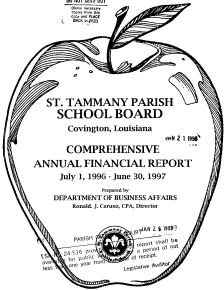


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ST. TAMMANY PARISH SCHOOL BOARD

Covington, Louisiana

vol 2 | 1996

COMPREHENSIVE ANNUAL FINANCIAL REPORT

July 1, 1996 - June 30, 1997

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

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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 1993

TABLE OF CONTENTS

	Exhibit/ Statement/ Schedule	Page No.
I. INTRODUCTORY SECTION		
Transmittal Letter		1-12
Government Finance Officers Association of the United States and Canada Certificate of Achievement for Excellence in Financial Reporting		13
Association of School Business Officials, International Certificate of Excellence in Financial Reporting		14
Organization Chart		15
List of Principal Officials		16
II. FINANCIAL SECTION		
Independent Auditors' Report		17-18
General Purpose Financial Statements:		
Combined Balance Sheet-All Fund Types and Account Groups	A	20-23
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-All Governmental Fund Types	B	24-25
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Governmental Fund Types	C	26-27
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings-Proprietary Fund Type- Internal Service Funds	D	28
Combined Statement of Cash Flows-Proprietary Fund Type- Internal Service Funds	E	29
Notes to Financial Statements		30-54
Financial Statements of Individual Funds and Supplemental Information Schedules:		
General Fund:		
Comparative Balance Sheets	1	55
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual	2	56

St. Tammany Parish School Board
Table of Contents
June 30, 1997

	Statement/ Schedule	Page No.
General Fund (Continued):		
Schedule of Revenues and Other Financing Sources- Budget and Actual	3	57
Schedule of Expenditures and Other Financing Uses- Budget and Actual	4	58-59
Special Revenue Funds:		
Individual Fund Descriptions		61-62
Combining Balance Sheet	5	64-65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	6	66-67
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-SASA Fund	7	68
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-DELA Fund	8	69
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Vocational Education Fund	9	70
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Multicultural Programs	10	71
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-SEI Fund	11	72
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-School Food Service Fund	12	73
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Third Sales Tax Fund	13	74
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-1977 Sales Tax Fund	14	75
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Community Education Fund	15	76
Debt Service Funds:		
Individual Fund Descriptions		77
Combining Balance Sheet	16	78-79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	17	80-81
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Sales Tax Bond Sinking Fund	18	82
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Sales Tax Bond Reserve Fund	19	83
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Confines Sinking Fund	20	84
Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual-Parishwide School District No. 12 Fund	21	85

St. Tammany Parish School Board
Table of Contents
June 30, 1997

	Schedule/ Table	Page No.
General Fund Assets Account Group		
Schedule of General Fund Assets-By Source	97	107
Schedule of General Fund Assets-By Function	98	108
Schedule of General Fund Assets-By Location	99	109
Schedule of Changes in General Fund Assets-By Function	98	118
 III. STATISTICAL SECTION (UNAUDITED)		
General Fund Expenditures by Function- Last Ten Fiscal Years	1	112-113
General Fund Revenues by Source-Last Ten Fiscal Years	2	114-115
Property Tax Levies and Collections- Last Ten Fiscal Years	3	116
Assessed and Estimated Actual Value of Taxable Property- Last Ten Fiscal Years	4	117
Property Tax Rates-All Direct and Overlapping Governments- Last Ten Fiscal Years	5	118-119
Principal Taxpayers	6	120
Computation of Legal Debt Margin	7	121
State Support and Local Support per Student-Last Ten Fiscal Years	8	122
Ratio of Net General Obligation Debt to Assessed Value and Net Bonded Debt per Capita and per Student-Last Ten Fiscal Years	9	123
Percentage of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures-Last Ten Fiscal Years	10	124
Computation of Direct and Overlapping General Bonded Debt	11	125
Demographic Statistics-Last Ten Fiscal Years	12	126
Property Value and Bank Deposits-Last Ten Calendar Years	13	127
Schedule of Compensation Paid to Board Members	14	128
Miscellaneous Statistical Data	15	129
 IV. SINGLE AUDIT SECTION		
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards		131-132
Report on Compliance Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133		133-134
Schedule of Federal Awards	41	135-137
Notes to Schedule of Federal Awards		138
Schedule of Findings and Questioned Costs	42	139-142

St. Tammany Parish School Board

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Covington, Louisiana 70434-0940
Phone (504) 890-2376 • Fax (504) 890-2377

LEONARD H. MONTAGNONE
Superintendent

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November 17, 1997

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

The comprehensive annual financial report of the St. Tammany Parish School Board for the fiscal year ended June 30, 1997, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

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

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the schedule of federal financial assistance, findings and recommendations, and independent auditors' reports on the internal control structure and compliance with applicable laws and regulations, are included in the single audit section of this report.

This report includes all funds, account groups and activities for which the School Board oversees financial accountability. The School Board is a legislative body authorized to govern the public education system of St. Tammany Parish, Louisiana. The School System is governed by a three-member board with each member serving a concurrent four-year term. The current board is in the third year of its four-year term. It is the responsibility of the School Board to make public education available to the residents of St. Tammany Parish, including instructional personnel, instructional facilities, administrative support, business services, operation and maintenance

(Continued)

and bus transportation. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12. These include regular and enriched academic education, special education for disabled children and vocational education. The school system has a current enrollment of approximately 32,700 pupils.

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

ECONOMIC CONDITION AND OUTLOOK

St. Tammany Parish is one of the southeastern parishes (counties) of Louisiana and covers an area of 1,141 square miles. It is located directly north of New Orleans on the north shore of Lake Pontchartrain and has been ranked as one of the fastest growth areas in the United States. St. Tammany was the fastest growing parish in Louisiana during the 1970s and the 1980s and, thus far, in the 1990s. The population has almost tripled since 1970 and today's population of 174,000 is an increase of 24% over 1990's population. If the growth in population continues at its current rate, it is estimated that the population will be approaching 311,000 by the year 2002. St. Tammany has experienced a 20% growth rate over the last five years and there are more than 65,000 households in the parish and this number is expected to increase to more than 70,000 by 2002.

The economy of St. Tammany Parish is primarily residential oriented, which has brought an influx of retail and service establishments, offices and shopping centers. However, there is a unique blend of residents employed in a variety of diverse industries ranging from agriculture to space-age technology. The parish currently has a 4.9 percent unemployment rate as compared to a statewide rate of 6.8 percent and a national rate of 5.4 percent. Its per capita personal income of \$22,138 ranks first in the State whose average is \$19,900, with the national average being \$23,195. The median household effective buying income in the parish in 1999 was \$34,034 compared to a state rate of \$27,890 and a national rate of \$23,482. The value of single-family homes in 1999 averaged \$102,745 in the eastern section of the parish and \$168,042 in the western section. Total retail sales for 1999 were in excess of \$1.64 billion and St. Tammany Parish is ranked number one in the State in total trade employment. The assessed value of residential and commercial property has increased by 6.7 percent over the previous year.

Economic indicators throughout the parish continue to reflect gains and St. Tammany Parish continues to enjoy an expanding economy driven by the retail sales and services establishments. The projected population growth is indicative of further growth in retail sales and continues to drive major construction projects for grocery stores, building supply stores, furniture stores, drug stores, general merchandise stores and other consumer oriented businesses. The expansion of the retail sales and services establishments, coupled with the increasing growth in home construction, promises economic benefits in both sales and property taxes.

(continued)

St. Tammany Parish's economy is also being driven by the tourism industry. The parish ranks ninth in the state in tourism related revenue having generated \$110 million in 1998. This is almost three times the \$38 million received in 1987. Since Ikalil, in the eastern part of the parish, is the junction site of three interstate highways and three federal highways, sufficient vehicular traffic exists to provide a continuing source of potential tourists.

St. Tammany Parish has consistently appeared on national top-ten lists as an ideal community for retirees to reside. Two retirement assisted living centers have opened during the past year. Chateauood, in the western part of the Parish, has 170 units on 67 acres, and Azules Estates, in the eastern section of the Parish has 52 units on 5 acres. Additionally, a third center, also to be located in the eastern part of the Parish, is in the developmental phase.

The St. Tammany Parish Economic Development Foundation (STEDF) is playing a major role in coordinating with other regional economic development organizations to target key commercial and industrial interest for future development. STEDF is participating with the Partners for Science Group, consisting of community leaders from Mississippi and Louisiana, to market the former Army Ammunition Plant, which closed in 1992, at Mississippi's Science Space Center. Nearly two million square feet are available and approximately 80% of all future employees are expected to reside in St. Tammany Parish. STEDF is also coordinating with Metro/Orion and the Florida Parishes Economic Development Association to target key commercial and industrial interest for future development. Additionally, STEDF is working with the Chambers of Commerce to encourage the local municipalities and the parish government to cooperate and coordinate their activities in the matters of planning and zoning.

This population growth and economic expansion present both opportunities and challenges for the School Board in the coming years. As mentioned elsewhere in this letter, the School Board has initiated the first phase of its Long-Range Plan to provide the capital facilities necessary for an expanding school system. However, since economic expansion usually trails population growth and the related increase in demand for current resources, the School Board will continue to explore methods to finance both the anticipated increases in demand for current operating expenditures and the need to provide the additional capital facilities required for a continuously expanding school system.

MAJOR INITIATIVES

The Partnerships in Education (Adopt-A-School), begun in fiscal year 1989, continues to expand with all schools participating with at least one area business to share resources in support of public education. The businesses are recruited to provide a long-term commitment to furnish resource speakers, tutors, internships and sponsorships and to make donations of materials, supplies, equipment, and, in some instances, monetary assistance. The business community has shown its overwhelming support for the program. The area's chambers of commerce and business councils continue to coordinate efforts and to provide assistance. It is our goal to continue to have all schools in partnership with at least one business.

Currently, the Southern Association of Colleges and Schools (SACS) has accredited all twenty-two elementary, eight middle, thirteen junior high and seven high schools.

(continued)

The Parent Involvement Program is utilized in every school in the system. The goal is to involve parents in the child's education in whatever capacity the parents offer (first aid assistant, library aide, classroom tutor, parenting workshop, etc.). In fiscal 1997, more than 150,000 hours were donated by parent volunteers.

In order to prepare students to compete in a global, technological, information-based economy, the school system created the School-to-Work Program at the high school level. These models are designed to make learning relevant and meaningful for the students. The academy concept, the career paths, and the school-based enterprises are some of the school structures. Input from the community, employers, and from teachers has served to guide the development of all models. Career orientation, an elective for ninth grade students, is the cornerstone of the career academy concept which culminates in non-paid student internships in the workplace during their senior year. Schools develop partnerships with community employers that support the school related activities. Summer internships for teachers have provided educators opportunities to see how what they teach translates into workplace competencies and foundation skills. As a result, students are more focused and will be better prepared to enter the economy when they complete their high school education.

The school system initiated Operation Jump Start which is designed to provide students who have been expelled an opportunity to continue their education in a more restricted environment. The school is housed at the Southeastern Louisiana Hospital and eligible students in grades six through twelve are bussed from all over the parish to this facility. The pupil teacher ratio is approximately twelve to one with an instructional staff of five regular education and two special education teachers. The staff also includes a full-time principal, a secretary, a social worker, a school resource officer, two instructional aides, and a part-time custodian. Eighty-four students in the maximum number that may be served by the existing staff. Students are expected to wear uniforms and complete a social skills component in addition to their academic requirements. Students are assigned by the Superintendent for the duration of their expulsion and until they progress through the social skills' continuum.

During fiscal year 1997, the School Board formed an Instructional Technology Committee, consisting of parents, community leaders, teachers, and administrators, whose mission was to develop a world-class and nationally recognized instructional technology program which promotes significant improvements in the learning and teaching process in all schools of the St. Tammany Parish School System. The School Board intends to develop responsible lifelong learners who are able to achieve and excel in a global society of continuing technological advancement. As such, the school system will invest in state-of-the-art equipment and services, ensure teacher and staff development opportunities, and continuously maintain and upgrade the technology base.

The school system will also install local area networks at each school, develop a wide area network which includes all schools, provide Internet access to all schools and facilitate school to home connections. Each school will develop an instructional technology plan and establish an instructional technology committee (composed of parents, teachers, and administrators) to oversee the implementation of the system's technology plan based on the school's individual needs.

(continued)

The Instructional Technology Committee's program was approved by the School Board on June 12, 1987. Implementation is scheduled to commence in fiscal year 1988 with funding being provided initially by the General Fund and by State appropriation. Future funding will be provided by the General Fund and the availability of state, federal and corporate/private funds.

For those certified teachers who apply to an administrative position, the School Board began the St. Tammany Parish Administrative Training Program. During the first semester, the participants are required to attend formal training sessions on the myriad facets of school administration. During the second semester, participants are required to perform a minimum of 40 hours of administrative duties as determined by the principal. By receiving both formal and on-the-job training, participants will be introduced to the many requirements of school administration.

During fiscal 1987, the Data Processing Department completed two major multi-year projects. Both projects involved the building of long-term infrastructures. Systems analysis, programming, and implementation were completed for the new distributed microcomputer Personnel/Payroll Departments upgrade. The second major project was the completion of the parish wide area network comprising all schools and office sites. Originally estimated to be a three to five-year project, the Data Processing Department completed the project in February 1987, 30 months ahead of schedule. Estimated to cost between \$1 million and \$1.5 million if installed by commercial vendors, the Department completed the project for less than \$300,000. Additionally, the Department implemented Internet access as a central service on the parish wide network, thereby expanding its direct instructional support.

The Long-Range Planning Committee, composed of more than 100 people representing a cross section of the entire community, made numerous recommendations to enhance our educational program and to undertake a capital expansion program. To fund this construction program, on May 5, 1984, the voters of St. Tammany Parish overwhelmingly approved two propositions which authorized the issuance of \$40,000,000 in general obligation bonds and \$10,000,000 in sales tax bonds. Through fiscal 1987, two elementary schools, a middle school and a high school have been constructed adding a total of 134 classrooms. Additionally, the construction of 224 classrooms at existing schools and renovations of cafeterias, administrative areas, libraries and various other school facilities have been completed. The construction program is approximately 85% complete. Remaining is one project involving renovation to an existing building. It is anticipated that phase one will be completed in 1988.

Additionally, the General Fund has provided \$1,700,000 to construct three 14 classroom additions to existing schools. During fiscal 1988, one 14-classroom addition was completed and the two remaining additions were completed in 1987.

During fiscal 1985, the School Board compiled a list of existing critical capital improvements that would be addressed over the next two years. This program provides for the construction of a new 40 classroom elementary school in the Mandeville area and for the construction of 280 classrooms at existing schools. On April 20, 1986, the voters of St. Tammany Parish approved a proposition which authorized the issuance of \$25,000,000 in general obligation bonds to fund this construction program. During fiscal 1987, construction began on 170 classrooms at existing schools with anticipated completion being in the fall of 1987. The remaining 110 classrooms are scheduled for completion by the fall of 1988. The new 40-classroom school is scheduled to open in the fall of 1988.

(continued)

Additionally, tentative plans are being formulated to submit for voter approval during the 1999 fiscal year a \$40,000,000 general obligation bond issue to be secured by ad valorem taxation. It is anticipated that, because of the growth in the tax rolls, these bonds will be serviced with existing millage and will not result in increased taxation. The bonds will be used for the construction and improvement to school facilities.

FINANCIAL INFORMATION

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

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

As a part of the School Board's single audit, described earlier, significant internal controls are considered, including that portion related to federal financial awards, as well as to test the School Board's compliance with material provisions of applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 1997 revealed no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

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

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

General Government Functions. The following schedule presents a summary of General Fund, Special Revenue Funds and Debt Service Funds revenues for the fiscal year ended June 30, 1997 and the amount and percentage of increases and decreases in relation to prior year revenues.

(continued)

Revenue	Amount	Percent of Total	Increase (Decrease) From 1995	Percent of Increase (Decrease)
Local sources:				
Taxes:				
Ad valorem	\$34,158,240	16.50%	\$5,717,320	20.12%
Sales and use	37,368,370	20.04	1,052,790	2.80
Rentals, leases and royalties	11,185	.01	(1,502)	(13.35)
Tuition	897,289	.37	191,398	21.21
Earnings on investments	2,155,369	1.14	458,744	21.25
Food service	2,338,533	1.25	82,589	3.50
Other	478,898	.23	15,387	3.23
Total local sources	77,170,369	41.37	7,427,406	10.00
State sources:				
Equalization	83,469,533	50.12	10,742,147	13.01
Contributions to Teachers' Retirement	689,212	.39	(9,591)	(1.38)
Revenue sharing	1,031,845	.56	(19,034)	(1.15)
Professional Improvement Programs	1,200,771	.64	(55,718)	(4.43)
Other	1,248,241	.65	244,332	19.70
Total state sources	88,639,602	52.36	10,862,222	12.51
Federal sources	11,338,132	5.62	410,164	3.77
TOTAL REVENUES	\$168,548,123	100.00%	\$18,714,890	11.17

The two most significant local revenue sources are property taxes and sales taxes. Property tax millages are established by the State Constitution and/or tax propositions approved by the electorate. Any increase to current millages or additional millages must be approved by a referendum of the voters. The large increase in ad valorem taxes over the previous year is because 1995 was a reassessment year and generated additional funds. Sales taxes show a nominal growth in collections which is attributable to the expansion of the local economy over the previous year and to the growth in the population. The School Board collects the maximum tax permitted sales tax allowed by state law. The increase in earnings on investments is primarily attributable to the accumulation of a General Fund fund balance, thereby providing funds for investment.

State revenue sources continue to provide the majority of the School Board's revenue. The increase in the State's 1995-97 appropriation for equalization is composed primarily of additional funding generated by the growth in student enrollment.

The increase in federal sources is primarily due to extra funding for the various programs directed toward disadvantaged students, particularly for those in the IDEA Title I Program.

(continued)

The following schedule presents a summary of General Fund, Special Revenue Funds and Debt Service Funds expenditures for the fiscal year ended June 30, 1997 and the percentage of increases and decreases in relation to prior year expenditures.

Expenditures	Amount	Percent of Total	Increase (Decrease) from 1996	Percent of Increase (Decrease)
Current:				
Instruction:				
Regular Ed programs	\$42,840,124	35.31%	\$5,197,043	8.90%
Special Ed programs	25,203,734	19.91	3,368,569	13.66
Vocational education programs	3,767,879	2.14	137,899	3.67
Other instructional programs	3,742,253	2.11	553,643	16.48
Special programs	3,634,775	2.95	312,822	6.41
Adult education programs	<u>289,948</u>	<u>0.13</u>	<u>(18,172)</u>	<u>(4.77)</u>
Total instruction	162,911,810	57.63	8,889,708	10.33
Support services:				
Pupil support	6,752,888	3.51	691,755	9.43
Instructional staff support	6,428,439	3.93	541,384	9.19
General administration	3,115,912	1.78	(194,000)	(5.90)
School administration	10,009,189	5.85	1,388,797	14.52
Business administration	1,149,804	.65	53,791	4.80
Operation and maintenance of plant	13,445,293	7.98	845,764	6.71
Pupil transportation	10,747,782	6.06	941,211	9.81
Central services	<u>(1,384,246)</u>	<u>0.75</u>	<u>361,682</u>	<u>11.29</u>
Total support services	53,094,628	29.53	4,189,701	6.58
Food services	8,346,175	5.32	643,975	6.28
Community services	675,594	.38	170,811	19.82
Facilities acquisition and construction	698,912	.31	491,209	282.30
Debt service:				
Principal	6,630,000	3.18	652,060	10.13
Interest and other charges	<u>5,662,335</u>	<u>3.18</u>	<u>(651,835)</u>	<u>(10.40)</u>
TOTAL EXPENDITURES	\$177,288,878	100.00%	\$18,182,431	10.00%

The overall increase in expenditures is primarily attributable to the continued growth in student enrollment. As a result, an additional 59 regular education teachers, 60 special education teachers and 10 special education teacher aides were added to the staff during the 1997 fiscal year.

