

ST. MARY PARISH SCHOOL BOARD

Centerville, Louisiana

Financial Report

Year Ended June 30, 2003

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Independent Auditor's Report

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

We have audited the accompanying basic financial statements of the St. Mary Parish School Board, as of and for the year ended June 30, 2003, as listed in the table of contents. These basic financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the 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 financial statements referred to above present fairly, in all material respects, the financial position of the St. Mary Parish School Board as of June 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2003 on our consideration of the St. Mary Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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The St. Mary Parish School Board adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments; Statement No. 37, Basic Financial Statements-and Management’s Discussion and Analysis-for State and Local Governments: Omnibus; and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, as of June 30, 2003. This results in a change in the format and content of the basic financial statements.

The management’s discussion and analysis and budgetary comparison information on pages 3 through 9 and 42 through 43, are not a required part of the basic financial statements but are supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the St. Mary Parish School Board’s basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Also, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, “Audits of States, Local Governments and Non-Profit Organizations”, and the supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the St. Mary Parish School Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Morgan City, Louisiana
September 20, 2003

**St. Mary Parish School Board
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2003**

The Management's Discussion and Analysis (MD&A) of the St. Mary Parish School Board's (School Board) financial performance provides an overall review and an objective, easily readable analysis of the School Board's financial activities for the fiscal year ended June 30, 2003. The intent of the MD&A is to look at the School Board's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Therefore, readers should read the MD&A in conjunction with the School Board's Financial Statements and the Notes to the Financial Statements.

The MD&A is a new element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2002-2003) and the prior year (2001-2002) is required to be presented in the MD&A. However, since this is the first year of implementing the new reporting model, certain necessary comparative information of the previous year was not prepared. Considering the financial resources necessary to prepare comparative data and that Statement No. 34 permits the omission of prior year data in the year of implementation, the School Board and management have elected not to prepare comparative data due to the cost of adjusting the prior year's financial statements to the new reporting model. Prior-year comparative data will be available in the future to provide a more meaningful comparative analysis of the government-wide data.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2002-2003 fiscal year include the following:

Net assets increased by \$2,845,817 for the year ended June 30, 2003. The net increase was composed of the following elements:

	Increase (Decrease)
Invested in capital assets, net of related debt	\$1,299,865
Restricted for:	
Debt Service	148,695
Capital Projects	27,423
Maintenance	(1,463,125)
Other Purposes	300,700
Unrestricted	<u>2,532,259</u>
Net Increase	<u>\$2,845,817</u>

**St. Mary Parish School Board
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2003**

The amount "Invested in capital assets, net of related debt" increased as a result of activity of the capital projects funds. A major renovation at J. B. Maitland Elementary was completed during the year. In addition, many other facility renovations, equipment replacements and paving projects were completed or substantially complete at fiscal year end. Net assets restricted for maintenance decreased as a result of increased construction activity in District III. The Unrestricted Net Asset balance increased overall as a result of the General Fund's excess of revenues over expenditures primarily as a result of a lawsuit settlement with Texaco, Inc. et al in the amount of \$2,147,906.

Total assets increased by \$2,237,046 attributed to the following elements:

	Increase (Decrease)
Cash and cash equivalents	\$ 8,159,018
Investments at fair value	(6,386,602)
Due from other governmental units	(1,162,572)
Other receivables	1,534,247
Prepaid items	39,251
Inventory at cost	(25,466)
Capital assets, net of accumulated depreciation	<u>79,170</u>
Net Increase	<u>\$ 2,237,046</u>

The increase in cash and cash equivalents was the result of many investments being called (redeemed) during the year and reinvested in money market accounts as well as a greater collection of amounts due from governmental units for various reimbursements prior to year end than last year. This also explains the large decrease in investments and amounts due from other governmental units. The large increase in other receivables is due to a large amount due from Texaco as a result of the lawsuit settlement previously mentioned.

