467	18,184,470	19,366,621
	2,658,699	71,696
<u>2,579,467</u>	<u>21,843,169</u>	<u>21,925</u>
<u>\$ 2,579,467</u>	<u>\$ 21,600,470</u>	<u>\$ 21,925,695</u>
<u>\$ 2,929,905</u>	<u>\$ 21,528,128</u>	<u>\$ 22,627,892</u>

ST. MARY PARISH SCHOOL BOARD
 Centerville, Louisiana
 Capital Projects Fund

Combining Statement of Revenues, Expenditures,
 And Changes in Fund Balances

Year Ended June 30, 1998
 With Comparative Totals for Year Ended June 30, 1997

	Hardware Construction	District Construction	Consolidated School District No. 1	Continuation
Revenues:				
Local sources -				
Interest earnings	\$ -	\$ 186,800	\$ 888,213	\$ -
Miscellaneous revenue	-	36,127	-	-
Federal sources	-	38,088	-	-
Total revenues	-	260,995	888,213	-
Expenditures:				
Current -				
Support services:				
Instructional staff services	-	11,148	-	-
General administration	-	716	62,800	-
School administration	-	18,182	-	-
Business services	-	483	2,764	-
Operation and maintenance of plant	-	84,383	-	-
Facilities acquisition and construction	-	1,987,382	1,778,488	-
Total expenditures	-	2,082,402	1,841,652	-
Excess (deficiency) of revenues over expenditures	-	(1,821,407)	(953,439)	-
Other financing sources (uses)				
Operating transfers in	-	2,220,450	1,212	-
Operating transfers out	-	(28,188)	-	(249,024)
Proceeds from issuance of debt	-	-	-	-
Total other financing sources (uses)	-	2,192,262	1,212	(249,024)
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	370,855	(742,227)	(249,024)
Fund balances, beginning	25,827	2,313,182	16,118,202	268,024
Fund balances, ending	\$ 25,827	\$ 2,684,037	\$ 15,375,975	\$ -

Special School District, No. 4	Totals	
	1978	1977
\$ 164,182	\$ 1,158,358	\$ 1,046,773
-	58,127	-
-	18,888	228,626
<u>164,182</u>	<u>1,235,373</u>	<u>1,275,400</u>
-	31,148	898
29,808	81,782	24,231
-	88,182	-
121	2,893	2,799
-	84,581	134,246
<u>124,708</u>	<u>1,873,817</u>	<u>1,866,876</u>
<u>388,890</u>	<u>4,074,202</u>	<u>2,142,376</u>
<u>267</u>	<u>(2,866,888)</u>	<u>(1,115,375)</u>
-	2,271,883	6,944,817
-	(207,431)	(114,898)
<u>267</u>	<u>2,064,452</u>	<u>6,829,919</u>
<u>267</u>	<u>(988,434)</u>	<u>(9,442,938)</u>
<u>2,073,720</u>	<u>20,900,665</u>	<u>2,668,758</u>
<u>\$ 2,073,720</u>	<u>\$ 21,889,327</u>	<u>\$ 2,182,082</u>

FIDUCIARY FUNDS

EXPENDABLE TRUST FUNDS:

Ann Deane Gold Scholarship, J. J. Robert Memorial, E. J. Felton Scholarship

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

AGENCY FUNDS:

School Activity

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 property of the respective schools and student bodies and are not available for use by the School Board.

ST. MARY PARISH SCHOOL BOARD

Centerville, Louisiana

Parochial Funds

Combining Balance Sheet

June 30, 1998

With Comparative Totals for June 30, 1997

	Dependable Trust Funds		
	Par	J. J. Gibson Memorial	C. J. Peltier, Jr. Scholarship
ASSETS			
Cash	\$ 205	\$ 388	\$ 154
Investments, at cost	11,717	-	-
Accrued interest	122	-	-
Total assets	\$ 12,044	\$ 388	\$ 154
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 891	\$ -	\$ -
Deposits due others	-	-	-
Total liabilities	891	-	-
Fund balances:			
Unreserved - undesignated	11,153	388	154
Total liabilities and fund balances	\$ 12,044	\$ 388	\$ 154

Agency Fund School Activity	Totals	
	1958	1957
\$ 752,083	\$ 752,804	\$ 753,818
"	11,727	"
_____	_____ 122	_____ 11,815
<u>\$ 752,083</u>	<u>\$ 764,630</u>	<u>\$ 765,633</u>
\$ -	\$ 891	\$ 848
_____ 752,083	_____ 752,083	_____ 753,818
_____ 752,083	_____ 752,880	_____ 754,579
_____	_____ 11,754	_____ 12,273
<u>\$ 752,083</u>	<u>\$ 764,630</u>	<u>\$ 765,633</u>