(continued)

year. As shown above, expenditures for instructional purposes increased by \$5.6 million, which represents approximately 59% of the total increase in expenditures. This indicates that we are continuing to place a larger portion of our resources into the classroom.

During fiscal year 1997, the General Fund financed the construction of a new administrative building to house the Data Processing and Personnel Departments.

General Fund Balance. The fund balance of the General Fund increased in fiscal year 1997 to \$11,215,950 which is the equivalent of 18 working days of expenditures. The fund balance is primarily earmarked for the improvement in ratings of any future debt issuances. The School Board does not anticipate entering the short-term debt market to finance current operating expenditures.

Debt Administration. At June 30, 1997, the School Board had a number of debt issues outstanding, including \$15,272,900 of sales tax bonds, \$75,130,000 of general obligation bonds, and \$4,345,000 of certificates of indebtedness.

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

Under state statute, the School Board's general obligation bonded debt issuances are subject to a limitation based on thirty-five percent of total assessed value of real and personal property within the parish. As of June 30, 1997, the School Board's general obligation bonded debt of \$75,130,000 was well below the legal limit of \$233,261,805 and debt per capita equaled \$430. The general obligation bonds are serviced by an ad valorem tax levy.

The certificates of indebtedness are serviced by an irrevocable pledge from the levy and collection of a special General Fund ad valorem tax of 4.67 mills.

A summary of ratings, by issue, follows:

Issue	Original Amount Issued	Ratings	
		Moodie's	Standard and Poor's
Sales Tax Bonds:			
1992 (1)	\$11,000,000	Aaa	AAA
1995 (2)	7,000,000	Aaa	AAA
General Obligation Bonds:			
1990 (1)	9,875,000	Aaa	AAA
1991 (1)	30,000,000	Aaa	AAA
1992 (3)	5,000,000	Aaa	AAA
1993	3,940,000	Baa1	A
1993 (1)	13,185,000	Aaa	AAA
1995 (2)	25,000,000	Aaa	AAA
1997	3,415,000	A3	A-
Certificates of Indebtedness:			
1994 (3)	6,000,000	Aaa	AAA

(continued)

- (1) Insured by Financial Guaranty Insurance Company
- (2) Insured by Financial Security Assurance, Inc.
- (3) Insured by AMBAC Indemnity Corporation

During fiscal year 1997, as mentioned previously in this letter, the School Board issued \$25,000,000 of general obligation bonds dated June 1, 1999 which are secured by unlimited ad valorem taxation. The bonds mature from March 1, 1997 through March 1, 2016 and have an interest rate ranging from 5.375% to 6.0%. The proceeds are to be used for the construction of new school facilities and for improvements to existing school facilities. The bonds were approved by the voters of St. Tammany Parish in a referendum held April 28, 1996.

On February 5, 1997, the School Board issued \$7,415,000 of general obligation bonds to advance refund \$6,970,000 of School District No. 12 outstanding bonds. The advance refunding will reduce the total debt service payments by \$730,657 over the life of the bonds. The refunded bonds are considered defeased and have been removed from the School Board's General Long-Term Debt Account Group. Also not included in the School Board's General Long-Term Debt Account Group are \$5,585,000 of School District No. 12 General Obligation Bonds defeased on June 1, 1991 and \$2,065,000 of School District No. 8 General Obligation Bonds defeased on February 1, 1993. The Notes to the Financial Statements contain more detailed information on the defeased bonds.

Cash Management. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit and the Louisiana Asset Management Pool (LAMP) administered by the State Treasurer. The School Board earned interest revenue of \$4,142,048 on all investments for the year ended June 30, 1997.

The School Board's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were either insured by federal depository insurance or secured by the pledge of securities owned by the financial institution. These pledged securities are held by a mutually agreed upon third-party financial institution in the name of the School Board. All of the deposits in financial institutions made by the School Board during the year and at June 30, 1997 are classified in the category of the lowest credit risk as defined by the Governmental Accounting Standards Board. The deposits made in LAMP are more fully discussed in the Notes to Financial Statements.

Risk Management. During fiscal year 1996, the School Board initiated a limited risk management program for workers' compensation. As part of this comprehensive plan, resources are being accumulated in an Internal Service Fund to meet potential losses. In addition, various risk control techniques, including employee accident prevention training, have been implemented to minimize accident-related losses. Third-party coverage is currently maintained for individual workers' compensation claims in excess of \$250,000.

In addition, during fiscal year 1996, the School Board initiated a limited risk management program for general liability and property damage. Resources are transferred from the General Fund and accumulated in an Internal Service Fund to pay potential claims. The School Board has undertaken a program to determine methods to limit our exposure to general liability claims and

(continued)

to minimize any potential loss of or damage to property. Third party coverage of commercial insurance claims in excess of \$150,000 for both general liability and property damage is maintained by the School Board.

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting and auditing firm of KPMG Peat Marwick LLP was selected by the School Board to perform the fiscal year 1997 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act and related OMB Circular A-133. The independent auditors' report on the general purpose financial statements is included in the financial section of this report. The independent auditors' reports related specifically to the Single Audit Act are included in the Single Audit Section.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the St. Tammany Parish School Board for its comprehensive annual financial report for the fiscal year ended June 30, 1996.

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

The St. Tammany Parish School Board was also awarded a Certificate of Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 1995 by the Association of School Business Officials, International (ASBO).

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

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

(continued)

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

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

Respectfully submitted,



Leonard P. Monteleone
Superintendent



Ronald J. Giraso, CPA
Director of Business Affairs

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

St. Tammany Parish School
Board, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1996

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



Arthur R. Lynch
President

Jeffrey L. Essie
Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to:

ST. TAMMANY PARISH SCHOOL BOARD

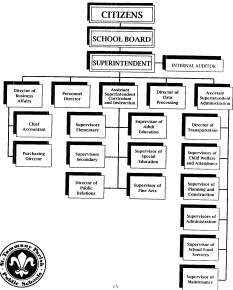
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1996

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

Alvin B. Babin
President

Dee A. Hagan
Executive Director

ST. TAMMANY PARISH SCHOOL BOARD
Organizational Chart



St. Tammany Parish School Board
PRINCIPAL OFFICIALS



School Board Members

President - John C. Lamarque

Vice-President - Daniel G. Zecherelly

Ray A. Alfred

E. Roth Allen

Edward J. Fielding, III

Charles T. Harrell

Neal M. Hennegan

Mary K. Lynch

James Parks, Sr.

Gregory J. Saurage

Albert R. Smith

Anthony J. Tedesco

Betty Verzwycelt

Donald J. Villere

Patti Young

Administrative Officials

Leonard P. Monteleone, Superintendent

Richard Tanner, Assistant Superintendent-Administration

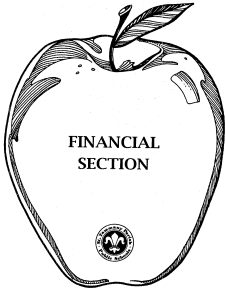
Gayle Sloan, Assistant Superintendent-Curriculum and Instruction

Ronald J. Caruso, CPA, Director of Business Affairs

Carlo A. Giacome, Director of Data Processing

Peter J. Jabbia, Personnel Director





**FINANCIAL
SECTION**



Independent Auditors' Report

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

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 7, 1997, on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of School Board taken as a whole. The combining, individual fund and individual account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements. 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.

R. M. G. Paul, CPA

November 7, 1990

ST. TAMMERRY PARISH SCHOOL BOARD
Covington, Louisiana

Combined Balance Sheet-All Fund Types and Account Groups
June 30, 1997
With Comparative Totals for June 30, 1996

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
ASSETS:				
Cash and cash equivalents (note 4)	622,888,473	1,640,837	8,802,743	20,763,887
Investments (note 5)	1,828,755			
Receivables:				
Taxes:				
Not earned	891,823		380,871	
Bills and 901		3,882,883		
Intergovernmental:				
Federal	41,280	1,288,678		
State	264,589	927,283		
Other	165,150	7,188	30,000	408,806
Total receivables	1,362,842	5,114,139	410,871	408,806
Due from other funds (note 6)	2,654,836	880,228	186,585	587,800
Inventory (note 7-8)		160,443		
Property, plant and equipment (note 7):				
Land				
Buildings and improvements				
Furniture and equipment				
Construction in progress				
Other assets:				
Amount available in debt service funds				
Amount to be provided for retirement of general long-term debt				
TOTAL ASSETS AND OTHER DEBITS	628,800,620	1,872,138	9,181,922	22,479,213

Proprietary Fund Type	Fiduciary Fund Type	Account Balances		Totals (Memorandum Only)	
		General Fund Assets	General Long-Term Debt	2007	2006
Interest Revenue	Agency				
4,174,000	2,204,208			68,048,818	43,830,713
				1,830,765	3,284,328
				1,284,234	273,171
				5,562,663	3,047,605
				1,428,108	9,445,881
88,100				301,841	241,321
				352,381	288,378
88,100				7,240,485	6,438,065
102,000				4,076,248	3,837,208
				183,440	110,876
		5,895,100		5,895,100	5,882,944
		188,656,897		188,656,897	143,713,028
		28,433,744		28,433,744	28,398,628
		17,320,827		17,320,827	48,028,440
			9,154,287	9,154,287	7,208,000
			88,730,207	88,778,217	75,636,074
4,304,812	3,284,358	228,288,211	281,884,479	421,900,285	300,841,281

(continued)

ST. TAMMANY PARISH SCHOOL BOARD

Covington, Louisiana

Combined Balance Sheet-All Fund Types and Account Groups (continued)

	Governmental Fund Types			
	General	Special Revenues	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts and notes payable	\$12,477,800	180,801		
Payroll deductions and withholdings payable	888,470			
Accounts payable	1,690,728	208,321		27,887
Retainage payable				805,800
Due to other funds (note 8)	588,080	4,017,730	37,818	12,870
Other liabilities	82,432	25,000		
Unfunded promises	87,838	128,174		
Accounts due others (note 9)				
Matured (cont.) and unexpd payable				
Liability for self-insurance claims (note 8)				
Claims liability (note 8)				
Bonds and certificates of indebtedness payable (note 8)				
Compensated absences payable (notes 14, and 9)				
Total Liabilities	17,781,478	4,398,058	37,818	846,557
Equity and Other Credits:				
Investment in general fixed assets				
Retained Earnings:				
- assigned for self-insurance losses				
- reserved for employee benefits				
Fund balances (note 1-10):				
Reserved for contingencies	295,216			7,000,880
Reserved for inventory		98,300		
Reserved for 2021 services			8,154,157	
Unassigned, unexpended	18,800,181	8,202,687		18,490,490
Total Equity and Other Credits	18,815,398	8,301,052	8,154,157	26,991,370
Commitments and contingencies (notes 7 and 11)				
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	328,263,826	1,807,128	8,182,975	22,438,217

See accompanying notes to financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Nonrevenue Only)	
		General Fund Assets	General Long-Term Debt	2007	2006
Internal Service	Common				
100				13,618,700	11,627,601
31,035				888,470	800,880
37				2,384,858	2,370,844
400,361	2,084,368			868,806	477,788
815,264				4,870,240	3,827,208
867,321				110,812	788,728
				606,215	670,180
				2,344,250	2,708,288
				0	80,440
				815,264	863,320
				867,321	870,128
			84,188,000	84,745,000	74,800,000
			8,178,434	8,739,474	7,881,642
2,189,209	2,354,208	NCM	102,824,434	130,714,708	128,648,907
			228,298,000	228,298,000	222,427,200
1,218,644				1,218,644	898,884
1,058,249				1,058,819	883,823
				7,336,800	6,868,821
				88,285	84,285
				8,988,987	7,221,388
				30,707,244	30,883,136
2,276,944	NCM	338,294,321	NCM	261,880,576	254,058,254
4,384,852	2,354,356	228,298,321	102,832,474	421,595,284	388,697,351

ST. TAMMANY PARISH SCHOOL BOARD
Thibodaux, Louisiana

Statement of Revenues, Expenditures, and Change in Fund Balance
or Encumbrance Fund Types
For the Year Ended June 30, 1987
With Comparative Funds for the Year Ended June 30, 1986

	1987	1986	1985
	Amount	Amount	Amount
REVENUES			
Local sources			
Taxes			
ad valorem	\$44,272,000	37,394,500	33,000,000
sales and use			
franchise, license, and penalties			
interest	408,000	343,000	340,000
donations or investments	1,375,000	700,000	700,000
fees and fines		2,000,000	
other	490,000	50,000	
State sources:			
grants	16,000,000	1,400,000	
contributions			
facility	80,000		
operational	1,320,000		
federally-financed project	1,500,000		
other	1,100,000	275,000	
Federal sources	200,000	15,000,000	
Total revenues	\$62,065,000	\$54,163,500	\$34,040,000
EXPENSES			
Current			
salaries			
teacher	37,000,000	300,000	
teacher aid	21,000,000	70,000	
non-teacher aid	1,000,000	247,000	
other educational programs	1,075,000	200,000	
vocational programs	80,000	1,000,000	
adult ed. programs	300,000		
supplies			
text	1,000,000	700,000	
instructional	1,000,000	800,000	
general	1,000,000	400,000	
administration	1,000,000		
business administration	1,000,000		
operational maintenance of plant	1,000,000	100,000	
plant administration	1,000,000	100,000	
central services	1,000,000		
facilities	100,000	1,000,000	
community service programs	100,000	100,000	
facility acquisition and construction	100,000		
debt service			
principal			1,000,000
interest			1,000,000
miscellaneous			50,000
Total expenditures	\$50,000,000	\$50,000,000	\$34,040,000
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	\$12,065,000	\$4,163,500	\$0
OTHER FINANCING SOURCE (USES)			
Proceeds from bond sales			7,000,000
Appropriation transfers			100,000
Revenue transfers in	10,000,000	1,000,000	1,000,000
General Fund to LSC	(7,000,000)	(7,000,000)	(-7,000,000)
Facilities			(7,000,000)
Total other financing source (uses)	\$3,000,000	\$3,000,000	\$0
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCE (USES) OVER EXPENDITURES AND OTHER FINANCING USES	\$9,065,000	\$1,163,500	\$0
FUND BALANCE AT BEGINNING OF YEAR	\$1,000,000	\$1,000,000	\$1,000,000
FUND BALANCE AT END OF YEAR	\$10,065,000	\$2,163,500	\$1,000,000

See accompanying notes to financial statements.

47. EASTWICH PUBLIC SCHOOL BOARD
 Clarendon, Louisiana

Condensed Statement of Revenues, Expenditures, and Change in Fund Balance
 (Budget Accounts - Appropriational Fund Type)
 For the Year Ended June 30, 2017

	GENERAL FUND (TYPE A) - BUDGET			SPECIAL DISTRICT FUND (TYPE B) - BUDGET		
	Budget	Actual	Percentage Variance (Under/Over)	Actual	Actual	Percentage Variance (Under/Over)
REVENUES						
Local Sources						
Taxes						
Ad valorem	\$28,222,241	\$4,177,222	\$40,894	\$888,222	\$7,888,222	(1,187,777)
Sales and use				12,222	12,222	667
Public utility, miscellaneous	143,241	124,412	1,071	242,222	242,222	1,000
Fees	1,122,222	1,222,222	222,222	122,222	122,222	12,222
Grants and investments				2,222,222	2,222,222	2,222,222
Real estate	222,222	222,222		222,222	222,222	222,222
Other	222,222	222,222		222,222	222,222	222,222
State sources						
Education	\$2,222,222	\$2,222,222		1,222,222	1,222,222	
Contributions to						
Facilities	222,222	222,222	2,222			
Financial statement	1,222,222	1,222,222				
Researching	1,222,222	1,222,222				
Miscellaneous	222,222	222,222				
Other	222,222	222,222		222,222	222,222	222,222
Federal sources	222,222	222,222		222,222	222,222	222,222
Total revenues	\$31,222,222	\$31,222,222	\$12,472	\$2,222,222	\$2,222,222	\$1,222,222
EXPENDITURES						
Current						
Instruction						
Regular full program	\$4,222,222	\$4,222,222	1,222,222	222,222	222,222	222,222
Special full program	\$1,222,222	\$1,222,222	222,222	222,222	222,222	222,222
Contracted full program	\$2,222,222	\$2,222,222	222,222	222,222	222,222	222,222
Other instructional programs	\$2,222,222	\$2,222,222	222,222	222,222	222,222	222,222
Special programs	122,222	122,222	22,222	122,222	122,222	122,222
Instructional materials	222,222	222,222	22,222	222,222	222,222	222,222
Support services						
Personnel	\$1,222,222	\$1,222,222	72,222	72,222	72,222	2,222
Materials and supplies	\$72,222	\$72,222	22,222	22,222	22,222	2,222
Contract administration	\$222,222	\$222,222	22,222	22,222	22,222	22,222
Student administration	\$222,222	\$222,222	22,222	22,222	22,222	22,222
Business administration	\$122,222	\$122,222	12,222	12,222	12,222	12,222
Sports and extracurricular activities	\$222,222	\$222,222	22,222	22,222	22,222	22,222
Food management	\$222,222	\$222,222	22,222	22,222	22,222	22,222
Transportation	\$222,222	\$222,222	22,222	22,222	22,222	22,222
Communications	\$222,222	\$222,222	22,222	22,222	22,222	22,222
Facilities	\$222,222	\$222,222	22,222	22,222	22,222	22,222
Community development programs	\$222,222	\$222,222	22,222	22,222	22,222	22,222
Physical education and recreation	\$222,222	\$222,222	22,222	22,222	22,222	22,222
Other services						
Professional services						
Legal and other charges						
Insurance						
Total expenditures	\$28,222,222	\$28,222,222	\$222,222	\$2,222,222	\$2,222,222	\$222,222
CHANGE IN FUND BALANCE (OR REVENUES OVER EXPENDITURES)	\$3,000,000	\$3,000,000	\$2,250,250	\$0,000,000	\$0,000,000	\$1,000,000
Carry Over (or Balance) Available for Use						
Previously available						
General fund (or other fund)	\$4,222,222	\$4,222,222	\$1,222,222	\$1,222,222	\$1,222,222	\$1,222,222
Special district fund	\$2,222,222	\$2,222,222		\$2,222,222	\$2,222,222	
Payroll in arrears						
Total carry over (or balance) available for use	\$6,444,444	\$6,444,444	\$1,222,222	\$3,444,444	\$3,444,444	\$1,222,222
BALANCE OF REVENUES AVAILABLE FOR FINANCING SOURCE (OVER EXPENDITURES AND CARRY OVER BALANCE)	\$2,222,222	\$2,222,222	\$222,222	\$2,222,222	\$2,222,222	\$222,222
BALANCE AT BEGINNING OF YEAR	\$222,222	\$222,222	6,000	\$222,222	\$222,222	0
BALANCE AT END OF YEAR	\$2,444,444	\$2,444,444	\$228,222	\$2,444,444	\$2,444,444	\$222,222

See accompanying notes to financial statements.