Total liabilities decreased by \$608,771 due to the following items:

	Increase (Decrease)
Accounts payable and other current liabilities	\$132,880
Accrued liabilities	(20,259)
Long-term liabilities	<u>(721,392)</u>
Net Decrease	<u>\$(608,771)</u>

**St. Mary Parish School Board
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2003**

Accounts payable and other current liabilities increased as a result of several large textbook orders not being paid until after year-end. Liabilities due or payable within one year and liabilities due or payable after one year decreased as a result of the bond principal payments made during the year.

Ad valorem taxes parish wide and districts are based on property values of businesses and homesteads in the parish. These revenues increased over last year as a result of a slight growth in the parish assessment roll as well as better collection rates. The total millage levied by the School Board was 95.12 mills.

Sales and use taxes are collected for and remitted to the St. Mary Parish School Board by the St. Mary Parish Council. These revenues decreased slightly from the prior year as a result of reduced economic activities in the parish.

The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the state, amounting to \$36,444,064, which is an increase of approximately \$800,000 over the prior year. This MFP formula establishes a standard of local support for each school system based on the State average local support relative to the system's capacity to raise local funds.

Expenditures have remained relatively stable with the exception of the normal salary step increases and related benefit costs. Health insurance benefits costs increased as a result of the increase in premium contributions approved by the School Board effective June 1, 2002. The increase in the cost to provide health care to all full time employees and retirees will continue to require close monitoring considering its budget impact.

Grant revenue remained relatively stable when compared to a year ago. The Child Nutrition Program (CNP) continues to be the largest federally funded program with \$2.97 million in revenue compared to Title I with \$2.91 million. Student lunch prices have remained constant for at least ten years. Overall meal participation has continued to decrease as enrollment continues to decrease. The federal reimbursement rate for meals served increased by approximately 2%.

USING THE ANNUAL FINANCIAL REPORT (AFR)

The School Board's AFR consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a financial whole, i.e., an entire operation entity, its funds, and its fiduciary responsibilities. The "Basic Financial Statements" Section, consisting of the Statement of Net Assets and the Statement of Activities (pages 11-12) provide consolidated financial information, and render a government-wide perspective of the School Board's financial condition. The Fund Financial Statements (pages 13-19) provide the next level of detail and look at the School Board's most significant funds and a total of all other non-major funds.

**St. Mary Parish School Board
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2003**

Reporting the School District as a Whole

Statement of Net assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities present an aggregate view of the School Board's finances and a longer-term view of those finances. These statements seek to answer the question, "How did the School Board do financially during the 2002-2003 fiscal year?" These statements include all assets and liabilities using the accrual basis of accounting used by most private-sector enterprises. The accrual basis takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

These two statements report the School Board's net assets and changes in those assets. By showing the change in net assets for the year, the reader may ascertain whether the School Board's financial condition has improved or deteriorated. The causes of the change may be the result of many factors, both financial and non-financial in nature. Non-financial factors which may have an impact on the School Board's financial condition include the School Board's property and sales tax base, student enrollment, facility conditions, required educational programs for which little or no funding is provided, or other external factors.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School Board's major funds begins on page 13. Fund Financial Statements provide more in-depth reporting of the School Board's financial position and the results of operations. Fund basis financial information is presented in the "Fund Financial Statements" Section. The School Board uses many funds to account for the numerous funding sources provided annually. However, the Fund Financial Statements look at the School Board's most significant funds with all non-major funds presented in total in one column. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

Fund Financial Statements provide more in-depth data on the School Board's most significant funds, such as its General Fund. This fund is considered a "major fund" under GASB Statement No. 34.

Governmental Funds – Most of the School District's activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end and the amount available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

The relationship between governmental activities reported in the Basic Financial Statements and the governmental funds reported in the Fund Financial Statements are reconciled in the financial statements.

Statement of Fiduciary Net Assets – This statement presents financial information relative to assets held by the School Board on behalf of students and others in a position of trust.