St. Mary Parish School Board
 Centerville, Louisiana
 Expendable Trust Funds

Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Year Ended June 30, 1991
 With Comparative Totals for Year Ended June 30, 1990

	<u>Year</u>			<u>Totals</u>	
	<u>Douglas</u> <u>Scholarship</u>	<u>J. J. Hobbs</u> <u>Memorial</u>	<u>C. J. Pellet, Jr.</u> <u>Scholarship</u>	<u>1991</u>	<u>1990</u>
Revenues:					
Local sources - income tax/usage	\$ 621	\$ -	\$ -	\$ 621	\$ 621
Expenditures:					
Tuition Grants	1,312	-	-	1,312	198
Excess of revenues over expenditures	(691)	-	-	(691)	(277)
Fund balances, beginning	11,460	340	234	12,034	12,549
Fund balances, ending	<u>\$ 10,769</u>	<u>\$ 340</u>	<u>\$ 234</u>	<u>\$ 11,343</u>	<u>\$ 12,272</u>

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

Schedule of Changes in Deposits Due to Orders
 Year Ended June 30, 1998

	Balance		Balance	
	July 1, 1997	Additions	Deductions	June 30, 1998
St. Mary Parish Alternative	\$ 1,158	\$ 1,180	\$ 1,083	\$ 1,255
J. S. Ascard Elementary	52,417	19,127	23,814	47,730
Maddie Elementary	9,294	38,445	36,084	1,761
Mayou Vista Elementary	16,127	78,878	71,547	23,458
Merwick Elementary	18,677	75,187	70,613	23,251
Merwick Junior High	36,311	184,688	172,173	48,826
Merwick Senior High	67,643	385,888	381,178	72,353
Centerville High	18,998	128,208	122,181	25,025
W. P. Poyne Elementary	28,888	88,788	78,828	38,848
Franklin Adult Education	1,641	4,412	4,184	1,869
Franklin Junior High	57,198	188,152	183,864	61,486
Franklin Senior High	23,288	393,248	378,593	37,943
Thomas Gibbs Elementary	6,651	19,028	18,067	7,612
Oliver Elementary	4,153	21,585	18,588	7,150
G. W. Hamilton Elementary	7,828	34,733	34,583	7,978
May Hours Elementary	6,178	33,142	32,581	6,739
LaGrange Elementary	23,488	36,078	67,668	11,903
J. B. McAlister Elementary	6,027	21,777	21,784	6,020
Morgan City Adult Education	1,123	3,008	3,424	416
Morgan City Junior High	32,194	78,032	66,882	43,344
Morgan City Senior High	148,088	378,071	366,851	159,308
M. E. Mouton Elementary	36,181	1,241	9,777	27,645
Peterson Junior High	19,988	71,142	78,021	13,109
Peterson Senior High	88,787	189,022	198,528	79,281
M. D. Shannon Elementary	14,411	44,187	45,018	13,580
H. A. Wata Elementary	18,794	57,053	61,987	13,860
Hemlock Elementary	1,884	43,736	42,260	3,360
Wynndale Elementary	22,622	24,281	21,826	25,077
	<u>\$ 791,621</u>	<u>\$ 2,381,724</u>	<u>\$ 2,201,830</u>	<u>\$ 712,652</u>

**INTERNAL CONTROL, COMPLIANCE
AND
OTHER KEY INFORMATION**



**Dornall, Silkes
& Frederick**

MEMBERS OF THE MISSISSIPPI ACCOUNTING SOCIETY

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688
TEL: 850.432.1111
FAX: 850.432.1112

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688

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

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688

Ms. Lloyd Henson, Superintendent
and Members of the St. Mary Parish School Board
Covington, Louisiana

We have audited the general purpose financial statements of the St. Mary Parish School Board as of and for the year ended June 30, 1998, and have issued our report thereon dated October 5, 1998. We have 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 "Audit of States, Local Governments, and Non-Profit Organizations".

Compliance

As part of obtaining reasonable assurance about whether the St. Mary Parish School Board's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, and compliance with which could have a direct and material effect on the determination of general purpose 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 an instance of non-compliance that is required to be reported under Government Auditing Standards, which is described in the accompanying Schedule of Findings and Questioned Costs as Item 98-1.