ST. TAMMANY PARISH SCHOOL BOARD
 Covington, Louisiana

**Combined Statement of Revenues, Expenses,
 and Changes in Retained Earnings
 Proprietary Fund Type -
 Internal Service Funds**

For the Year Ended June 30, 1997
 With Comparative Totals for the Year Ended June 30, 1996

	1997	1996
OPERATING REVENUES		
Employer contributions	51,462,068	2,640,879
Insurance proceeds	<u>83,258</u>	<u>622,565</u>
Total operating revenues	2,685,826	3,274,634
OPERATING EXPENSES		
Contractual services	223,736	197,281
Premium payments	818,251	809,626
Benefit payments	854,223	971,358
Claims	389,893	620,827
Decrease in provision for self-insurance losses	(782,890)	(168,420)
Other operating expenses	<u>5,818</u>	<u>8,860</u>
Total operating expenses	2,212,320	2,748,352
OPERATING INCOME	473,506	526,282
NON-OPERATING REVENUES		
Earnings on investments	<u>222,888</u>	<u>187,212</u>
NET INCOME	696,394	713,494
RETAINED EARNINGS AT BEGINNING OF YEAR	1,084,467	302,606
RETAINED EARNINGS AT END OF YEAR	\$2,212,320	1,016,092

See accompanying notes to financial statements.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Combined Statement of Cash Flows
Proprietary Fund Type-
Internal Service Funds

For the Year Ended June 30, 1997
With Comparative Totals for the Year Ended June 30, 1996

	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from: employer contributions:	\$2,502,182	3,108,779
Insurance proceeds	92,758	600,609
Cash payments for:		
Benefits and claims	(1,834,818)	(1,718,864)
Insurance premiums	(819,387)	(808,836)
Services and other operating expenses	(232,638)	(771,644)
Net cash provided (used) by operating activities	(138,658)	804,188
CASH FLOWS FROM INVESTING ACTIVITIES:		
Earnings on investments	211,249	182,238
NET INCREASE IN CASH AND CASH EQUIVALENTS	69,691	1,286,529
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,694,079	2,857,547
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$4,763,770	4,144,076
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	\$368,493	834,218
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Decrease in provision for self-insurance losses	(852,693)	(788,438)
Changes in assets and liabilities:		
(Increase) decrease in receivables	(138,938)	284,718
Increase (decrease) in payables	(118,522)	117,421
Decrease in deferred revenue	-----	(235,838)
Net cash provided (used) by operating activities	(138,658)	804,188

See accompanying notes to financial statements.

St. Tammany Parish School Board
Burrington, Louisiana

Notes to Financial Statements
June 30, 1987

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
 - A. Reporting Entity
 - B. Basis of Presentation-Fund Accounting
 - C. Basis of Accounting
 - D. Budget Formations
 - E. Encumbrances
 - F. Cash, Cash equivalents and Investments
 - G. Intergovernmental Receivables
 - H. Short-Term Intergovernmental Receivables/Payables
 - I. Inventory
 - J. General Fixed Assets
 - K. Long-Term Obligations
 - L. Compensated Absences
 - M. Sales and Use Taxes
 - N. Reserves of Fund Balances
 - O. Claims and Judgments
 - P. Comparative Data and Total Columns on Combined Statements
2. SCHEDULE OF EXPENDITURES OVER APPROPRIATIONS
3. AD VALOREM TAXES
4. CASH AND CASH EQUIVALENTS
5. INDEBTEDNESS
6. DUE FROM/TO OTHER FUNDS
7. INVENTORY, PLANT AND EQUIPMENT
8. RISK MANAGEMENT
9. CHANGES IN GENERAL LONG-TERM DEBT
10. DEFERRED AND DEFERENCE OF BONDS
11. FUND YEAR DEFERENCE OF DEBT
12. TAX ABITRAGE BENEFIT
13. RETIREMENT
14. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS
15. LEASES
16. CHANGES IN AGENCY DEPOSITS FOR OTHERS
17. LITIGATION AND CLAIMS

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1997

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REGULATORY ENTITY

The St. Tammany Parish School Board (School Board) was created by Louisiana Revised Statute (RS) 17:81 for the purpose of providing public education for the children within St. Tammany Parish, Louisiana. The School Board is authorized by RS 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplements to their salaries. The School Board is composed of 21 members who are elected from 15 districts for concurrent terms of four years.

The School Board operates 20 schools within the parish with a total enrollment of approximately 12,780 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

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

B. BASIS OF PRESENTATION-FUND ACCOUNTING

The accounts of the school board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the source by which spending activities are controlled. The funds presented in the financial statements are described as follows:

(cont'd)

ST. TAMMANY PARISH SCHOOL BOARD
BOURBONNE, LOUISIANA

Notes to Financial Statements
June 30, 1997

Governmental Fund Types:

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

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

(Continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1997

Proprietary Fund Type

Proprietary Funds are used to account for the School Board's ongoing operations and activities which are similar to those often found in the private sector. The School Board applies all applicable State procurements issued on or before November 30, 1989 in accounting and reporting for its proprietary fund operations unless those procurements conflict with or contradict State procurements. The measurement focus is upon determination of net income. The School Board's proprietary fund type is limited to Internal Service Funds as follows:

Internal Service Funds

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

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

Risk Management Fund - This fund is used to account for general liability, which is fully insured with a deductible of \$50,000 per occurrence, and property damage, which is fully insured with a deductible of \$25,000 per occurrence.

Fund revenues are derived from government allocations. These revenues are planned to cover: (i) expenses of insurance premiums in excess of self-insurance amounts, (ii) estimated claim losses resulting from self-insurance programs which include estimated liabilities for claims incurred but not yet reported at year end, and (iii) operating expenses.

Fiduciary Fund Type

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1997

Agency Fund

The School Board maintains one Agency Fund, the School Activity Agency Fund, which accounts for assets held by the Board in a custodial capacity.

Account Groups

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

General Fixed Assets Account Group

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

General Long-Term Debt Account Group

Long-term debt reported to be financed from governmental funds is accounted for in the general long-term debt account group, not in the governmental funds.

C. BASIS OF ACCOUNTING

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

(Continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1997

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

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

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

Revenues

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

All valuations taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, based on the assessed value on January 1, become due on November 15 of each year, and become delinquent on December 15. An enforceable lien attaches to the property as of November 15. The taxes levied by the School Board on April 13, 1996. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected and are administered by the St. Tammany Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned.

Sales and use tax revenues are recorded in the month collected by the St. Tammany Parish Tax Collector.

Substantially all other revenues are recorded when received.

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1997

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 for federal are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recorded in the general long-term debt account group.

Commitments under construction contracts are recognized as expenditures when earned by the contractor.

Principal and interest on general long-term obligations are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if it is expected to be paid within the next twelve months. Liabilities which will not be liquidated with expendable available financial resources are recorded in the general long-term debt account group.

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

Deferred Revenues

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1997

2. BUDGET PRACTICES

The proposed budgets for fiscal year 1997 were completed and made available for public inspection at the School Board office on August 4, 1996. A public hearing was held on August 28, 1996 for suggestions and comments from taxpayers. The proposed fiscal year 1997 budgets were formally adopted by the School Board on September 10, 1996. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service and Capital Projects Funds were published in the official journal ten days prior to the public hearings.

The budgets for the General and Capital Projects Funds for the fiscal year 1997 were prepared on the modified accrual basis of accounting except that outstanding encumbrances at the close of the fiscal year are treated as expenditures. The Special Revenue and Debt Service Funds' budgets for the 1997 fiscal year were prepared on a modified accrual basis, consistent with generally accepted accounting principles (GAAP).

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

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

Continued

**St. Tammany Parish School Board
Bovington, Louisiana**

**Notes to Financial Statements
June 30, 1997**

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

General Fund:

Excess of revenues and other financing sources over expenditures and other financing uses - Exhibit B	\$5,148,000
Add - prior year encumbrances liquidated	185,284
Less - current year encumbrances	<u>(225,210)</u>
Excess of revenues and other financing sources over expenditures and other financing uses - Exhibit C	<u>\$5,108,074</u>

Capital Projects Funds:

Excess of revenues and other financing sources over expenditures and other financing uses - Exhibit B	\$22,684,187
Add - prior year encumbrances liquidated	1,788,317
Less - current year encumbrances	<u>(17,822,889)</u>
Excess of revenues and other financing sources over expenditures and other financing uses - Exhibit C	<u>\$6,649,615</u>

B. ENCUMBRANCES

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1997

F. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

G. INTERGOVERNMENTAL RECEIVABLES

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

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the normal course of operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds on the combined balance sheet.

I. INVENTORY

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

Continued

St. Tammany Parish School Board
Bovington, Louisiana

Notes to Financial Statements
June 30, 1993

J. GENERAL FIXED ASSETS

Land, buildings and improvements, and furniture and equipment are recorded as expenditures in the governmental funds and are capitalized in the general fixed assets account group at historical cost or estimated historical cost. If actual historical cost is not available, donated fixed assets are valued at their estimated market value on the date of donation. Approximately 80 per cent of general fixed assets are valued at historical cost, while the remaining 20 per cent are valued at estimated cost, based on the historical cost of like items.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized over the remaining useful lives of the assets. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

K. LONG-TERM OBLIGATIONS

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

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

L. COMPENSATED ABSENCE

413 18-month non-school administrative employees earn from 10 to 20 days of vacation leave each year, depending on length of service with the School Board. A maximum of five days of vacation leave may be carried forward to the next calendar year. Upon termination, earned vacation leave is paid to the employee at the employee's current rate of pay.

415 school board employees earn from 10 to 20 days of sick leave each year, depending upon the number of months employed. Sick leave can be accumulated without limitation. Upon retirement, a maximum of 20 days of unused sick leave is paid to the employee at the employee's current rate of pay, and all unused sick leave is used in the retirement benefit computation as earned service.

(continued)

**St. Tammany Parish School Board
Covington, Louisiana**

**Notes to Financial Statements
June 30, 1957**

Any employee with a teaching certificate is entitled, subject to approval by the school board, to one semester of educational leave after three years of continuous service or two semesters of educational leave after six or more years of continuous service. Leave may be granted for rest and recuperation and professional and cultural improvement.

The cost of compensated absence privileges (unused sick leave) is recognized as a current year expenditure in the General Fund when leave is actually taken, or when employees are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

At June 30, 1957, employees of the School Board have accumulated and vested \$4,178,474 of compensated absence benefits in salary related payments, which is recorded within the general long-term debt account group since they are not payable from expendable available financial resources.

L. SALES AND USE TAXES

On June 25, 1944, the voters of St. Tammany Parish approved a one per cent sales and use tax which, after payment of necessary costs and expenses of collecting the tax, is dedicated for payment of salaries of teachers and other school personnel and for other operating expenses. On September 18, 1974, the voters of St. Tammany Parish approved a one per cent sales tax to be levied on behalf of the St. Tammany Parish School Board for a period of 15 years. On May 5, 1959 the voters of the parish authorized an extension of this tax for an additional 15 years, until expiration in 1987. The proceeds are dedicated for the purposes of capital improvements, maintenance, and operating expenses of the School Board. The sales and use taxes are collected by the St. Tammany Parish Tax Collector for a fee of 1.15 per cent of the monthly collections.

M. RESERVES OF FUND BALANCE

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

(continued)

St. Tammany Parish School Board
Bossier, Louisiana

Notes to Financial Statements
June 30, 1987

G. CLAIMS AND JUDGMENTS

The School Board provides for losses and anticipated expenses resulting from claims and judgments including claim adjustments, settlements/expenses, salvage and subrogation. Losses resulting from claims and judgments are estimated by utilizing a case by case review of all claims in accordance with Governmental Accounting Standards Board codification section 250.

The liability for such losses is recorded in the Internal Service Funds. Insured but not reported claims as of June 30, 1987, have been considered in determining the accrued liability.

F. COMPARATIVE DATA AND TOTAL COLUMNS ON COMBINED STATEMENTS

Comparative total data for the prior year has been presented in the financial statements in order to provide an understanding of changes in the School Board's financial position and operations. However, comparative data (i.e., presentation of prior year total by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Total columns on the general purpose financial statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations on such items 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.

H. BASIS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 1987, the following fund had actual expenditures over appropriations, at the functional level:

Fund and Function	Budget	Actual	Excess
General Fund:			
school administration	\$10,000,369	10,018,818	18,449
Food service	889,841	872,150	17,691

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

(continued)

St. Thomas Parish School Board
 Covington, Louisiana

Notes to Financial Statements
 June 30, 1997

3. AD VALOREM TAXES

The following is a summary of authorized and levied parish wide ad valorem taxes for the fiscal year ended June 30, 1997:

Consolidated	4.47
Additional Support	6.38
Construction, Maintenance and Operations	4.47
Improv. Maintain and Operating	44.00
Road and Interest - District No. 13	23.30
Total millage	82.62

4. CASH AND CASH EQUIVALENTS

At June 30, 1997, the school board had cash and cash equivalents as follows:

General deposits	\$288,800
Money market accounts	8,242,000
Time certificates of deposit	51,525,115
TOTAL cash and cash equivalents	\$68,655,915

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

Under state law, the bank balances of these deposits must be secured by Federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. At June 30, 1997, cash and cash equivalents are entirely insured or collateralized with securities held by a mutually acceptable third party financial institution in the School Board's name. However, the securities may be released only upon the written authorization of the School Board, which is the lowest credit risk as defined by the Governmental Accounting Standards Board. The bank balances are fully insured and collateralized at June 30, 1997 as follows:

Total bank balances	\$68,655,915
Federal deposit insurance	21,028,420
Pledged securities	47,627,495
Total collateral	\$68,655,915

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1997

5. INVESTMENTS

Investments of June 30, 1997 are in the Louisiana Asset Management Fund (LAMP), a local government investment pool. In accordance with GASB Codification Section 120.120, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 210.120 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by these securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 187 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

6. DUE FROM/TO OTHER FUNDS

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

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$2,226,026	\$226,026
Special Revenue Funds:		
DATA	613,883	971,642
DESA		288,457
TOD ED		93,408
Miscellaneous Programs		23,022
ED		126,848
School Food Service	404,817	12,828
1996 Sales Tax		1,374,427
1997 Sales Tax	27,816	642,742
Community Ed	-----	-----221
Total Special Revenue Funds	-----	1,817,732

(continued)

**St. Tammany Parish School Board
Covington, Louisiana**

Notes to Financial Statements
June 30, 1997

Fund (continued)	Due From Other Funds	Due TO Other Funds
DEBT Service Funds:		
Sales Tax Bond Sinking	\$199,589	49,159
Sales Tax Bond Reserve	-----	28,669
TOTAL DEBT		
Service Funds	299,589	77,828
Capital Projects Funds:		
Roofing Construction	89,817	7,819
Parishwide Construction	200,663	4,369
Total Capital		
Projects Funds	290,480	12,188
Internal Service Funds:		
Workers' Compensation	181,977	
Risk Management	2,808	27
TOTAL Internal		
Service Funds	184,785	27
Total	\$8,876,248	\$8,476,248

7. PROPERTY, PLANT AND EQUIPMENT

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

	Balance July 1, 1996	Additions	Deletions	Balance June 30, 1997
Land	\$5,843,844	175,859		6,019,703
Buildings and Improvements	143,712,819	49,596,818		193,309,637
Furniture and equipment	28,849,828	8,465,847	108,131	37,207,544
Construction in progress	45,826,842	28,684,853	62,816,889	11,694,806
	<u>\$194,233,333</u>	<u>\$77,922,377</u>	<u>\$63,031,020</u>	<u>\$209,124,690</u>

(cont'd next)

**St. Tammany Parish School Board
Covington, Louisiana**

Notes to Financial Statements
June 30, 1997

Construction in progress at June 30, 1997 is composed of the following:

	Project Authorizations	Incurred as of June 30, 1997	Committed
Meigs Springs Middle	2788,248	781,184	4,000
Rayne Leavelle Middle	290,807	74,748	215,127
Covington High	1,297,408	20,248	1,897,422
Pontchartraine High	2,000,273	1,228,892	329,880
Poinchartraine Jr. High	4,188,890	8,228,848	41,241
Little Oak Middle	882,832	818,188	31,377
Little Oak Middle	1,348,275	504,128	941,455
Lynn Elementary	1,823,262	945,094	182,229
Madisonville Elementary	784,290	645,852	124,494
Mandeville Elementary	1,540,295	1,182,348	277,251
Northshore High	822,882	372,374	281,608
Northshore High	1,200,000	18,800	1,261,104
Pitchee Jr. High	800,848	428,488	79,460
Portchartrain Elementary	1,274,484	689,265	484,840
School Board Office	452,001	452,001	0
Slidell High	1,850,486	2,282,859	488,627
Slidell Jr. High	1,918,287	1,227,211	81,178
Tulaneville Middle	1,492,271	1,082,480	620,882
"New" Mandeville Elementary	<u>2,718,000</u>	<u>68,222</u>	<u>5,161,228</u>
Total	<u>22,208,291</u>	<u>12,282,622</u>	<u>22,282,268</u>

100% Lined

St. Tammany Parish School Board
Covington, Louisiana

NOTES TO FINANCIAL STATEMENT
June 30, 1997

2. RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation in fiscal year 1998. Premiums are paid into the Workers' Compensation General Service Fund by all funds from which salaries are paid and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 1997, a total of \$1,000,000 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$250,000. An amount for self-insurance losses of \$418,000 has been accrued as a liability based upon an actuary's estimate. Interfund premiums are based primarily upon the individual funds' claim experience and are reported as expenditures in the individual funds.

In addition, the School Board is exposed to various risks of loss related to thefts; thefts of, damage to and destruction of assets; and natural disasters. During fiscal year 1998, the School Board established a Risk Management Fund (as General Service Fund) to approach for and finance its uncovered risk of loss. Under this program, the Risk Management Fund provides coverage up to a maximum of \$200,000 for each general liability claim and \$100,000 for each property damage claim. The School Board purchases commercial insurance for claims in excess of coverage provided by the Fund. Settled claims have not exceeded this commercial coverage during the fiscal year.