**St. Mary Parish School Board
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2003**

Governmental Activities

As reported in the *Statement of Activities* on page 12, the cost of the School Board's governmental activities for the year ended June 30, 2003 was \$75.1 million. The Statement of Activities shows the cost of program services and the charges and grants offsetting some of those services. Grants and contributions of \$11.6 million subsidized certain programs, and charges for services, such as fees for school lunches, e-rate discounts, retiree health insurance premiums, extended day tuition and summer school tuition were the major contributors of charges for services totaling \$1.2 million. The remaining amount was financed by the taxpayers in the parish through ad valorem and sales and use taxes totaling \$23.4 million. The Minimum Foundation Program (MFP) from the State of Louisiana funded \$36.4 million and other general revenues contributed the remainder. In Table I below, the cost of the School Board's largest categories of expenses are presented as well as each program's net cost (total cost less revenues generated by the activities). This "net cost" presentation allows the readers to determine the remaining cost of the various categories, and also allows them the opportunity to assess the cost of each function in comparison to the benefits provided by the function.

**Table I
Total and Net Cost of Governmental Activities
Year Ended June 30, 2003**

Instruction:		
Regular programs	\$ 27,687,128	\$ 26,216,080
Special education programs	8,549,877	6,460,153
Vocational education programs	1,768,950	1,592,594
Other instructional programs	1,239,500	857,953
Special programs	2,926,157	(490,054)
Adult and continuing education	714,038	14,633
Support services:		
Pupil support services	2,951,071	2,741,014
Instructional staff services	3,978,823	3,784,390
General administration	2,846,855	2,846,855
School administration	4,442,476	4,442,476
Business services	664,977	664,977
Operation and maintenance of plant	7,907,006	7,807,775
Student transportation services	2,829,555	2,735,651
Central services	593,685	593,685
Non-instructional services:		
Food services	5,241,668	1,325,764
Community service programs	9,978	9,978
Interest and bank charges	<u>776,287</u>	<u>776,287</u>
Total Governmental Activities	<u>\$ 75,128,031</u>	<u>\$ 62,380,211</u>

**St. Mary Parish School Board
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2003**

THE SCHOOL BOARD'S FUNDS

The School Board uses funds to control and permit measurement in the short term of the revenues and expenditures of a particular activity or purpose (e.g., dedicated taxes and grant programs). The Fund Financial Statements allow the School Board to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial management of the School Board and assess further the School Board's overall financial stability.

As the School Board completed the fiscal year ended June 30, 2003 its combined fund balance was \$27.5 million, as compared to a combined fund balance of \$25.3 million as of June 30, 2002. Designated fund balances increased \$2.2 million, reserved fund balances decreased \$1.0 million and unreserved, undesignated fund balances increased \$1.0 million.

General Fund Budgetary Highlights

The School Board's budget is prepared according to Louisiana law. During the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The original budget for the School Board was adopted on July 11, 2002 and the final revised budget was adopted on June 26, 2003.

A statement showing the School Board's original and final budget compared with actual operating results is provided in their Budgetary Comparison Schedule beginning on page 42. The School Board's year-end actual results were slightly better than had been budgeted, as conservative budgetary practices are customary. Revenues are forecast conservatively and expenditures are budgeted in anticipation of all possible costs and projects. The General Fund actual revenues exceeded the final budget slightly and expenditures were under final projections by \$1.2 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2003, the School Board had approximately \$42.0 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year and depreciation of depreciable assets for the year. Table II on page 9 shows the net book value of capital assets at the end of the 2003 and 2002 fiscal years.

**St. Mary Parish School Board
Centerville, Louisiana**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2003**

**Table II
Capital Assets at
June 30, 2003 and June 30, 2002**

	<u>2003</u>	<u>2002</u>
Land	\$ 2,455,555	\$ 2,452,560
Buildings and Improvements	32,055,128	32,262,440
Furniture and Equipment	6,647,639	7,246,540
Construction In Progress	882,388	0
Totals	<u>\$42,040,710</u>	<u>\$41,961,540</u>

During the current year, additions of \$3,391,299 of fixed assets were capitalized while \$1,232,686 were deleted. Depreciation for the year ended June 30, 2003 was \$1,636,287 for buildings and improvements and \$443,156 for furniture and equipment.