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 general purpose 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 general purpose 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 in relating the internal control over financial reporting and its operation that we consider to be material weaknesses.

1000 N. GULF BLVD.
SUITE 1000
MOBILE, ALABAMA 36688
TEL: 850.432.1111
FAX: 850.432.1112

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

Douglas, Nelson & Associates
A Corporation of Certified Public Accountants

Morgan City, Louisiana
October 3, 1998



**Darnall, Sikes
& Frederick**

801 EAST BROADWAY • SUITE 2000 • CHARLOTTE, NC 28202

Telephone (704) 375-3300 • Fax (704) 375-3301

1101 SOUTH COLLETT STREET
SUITE 2000 • CHARLOTTE, NC 28202
Telephone (704) 375-3300 • Fax (704) 375-3301

1101 SOUTH COLLETT STREET

SUITE 2000 • CHARLOTTE, NC 28202

Telephone (704) 375-3300 • Fax (704) 375-3301

1101 SOUTH COLLETT STREET

SUITE 2000 • CHARLOTTE, NC 28202

Telephone (704) 375-3300 • Fax (704) 375-3301

1101 SOUTH COLLETT STREET

SUITE 2000 • CHARLOTTE, NC 28202

Telephone (704) 375-3300 • Fax (704) 375-3301

1101 SOUTH COLLETT STREET

SUITE 2000 • CHARLOTTE, NC 28202

Telephone (704) 375-3300 • Fax (704) 375-3301

1101 SOUTH COLLETT STREET

SUITE 2000 • CHARLOTTE, NC 28202

Telephone (704) 375-3300 • Fax (704) 375-3301

(704) 375-3300

1101 SOUTH COLLETT STREET
SUITE 2000 • CHARLOTTE, NC 28202

1101 SOUTH COLLETT STREET
SUITE 2000 • CHARLOTTE, NC 28202

1101 SOUTH COLLETT STREET
SUITE 2000 • CHARLOTTE, NC 28202

1101 SOUTH COLLETT STREET

SUITE 2000 • CHARLOTTE, NC 28202

Telephone (704) 375-3300 • Fax (704) 375-3301

1101 SOUTH COLLETT STREET

SUITE 2000 • CHARLOTTE, NC 28202

(704) 375-3300

**Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and Internal Control over
Compliance in Accordance with OMB Circular A-110**

Mr. Lloyd Darnall, Superintendent,
and Members of the St. Mary Parish School Board
Covington, Louisiana

Compliance

We have audited the compliance of the St. Mary Parish School Board with the types of compliance requirements specified in the U.S. Office of Management and Budget (OMB) Circular A-110 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1998. 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-110, "Audit of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-110 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 account. 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, 1998.

Internal Control over Compliance

The management of the St. Mary 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 an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-110.

(S) (b) (6)

Darnall, Sikes & Frederick
1101 South Collett Street
Suite 2000 • Charlotte, NC 28202
Telephone (704) 375-3300 • Fax (704) 375-3301

The 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 management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Wasson, Weber & Associates
A Corporation of Certified Public Accountants

Monroe City, Louisiana
October 3, 1998

ST. MARY PARISH SCHOOL BOARD
Catonville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 1998

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Disbursements/ Expenses</u>
U. S. Department of Agriculture:			
Forward through Louisiana Department of Education & Agriculture - School Food Service -			
Food Distribution Program	10.090	0701001	\$ 240,700
School Breakfast Program	10.551	688-0000	110,530
National School Lunch Program	10.551	688-0000	<u>2,641,111</u>
Total U. S. Department of Agriculture			<u>3,992,341</u>
U. S. Department of Health and Human Services:			
Forward through Louisiana Department of Education -			
Starting Points Preschool Program	90.070		78,321
Job Opportunities and Basic Skills Training	90.564	Project Ind. Fund Work Project Ind. Fund Work Ctl	100,185 <u>1,742</u>
Total U. S. Department of Health and Human Services			<u>180,248</u>
U. S. Department of Labor:			
Forward through St. Landry Parish Police Jury Job Training Partnership Act			
	17.250	044-071-001-001 - 1120-20-100 044-071-001-001 - 1130-20-100 044-071-001-001 - 1000-20-100	40,800 17,000 <u>48,800</u>
Total U. S. Department of Labor			<u>89,600</u>
U. S. Department of Education:			
Direct Programs -			
Project PEAK	04.0000	T2899970203	120,160
Forward through Louisiana Department of Education Adult Education			
State Administrative Program	04.0000	ADM	150,115

(Continued)