The General Fund of the School Board makes payments to the Risk Management Fund based on estimates of the amounts needed to pay claims and to establish a reserve for catastrophic losses. That reserve was \$1,218,700 at June 30, 1997 and is reported as a designation of the Risk Management Fund's fund equity. The claims liability of \$807,021 reported in the Fund at June 30, 1997 is based on the requirements of Governmental Accounting Standards Board which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

(over) (continued)

**St. Tammany Parish School Board
Bovington, Louisiana**

**Notes to Financial Statements
June 30, 1997**

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

	Beginning of Fiscal Year Balance	Claims and Changes in Estimates	Payments and Claims	Balance at Fiscal Year-End
Workers' Compensation:				
1988-89	None	488,408	388,759	100,078
1989-90	\$180,875	702,484	323,178	488,728
1990-91	488,703	882,780	873,848	714,883
1991-92	714,883	832,843	488,400	659,583
1992-93	228,628	488,987	551,493	989,899
1993-94	880,888	465,785	727,279	989,278
1994-95	887,278	783,889	821,332	1,139,783
1995-96	1,139,783	884,988	871,388	989,132
1996-97	883,332	783,138	811,332	989,132
Risk Management:				
1988-89	None	384,878	84,878	288,888
1989-91	\$200,000	488,408	70,408	515,888
1991-92	578,888	197,914	348,288	381,888
1992-93	380,888	381,887	381,400	488,408
1993-94	488,408	815,888	400,138	827,328
1994-95	827,328	388,878	384,884	912,528
1995-96	912,528	820,423	826,489	912,528
1996-97	912,528	482,888	588,488	827,528

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

9. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the long-term debt transactions for the year ended June 30, 1997:

	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
Sales Tax Bonds	\$18,345,880		3,318,000	18,378,880
General Obligation Bonds	50,425,000	21,418,000	10,888,000	79,138,880
Commitments of Indebtedness	4,322,820		585,680	4,182,880
	79,428,880	21,418,000	13,608,000	94,788,880
Compensated Absences	1,381,312	372,288	282,128	1,379,672
Total	82,232,312	21,790,288	13,890,128	100,222,672

(Amounts in Dollars)

St. Tammany Parish School Board
Covington, Louisiana

NOTES TO FINANCIAL STATEMENTS
June 30, 1977

A schedule of the individual issues outstanding as of June 30, 1977 is as follows:

	Original Amount	Interest Rate	Final Payment Date	Interest to Maturity	Principal Outstanding
Sales Tax Bonds:					
1982	\$11,800,000	5.3-6.7%	1987	\$2,865,485	\$8,400,000
1985	7,500,000	5.8%	1997	1,200,000	6,200,000
Total Sales Tax Bonds	19,300,000			4,065,485	14,234,515
General Obligation Bonds:					
1980	9,875,000	4.8-6.8%	1984	154,715	1,110,000
1981	10,800,000	5.8-6.8%	1985	2,800,000	20,200,000
1982	5,000,000	5.8-6.8%	1982	1,479,420	4,810,000
1983	2,500,000	4.8-5.4%	1982	200,000	1,800,000
1983	11,100,000	4.7-5.6%	1983	4,501,465	10,000,000
1986	20,000,000	6.5-8.0%	1992	14,549,100	24,000,000
1987	7,425,000	4.5-5.2%	1993	1,200,000	7,000,000
Total General Obligation Bonds	56,700,000			17,275,600	29,124,000
Certificates of Indebtedness					
1974	4,200,000	4.4-5.8%	1981	700,000	4,200,000
Total	4,200,000			700,000	4,200,000

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish or by the 1977 sales and use tax. As June 30, 1977, the School Board has accumulated \$5,104,147 in the debt service funds for future debt service requirements.

The Sales Tax Bonds require the maintenance of a reserve as additional security for debt repayment. At June 30, 1977, the School Board has accumulated \$1,854,000 in reserve and is in compliance with the requirements of the debt agreement.

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

(continued)

**St. Tammany Parish School Board
Covington, Louisiana**

**NOTES TO FINANCIAL STATEMENTS
June 30, 1997**

Year Ending June 30,	Principal Payments		Combined Certificates or Savings	Total
	Bonds	Indebtedness		
1996	\$8,898,000	628,000	8,988,478	13,768,478
1997	8,828,000	668,000	8,188,720	13,438,720
2000	8,085,000	708,000	8,748,780	13,515,780
2001	8,185,000	748,000	8,108,960	13,431,960
2002	8,128,000	788,000	3,982,560	18,827,360
2003-2007	18,820,000	818,000	13,432,884	44,897,884
2008-2012	18,888,000		8,728,840	28,858,840
2013-2018	8,150,000		1,128,116	18,888,116
	<u>\$88,470,000</u>	<u>\$3,950,000</u>	<u>\$4,958,850</u>	<u>\$108,378,850</u>

In accordance with Louisiana Revised Statute 28:1202, the school board is legally prohibited from incurring long-term bonded debt funded entirely by ad valorem taxes in excess of 1% percent of the assessed value of taxable property. As June 30, 1997, the statutory limit is \$215,081,481 and the legal debt margin is \$104,749,477. Outstanding bonded debt payable from ad valorem taxes as June 30, 1997 totaled \$70,118,000.

10. DEPRECIATION AND ISSUANCE OF BONDS

On February 8, 1997 the School Board issued \$7,418,000 of School District No. 12 general obligation bonds with an average interest rate of 8.07% in advance refund \$8,870,000 of School District No. 12, Series 1996, outstanding bonds with maturities from June 1, 2001 to June 1, 2008 and an average interest rate of 6.88%. These series 1996 bonds are callable on June 1, 2000.

The net proceeds of \$7,188,328 (after payment of \$230,672 in underwriting fees and other issuance costs) plus \$27,300 of sinking fund monies were used to purchase U. S. Government securities. These securities were deposited in an irrevocable trust fund with an escrow agent to provide for the future debt service requirements. The advance refunding met the requirements of an irrevocable defeasance and the bonds have been removed from the general long-term debt account group.

The school board advance refunded the bonds to reduce its total debt service payments over the life of the bonds by \$718,887 and to obtain an economic gain (the difference between the present value of the debt service payments on the old and new debt) of \$812,428.

Continued

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1997

During fiscal year 1997, the school board issued \$28,000,000 of general obligation bonds dated June 1, 1994 secured by unlimited ad valorem taxation. These bonds mature from March 1, 1997 through March 1, 2028 and have an interest rate ranging from 5.375 per cent to 8.5 per cent. The bonds were authorized by the voters of St. Tammany Parish on April 20, 1994 and the proceeds are to be used for the construction of new school facilities and for the improvement to existing school facilities.

11. PRIOR YEAR DEFAUNDED DEBT

On June 1, 1992, the School Board defunded the June 1, 1994 School District No. 12 General Obligation Bonds maturing on or after March 1, 1995. On February 5, 1997, the School Board defunded the June 1, 1994 School District No. 12 General Obligation Bonds maturing on or after June 1, 2000. On February 1, 1993, the School Board defunded the June 1, 1990 School District No. 8 General Obligation Bonds maturing on or after March 1, 1994. For each defundment an irrevocable trust fund was created. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defunded debt until the debt is called or matures. For financial reporting purposes, the debt is considered defunded and therefore removed as a liability from the School Board's General Long-Term Debt Account group. As of June 30, 1997, the following outstanding bonds are considered defunded:

	Amount Outstanding
School District No. 12:	
June 1, 1994	16,000,000
June 1, 1998	1,000,000
School District No. 8:	
June 1, 1994	2,000,000
Total	<u>\$29,000,000</u>

12. TAX ASSISTANCE CREDIT

Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be retained by the Internal Revenue Service (IRS). For fiscal year 1997, arbitrage was not paid to the IRS.

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1987

13. RETIREMENT PLANS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and laborers/workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information, as required by the Environmental Accounting Standards Board Statement No. 17, relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description: The School Board participates in two membership plans of the TRS, the Regular Plan and Plan A. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 9420, Baton Rouge, Louisiana 70804-9120, or by calling (504) 938-4444.

Funding Policy: Plan members are required to contribute 5.0 percent and 5.1 percent of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 14.3 percent of annual covered payroll for both membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution to the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the years ended June 30, 1984, 1985, and 1986, were \$10,127,388, \$11,898,888, and \$20,748,811, respectively, equal to the required contributions for each year.

(continued)

**St. Tammany Parish School Board
Covington, Louisiana**

**Notes to Financial Statements
June 30, 1997**

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description: The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and awarded by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44514, Baton Rouge, Louisiana 70804, or by calling (504) 385-8894.

Funding Policy: Plan members are required to contribute 4.50 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 4.50 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement System's Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations and by reimbursements from the School Board.

The school board's contributions to the LSERS for the years ended June 30, 1997, 1996, and 1995 were \$550,618, \$524,973, and \$486,122, respectively, equal to the required contributions for each year.

14. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In accordance with State statute, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. Currently, 714 retirees are eligible to participate in these benefits. These benefits for retirees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the retirees and by the School Board. During fiscal year 1997, the School Board contributed 64% of the total premium for life insurance and 54% of the total premium for health care insurance provided to the retirees. The School Board recognizes the cost of providing these benefits (the board's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due. The School Board's cost of providing all Health Care benefits and life insurance premiums to the approximately 3,300 active and 542 retired participating employees amounted to \$21,842,812 for 1997. For 1997, the cost of premiums paid for retirees totaled \$2,388,834.

Cont. (next)

St. Tammany Parish School Board
Bovington, Louisiana

Notes to Financial Statements
June 30, 1987

15. LEASES

The School Board has operating lease agreements for the rental of office equipment and classroom space. Rental expenditures for the year ended June 30, 1987 are as follows:

Office Equipment	\$184,750
Classroom Space	<u>125,431</u>
Total	<u>\$310,181</u>

16. CHANGES IN AGENT DEPOSITS AND OTHERS

A summary of changes in the school Activity Agency Fund's Deposits Due Others are as follows:

Balance at Beginning of Year	\$1,128,788
Additions	4,514,453
Subtractions	<u>4,458,225</u>
Balance at End of Year	<u>\$1,184,916</u>

17. LITIGATION AND CLAIMS

At June 30, 1987, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims. In order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at an estimate, if any, of the amount or range of potential loss to the School Board. As a result of the review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", or "remote", as defined by the Governmental Accounting Standards Board. Amounts of claims classified as "probable" have been accrued in the claim liability and the liability for self-insurance losses, as explained in Note 8. The amount of claims and lawsuits which have been classified as "reasonably possible" individually range from \$1,000 to \$100,000. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

The School Board participates in a number of Federal financial assistance programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 1987, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School Board expects such amounts, if any, to be immaterial.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FUND
Comparative Balance Sheet
June 30, 1987 and 1986

	1987	1986
ASSETS		
Cash and cash equivalents	\$22,888,413	18,798,837
Investments	1,828,788	3,054,388
Receivables:		
Ad valorem taxes	681,823	148,516
Intergovernmental:		
Federal	41,280	61,078
State	354,588	314,718
Other	195,128	178,812
Total receivables	<u>1,192,823</u>	<u>693,822</u>
Due from other funds	<u>2,855,028</u>	<u>2,885,840</u>
TOTAL ASSETS	\$28,381,852	26,465,802
LIABILITIES AND EQUITY		
Liabilities:		
Salaries and wages payable	\$13,483,820	11,787,078
Payroll deductions and withholdings payable	688,470	688,588
Accounts payable	1,588,738	1,843,788
Due to other funds	608,080	14,378
Other liabilities	88,432	97,378
Deferred overruns	<u>87,838</u>	<u>121,254</u>
Total Liabilities	17,112,478	14,378,642
Equity:		
Fund balance:		
Reserved for encumbrances	285,218	183,288
Unreserved, undesignated	<u>10,820,151</u>	<u>5,884,822</u>
Total Equity	11,215,369	6,087,240
TOTAL LIABILITIES AND EQUITY	\$28,381,852	26,465,802

See accompanying independent auditor's report.

27. THASAMM PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FUND

Schedule of Revenues, Expenditures, and Changes in
Fund Balance Budget and Actual
(NON-STATE FUNDS)
For the Year Ended June 30, 1987

	Budget	Actual	Variance Favorable Unfavorable
REVENUES (Schedule 3)	\$171,188,880	162,803,760	1,874,770
EXPENDITURES (Schedule 4)	152,537,884	149,372,347	3,465,537
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(21,558,892)</u>	<u>(28,408,585)</u>	<u>6,870,187</u>
(OTHER FINANCING SOURCES (USES):			
Other financing sources (Schedule 3)	34,897,832	33,848,835	1,348,187
Other financing uses (Schedule 4)	<u>(2,142,800)</u>	<u>(2,142,800)</u>	
Total other financing sources (uses)	<u>32,755,032</u>	<u>31,706,035</u>	<u>1,348,187</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES (AND OTHER FINANCING USES)	1,211,180	3,056,210	3,824,810
FUND BALANCE AT BEGINNING OF YEAR	5,854,861	5,854,861	None
FUND BALANCE AT END OF YEAR	<u>\$7,066,041</u>	<u>\$8,911,071</u>	<u>3,824,810</u>

See accompanying independent auditor's report.

(3) TARIHOUP PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FUND
Schedule of Revenues and Other Financing Sources
Budget and Actual (200-0000) (2000)
For the Year (2000-June 30, 2001)
With Comparative Total to the Year Ended June 30, 1999

	2000			1999 Actual
	Budget	Actual	Variance Favorable (Adverse)	
REVENUES				
Local sources				
Ad valorem taxes	\$25,000,000	24,777,200	\$22,200	25,004,263
Tuition:				
Elementary school	87,541	100,814	13,274	87,540
College education	50,000	54,500	4,500	50,000
Earnings on investments	1,120,000	1,075,406	(44,594)	1,180,540
Medical services	200,000	200,000		270,700
Other	53,183	50,277	(2,906)	108,872
Total revenues from local sources	26,500,724	26,158,200	(342,524)	27,603,875
State sources:				
Education:	\$2,212,000	\$2,212,000		\$1,600,000
Contributions to:				
Teacher's Retirement	100,124	100,271	1,147	170,000
Revenue sharing	1,071,040	1,071,040		1,000,000
Professional Improvement Program	1,071,000	1,070,771	(229)	1,200,000
Special education	111,040	111,124	84	110,000
Adult education	145,000	145,700	700	144,000
Non public students	407,700	400,000	(7,700)	502,120
Maintenance		341,400	341,400	34,000
Total revenues from state sources	60,838,804	60,883,276	44,472	60,246,140
Federal sources:				
Impact aid - FY 1999-2000				21,400
EOYIC	210,000	200,000	(10,000)	210,000
Adult education	71,000	70,237	(763)	10,000
Total revenues from federal sources	281,000	270,237	(10,763)	330,400
Total revenues	\$27,062,524	\$26,891,713	(170,811)	\$28,280,815
OTHER FINANCING SOURCES				
Debtors levies in:				
1990 Sales Tax Fund	10,400,000	11,000,000	600,000	11,010,000
1977 Sales Tax Fund	10,120,000	10,000,000	(120,000)	10,000,000
School Food Service Fund	100,000	100,470	470	100,000
Interest costs	70,000	68,500	(1,500)	70,000
Total other financing sources	20,690,000	21,168,970	478,970	\$21,210,000
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$47,852,524	\$48,050,683	198,172	\$49,490,815

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

OPERATIONAL 1987
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Plus GAIN Status)
For the Year Ended June 30, 1987
With Comparative Data for the Year Ended June 30, 1986

	1987			1986 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
EXPENSES:				
Regular Ed programs:				
Salaries and benefits	\$4,200,000	\$4,200,000	\$0	\$4,200,000
Materials and books	1,703,718	1,699,899	3,819	1,679,750
Other	41,397	29,993	11,404	26,000
Total Regular Ed programs	\$6,000,000	\$6,000,000	\$0	\$6,000,000
Special Ed programs:				
Salaries and benefits	21,270,000	21,000,000	270,000	21,047,000
Materials and books	40,700	71,844	31,144	60,700
Other	663,202	270,360	392,842	300,000
Total Special Ed programs	22,000,000	21,380,000	620,000	21,710,000
Vocational Ed programs:				
Salaries and benefits	971,000	980,244	9,244	1,000,000
Other	603,000	560,000	43,000	570,000
Total Vocational Ed programs	1,570,000	1,550,000	20,000	1,570,000
Other Instructional programs:				
Salaries and benefits	3,300,000	3,400,000	100,000	3,300,000
Other	340,000	200,000	140,000	340,000
Total other instructional programs	3,640,000	3,600,000	40,000	3,640,000
Special programs salaries and benefits	170,000	60,000	110,000	170,000
Total Ed programs:	\$24,180,000	\$23,680,000	\$500,000	\$24,180,000
Adult Ed programs:				
Salaries and benefits	60,000	60,000	\$0	60,000
Other	30,000	30,000	\$0	30,000
Total Adult Ed programs	90,000	90,000	\$0	90,000
Total instruction	\$24,300,000	\$23,870,000	\$430,000	\$24,300,000
Support activities:				
Facilities:				
Salaries and benefits	600,000	600,000	\$0	600,000
Other	311,700	310,770	930	304,000
Total facilities support	910,000	910,000	\$0	904,000
Instructional support:				
Salaries and benefits	1,200,000	1,100,000	100,000	1,100,000
Materials and books	200,000	200,000	\$0	200,000
Other	500,000	67,000	433,000	500,000
Total instructional support	1,900,000	1,360,000	540,000	1,800,000
General administration:				
Salaries and benefits	600,000	610,000	10,000	600,000
Facilities services	600,000	610,000	10,000	610,000
Other	600,000	600,000	\$0	600,000
Total general administration	1,800,000	1,820,000	20,000	1,810,000

	1997			
	Budget	Actual	Variance (Favorable/Unfavorable)	1996 Actual
General administration:				
Salaries and benefits	\$9,747,377	\$ 9,656,862	(90,515)	\$ 9,554,433
Other	859,499	884,655	25,156	847,348
Total general administration	<u>10,606,876</u>	<u>10,541,517</u>	<u>(65,359)</u>	<u>10,401,781</u>
Business administration:				
Salaries and benefits	671,654	668,834	(2,820)	661,343
Other	968,500	988,880	20,380	931,688
Total business administration	<u>1,640,154</u>	<u>1,657,714</u>	<u>17,560</u>	<u>1,593,031</u>
Operation and maintenance of plant:				
Salaries and benefits	6,797,200	6,699,780	(97,420)	\$ 6,533,707
Utilities	3,449,900	3,737,768	287,868	3,529,395
Other	3,527,607	3,686,742	159,135	3,683,344
Total operation and maintenance of plant	<u>13,774,707</u>	<u>13,524,290</u>	<u>(250,417)</u>	<u>13,746,446</u>
Fuel transportation:				
Salaries and benefits	10,242,024	10,199,260	(42,764)	\$ 9,268,890
Other	278,188	332,479	54,291	319,987
Total fuel transportation	<u>10,520,212</u>	<u>10,531,739</u>	<u>11,527</u>	<u>9,588,877</u>
Capital services:				
Salaries and benefits	881,568	891,371	9,803	\$ 808,654
Other	178,838	488,790	309,952	421,379
Total capital services	<u>1,060,406</u>	<u>1,380,161</u>	<u>319,755</u>	<u>1,230,033</u>
Total support services	<u>11,439,472</u>	<u>10,959,694</u>	<u>(479,778)</u>	<u>10,119,917</u>
Fuel service salaries and benefits	<u>862,544</u>	<u>832,329</u>	<u>(30,215)</u>	<u>782,614</u>
Community service programs other	<u>26,878</u>	<u>31,394</u>	<u>4,516</u>	<u>27,263</u>
Facilities acquisition and construction:				
Salaries and benefits	264,616	176,824	(87,792)	\$ 161,673
Other	654,743	432,993	(221,750)	602,644
Total facilities acquisition and construction	<u>919,359</u>	<u>609,817</u>	<u>(309,542)</u>	<u>764,317</u>
Total expenditures	<u>156,757,394</u>	<u>149,973,347</u>	<u>(6,784,047)</u>	<u>155,697,170</u>
OTHER FINANCING LEASES				
General Services Ltd.				
School Food Services Fund	\$74,000	\$74,000	\$0	\$67,677
Community Education Fund	195,000	120,000	(75,000)	120,000
Housing/Community Fund	600,000	600,000	\$0	600,000
\$50-Million Construction Fund				\$50,000
Debtless Working Fund	840,000	840,000	\$0	840,000
Piedmont Construction Fund	990,000	990,000	\$0	500,000
Total other financing leases	<u>2,149,000</u>	<u>2,714,000</u>	<u>565,000</u>	<u>2,687,677</u>
TOTAL EXPENDITURES AND OTHERS:				
Finance/ING lease				
Total	<u>158,906,394</u>	<u>152,687,347</u>	<u>(6,219,047)</u>	<u>158,384,847</u>

See accompanying independent auditor's report.