Debt Administration

At June 30, 2003, the School Board had outstanding bonds of \$14,040,000 which are scheduled for repayment by 2012. These bonds were originally issued for the construction of a new school as well as the renovation of an existing school. Additionally, the School Board had one capital lease for an equipment purchase with an outstanding balance of \$51,245 and is scheduled for repayment by 2008.

Other long-term obligations include compensated absences. The balance at June 30, 2003 of both current and long term obligations was \$2,763,360.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The financial well being of the School Board is tied in large measure to the State funding formula and the local ad valorem and sales tax base. As student population has consistently declined over the years, Minimum Foundation Program funding, which is based on student enrollment, could be adversely affected. We however anticipate a slight increase in both ad valorem and sales tax collections for the new fiscal year.

The initial fund balance projected for the General Fund for the fiscal year ending June 30, 2004 is anticipated to be approximately \$15.7 million, after a \$1.1 million budgeted reduction. Although this \$1.1 million projected deficit is comprised of many non-recurring expenditures, it still bears close monitoring. Any deterioration of the sales tax base resulting in a reduction in the General Fund revenues would potentially result in a need to contain cost as well as to seek other expenditure reductions.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

While this financial report is designed to provide full and complete disclosure of the financial condition and operations of the School Board, citizens groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact Walter B. Fleming, CPA, Chief Financial Officer, St. Mary Parish School Board, P.O. Box 170, Centerville, LA 70522, or by calling (337) 836-9661 during regular office hours, Monday through Friday, 8:00 am to 4:00 pm, Central Time or e-mail wflaming@stmary.k12.la.us.

BASIC FINANCIAL STATEMENTS

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
Statement of Net Assets
June 30, 2003

ASSETS

Cash and cash equivalents	\$21,924,969
Investments, at fair value	8,661,046
Due from other governmental units	2,041,228
Other receivables	3,053,935
Prepaid items	1,236,103
Inventory, at cost	523,602
Deposits	<u>400,000</u>
	37,840,883
Capital assets:	
Land	2,455,555
Buildings and improvements	67,440,993
Furniture and equipment	10,017,635
Construction in progress	882,388
Less accumulated depreciation	<u>(38,755,861)</u>
Total capital assets, net of depreciation	<u>42,040,710</u>
Total assets and other debits	<u>\$79,881,593</u>

LIABILITIES

Accounts payable and other current liabilities	\$ 997,580
Accrued liabilities	9,310,274
Long-term liabilities:	
Portion due or payable within one year:	
Bonds and capital leases	1,209,334
Accrued interest	235,142
Compensated absences	232,346
Portion due or payable after one year:	
Bonds and capital leases	12,881,911
Compensated absences	<u>2,531,014</u>
Total liabilities	<u>27,397,601</u>

NET ASSETS

Invested in capital assets, net of related debt	27,949,464
Restricted for:	
Debt service	1,607,087
Capital projects	33,199
Maintenance	2,713,616
Other purposes	3,539,586
Unrestricted	<u>16,641,040</u>
Total net assets	<u>\$52,483,992</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Statement of Activities
For the Year Ended June 30, 2003