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Disbursements/ Expenditures</u>
Educationally Deprived Children - Local Education Agencies - Title I	84.010	Capital Expense Grant	23,477
		98-008-58-C93-07	112,377
		93-003-51-C93-08	401,800
		1888F1110	2,486,193
		School Improvement	4,963
School Support Team	8,000		
Migrant Education - Broad State Formula Grant Program	84.011	1888M1508	44,784
Handicapped - State Grants	84.027A	98-FF-01	681,699
Vocational Education Trade Grants to States	84.045	BASIC 28-98-CD-1B7G	143,110
		BASIC 28-93-CD-1B7G CD	61,586
Federal Programs for Educational Improvement	84.131	98-1A5A-51-6	64,264
		93-1A5A-51-6 CD	640
Special Education IDEA Part B	84.021	93-C773-01	25,255
Grants for Strengthening the Skills of Teachers and Instruction in Math, Science, Foreign Languages, and Computer Learning	84.068	98-1A5A-51-2	78,471
		78-93-585-141C/D	1,434
Handicapped - Preschool Grants	84.171A	98-FF-01	61,703
		93-FF-01	4,648
Drug-Free Schools and Communities - State Grants	84.155	98-1A5A-51-4	64,821
		93-1A5A-51-4 CD	21,826
Title III - Loans Louisiana Loans	84.276	93MA8018	111,262
Total U. S. Department of Education			4,944,268

(Continued)

ST. MARY PARISH SCHOOL BOARD
UNIVERSITY, LOUISIANA

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 1998

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Disbursements/ Expenditures</u>
U. S. Department of Energy: Grant Programs for Schools and Buildings and Buildings Owned by Units of Local Governments and Public Care Institutions	84.002	DE-FG48-94-BM-0095	<u>19,089</u>
Total Federal Assistance			<u>\$ 2,261,604</u>

NOTE 1: BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the St. Mary Parish School Board and is presented on the same basis of accounting as described in Note 1 to the financial statements. This information in this schedule is presented in accordance with the requirements of OMB Circular A-101, "Audit of States, Local Governments, and Non-Profit Organizations".

OTHER SUPPLEMENTARY INFORMATION

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Summary Schedule of Prior Year Findings
Year Ended June 30, 1998

There were no prior year audit findings.

ST. MARY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 1998

Part I Summary Of Audit Results

FINANCIAL STATEMENTS

Auditor's Report

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, 1998.

Reportable Conditions - Financial Reporting

There were no reportable conditions in internal control over financial reporting noted during the audit of the financial statements.

Material Noncompliance - Financial Reporting

The results of our tests disclosed an instance of noncompliance which is required to be reported under Government Auditing Standards, and is described in Part 2 as Finding 98-1.

FEDERAL AWARDS

Major Programs - Identification

The St. Mary Parish School Board, at June 30, 1998, had three major programs:

Title I, CFDA # 84.010, which received funds from the Department of Education "passed through" the State Department of Education.

Special Education - Handicapped - State Grants, CFDA # 84.027A, which received funds from the Department of Education "passed through" the State Department of Education.

School Food Service, CFDA #'s 10.550, 10.551 and 10.552 which received funds from the Department of Agriculture "passed through" the State Department of Agriculture and the State Department of Education.

Low-Risk Audits

The St. Mary Parish School Board is not considered a low-risk auditee for the fiscal year ended June 30, 1998.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$200,000 for the fiscal year ended June 30, 1998.

ST. MARY PARISH SCHOOL BOARD
Catterville, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 1998

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, 1998.

Reportable Condition - Major Program

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

Compliance Findings Related to Federal Programs

The audit did not disclose any material noncompliance related to federal programs.

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

98-1 Unsecured Deposits

Finding:

The St. Mary Parish School Board had funds on deposit in local financial institutions which were not secured by federal deposit insurance or the pledge of securities from the depository institution's investment portfolio. This is a violation of LA R.S. 98:1221-1223.

Recommendation:

The St. Mary Parish School Board should contact the depository institutions holding the unsecured deposits and require that the depository institution pledge investment securities from its investment portfolio in an amount sufficient to secure the School Board's funds on deposit.

Part 3 Findings and Questioned Costs Relating to the Federal Programs

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

ST. MARY PARISH SCHOOL BOARD
Caterville, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 1998

Response to Finding #B-1:

St. Mary Parish School Board personnel is now monitoring the adequacy of securities pledged on a regular basis. The School Board is also working with bank personnel to insure that a deficit of securities pledged will not occur again.