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

**SPECIAL REVENUE FUNDS,
Individual Fund Descriptions**

IMPROVING AMERICA'S SCHOOL ACT

Improving America's School Act (IASA) is a federally funded program promulgated by Public Law (PL) 103-382 which consolidated fourteen programs. IASA's purposes are to ensure high standards for all students, provide students with an enriched and accelerated educational program, provide staff development, and to align the efforts of state and local educational agencies.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT

Individuals with Disabilities Education Act (IDEA), Public Law (PL) 101-076, is a federally financed program of free public education in the least restrictive environment for children with exceptionalities.

VOCATIONAL EDUCATION

The Vocational Education (Voc Ed) Fund is a federally financed program used to expand and improve the agriculture, business, home economics, marketing and industrial arts curriculum.

MISCELLANEOUS PROGRAMS

The Miscellaneous Programs Fund is used to account for those programs that are anticipated to have a short duration. For fiscal year 1997, Arts in Education, Child Search, Starting Points, School to Work, Learn and Serve America, Educate America Act, GRADS SAFE, Tech Prep and National Science are among those accounted for in this fund.

B-G

The B-G Fund is a state program to provide enhancement to elementary, secondary and vocational programs funded through the State Minimum Foundation Program.

SCHOOL FOOD SERVICE FUND

The School Food Service Fund accounts for the federal, state and local funds used for the operations of the school cafeterias.

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

SPECIAL REVENUE FUNDS (CONTINUED)

1966 AND 1977 SALES TAX FUNDS

The Sales Tax Funds account for the revenues and expenditures of the two per cent tax authorized by the voters of St. Tammany Parish for the School Board. The 1966 tax is dedicated to supplement other revenues available to the School Board for the payment of salaries of teachers and other School Board personnel and any remaining revenues to be used for the expenses of operating the schools. The 1977 tax is dedicated for making capital improvements to and paying maintenance and operating expenses of the public school system of the parish. The School Board has entered into an agreement with the St. Tammany Parish Tax Collector for the collection of the tax for a 1.15 per cent fee.

COMMUNITY EDUCATION

The Community Education Fund is a locally funded program that offers a wide variety of informal leisure learning classes and activities for children and adults in St. Tammany Parish.

ST. THOMAS' PARISH SCHOOL BOARD
 Chalmette, Louisiana

SPECIAL REVENUE FUNDS

Comparing Balance Sheet
 June 30, 1997
 With Comparative 1996 (to June 30, 1996)

	1996	1996	1996	1996	1996
	1996	1996	1996	1996	1996
ASSETS					
Cash and non-expendable					
Reserves	177,128	47,948	89,884	107,280	127,280
Due from other funds	412,090	-----	-----	-----	-----
Inventory	-----	-----	-----	-----	-----
TOTAL ASSETS	\$1,144,714	\$21,948	\$89,884	\$207,280	\$254,560
LIABILITIES AND EQUITY					
<i>Liabilities</i>					
Salaries and wages payable	204,220	48,400	1,716	23,875	888
Accounts payable	109,798	17,288	600	8,704	1,387
Due to other funds	877,848	348,487	43,480	50,000	109,448
Other liabilities	-----	-----	-----	-----	-----
Deferred revenues	10,508	-----	-----	29,800	4,079
Total Liabilities	1,199,720	\$21,948	\$89,884	\$207,280	\$222,280
<i>Equity</i>					
<i>Fund Reserves:</i>					
Reserved for inventory	-----	-----	-----	-----	-----
Unreserved, undesignated	-----	-----	-----	-----	-----
Total Equity	-----	-----	-----	-----	-----
TOTAL LIABILITIES AND EQUITY	\$1,144,714	\$21,948	\$89,884	\$207,280	\$222,280

See accompanying independent auditor's report.

Statement B

School Food Service	1995 Sales Tax	1977 Sales Tax	Community Education	Totals	
				1997	1998
1,881,180	3,210	4,508	141,847	1,890,337	1,890,413
70,379	1,766,034	1,766,034		3,114,150	4,483,777
404,877		37,816		800,139	714,308
<u>301,442</u>				<u>301,442</u>	<u>173,678</u>
2,388,878	3,880,244	3,807,362	343,694	5,617,131	6,682,202
19,201			88,783	180,871	141,559
19,143	30,824	30,824		108,201	169,834
55,808	1,714,627	662,642	871	4,017,728	3,763,848
35,215				35,215	21,480
<u>95,048</u>				<u>100,179</u>	<u>148,823</u>
195,216	1,785,451	693,466	88,733	4,661,045	4,284,997
89,395				89,395	84,248
<u>2,892,747</u>	<u>3,987</u>	<u>1,831,888</u>	<u>32,264</u>	<u>3,173,897</u>	<u>3,612,683</u>
2,118,849	3,987	1,770,589	32,859	3,265,892	3,071,899
2,200,737	1,890,249	1,831,152	341,843	5,937,328	6,693,322

Statement

1999 Dollars, 000	1977 Dollars, 000	Community Development	Total	
			1997	1998
10,000,000	10,000,000	10,000	37,000,000	30,100,000
		100,000	11,000	11,000
			641,000	410,000
100,000	10,000		200,000	170,000
			1,100,000	1,000,000
			10,000	10,000
			1,100,000	1,000,000
			1,100,000	1,000,000
10,000,000	10,000,000	100,000	38,000,000	31,100,000
			400,000	300,000
			170,000	100,000
			240,000	170,000
			200,000	100,000
			1,000,000	1,000,000
			10,000	10,000
100,000	100,000		400,000	300,000
			100,000	100,000
			100,000	100,000
			100,000	100,000
		100,000	1,000,000	1,000,000
			100,000	100,000
100,000	100,000	100,000	1,000,000	1,000,000
10,000,000	10,000,000	100,000	38,000,000	31,100,000
			1,000,000	1,000,000
(10,000,000)	(10,000,000)	---	(10,000,000)	(10,000,000)
10,000,000	10,000,000	100,000	38,000,000	31,100,000
100,000	100,000	100,000	100,000	100,000
1,000	100,000	100,000	1,000,000	1,000,000
1,000	1,000,000	100,000	1,000,000	1,000,000

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

ASA Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$4,892,000	6,802,180	(\$1,910)
EXPENDITURES			
Instruction:			
Regular Ed programs	88,888	87,688	1,200
Special programs	2,474,704	2,470,182	4,522
Support services:			
Facilities support	714,255	888,005	1,730
Instructional staff support	848,828	840,205	8,623
General administration	30,880	30,084	796
Operation and maintenance of plant	135,125	135,785	660
Plant transportation	10,885	10,732	153
Total expenditures	4,283,685	4,368,681	(\$84,996)
EXCESS OF REVENUES OVER EXPENDITURES	608,315	81,500	(\$526,815)
OTHER FINANCING USES			
Operating transfers out	(184,000)	(87,000)	97,000
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	None	None	None
FUND BALANCE AT BEGINNING OF YEAR	None	None	None
FUND BALANCE AT END OF YEAR	None	None	None

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

IEBA Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Local sources-other	22,000	2,000	
Federal sources	1,820,127	1,819,244	(11,503)
Total revenues	1,820,127	1,821,244	(11,503)
EXPENDITURES:			
Inclusion-special Ed programs	730,000	727,767	2,233
Support services:			
Pupil support	328,218	324,884	3,334
Instructional staff support	328,813	328,871	(558)
General administration	24,418	24,272	146
Operation and maintenance of plant	18,728	18,815	(87)
Pupil transportation	189,858	189,801	57
Total expenditures	1,580,611	1,580,620	9
EXCESS OF REVENUES OVER EXPENDITURES	41,738	41,734	(4)
OTHER FINANCING USES:			
Operating transfers-out	(41,738)	(41,734)	4
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	NONE
FUND BALANCE AT END OF YEAR	NONE	NONE	NONE

See accompanying independent auditor's report.

Statement 2

ST. TAMMANY PARISH SCHOOL BOARD
Covington, LouisianaVocational Education Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	202,054	249,450	(19,494)
EXPENDITURES			
Instruction-vocational Ed programs	202,730	240,352	15,454
Support services-general administration	150	158	
Total expenditures	202,884	240,510	15,454
EXCESS OF REVENUES OVER EXPENDITURES	NOAE	NOAE	NOAE
FUND BALANCE AT BEGINNING OF YEAR	...NONE	...NONE	...NONE
FUND BALANCE AT END OF YEAR	...NONE	...NONE	...NONE

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Miscellaneous Programs Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Earnings on investments	\$438	438	
Other	28,207	17,899	(7,247)
State sources - other	22,544	22,540	(20)
Federal sources	291,817	288,728	(1,891)
Total revenues	240,810	219,805	(18,498)
EXPENDITURES			
Instruction:			
Regular Ed programs	104,842	102,850	9,150
Other instructional programs	18,823	18,806	17
Special programs	87,580	88,768	(2,711)
Support services:			
Pupil support	50,890	49,897	993
Instructional staff support	28,818	28,833	(15)
General administration	247	247	
Operation and maintenance of plant	4,580	4,500	80
Total expenditures	232,880	217,211	15,669
EXCESS OF REVENUES OVER EXPENDITURES	8,098	7,847	(251)
OTHER FINANCING USES			
Operating transfers out	(8,098)	(7,847)	(251)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	NONE
FUND BALANCE AT END OF YEAR	NONE	NONE	NONE

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

EO Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
State sources other	\$470,319	458,465	(11,854)
EXPENDITURES			
Instruction:			
Regular EO programs	148,780	147,483	1,297
Special EO programs	24,816	23,783	1,033
Vocational EO programs	649	649	
Other instructional programs	218,983	209,621	9,362
Special programs	68,125	64,177	3,948
Support services:			
Instructional staff support	17,091	16,862	229
Total expenditures	470,319	458,468	11,851
EXCESS OF REVENUES OVER EXPENDITURES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	NONE
FUND BALANCE AT END OF YEAR	NONE	NONE	NONE

(See accompanying independent auditor's report.)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

School Food Service Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1987

	Budget	Actual	Variance Favorable (Adverse)
REVENUES			
Local sources:			
Earnings on investments	\$45,000	\$1,194	\$2,704
Food service	2,394,470	2,228,022	\$2,712
Other	5,000	71,280	\$5,000
State sources - Equalization	1,183,518	1,183,518	
Federal sources	4,317,024	4,289,875	(\$28,000)
Total revenues	7,855,012	7,803,489	\$51,523
EXPENDITURES			
Food service	8,494,002	8,275,898	\$79,804
DEFICIENCY OF REVENUES OVER EXPENDITURES	(\$638,990)	(\$469,370)	\$129,000
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,288,000	1,288,000	
Operating transfers out	(788,000)	(788,000)	
Total other financing sources (uses)	1,288,000	1,288,000	
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$64,560	\$94,140	\$129,000
FUND BALANCE AT BEGINNING OF YEAR	1,888,383	3,888,383	\$1,000,000
FUND BALANCE AT END OF YEAR:	\$2,532,943	\$3,982,523	\$1,000,000

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

1998 Sales Tax Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Taxes-sales and use	\$18,340,110	16,850,155	(\$1,490,000)
Earnings on investments	51,850	68,648	16,798
Total revenues	18,391,960	16,918,803	(\$1,473,157)
EXPENDITURES			
Support services-general administration	331,850	318,127	13,723
EXCESS OF REVENUES OVER EXPENDITURES	18,060,110	16,600,676	(\$1,459,434)
OTHER FINANCING USES			
Operating transfers out	(18,178,870)	(18,344,870)	165,900
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	5,000	5,000	0
FUND BALANCE AT END OF YEAR	\$5,000	\$5,000	0

See accompanying independent auditor report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

1877 State Tax Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Taxes, rates and use	\$48,947,710	48,683,955	(263,755)
Earnings on investments	81,800	73,875	(7,925)
Total revenues	49,029,510	48,757,830	(271,680)
EXPENDITURES			
Support services-general administration	231,800	218,527	13,273
EXCESS OF REVENUES OVER EXPENDITURES	48,797,710	48,539,303	(258,407)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	137,800	142,865	5,065
Operating transfers out	(18,328,808)	(18,328,281)	520,527
Total other financing sources (uses)	(18,191,008)	(18,185,416)	5,592
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	30,606,702	30,353,887	(252,815)
FUND BALANCE AT BEGINNING OF YEAR	370,859	370,859	NONE
FUND BALANCE AT END OF YEAR	\$1,153,558	1,153,558	NONE

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Community Education Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Rentals, leases and royalties	\$10,000	10,100	100
Tuition	540,000	542,880	2,880
Total revenues	550,000	552,980	2,980
EXPENDITURES			
Community service programs	680,250	527,860	152,390
DEFICIENCY OF REVENUES OVER EXPENDITURES	(130,250)	(94,880)	35,370
OTHER FINANCING SOURCES:			
Operating transfers in	120,000	120,000	NONE
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	1,750	25,120	23,370
FUND BALANCE AT BEGINNING OF YEAR	37,392	37,392	NONE
FUND BALANCE AT END OF YEAR	39,142	62,512	23,370

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA

DEBT SERVICE FUNDS
Individual Fund Descriptions

SALES TAX BOND SINKING

The Sales Tax Bond Sinking Fund is used for the repayment of bonds secured by a one percent sales and use tax.

SALES TAX BOND RESERVE

The Sales Tax Bond Reserve Fund is used to accumulate resources for the purpose of paying the principal and interest on the bonds secured by a one percent sales and use tax, that would otherwise be placed in default, as required by the bond agreement.

CERTIFICATES SINKING

The Certificates Sinking Debt Service Fund is used for the repayment of certificates of indebtedness secured by an irrevocable pledge of a special General Fund ad valorem tax of 4.47 mills.

PARISHWIDE SCHOOL DISTRICT NO. 12

The Parishwide School District No. 12 Debt Service Fund is used for the repayment of bonds secured by unlimited ad valorem taxes within the District.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

DEBT SERVICE FUNDS

Combining Balance Sheet
June 30, 1997

1996 Comparative Totals for June 30, 1996

	State Tax Bond Refunding	State Tax Bond Revenue	Certificate Refunding
ASSETS			
Cash and cash equivalents	\$500,000	1,850,000	16,441
Receivables	3,485	27,239	
Due from other funds	189,589		
TOTAL ASSETS	\$693,074	1,877,239	16,441
LIABILITIES AND EQUITY			
Liabilities:			
Due to other funds	\$9,150	26,000	
Matured bonds and interest payable			
Total Liabilities	9,150	26,000	16,441
Equity:			
Fund balances reserved for debt service	683,924	1,850,000	16,441
TOTAL LIABILITIES AND EQUITY	\$693,074	1,877,239	16,441

See accompanying independent auditor's report.

Exhibit 10.

Parsons School District No. 12	Totals	
	1991	1990
6,259,264	6,662,742	6,980,407
300,811	420,844	154,626
-----	398,889	218,227
6,617,872	7,120,815	7,400,360
	37,816	37,376
-----	-----	60,642
6,648	37,816	711,872
6,617,872	6,154,157	7,205,968
6,617,872	6,154,072	7,205,168

ST. TAMMANY PARISH SCHOOL BOARD
Cottongen, Louisiana

DEBT SERVICE FUND

Comparing Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997
with Comparative Totals for the Year Ended June 30, 1996

	Sales Tax Bond Issuance	Sales Tax Bond Reissue	Certificates Issuance
REVENUES			
Local sources:			
Taxes and rentals			
Earnings on investments	108,208	100,895	778
Total revenues	<u>108,208</u>	<u>100,895</u>	<u>778</u>
EXPENDITURES			
Current:			
Support services-general administration			
Debt service:			
Principal retirement	1,000,000		985,000
Interest and bond charges	908,845		794,081
Insurance cost			
Total expenditures	<u>1,908,845</u>	<u>908,845</u>	<u>1,779,081</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,800,637)</u>	<u>100,895</u>	<u>(998,303)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sale			
Approved interest received			
Operating transfers in	1,075,790	49,888	848,200
Operating transfers out	<u>(28,255)</u>	<u>(100,000)</u>	
Payment to issuer agent			
Total other financing sources (uses)	<u>1,047,535</u>	<u>(50,112)</u>	<u>848,200</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>246,868</u>	<u>49,888</u>	<u>1,500</u>
FUND BALANCES AT BEGINNING OF YEAR	500,000	1,800,000	70,514
FUND BALANCES AT END OF YEAR	<u>746,868</u>	<u>1,849,888</u>	<u>72,014</u>

See accompanying independent auditor's report.