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Net Assets</u>
				<u>Governmental</u>
				<u>Activities</u>
Governmental Activities:				
Instruction:				
Regular programs	\$ 27,687,128	\$ 164,095	\$ 1,306,953	\$ (26,216,080)
Special education programs	8,549,877	288,114	1,801,610	(6,460,153)
Vocational education programs	1,768,950	-	176,356	(1,592,594)
Other instructional programs	1,239,500	69,890	311,657	(857,953)
Special programs	2,926,157	-	3,416,211	490,054
Adult and continuing education	714,038	4,380	695,025	(14,633)
Support services:				
Pupil support services	2,951,071	-	210,057	(2,741,014)
Instructional staff services	3,978,823	-	194,433	(3,784,390)
General administration	2,846,855	-	-	(2,846,855)
School administration	4,442,476	-	-	(4,442,476)
Business services	664,977	-	-	(664,977)
Operation and maintenance of plant	7,907,006	-	99,231	(7,807,775)
Student transportation services	2,829,555	-	93,904	(2,735,651)
Central services	593,685	-	-	(593,685)
Non-instructional services:				
Food services	5,241,668	644,658	3,271,246	(1,325,764)
Community service programs	9,978	-	-	(9,978)
Interest and bank charges	<u>776,287</u>	<u>-</u>	<u>-</u>	<u>(776,287)</u>
Total Governmental Activities	<u>75,128,031</u>	<u>1,171,137</u>	<u>11,576,683</u>	<u>(62,380,211)</u>
General Revenues:				
<u>Local Sources:</u>				
Taxes -				
Property taxes, levied for general purposes				11,726,124
Sales taxes				11,926,430
Rentals, leases, and royalties				430,324
Interest and investment earnings				1,544,622
Other local				2,216,067
<u>State Sources:</u>				
Grants and contributions not restricted to specific program				530,918
Minimum Foundation Program				36,444,624
State revenue sharing				<u>406,919</u>
Total general revenues				<u>65,226,028</u>
Change in net assets				2,845,817
Net Assets-- beginning				<u>49,638,175</u>
Net Assets--ending				<u>\$ 52,483,992</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Balance Sheet - Governmental Funds
June 30, 2003

ASSETS	<u>General Fund</u>	<u>Other Governmental</u>	<u>Total</u>
Cash and interest-bearing deposits	\$14,545,927	\$ 7,379,042	\$21,924,969
Investments, at fair value	7,818,825	842,221	8,661,046
Receivables:			
Accounts	2,876,770	52,209	2,928,979
Accrued interest	100,727	15,689	116,416
Due from other governmental agencies	569,474	1,471,754	2,041,228
Due from other funds	1,746,174	2,151,892	3,898,066
Due from schools	8,540	-	8,540
Prepaid items	1,236,103	-	1,236,103
Inventory, at cost	442,788	80,814	523,602
Deposits	<u>400,000</u>	<u>-</u>	<u>400,000</u>
 Total assets	 <u>\$29,745,328</u>	 <u>\$ 11,993,621</u>	 <u>\$41,738,949</u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 478,762	\$ 349,149	\$ 827,911
Accrued liabilities	9,126,014	353,929	9,479,943
Due to other funds	<u>2,044,541</u>	<u>1,853,525</u>	<u>3,898,066</u>
Total liabilities	<u>11,649,317</u>	<u>2,556,603</u>	<u>14,205,920</u>
Fund balances:			
Reserved for debt service	-	1,617,076	1,617,076
Reserved for other	2,875,989	3,400,423	6,276,412
Unreserved -			-
Designated	8,987,422	4,419,519	13,406,941
Undesignated	<u>6,232,600</u>	<u>-</u>	<u>6,232,600</u>
Total fund balances	<u>18,096,011</u>	<u>9,437,018</u>	<u>27,533,029</u>
 Total liabilities and fund balances	 <u>\$29,745,328</u>	 <u>\$ 11,993,621</u>	 <u>\$41,738,949</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Assets
June 30, 2003

Total fund balances - Governmental Funds		\$ 27,533,029
Cost of capital assets at June 30, 2003	\$ 80,796,571	
Less: Accumulated Depreciation as of June 30, 2003:		
Buildings and improvements	(35,385,865)	
Furniture and equipment	<u>(3,369,996)</u>	
		42,040,710
Elimination of interfund assets and liabilities		
Due from other funds	(3,898,066)	
Due to other funds	<u>3,898,066</u>	
		-
Long-term liabilities at June 30, 2003:		
Bonded debt payable	(14,040,000)	
Capital leases payable	(51,245)	
Compensated absences payable	<u>(2,763,360)</u>	
		(16,854,605)
Accrued interest payable		<u>(235,142)</u>
Total net assets - Governmental Activities		<u>\$ 52,483,992</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended June 30, 2003