Statement 11

Parishwide School District No. 32	Totals	
	1987	1986
8,008,000	9,008,000	8,294,000
<u>595,897</u>	<u>640,728</u>	<u>582,121</u>
13,355,879	10,488,728	8,658,655
215,498	215,498	200,894
4,078,000	4,830,000	4,875,000
4,347,041	5,042,887	4,840,583
<u>58,287</u>	<u>99,283</u>	<u> </u>
8,732,751	11,541,657	10,180,187
3,813,219	11,047,898	11,488,341
7,415,000	7,415,000	
283,584	337,384	
	2,877,864	3,414,278
	(143,880)	(104,797)
(7,403,836)	(7,415,816)	<u> </u>
291,125	2,889,723	3,289,479
1,884,843	1,278,788	1,784,108
6,747,829	7,208,308	8,681,208
20,811,622	22,154,127	2,208,368

ST TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Sales Tax Bond Sinking Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources earnings on investments	\$41,800	39,200	(2,600)
EXPENDITURES			
Debt service:			
Principal retirement	1,000,000	1,000,000	
Interest and bank charges	381,045	379,845	1,200
Total expenditures	1,381,045	1,379,845	1,200
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,339,245)	(1,339,245)	0.000
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,878,790	1,878,790	
Operating transfers out	(470,000)	(458,790)	1,200
Total other financing sources (uses)	1,408,790	1,420,000	1,210
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	69,545	4,955	64,590
FUND BALANCE AT BEGINNING OF YEAR	581,850	581,850	0.000
FUND BALANCE AT END OF YEAR	651,395	586,805	64,590

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Sales Tax Bond Reserve Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources earnings on investments	\$80,000	70,000	7,000
OTHER FINANCING SOURCES (USES)			
Operating transfers in	40,000	40,000	
Operating transfers out	(200,000)	(100,000)	(7,000)
Total other financing sources (uses)	(160,000)	(60,000)	(7,000)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER OTHER FINANCING USES	40,000	40,000	NONE
FUND BALANCE AT BEGINNING OF YEAR	1,800,000	1,800,000	NONE
FUND BALANCE AT END OF YEAR	\$1,880,000	1,880,000	NONE

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Certificate Bonding Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable
REVENUES			
Local courses-earnings on investments	<u>9,990</u>	<u>779</u>	<u>1,179</u>
EXPENDITURES			
Debt service:			
Principal retirement	595,000	595,000	
Interest and bank charges	<u>217,200</u>	<u>209,061</u>	<u>2,149</u>
Total expenditures	<u>812,200</u>	<u>804,061</u>	<u>2,149</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(802,210)	(806,273)	2,067
OTHER FINANCING SOURCES			
Operating transfers in	<u>849,200</u>	<u>849,200</u>	<u>None</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	46,990	42,927	2,067
FUND BALANCE AT BEGINNING OF YEAR	18,574	18,574	None
FUND BALANCE AT END OF YEAR	\$65,564	\$61,501	\$2,067

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Parishwide School District No. 10 (2004 Revenue Fund)
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2007

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Fees of visitors	\$0,000,187	0,000,000	180,817
Earnings on investments	320,000	286,893	71,981
Total revenues	\$0,320,187	\$0,286,893	283,798
EXPENDITURES			
Support services-general administration			
Costs services:			
Principal retirement	4,070,000	4,070,000	
Interest and bank charges	4,204,858	4,247,971	6,000
Insurance-cost	80,281	80,281	(7000)
Total expenditures	8,355,139	8,398,252	6,000
EXCESS OF REVENUES OVER EXPENDITURES	1,803,881	1,803,218	209,821
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sale	7,475,000	7,475,000	
Accrued interest received	203,884	203,884	
Payments to revenue agent	(7,435,000)	(7,435,000)	
Total other financing sources (uses)	343,884	343,884	NONE
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,849,265	1,849,265	209,821
FUND BALANCE AT BEGINNING OF YEAR	4,792,328	4,792,328	
FUND BALANCE AT END OF YEAR	\$0,400,234	\$0,111,872	209,820

See accompanying independent auditor's report.

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

**CAPITAL PROJECTS FUNDS
Individual Fund Descriptions**

\$26.5 MILLION CONSTRUCTION

The \$26.5 Million Construction Fund is used to account for the \$26.5 million in bond proceeds for the construction and renovation of schools.

\$50.0 MILLION CONSTRUCTION

The \$50.0 Million Construction Fund is used to account for the \$50.0 million in bond proceeds for the construction and renovation of schools.

CERTIFICATE CONSTRUCTION

The Certificate Construction Fund is used to account for the \$8 million of certificates of indebtedness issued for the construction of Frenscholtz Junior High School.

\$25 MILLION CONSTRUCTION

The \$25 Million Construction Fund is used to account for the \$25 million in bond proceeds for the construction and renovation of schools.

BUILDING COMMITTEE

The Building Committee Fund accounts for the appropriations from the 1977 Sales Tax Special Revenue Fund and is used for unforeseen incidental projects not to exceed \$5,000.

ROOFING CONSTRUCTION

The Roofing Construction Fund is used to account for the appropriation from the General Fund to provide for a systematic roofing replacement program of school facilities.

PARISHWIDE CONSTRUCTION

The Parishwide Construction Fund accounts for the appropriations from the 1977 Sales Tax Special Revenue Fund and the General Fund and is used for School Board prioritized construction throughout the school system.

ST. THOMAS FISH SCHOOL BOARD
 Covington, Louisiana

CAPITAL PROJECTS FUND

Combining Balance Sheet
 June 30, 1997

With Comparative Totals for June 30, 1996

	\$28.5 Million Construction	\$58 Million Construction	Certificates Construction	\$28 Million Construction
ASSETS				
Cash and cash equivalents	\$17,736	4,606,177	228,078	20,280,012
Receivables	-----	43,848	-----	282,882
Due from other funds	-----	-----	-----	-----
TOTAL ASSETS	\$17,736	4,650,025	228,078	20,562,894
LIABILITIES AND EQUITY				
Liabilities:				
Accounts payable	-----	6,788	4,282	4,508
Retainage payable	-----	285,064	124,782	285,828
Due to other funds	-----	-----	-----	-----
Total Liabilities	NONE	291,852	129,064	290,336
Equity:				
Fund balances:				
Reserves for contingencies	-----	1,715,760	47,142	8,188,078
Unreserved, undesignated	17,736	2,839,362	58,507	18,872,118
Total Equity	17,736	4,555,122	105,649	20,052,196
TOTAL LIABILITIES AND EQUITY	\$17,736	4,846,978	234,713	20,792,092

See accompanying independent auditors' report.

Building Committee	Housing Construction	Parkways Construction	Totals	
			1992	1993
17,813	118,808	455,483	29,402,897	14,608,882
(5,088)	1,120	949	438,888	15,894
_____	44,817	517,882	29,841,785	14,762
22,825	164,725	1,015,883	27,670,213	14,820,788
	18,888	2,294	37,587	44,668
	47,824	48,811	685,005	477,288
_____	7,878	4,783	12,878	183,428
19,946	76,808	53,665	915,171	624,320
	90,288	67,830	7,881,588	5,788,217
23,812	595,888	884,218	19,483,488	8,285,538
22,812	888,883	1,012,048	20,588,048	14,870,888
22,812	788,871	1,015,883	21,670,213	14,885,128

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1997

With Comparative Totals for the Year Ended June 30, 1996

	\$20.5 Million Construction	\$50.0 Million Construction	Capital Construction	\$20 Million Construction
REVENUES				
Local sources				
Earnings on investments	800	460,000	47,400	1,170,000
EXPENDITURES				
Facilities acquisition and construction:				
Site improvements		400,740	3,400	104,000
Construction contracts		5,126,000	2,022,000	4,724,500
Architect and engineers		370,100	49,200	380,400
Land purchases				271,000
Equipment	3,000	87,000	150,200	
Other		11,000	200	60,000
Nonrecourse cost				30,000
Total expenditures	3,000	5,914,840	2,211,700	5,684,000
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,140)	(5,740,000)	(2,164,300)	(4,514,000)
OTHER FINANCING SOURCES				
Proceeds from bond sale				20,000,000
Operating transfers in				
Total other financing sources	800	460,000	47,400	20,000,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(240)	(5,240,000)	(2,116,900)	20,000,000
FUND BALANCES AT BEGINNING OF YEAR	18,861	9,087,000	2,389,273	60,000
FUND BALANCES AT END OF YEAR	\$17,220	\$4,246,900	\$8,880	\$20,000,000

See accompanying independent auditor's report.

Building Construction	Fencing Construction	Partnership Construction	Total	
			1987	1988
791	40,734	30,600	1,733,888	549,890
	803,000	346,880	1,042,870	716,298
	80,680	647,228	13,587,338	5,760,548
		84,071	919,200	880,148
7,076		26,147	271,880	
	1,880	2,360	250,288	281,076
			71,472	58,712
			30,288	87,662
1,270	919,888	1,288,641	18,846,179	8,490,400
(6,520)	(877,240)	(675,861)	(16,388,818)	(7,654,640)
	500,000	3,890,000	21,000,000	
			1,079,800	2,270,000
40,640	500,000	3,890,000	26,649,800	2,270,000
(8,824)	(107,294)	714,019	12,454,787	(1,284,040)
29,816	1,417,787	848,021	14,870,888	16,504,850
22,812	880,880	262,040	26,220,000	14,070,850

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

\$20.0 Million Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable
REVENUES			
Local sources-earnings on investments	\$750	690	70
EXPENDITURES			
Facilities acquisition and construction:			
Equipment	17,480	688	16,744
Other	____ 978	_____	____ 978
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(17,908)	170	17,738
FUND BALANCE AT BEGINNING OF YEAR	12,568	12,568	9000
FUND BALANCE AT END OF YEAR	9068	12,738	12,738

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
 Covington, Louisiana

800 Million Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Items)
 For the Year Ended June 30, 2007

	Budget	Actual	Variance Favorable (\$/Advantage)
REVENUES			
Local sources—earnings on investments	200,000	420,962	220,962
EXPENDITURES			
Facilities acquisition and construction:			
Site improvements	750,000	750,220	(8,220)
Construction contracts	4,650,000	3,742,519	907,481
Architects and engineers	450,000	180,277	269,723
Equipment	400,000	97,289	302,711
Other	30,000	17,900	12,100
Total expenditures	<u>6,280,000</u>	<u>4,738,205</u>	1,541,795
DEFICIENCY OF REVENUES OVER EXPENDITURES	(6,080,000)	(4,300,837)	1,779,163
FUND BALANCE AT BEGINNING OF YEAR	9,822,820	9,822,820	NONE
FUND BALANCE AT END OF YEAR	<u>\$3,742,820</u>	<u>5,521,983</u>	1,220,983

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Certificates Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable
REVENUES:			
Local sources/earnings on investments	\$45,000	47,458	2,458
EXPENDITURES:			
Facilities acquisition and construction:			
Construction contracts	100,000	84,858	15,142
Architects and engineers	5,800	5,800	—
Equipment	70,800	52,840	17,960
Other	725	807	(82)
Total expenditures	177,325	144,305	33,020
DEFICIENCY OF REVENUES OVER EXPENDITURES	(132,325)	(140,438)	8,113
FUND BALANCE AT BEGINNING OF YEAR	102,220	102,220	—
FUND BALANCE AT END OF YEAR	—	61,782	61,782

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

425 Million Construction Capital Projects Fund
Schedule of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1997

	Budget	Actual	Variance (Excess)
REVENUE			
Local source-earnings on investments	\$1,200,000	1,270,000	70,000
EXPENDITURES			
Facilities acquisition and construction:			
Site improvements	200,000	104,869	100,131
Construction contracts	11,800,000	9,407,825	1,900,175
Architects and engineers	700,000	734,805	34,805
Land acquisition	300,000	271,000	29,000
Other	100,000	50,000	50,000
Bond issuance cost	50,000	50,000	—
Total expenditures	12,850,000	10,764,621	1,885,473
DEFICIENCY OF REVENUES OVER EXPENDITURES	(11,650,000)	(9,494,621)	1,950,371
OTHER FINANCING SOURCES			
Proceeds from bond sales	20,000,000	20,000,000	—
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	10,000,000	10,505,371	1,950,371
FUND BALANCE AT BEGINNING OF YEAR	—	—	—
FUND BALANCE AT END OF YEAR	\$10,000,000	\$10,505,371	1,950,371

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Building Committee Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable
REVENUES			
Local student earnings on investments	\$700	700	0
EXPENDITURES			
Facilities acquisition and construction:			
Site improvements	5,000		5,000
Land acquisitions	3,500		3,500
Equipment	28,000	7,275	20,725
Other	700		700
Total expenditures	38,000	7,275	30,725
DEFICIENCY OF REVENUES OVER EXPENDITURES	(37,300)	(6,575)	30,725
FUND BALANCE AT BEGINNING OF YEAR	29,358	29,358	None
FUND BALANCE AT END OF YEAR	None	22,783	22,783

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Bonding Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)

For the Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources-earnings on investments	\$28,280	\$0,734	\$ 734
EXPENDITURES			
Facilities acquisition and construction:			
Construction contracts	1,080,800	437,748	\$643,051
Architects and engineers	70,000	81,837	(11,837)
Other	3,800	1,268	2,532
Total expenditures	1,154,600	\$25,853	\$1,128,747
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,126,320)	(480,208)	\$646,112
OTHER FINANCING SOURCES			
Operating transfers in	\$50,000	\$50,000	— (NONE)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(1,076,320)	\$0,700	\$1,077,020
FUND BALANCE AT BEGINNING OF YEAR	\$23,870	\$23,870	— (NONE)
FUND BALANCE AT END OF YEAR	\$27,550	\$24,570	\$3,980

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Parishwide Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1987

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources-earnings on investments	827,000	82,680	8,890
EXPENDITURES			
Facilities acquisition and construction:			
Site improvements	1,940,000	234,280	170,720
Construction contracts	675,000	828,817	148,485
Architects and engineers	180,000	85,783	94,217
Equipment	20,000	34,322	(14,322)
Other	5,000	2,353	2,647
Total expenditures	3,680,000	985,455	887,880
DEFICIENCY OF REVENUES OVER EXPENDITURES	(2,853,000)	(898,488)	863,515
OTHER FINANCING SOURCES			
Operating transfers in	1,098,000	1,098,000	NONE
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(755,000)	148,515	863,515
FUND BALANCE AT BEGINNING OF YEAR	723,685	723,685	...NONE
FUND BALANCE AT END OF YEAR	\$68	\$65,200	\$65,200

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

PROPRIETARY FUND TYPE
INTERNAL SERVICE FUNDS

Combining Statement of Revenues, Expenses, and
Changes in Retained Earnings
For the Year Ended June 30, 1997
With Comparative Totals for the Year Ended June 30, 1996

	Workers' Compensation	Risk Management	Totals	
			1997	1996
OPERATING REVENUES				
Employer contributions	\$1,207,119	1,284,848	2,491,967	2,448,870
Insurance proceeds	—	83,708	83,708	629,854
Total operating revenues	<u>1,207,119</u>	<u>1,368,556</u>	<u>2,575,675</u>	<u>3,078,724</u>
OPERATING EXPENSES				
Contractual services	164,675	118,800	283,475	187,287
Premium payments	511,660	787,354	1,299,014	808,830
Benefit Payments	881,273	—	881,273	871,369
Claims	—	558,690	558,690	828,627
Decrease in provision for self-insurance losses	(148,088)	(134,800)	(282,888)	(748,430)
Other operating expenses	—	8,918	8,918	8,885
Total operating expenses	<u>908,505</u>	<u>1,297,052</u>	<u>2,217,363</u>	<u>2,748,730</u>
OPERATING INCOME	298,614	81,504	380,118	834,718
NON-OPERATING REVENUES				
Earnings on investments	86,804	138,780	225,584	187,270
NET INCOME	385,418	220,284	605,702	1,021,988
RETAINED EARNINGS AT BEGINNING OF YEAR	—	—	1,884,487	502,000
RETAINED EARNINGS AT END OF YEAR	<u>\$1,028,979</u>	<u>1,215,725</u>	<u>2,215,694</u>	<u>1,888,487</u>

See accompanying independent auditor's report.

ST. THOMAS PARISH SCHOOL BOARD
 CONCORD, LOUISIANA

PROFESSORIAL FUND TYPE
 INTERNAL SERVICE FUNDS

Comparative Statement of Cash Flows
 For the Year Ended June 30, 1997
 With Comparative Totals for the Year Ended June 30, 1996

	Workers' Compensation	Risk Management	Totals	
			1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from employer contributions	\$1,085,703	1,277,840	2,363,543	2,108,778
Insurance proceeds		95,795	95,795	600,268
Cash payments for:				
Benefits and claims	(548,495)	(585,435)	(1,133,930)	(1,774,864)
Insurance premiums	(171,887)	(707,204)	(879,091)	(808,628)
Other	(154,815)	(122,731)	(277,546)	(171,884)
Net cash provided (used) by operating activities	18,506	(484,435)	(465,929)	894,186
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on investments	87,890	119,898	207,788	167,204
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	106,396	(364,537)	141,859	1,061,390
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,697,632	2,499,794	4,197,426	2,857,847
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$1,804,028	2,135,257	3,939,285	3,919,237
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income	\$697,112	\$1,861	698,973	654,378
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Decrease in provision for self-insurance losses	(148,086)	(584,804)	(732,890)	(148,420)
Changes in assets and liabilities (decrease) increase in receivables	(171,887)	7,800	(164,087)	(244,710)
Increase (decrease) in payables	1,726	(19,266)	(17,540)	117,431
Decrease in deferred revenue				(325,834)
Net cash provided (used) by operating activities	18,506	(484,435)	(465,929)	894,186

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

SCHOOL ACTIVITY AGENCY FUND

Balance Sheet

June 30, 1997

With Comparative Totals for June 30, 1996

	TOTALS	
	1997	1996
ASSETS		
Cash and cash equivalents	\$2,324,326	2,128,326
LIABILITIES		
Deposits due others	\$2,324,326	2,128,326

(See accompanying independent auditor's report.)