	General Fund	Other Governmental	Total
Revenues:			
Local sources	\$ 22,528,858	\$ 6,505,598	\$ 29,034,456
State sources	37,313,827	1,339,884	38,653,711
Federal sources	<u>103,647</u>	<u>10,182,034</u>	<u>10,285,681</u>
Total revenues	<u>59,946,332</u>	<u>18,027,516</u>	<u>77,973,848</u>
Expenditures:			
Current -			
Instruction:			
Regular programs	26,790,845	762,292	27,553,137
Special education programs	7,846,041	678,399	8,524,440
Vocational education programs	1,581,864	177,727	1,759,591
Other instructional programs	1,059,953	186,839	1,246,792
Special programs	353,954	2,570,956	2,924,910
Adult and continuing education programs	139,443	560,310	699,753
Support services:			
Pupil support services	2,077,009	850,733	2,927,742
Instructional staff services	3,095,174	862,628	3,957,802
General administration	984,130	194,180	1,178,310
School administration	4,386,395	35,671	4,422,066
Business services	521,784	119,180	640,964
Operation and maintenance of plant services	5,071,954	2,751,193	7,823,147
Student transportation services	2,646,125	72,583	2,718,708
Central services	444,069	23,930	467,999
Non-instructional services:			
Food services	185,759	4,999,758	5,185,517
Community service programs	9,978	-	9,978
Facilities acquisition and construction	2,621	1,592,117	1,594,738
Debt service -			
Principal retirement	135,625	1,125,000	1,260,625
Interest and fiscal charges	<u>4,336</u>	<u>804,863</u>	<u>809,199</u>
Total expenditures	<u>57,337,059</u>	<u>18,368,359</u>	<u>75,705,418</u>
Excess (deficiency) of revenues over expenditures	<u>2,609,273</u>	<u>(340,843)</u>	<u>2,268,430</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds (Continued)
Year Ended June 30, 2003

	General Fund	Other Governmental	Total
Other financing sources (uses):			
Operating transfers in	303,131	2,956,051	3,259,182
Operating transfers out	(25,000)	(3,234,182)	(3,259,182)
Total other financing sources (uses)	278,131	(278,131)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,887,404	(618,974)	2,268,430
Fund balances, beginning	15,208,607	10,055,992	25,264,599
Fund balances, ending	\$ 18,096,011	\$ 9,437,018	\$ 27,533,029

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities

For the Year Ended June 30, 2003

Total Net Changes in Fund Balance - Governmental Funds		\$	2,268,430
Capital Assets:			
Capital outlay	\$	1,594,738	
Depreciation expense for the year ended June 30, 2003		<u>(2,079,443)</u>	
			(484,705)
Long-Term Debt:			
Principal portion of debt service payments		1,260,625	
Excess of interest paid over interest accrued		32,912	
Excess of compensated absences earned over amounts used		<u>(231,445)</u>	
			<u>1,062,092</u>
Change in Net Assets - Governmental Activities		\$	<u>2,845,817</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Statement of Fiduciary Net Assets
Fiduciary Funds

June 30, 2003

	Expendable Trust Funds	Agency Funds School Activity Funds
ASSETS		
Cash and interest bearing deposits	\$ 3,494	\$ 909,925
Investments, at fair value	10,000	-
Accrued interest	231	-
Total assets	\$ 13,725	\$ 909,925
LIABILITIES		
Accounts payable	\$ 2,033	\$ -
Deposits due to others	-	909,925
Total liabilities	2,033	909,925
NET ASSETS		
Unrestricted	\$ 11,692	\$ -

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Statement of Changes in Fiduciary Net Assets
Expendable Trust Funds
Year Ended June 30, 2003

	<u>Expendable Trust Funds</u>
<u>Additions</u>	
Local sources - Interest earnings	\$ 635
<u>Deductions</u>	
Tuition Grants	<u>1,390</u>
Change in net assets	(755)
Net assets, beginning	<u>12,447</u>
Net assets, ending	<u>\$ 11,692</u>

The accompanying notes are an integral part of this statement.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

INTRODUCTION

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

The School Board operates twenty-six schools within the parish with a total enrollment of 10,483 pupils for the 2002-2003 year. In conjunction with the regular education programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the St. Mary Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretation).

This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements—and Management’s Discussion and Analysis for State and Local Governments, issued in June 1999.

Reporting Entity

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

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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

Governmental Fund Types

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

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fiduciary Fund Types

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

Expendable Trust Funds

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

Agency Fund

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

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the reporting government as a whole. These statements include all financial activities of the School Board, except for the fiduciary funds. The fiduciary funds are only reported in the statement of fiduciary net assets and the statement of changes in fiduciary net assets at the fund financial statement level.

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed).

Program Revenues

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a function and 2) requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of Indirect Expense

The School Board reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Depreciation on buildings is assigned to the "General Administration" function due to the fact that school buildings serve many purposes. Interest on general long-term debt is considered an indirect expense and is reported separately on the statement of activities.

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements for governmental funds.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The school board considers all revenues available if they are collected within 60 days after the fiscal year end. The following practices in recording revenues and expenditures have been used for the governmental funds.

Revenues

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November by the Parish Assessor based on the assessed value, become due on December 31 of each year, and become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected and are unremitted by the St. Mary Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

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

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

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recognized only when due.

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.

Other Financing Sources (Uses)

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets

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

All appropriations lapse at the end of each fiscal year.

Interest-Bearing Deposits

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

Investments

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

Short-term Interfund Receivables/Payables

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

Inventories

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

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets for financial statement presentation. The School Board however maintains an inventory record on all items costing \$1,000 or more, as well as all computer central processing units (CPU's) and all band instruments. For reporting to the State of Louisiana, all items with a unit cost of \$1,000 or more and with a useful life of more than one year are classified as capital items.

Capital assets are recorded in the government-wide financial statements but not reported in the fund financial statements. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives are as follows:

Buildings	25-40 years
Furniture & Equipment	5-12 years

Compensated Absences

All 12-month employees in the central office earn from 10 to 19 days of vacation leave each year, depending on their length of service with the School Board. Unused vacation leave at the end of each fiscal year can be carried forward to the succeeding fiscal year to a maximum of ten days. In accordance with the provisions of Statement No. 16, of the Governmental Accounting Standards board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive vacation pay; however, a liability has been recorded for vesting accumulating rights to receive vacation pay.

Sabbatical leave may be granted for rest and recuperation with doctor's certification and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after six semesters of continuous service or two semesters of sabbatical leave after twelve or more semesters of continuous service.

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

Vested or accumulated sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. No expenditure is reported for these amounts. A liability has been recorded for up to 25 days of accumulated sick leave for all eligible employees.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

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

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transaction are reported as transfers.

Use of Estimates

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

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in United States bonds, notes or bills as well as certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At June 30, 2003, the School Board has cash and interest-bearing deposits (book balances) totaling \$22,838,388 as follows:

Demand deposits	\$ 1,392,333
Interest-bearing deposits	<u>21,446,055</u>
Total	<u>\$ 22,838,388</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 2 CASH AND INTEREST-BEARING DEPOSITS (CONTINUED)

These deposits are stated at cost, plus accrued interest, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent bank. Deposit balances (bank balances) at June 30, 2003, are secured as follows:

Bank balances	<u>\$ 26,294,430</u>
Federal deposit insurance	\$ 800,000
Pledged securities (category 1)	<u>34,702,768</u>
Total	<u>35,502,768</u>
Excess of federal insurance and pledged securities over bank balances	<u>\$ 9,208,338</u>

Pledged securities in Category 1 includes insured or registered investments for which the securities are held by the School Board or by its trust department or agent, in the School Board's name. Even though the pledged securities are considered uncollateralized (Category 1) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3 INVESTMENTS