ST. TAMMANY PARISH SCHOOL BOARD
 Covington, Louisiana

SCHOOL ACTIVITY AGENCY FUND

Statement of Changes in Assets and Liabilities
 Year Ended June 30, 1997

	Balance July 1, 1995	Additions	Deductions	Balance June 30, 1997
ASSETS				
Cash and cash equivalents	\$2,128,398	\$,328,852	\$,192,825	2,264,425
LIABILITIES				
Deposits due others	\$2,128,398	\$,328,852	\$,192,825	2,264,425

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule 25

SCHOOL ACTIVITY AGENCY FUND

Schedule of Changes in Deposits
By School
For the Year Ended June 30, 1987

School	Balance July 1, 1986	Additions	Deductions	Balance June 30, 1987
Abbeville Elementary	\$4,947	47,712	81,807	2,852
Ada Springs Elementary	23,778	85,371	86,715	22,434
Alway Elementary	24,284	131,487	130,884	24,887
Alton Elementary	508	77,649	61,888	2,308
Bays/Wisdom Elementary	13,881	88,817	85,127	17,571
Bonne-Ecole Elementary	27,778	148,250	154,871	21,157
Brink Elementary	17,268	28,828	23,284	12,812
Charlotte Elementary	8,848	57,738	57,388	7,208
Chapman Elementary	46,872	80,820	121,181	16,511
Covington Elementary	17,268	85,268	84,878	18,658
Cypress Cove Elementary	11,828	28,078	37,071	12,828
Florida Ave. Elementary	8,723	57,252	63,888	2,907
Foucault Elementary	23,812	100,888	110,288	24,412
French Island Elementary	27,278	79,588	79,728	27,138
Lynn Elementary	18,484	88,821	90,752	26,553
Madisonville Elementary	25,725	152,888	143,877	28,734
Madisonville Elementary	84,287	220,782	225,875	89,194
Marquette Elementary	74,581	54,825	61,882	67,524
Shaping Point Elementary	17,828	78,228	88,484	27,572
Wysokula Elementary	22,957	182,788	182,887	12,858
Carrollton Special Ed.	283	8,828	4,821	708
Ada Springs Middle	26,843	47,282	88,878	23,247
Bayou LaCrosse Middle	12,247	24,274	25,884	11,637
Canby Park Middle	28,488	187,881	208,288	7,081
Lake Oak Middle	28,823	158,288	158,784	28,328
Marquette Middle	48,848	297,882	328,788	28,948
Pine View Middle	5,254	47,821	48,888	2,191
Johnson, C.J. Middle	18,788	27,723	22,778	23,733
Turkeyville Middle	88,258	182,788	188,482	28,563
Byrd J. High	88,888	182,228	187,888	83,228
Clemson J. High	26,778	27,182	28,888	25,072
Fish View J. High	47,224	88,742	87,888	48,078
Palmer J. High	8,844	88,888	47,787	49,944
Franklin J. High	0	188,428	144,228	54,200
Lee Road J. High	2,847	182,788	182,411	3,212
Madisonville J. High	28,778	188,148	172,752	44,174
Madisonville J. High	83,828	288,881	288,888	83,821
Paul River J. High	18,288	87,787	88,728	17,347
Palmer J. High	24,888	177,288	184,877	17,300
St. Thibault J. High	82,811	187,288	188,221	79,878
East Wood J. High	18,887	74,428	74,888	18,427
Stodd J. High	64,888	178,888	188,228	155,548
Covington High	211,254	702,277	652,288	261,241
Franklinville High	102,184	428,882	502,878	128,188
Madisonville High	228,288	534,888	582,248	280,927
Northwest High	108,828	488,278	377,287	219,828
Paul River High	54,772	278,288	248,878	77,242
Palmer High	128,888	548,788	488,128	189,548
Stodd High	128,774	378,828	378,888	128,714
TOTAL	\$2,288,288	\$2,828,822	\$2,828,822	\$2,288,282

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of General Fixed Assets--By Source
June 30, 1987

General fixed assets:	
Land	\$5,005,183
Buildings and improvements	188,058,057
Furniture and equipment	28,478,764
Construction in progress	<u>17,329,627</u>
Total general fixed assets	<u>\$238,871,631</u>
Investment in general fixed assets from:	
General and Capital Projects Funds	\$210,018,898
ASIF Funds	3,090,234
Vocational education funds	808,890
Other funds	<u>3,779,211</u>
Total investment in general fixed assets	<u>\$217,697,233</u>

See accompanying independent auditor's report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL, FIXED ASSETS ACCOUNT GROUP

Schedule of General Fixed Assets By Function
June 30, 1997

Function	Land	Buildings and Improvements	Furniture and Equipment	Total
Support services:				
Pupil support	\$3,789,100	182,123,739	19,249,079	205,161,918
Instructional staff support		1,487,000	383,000	1,870,000
General administration		870,100	2,888,000	3,758,100
Business and central services	20,000	1,241,000	5,407,000	6,668,000
Operation and maintenance of plant	17,000	1,183,627	3,923,478	5,124,105
Pupil transportation			289,209	289,209
Total support services	\$3,826,100	185,885,466	29,339,766	219,051,332
Construction in progress				17,239,800
Total general fixed assets				\$236,291,132

See accompanying independent auditor's report.

ST TAMMANY PARISH SCHOOLS BOARD
Georgina, Louisiana

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of Changes in General Fixed Assets-By Function
For the Year Ended June 30, 1997

Function	Balance July 1, 1996	Additions	Deductions	Balance June 30, 1997
Support services				
Pupil support	\$162,883,800	40,289,204	85,709	207,107,495
Instructional staff support	1,890,408	28,000	3,878	1,914,530
General administration	2,721,738	489,000	7,078	3,203,660
Business and central services	4,427,004	281,320	100	4,708,224
Operation and maintenance of plant	3,440,154	788,500	4,488	4,224,166
Pupil transportation	278,880	38,211		317,091
Total support services	175,182,044	45,884,004	100,175	220,965,873
Construction in progress	45,228,442	14,044,000	42,948,818	16,323,624
Total general fixed assets	\$220,410,486	\$59,928,004	\$43,097,993	\$237,239,497

See accompanying independent auditor's report.

BY: HONORABLE PATRICK BROWNE, GOVERNOR
 Gretna, Louisiana

General Fund Expenditures by Function
 and Fiscal Years
 (Continued)

Fiscal Year	Education				Support Services				
	Regular Ed Expenditures	General Ed Expenditures	Other Expenditures	Fault Student Expenditures	Instructional Staff Support	General Administration	School Administration	Business Administration	
1988	\$14,085,849	\$1,756,714	\$175,000	\$1,457,485	\$1,038,000	\$1,248,000	\$4,070,000	\$111,154	
1989	\$8,895,587	\$1,500,000	701,893	\$148,000	1,448,000	1,384,000	4,870,000	108,000	
1990	42,000,000	12,000,000	700,000	3,000,000	1,700,000	1,200,000	1,800,000	600,000	
1991	47,000,000	13,400,000	170,000	3,700,000	2,700,000	1,800,000	4,300,000	700,000	
1992	57,000,000	15,000,000	100,000	4,800,000	1,700,000	1,800,000	6,800,000	700,000	
1993	68,000,000 (2)	17,400,000	4,000,000 (2)	4,900,000	1,800,000 (2)	1,800,000	7,000,000	800,000	
1994	68,400,000	18,000,000	3,700,000	4,800,000	1,800,000	1,800,000	7,000,000	800,000	
1995	68,000,000	18,000,000	3,700,000	4,800,000	1,800,000	1,800,000	7,000,000	800,000	
1996	52,700,000	16,700,000	3,500,000	4,500,000	1,600,000	1,600,000	6,700,000	700,000	
1997	\$4,000,000	\$1,400,000	\$100,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	

(1) Includes General Fund contribution to certain employee benefit programs. In prior years, such amounts were included as Support Services-General Administration expenditures.

(2) Beginning in 1993, the Louisiana State Department of Education reclassified the reporting of certain expenditures to comply with the U.S. Department of Education requirements.

02. TERRIBAY PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	Local Sources				Education	Contributions to Facilities (Retained)
	All Values Taxes	Tuition	Earnings on Investments	Other		
1988	\$11,888,738	\$242,113	\$255,441	\$64,473	\$22,825,430	\$3,177,730
1989	12,849,089	214,240	835,283	92,780	43,422,417	188,880
1990	14,873,993	64,571	1,242,729	370,188	48,861,676	1,347,880
1991	14,887,372	83,728	735,988	374,505	54,203,844	499,525
1992	14,774,495	131,289	478,020	373,548	62,289,621	233,828
1993	15,827,687	127,448	985,532	442,828	62,261,987	225,120
1994	17,189,080	128,287	421,575	664,158	68,821,213	222,627
1995	16,092,717	146,421	888,020	427,061	75,889,526	182,281
1996	20,124,383	147,340	1,182,542	428,428	87,188,858	175,993
1997	24,177,020	124,412	1,378,428	448,350	92,272,012	982,212

(1) There were no State contributions during the years indicated.

Table 2

State Sources					
Contribution to Deep Maintenance	Revenue Sharing	Professional Improvement Program	Other	Federal Sources	Total
\$1,072,788	\$1,208,240	\$4,698,644	\$1,098,000	\$982,804	\$9,060,476
(7)	1,078,214	1,608,847	627,410	548,765	\$3,863,236
(7)	1,458,955	1,528,289	288,820	378,884	\$3,654,948
(7)	1,698,835	1,645,831	752,895	423,313	\$4,520,874
(7)	1,510,410	1,471,729	693,476	414,784	\$4,090,400
(7)	1,544,140	1,503,490	795,837	385,473	\$4,228,940
(7)	1,641,951	1,552,784	1,005,821	385,425	\$4,586,000
(7)	1,698,380	1,392,740	2,178,024	347,627	\$5,616,771
(7)	1,693,879	1,355,489	642,243	287,740	\$3,980,351
(7)	1,621,840	1,300,771	1,070,428	267,077	\$4,260,116

ST. TAMMANY PARISH (SCHOOL) BOARD
Covington, Louisiana

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

Fiscal Year	Total Tax Levy	Current Year Tax Levy Collections (1)	Total Tax Collections (1)	Percentage of Total Current Year Collections to Tax Levy	Current Year Outstanding Taxes	Percentage of Current Year Outstanding Taxes to Tax Levy
1988	\$17,365,340	\$40,388,851	\$17,202,020	81.1%	\$1,804,769	8.0%
1989	18,898,884	17,210,288	18,002,209	81.0%	1,140,465	6.1%
1990	20,218,188	18,789,780	19,059,884	83.8%	9,828,326	7.8%
1991	21,088,130	19,789,880	21,084,883	84.3%	1,232,202	5.8%
1992	21,724,048	20,887,818	21,000,203	82.4%	1,857,322	7.6%
1993	22,248,028	21,238,827	22,409,822	88.1%	1,011,402	4.5%
1994	24,221,578	22,831,420	24,272,800	88.1%	1,489,880	6.1%
1995	25,171,280	25,899,881	26,884,880	88.4%	428,779	1.6%
1996	25,284,188	27,432,578	28,419,828	88.6%	871,594	3.4%
1997	33,889,881	32,881,287	34,138,248	97.0%	1,008,614	3.0%

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

ST. TERRY'S PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	Real Estate Assessed Value	Commercial and Other Property Assessed Value	Total Assessed Value	Homestead Exemption Value	Total Assessed Value Less	Total Estimated Actual Value	Percentage of Total Assessed Value to Total Estimated Actual Value
1980	\$294,558,527	\$77,505,490	\$401,064,017	\$455,655,668	\$29,408,650	\$2,843,816,343	11.0%
1981	328,888,826	13,324,290	432,413,116	717,971,007	218,498,758	3,893,843,888	10.7%
1990	325,838,748	37,354,858	427,593,606	140,068,128	287,525,478	4,099,818,890	10.7%
1991	328,244,887	39,487,373	447,732,260	304,730,268	143,001,992	4,249,161,430	11.1%
1992	327,288,774	45,337,777	402,626,551	308,188,073	294,438,478	4,198,824,873	11.1%
1993	374,888,233	35,870,248	430,758,481	215,077,407	215,681,074	4,240,160,087	11.1%
1994	388,588,838	52,450,588	441,039,426	224,371,278	216,668,148	4,234,861,030	11.1%
1995	403,878,897	115,144,750	519,023,647	235,778,180	283,245,467	4,238,278,287	11.1%
1996	453,838,389	124,878,858	578,717,247	242,348,348	336,368,899	5,321,008,438	11.1%
1997	532,174,888	128,240,880	660,415,768	279,278,070	381,137,698	6,098,686,730	11.0%

Source: St. Terry's Parish Assessor's Office

ST. THOMAS PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	Other Governments (Parishwide)				
	School Board Millage	Police Jury Millage	Law Enforcement Millage	Assessor Millage	City of Abbe Springs Millage
1988	83.07	27.86	12.42	3.00	17.85
1989	83.47	27.82	12.58	3.12	18.17
1990	83.47	27.82	12.58	3.12	18.17
1991	83.47	27.82	12.58	3.12	18.17
1992	83.47	27.82	12.58	3.12	18.17
1993	87.10	28.38	12.94	3.21	19.18
1994	87.10	28.38	12.94	3.21	19.18
1995	87.10	28.38	12.94	3.21	19.18
1996	87.10	28.38	12.94	3.21	19.18
1997	87.10	28.62	12.94	3.21	19.79

Source: Respective Taxing Jurisdiction

Other Governments (Special Districts)					
City of Covington Millage	City of Madisonville Millage	City of Mandeville Millage	City of Pound River Millage	City of Shelby Millage	Other
8.08	18.17	18.70	8.73	18.84	101.54
20.00	18.34	18.85	8.83	17.83	288.45
20.00	15.45	18.65	8.83	18.91	322.88
20.00	13.33	18.65	8.83	18.35	157.84
20.00	12.30	18.85	8.83	18.91	154.95
18.00	12.80	18.25	8.83	18.44	163.83
18.00	13.80	18.05	8.83	15.71	188.84
18.00	11.80	18.18	8.83	15.89	168.52
28.80	11.30	17.88	8.83	15.88	428.38
24.85	11.53	17.80	8.83	17.84	433.18

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Principal Taxpayers
June 30, 1997
(Unaudited)

Taxpayer	Type of Business	Fiscal Year 1997 Assessed Valuation	Percentage of Total Assessed Valuation
Central La. Elec. Co.	Utility	\$23,299,840	5.60%
BellSouth Communications	Telephone	18,043,040	4.51%
First National Bank of Commerce	Bank	9,070,900	2.28%
Hibernia National Bank	Bank	4,194,500	1.07%
GPIC Development	Real Estate	3,578,000	.90%
Woods - St. Tammany Elec.	Utility	3,407,150	.87%
Walmart Stores, Inc.	Retail Sales	3,312,000	.85%
Pyemeyer Drug Co.	Pharmaceuticals	2,917,000	.74%
La. Gas Services Co.	Utility	2,852,410	.73%
Southern Natural Gas	Pipeline	2,638,210	.67%
		\$41,844,050	10.10%

Source: St. Tammany Parish Assessor's Office

St. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Computation of Legal Debt Margin
June 30, 1997
(Unaudited)

Assessed Valuations:		
Taxable assessed value		\$380,240,657
Add back: exempt property		<u>278,278,015</u>
Total assessed value		<u>\$658,518,672</u>
Legal debt margin:		
Debt limitation: 25 percent of total assessed value		\$164,629,668
Debt applicable to limitation:		
Total general obligation bonded debt	\$78,130,800	
Less: Amount available for repayment of general obligation bonds		<u>6,617,875</u>
Total general obligation debt applicable to limitation		<u>71,512,925</u>
Legal debt margin		<u>\$104,789,412</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

State Support and Local Support
Per Student
Last Five Fiscal Years
(Revised)

Fiscal Year	Number of Students	State Support(1)	State Support per Student	Total Student Expenditures(1)	Total Cost per Student	Local Support(1)	Local Support per Student
1988	26,738	\$42,280,000	\$1,581	\$72,804,190	\$2,727	\$30,899,687	\$1,156
1989	28,779	47,840,191	1,778	78,789,628	2,882	33,273,281	1,243
1990	28,690	50,290,184	1,972	85,283,407	3,078	37,589,748	1,418
1991	27,623	50,774,488	2,139	90,876,153	3,374	39,795,888	1,471
1992	28,832	54,488,579	2,354	113,873,758	3,986	40,821,557	1,454
1993	28,282	67,688,305	3,343	117,889,147	4,217	44,448,997	1,578
1994	28,804	74,731,474	3,458	135,280,659	4,698	49,739,000	1,800
1995	31,412	85,794,050	3,668	141,870,870	4,818	54,784,871	1,778
1996	31,883	87,541,288	3,728	150,804,258	4,798	55,895,128	1,817
1997	32,877	95,843,000	3,008	166,791,201	6,071	66,870,888	2,040

(1) Consists of General Fund and Special Revenue Funds.
 1988-1994 fiscal year 1994, the School Fund
 Service Special Revenue Fund is included.

22. Summary of Publicly Issued Securities
Orange, Louisiana

Table of Net General Obligation Debt
to Assessors/Value-Added
Rated Single Aaa and Paa Issues
Last Ten Fiscal Years
(Continued)

Fiscal Year	Issuance(s)	Number of Bonds	Amount (\$000)	Original Maturity (\$000)	Less Debt Service (\$000)	Net (\$000)	Percentage of the Original Issue to Assessors' Value	Rate Group (See Note 10)	Net Bonded Rate per \$1,000
1998	146,174	25,720	\$421,000,000	\$421,000,000	\$620,000	\$420,380,000	10.4	AAA	\$1,007
1999	147,174	25,776	431,400,000	431,400,000	1,000,000	430,400,000	9.9	AAA	1,000
2000	150,180	26,000	451,000,000	451,000,000	1,000,000	450,000,000	9.9	AAA	1,000
2001	144,000	21,000	447,700,000	447,700,000	1,000,000	446,700,000	10.0	AAA	1,000
2002	142,137	20,500	440,400,000	440,400,000	1,000,000	439,400,000	9.9	AAA	1,000
2003	150,000	24,000	470,500,000	470,500,000	1,000,000	469,500,000	10.1	AAA	1,000
2004	151,000	24,100	480,000,000	480,000,000	1,700,000	478,300,000	11.4	AAA	1,000
2005	154,000	24,400	500,000,000	500,000,000	2,000,000	498,000,000	10.0	AAA	1,000
2006	155,000	24,500	500,000,000	500,000,000	2,000,000	498,000,000	10.0	AAA	1,000
2007	154,000	24,400	490,000,000	490,000,000	2,000,000	488,000,000	10.0	AAA	1,000

(1) Source: Louisiana Technical Industry

(2) From Table 2

(3) General obligations bonds

(4) Amount available for repayment of general obligation bonds

ST. THOMAS PARISH SCHOOL BOARD
Covington, Louisiana

Percentage of Annual Debt Service Expenditures
For General Funded Debt to
Total General Fund Expenditures
Last Ten Fiscal Years
(Assessed)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Percentage of Debt Service to General Fund Expenditures
1998	\$4,970,000	\$4,286,078	\$9,256,078	\$69,516,627	13.32%
1999	4,910,000	3,793,430	8,703,430	73,620,653	11.82%
2000	6,250,000	5,488,268	11,738,268	85,282,795	13.76%
2001	6,618,000	3,754,602	10,372,602	83,755,207	12.38%
2002	6,788,000	3,423,687	10,211,687	102,684,558	9.94%
2003	4,080,000	4,226,088	8,306,088	102,688,428	8.09%
2004	3,718,000	4,451,503	8,169,503	112,040,600	7.30%
2005	4,118,000	4,664,818	8,782,818	126,548,700	6.94%
2006	4,878,000	4,027,772	8,905,772	128,088,088	6.95%
2007	5,000,000	5,000,000	10,000,000	148,188,412	6.75%

ST. TAMMANY PARISH SCHOOL BOARD
 Covington, Louisiana

Computation of Direct and Overlapping General Bonded Debt
June 30, 1997
 (Unaudited)

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government</u>	<u>Amount Applicable to Government</u>
Direct:			
St. Tammany Parish School Board	\$75,130,000	100%	\$75,130,000
Overlapping:			
City of Abbe Springs	293,000	100%	293,000
City of Covington	2,418,000	100%	2,418,000
City of Mandeville	3,838,000	100%	3,838,000
City of Slidell	18,899,000	100%	18,899,000
Police Jury	3,872,000	100%	3,872,000
	\$95,440,000		\$123,840,000

Source: Respective government entities

ST. THOMAS PARISH SCHOOL BOARD
Covington, Louisiana

Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population (1)	Total Number of Students	Public Schools		Private Schools	
			Number of Students	Percentage of Number of Students to Total Students	Number of Students	Percentage of Number of Students to Total Students
1988	145,018	30,548	25,738	84.3	3,807	12.3
1989	147,374	32,623	26,778	82.0	5,844	18.0
1990	149,540	35,425	29,008	81.9	6,416	18.1
1991	144,508	31,388	27,623	88.0	3,765	12.0
1992	148,157	33,476	28,523	85.2	4,953	14.8
1993	152,381	33,463	29,262	87.4	4,201	12.6
1994	155,890	34,640	30,004	86.6	4,636	13.4
1995	164,564	35,756	31,412	87.9	4,344	12.1
1996	170,321	36,772	31,862	86.7	4,910	13.3
1997	174,850	37,821	32,877	86.9	4,944	13.1

(1) Source: Louisiana Technical University

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

Calendar Year	Estimated Actual Property Value	Bank Deposits(1)
1987	\$3,045,815,343	\$548,054,434
1988	3,055,842,283	513,080,832
1989	4,080,818,868	349,001,873
1990	4,046,301,478	268,478,000
1991	4,188,334,313	288,082,000
1992	4,348,180,857	302,238,080
1993	4,834,985,550	284,158,080
1994	4,828,376,357	288,812,080
1995	5,201,983,433	33,848,000
1996	6,858,688,723	37,862,000

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

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

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

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 1997
(Unaudited)

Ray A. Alfred	\$9,600
E. Paul Allen	9,600
Edward J. Fielding, III (*)	10,200
Charles T. Harrell	9,600
Neal M. Hennequin	9,600
John C. Lemaire (2)	10,200
Robert C. Lemaire (2)	800
Mary K. Lynch	9,600
James Patis	9,600
Gregory J. Saurage	9,600
Albert K. Smith	9,600
Anthony J. Tadesco	9,600
Betty Veaseywell	9,600
Donald J. Viles (4)	8,871
Paul Young	9,600
Daniel G. Zecherally	9,600
	<hr/>
	\$145,271

(*) President July through December 1996

(2) President January through June 1997

(3) Served July 1996

(4) Served August 1996 through June 1997

The Schedule of Compensation Paid to Board Members was prepared in compliance with House Concurrent Resolution No. 54 of the 1978 Session of the Louisiana Legislature. The compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:55, the School Board members have elected the monthly payments method of compensation. Under this method, each member of the School Board receives \$800 per month and the President receives \$900 per month for performing the duties of his office.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Miscellaneous Statistical Data
June 30, 1997
(Unaudited)

DEGREE	NO. OF TEACHERS	% OF TOTAL
Bachelor's Degree	1,207	95.4
Master's Degree	988	21.3
Master's + 20	290	10.8
Educational Specialist	21	1.0
Doctorate	12	0.5
Total:	2,526	100.0%

YEARS OF EXPERIENCE	NO. OF TEACHERS	% OF TOTAL
0-5	1,001	48.7
6-10	484	21.2
11-14	214	12.5
15-19	209	9.5
20-24	140	6.7
25-over	90	4.4
Total:	2,526	100.0%

Year of Incorporation:	1893
Form of government:	School Board President
Area of parish:	1,747 square miles
Regular School Days:	180
Population:	124,858

NUMBER OF SCHOOLS		ENROLLMENT	
Elementary	22	Elementary	10,824
Middle	8	Middle	4,988
Junior	13	Junior	7,841
Senior	7	Senior	5,384
	50		29,037

This report is intended for the information of the School Board, the School Board's management and financial auditing agencies and pass-through entities, such as the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

K. P. McGee, Audit Manager, LLP

November 7, 1997

Suite 2600 One Shell Square
Metairie, Louisiana, LA 70002-2699

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

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

Compliance

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

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, *Schedule of Excess, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that would have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about School Board's compliance with these 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 School Board's compliance with these requirements.

In our opinion, School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items #1-1 and #1-2.

Internal Control Over Compliance

The management of 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 School Board's internal control over compliance with requirements that could have a direct and material effect on a major

Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect School Board's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items WT-1 and WT-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the general-purpose financial statements of School Board as of and for the year ended June 30, 1997, and have based our report thereon dated November 7, 1997. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

This report is intended for the information of the School Board, the School Board's management and federal awarding agencies and pass-through entities, such as the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

RPMG, PAUL MANDRELL, CPA

November 7, 1997

ST. TAMMANY PARISH SCHOOL BOARD
 (COMMETT), LOUISIANA

Schedule of Federal Awards
 For the Year Ended June 30, 1997

Federal Grantor Pass Through Grantor Program Name	CFDA Number	Pass Through Grantor Award Number	Expenditures
United States Department of Agriculture			
Passed Through Louisiana Department of Agriculture:			
Food Distribution Program	78.588	NONE	\$99,000
Passed Through Louisiana Department of Education:			
School Breakfast Program	78.593	NONE	\$55,000
National School Lunch Program	78.588	NONE	2,918,114
Passed Through Louisiana Office of Forestry:			
Teacher Resource in Environmental Education	10.604	CRMS 14-019	450
Total United States Department of Agriculture			4,201,464
United States Department of Education			
Passed Through Louisiana Department of Education:			
ACED (Academy-State Administered Program)	84.000	NONE	10,250
Improving America's Schools Act (IASA):			
Title I: Preparing Disadvantaged Children Meet High Standards			
784.210	87-9024-02		2,038,189
784.210	95-9803-02		500,290
784.210	95-9903-02(C)		560,445
784.210	95-9903-02(C)		15,190
84.240	87-Capital		33,430
84.240	90-Capital		500
784.210	School Support		8,008
			4,117,052
Title II: Dwight D. Eisenhower Professional Development Program			
84.281	87-9024-02-1		104,899
84.281	88-90-9903-0		2,710
84.281	88-90-9903-0(C)		20,784
84.281	88-90-9903-0(C)		450
			132,843
Title IV: Safe and Drug Free Schools and Communities			
84.186A	87-9024-02-4		114,770
84.186A	88-90-7890-0		1,684
84.186A	88-90-7890-0(C)		76,076
84.186A	88-90-7890-0(C)		50
			192,580
Title VI: Innovative Education Program Strategies			
84.208	87-9024-02-6		100,076
84.208	88-90-9903-0		4,100
84.208	88-90-9903-0(C)		16,008
84.208	88-90-9903-0(C)		100
			120,284
Total IASA			6,657,189
Individuals with Disabilities Education Act (IDEA):			
Part B-Regular Education			
784.021	85-FY-02		1,268,918
784.021	86-FY-02		10,488
784.021	86-FY-02		10,891
			1,289,897

Schedule (c)

Federal Grant/ Pass-Through Grant/ Program Name	Pass Through Grants		Expenditures
	CFDA Number	Fund Number	
Presidential Education	\$4,175	95-PP-52	\$14,676
	\$4,175	95-PP-52	13,502
			100,000
Partnership/Grants	\$4,154	95-CO-15-52	2,111
	\$4,154	95-CO-15-52	11,004
			12,115
Total ESEA			1,633,766
Vocational Education Basic Grants to States	\$4,948	29-87-01-10993	246,450
Goals 2000 Educate America Act (EAA) Education Systemic Improvement Louisiana Charter School Initiative Total EAA	\$4,206	95-0001-08	101,182
	\$4,628	95-0000-11-06	4,687
			221,000
Total United States Department of Education			6,682,492
United States Department of Labor Passed Through Louisiana Department of Education, Passed Through Delgado Community College, School in New Orleans	17,240	HCWE	1,019
Passed Through Louisiana Technical College - Bossier-Parsons, School-in-Work	17,240	HCWE	1,000
Total United States Department of Labor			2,019
Department for National and Community Service Passed Through Governor's Office of the Lieutenant Governor, Learn and Serve America	\$4,004	22995	400
National Science Foundation Learn Program - Presidential Award for Excellence in Science and Mathematics Teaching	47,066	HCWE	1,600
United States Department of Health and Human Development Passed Through the Louisiana Department of Education Starting Point Program	90,557	HCWE	61,507
Passed Through the Louisiana Department of Social Services SMA/MSAF	90,557	HCWE	10,813
Total United States Department of Health and Human Development			72,320
United States Department of Defense Air Force - JROTC	HCWE	HCWE	42,804
Army - JROTC	HCWE	HCWE	41,804
Navy - JROTC	HCWE	HCWE	15,819
Marine - JROTC	HCWE	HCWE	128,523
Total United States Department of Defense			228,950
TOTAL FEDERAL AWARDS			\$11,366,132

*Denotes a major program.

See accompanying Notes to Schedule of Federal Awards.

St. Tammany Parish School Board
Covington, Louisiana

Notes to Schedule of Federal Awards
June 30, 1997

1. General

The accompanying schedule of Federal Awards presents the activity of all Federal awards programs of the St. Tammany Parish School Board (the School Board). The School Board reporting entity is defined in note 1 to the general purpose financial statements for the year ended June 30, 1997. All Federal awards received directly from Federal agencies is included on the schedule as well as Federal awards passed through other governmental agencies. The following programs are considered major Federal programs of the School Board: IDEA Title I, IDEA Part B, WIC Commodity-Food Distribution, and National School Lunch and School Breakfast.

2. Basis of Accounting

Schedule of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's general purpose financial statements for the year ended June 30, 1997. Commodities received, which are non-cash revenue are valued at prices provided by the U.S. Department of Agriculture. Any received but unused commodities are recorded as deferred revenue until used.

3. Relationship to General Purpose Financial Statements

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

From Federal Sources

General Fund	\$247,971
Special Revenue Fund	11,867,828
Total	<u>\$12,115,799</u>

4. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Federal Awards agree with the amounts reported in the related federal financial reports, except for the amounts in reports submitted as of a date subsequent to June 30, 1997, which will differ from the schedule by the amount of reimbursements as of June 30, 1997, liquidated to the dates of the reports.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 1991

(C) Summary of Auditors' Results

- (a) The type of report issued on the general-purpose financial statements: *unqualified opinion*
- (b) Reportable conditions in internal control were disclosed by the audit of the Financial Statements: *no* Material weaknesses: *no*
- (c) Noncompliance which is material to the general-purpose financial statements: *no*
- (d) Reportable conditions in internal control over major programs: *no* Material weaknesses: *no*
- (e) The type of report issued on compliance for major programs: *unqualified opinion*
- (f) Any audit findings which are required to be reported under section 510(a) of GMB Circular A-133: *none*
- (g) Major programs:
 United States Department of Agriculture:
 Food Distribution Program (CFDA Number 10.558)
 National School Breakfast Program (CFDA Number 10.553)
 National School Lunch Program (CFDA Number 10.553)

 United States Department of Education:
 Improving America's Schools Act (IASA) - Title I (CFDA Number 84.010)
 Individuals with Disabilities Education Act (IDEA) -
 Part B-Regular Education (CFDA Number 84.017)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: *\$200,024*
- (i) Auditor qualified as a low-risk auditor under Section 510 of GMB Circular A-133: *yes*

(D) Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards:

None

(continued)

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

Item 77-1

This finding affects each major program.

Federal program and specific federal award identification:

CFDA Title: National School Breakfast Program (herein referred to as School Breakfast)

CFDA Number: 18-103

Federal award number: None

CFDA Title: National School Lunch Program (herein referred to as School Lunch)

CFDA Number: 18-105

Federal award number: None

Year: 1997

Name of Federal agency: United States Department of Agriculture

Name of the applicable pass-through entity: Louisiana Department of Education

CFDA Title: Improving America's School Art (IASA) - Title I (herein referred to as Title I)

CFDA Number: 84-010

Federal award number: 95-145A-51, 96,063-52C/9 as listed in the Schedule of Federal Awards

Year: 1997

Name of Federal agency: United States Department of Education

Name of the applicable pass-through entity: Louisiana Department of Education

CFDA Title: Individuals with Disabilities Education Act (IDEA); Part B-Regular Education (herein referred to as IDEA)

CFDA Number: 84-027

Federal award number: 95-F7-02

Year: 1997

Name of Federal agency: United States Department of Education

Name of the applicable pass-through entity: Louisiana Department of Education

Criteria or specific requirements upon which the finding is based, including statutory/regulatory or other citation - OMB Circular A-11, "Cost Principles for State, Local and Indian Tribal Governments," Attachment B, Section 1(b)(3)(C), which states that "Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee."

The condition found, including facts that support the allegation identified in the finding: Certifications in accordance with the above provisions were not obtained semi-annually for each of the above programs. While controls exist to ensure and accuracy of payroll charges are in place, including the review of monthly payroll charges, the forms regarding the actual certifications from employees/supervisory officials having first-hand knowledge of the work performed were not obtained.

(continued)

Identification of questioned costs and how they are computed.

Questioned costs, if any, cannot be determined. The program did receive services from employees. Other controls are in place to verify payroll costs, however, certifications were not obtained.

Information to provide proper perspective for judging the prevalence and consequences of the finding, such as whether the finding represents an isolated instance or a systemic problem. Where appropriate, instances identified should be related to the total population and the number cited and be quantified in terms of dollar value.

The finding is a systemic problem and applies to the salary costs of the related programs.

The possible, unmet effect to provide sufficient information to the auditor and the Federal agency (or pass-through entity in the case of a subrecipient) to permit them to determine the cause and effect to facilitate prompt and proper corrective action.

Salary costs could be charged to a program for personnel who did not provide program services.

Recommendations to prevent future occurrences of the deficiency identified in the finding.

The School Board should implement a policy requiring all Federal program directors to maintain compliance with the applicable sections of A-EF. In addition, each Federal program director should establish a policy and a procedure to obtain the required certifications in the appropriate format and establish a control (for example, a reporting control in the Finance Department) stating that all certifications were completed.

Views of responsible officials of the auditee when there is disagreement with the finding, as the extent practical.

None

Item 97-2

Federal program and specific federal award identification:

CFDA Title: National School Breakfast Program (herein referred to as School Breakfast)

CFDA Number: 18.515

CFDA Title: National School Lunch Program (herein referred to as School Lunch)

Federal award number: None

CFDA Number: 18.515

Federal award number: None

Year: 1997

Name of federal agency: United States Department of Agriculture

Name of the applicable pass-through entity: Louisiana Department of Education

Criteria or specific requirement upon which the finding is based, including statutory, regulatory, or other citation - OMB Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments," Attachment B, Section 25(c)(1), which states that "Contributions to inventory must be based on sound actuarial principles using historical experience and reasonable assumptions. Reserve levels must be analyzed and updated at least biennially for each major risk being insured and take into account any reimbursements,

(continued)

retirement, etc. Reserve levels related to employee-related coverages will normally be limited to the value of claims (a) submitted and adjudicated but not paid, (b) submitted but not adjudicated, and (c) incurred but not submitted. Reserve levels in excess of the amounts based on the above must be identified and justified in the cost allocation plan or indirect cost rate proposal.²

The condition found, including facts that support the deficiency identified in the finding. The School Lunch and School Breakfast programs, participate in the Internal Service Fund-Workers' Compensation program, which is a self-insured fund. Current rates, charged by classification of employee, are based on a 1987 actuarial study. The rates were increased evenly among classifications by 15% to support the Internal Service Fund's workers' compensation expenditures. An actuary study does not support current rates being charged.

Identification of questioned costs and how they are computed.

Questioned costs, if any, cannot be determined as insurance was provided and the impact of an actuarial study could result in higher or lower rates than the current rates being used by the School Board.

Information to provide proper perspective for judging the pervasiveness and consequences of the finding, such as whether the finding represents an isolated instance or a systemic problem. Where appropriate, instances identified should be related to the total population and the number found and be quantified in terms of dollar value.

The finding is a systemic problem and applies to the salary costs of the related programs.

The possible overall effect to provide sufficient information to the auditee and the Federal agency for pass-through entity in the case of a subrecipient) to permit them to determine the cause and effect to facilitate prompt and proper corrective action. Workers' compensation rates charged to the Federal programs may not be either lower or higher based on an actuarial study.

Recommendations to prevent future occurrences of the deficiency identified in the finding. The School Board should obtain biennially an current actuarial assessment of the rates to be charged as well as the level of accumulated reserves necessary and establish procedures to ensure updates to the actuarial assessment are performed timely.

Views of responsible officials of the auditee when there is disagreement with the finding, to the extent practical.

None

NOV 19 10 19
ST LOUIS MO 63102

November 7, 1997

The Members of the Board
St. Tammany Parish School Board

We have audited the general purpose financial statements of St. Tammany Parish School Board as of and for the year ended June 30, 1997, and have issued a report thereon dated November 7, 1997. Under generally accepted auditing standards, we are providing you with the attached information related to the conduct of our audit.

This information is intended solely for the use of the Board and management and should not be used for any other purpose.

Very truly yours,



ST. TAMMANY PARISH SCHOOL BOARD

June 30, 1997

Our Responsibility Under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards is to express an opinion on the general purpose financial statements of St. Tammany Parish School Board (the School Board) as of and for the year ended June 30, 1997 based on our audit. In carrying out this responsibility, we assessed the risk that the financial statements may contain a material misstatement, either intentional or unintentional, and designed and conducted our audit to provide reasonable, not absolute, assurance of detecting misstatements that are material to the financial statements. In addition, we considered the internal control structure of the School Board to gain a basic understanding of the accounting system in order to design an effective and efficient audit approach, although not for the purpose of providing specific assurance on the internal control structure.

Significant Accounting Policies

The significant accounting policies used by the School Board are described in the "Summary of Significant Accounting Policies" note to the financial statements.

We noted no transactions entered into by the School Board during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of the significance of the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. We considered the calculation of self-insurance loss claim provisions and liabilities to be estimates that are significant due to the amount of the estimate. Based on the work performed, we conclude that management's estimate appears reasonable at June 30, 1997.

Significant Audit Adjustments

We proposed no significant audit adjustments to the financial statements that could, in our judgment, either individually or in the aggregate, have a significant effect on the School Board's financial reporting process.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in documents containing the School Board's financial statements and our report thereon does not extend beyond the financial information identified in our report, and we have no obligation to perform any procedures to corroborate other information contained in these documents. We have read the other information included in the School Board's annual comprehensive financial report and noted no matters that came to our attention that could cause us to believe that such

information, or its manner of presentation, was materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Disagreements With Management

There were no disagreements with management on financial accounting and reporting matters which, if not satisfactorily resolved, would have caused a modification of our report on the School Board's 1997 financial statements.

Consultation With Other Accountants

To the best of our knowledge, management has not consulted with or obtained an opinion, written or oral, from other independent accountants during the past year which were subject to the requirements of Statement on Auditing Standards No. 99, "Reporting on the Application of Accounting Principles."

Major Issues Discussed With Management Prior to Retention

There have been no major issues discussed with management prior to our retention as your auditors.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

St. Tammany Parish School Board
Single Audit Corrective Action Plan
June 30, 1997

Item 27-1

The School Board will conduct a mandatory training session for all supervisors who administer programs that receive Federal funds. The Business Affairs Department will develop a form to be completed semi-annually by each employee working solely on a single Federal award certifying that he/she actually worked solely on that Federal award. Each supervisor will receive the employee certifications and once all are received, the supervisor shall certify to the Business Affairs Department that all employee certifications applicable to his/her programs have been received and there are no discrepancies or areas of concern.

Anticipated Completion Date - June 30, 1998

Responsible Official - Ronald J. Caruso
Director of Business Affairs

Item 27-2

The School Board will have an actuarial assessment of the workers' compensation rates performed during fiscal year 1998. Based on the assessments, rates will be adjusted during this fiscal year, if warranted. Additionally, the assessment will determine the level of accumulated reserves necessary to fund anticipated losses. The School Board will have the actuarial assessment performed every two years.

Anticipated Completion Date - June 30, 1998

Responsible Official - Ronald J. Caruso
Director of Business Affairs