The School Board's investments are categorized below to give an indication of the level of risk assumed by it at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School Board or its agent in the School Board's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the School Board's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the School Board's name. As of June 30, 2003, the School Board had no Category 2 and Category 3 investments.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 4 AD VALOREM TAXES

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

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

For the year ended June 30, 2003, ad valorem taxes totaling 95.12 mills were levied on property and dedicated as follows:

	2003	
	Net Assessed Valuations	Mills
Parish wide taxes:		
Constitutional	276,950,997	9.01
Consolidated school district No. 5	276,950,997	12.00
District taxes:		
Maintenance taxes -		
Consolidated school district No. 3 (School maintenance district No. 1)	103,091,411	10.87
Consolidated school district No. 2 (School maintenance district No. 2)	73,619,929	13.43
Sixth Ward special school district No. 3 (School maintenance district No. 3)	99,742,647	14.21
Bond and interest taxes -		
Consolidated school district No. 1	68,175,809	26.00
Fourth Ward special school district	34,915,602	9.60

The taxes levied were \$11,453,171 for the year ended June 30, 2003.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 5 INTERFUND RECEIVABLES, PAYABLES

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,746,174	\$ 2,044,541
Special Revenue Funds:		
Title I	16	595,213
Title II	-	148,002
Title III	-	3,794
Title IV	-	7,548
Title V	-	4,282
Preschool Incentive	-	10,439
Special Education Programs	491	203,797
Job Training Partnership Act	-	42,304
School Districts Maintenance	-	107,340
School Lunch	347	306,660
Vocational/Adult Education	5,961	110,996
Bilingual Aucoin	-	29,728
Capital Project Funds:		
District Construction	2,145,077	283,422
Total interfund receivables/payables	\$ 3,898,066	\$ 3,898,066

NOTE 6 CAPITAL ASSETS

The following presentation restates capital assets from the general fixed asset account group at June 30, 2002:

	Land	Buildings and Improvements	Furniture and Equipment	Total
Cost at June 30, 2002 (as reported in the general fixed asset account group)	\$2,486,173	\$ 67,137,787	\$17,249,545	\$86,873,505
Items below the established capitalization threshold for capital assets	33,613	1,125,769	7,076,165	8,235,547
Cost of capital assets, June 30, 2002	2,452,560	66,012,018	10,173,380	78,637,958
Accumulated depreciation, June 30, 2002	-	33,749,578	2,926,840	36,676,418
Capital assets, net of depreciation, at June 30, 2002	\$2,452,560	\$ 32,262,440	\$ 7,246,540	\$41,961,540

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 6 CAPITAL ASSETS (CONTINUED)

Capital assets and depreciation activity as of and for the year ended June 30, 2003 are as follows:

	Land	Buildings and Improvements	Furniture and Equipment	Construction in Progress	Total
Cost at June 30, 2002	\$2,452,560	\$ 66,012,018	\$10,173,380	\$ -	78,637,958
Additions	2,995	1,930,439	575,477	882,388	3,391,299
Deletions	-	(501,464)	(731,222)	-	(1,232,686)
Cost at June 30, 2003	<u>2,455,555</u>	<u>67,440,993</u>	<u>10,017,635</u>	<u>882,388</u>	<u>80,796,571</u>
Depreciation:					
Accumulated depreciation, June 30, 2002	-	33,749,578	2,926,840	-	36,676,418
Additions	-	1,636,287	443,156	-	2,079,443
Accumulated depreciation, June 30, 2003	-	<u>35,385,865</u>	<u>3,369,996</u>	-	<u>38,755,861</u>
Capital assets, net of accumulated depreciation at June 30, 2003	<u>\$2,455,555</u>	<u>\$ 32,055,128</u>	<u>\$ 6,647,639</u>	<u>\$ 882,388</u>	<u>\$42,040,710</u>

Depreciation expense of \$2,079,443 for the year ended June 30, 2003 was charged to the following:

Instruction:	
Regular programs	\$ 21,732
Vocational education programs	2,813
Other instructional programs	2,458
Support:	
Pupil support services	15,426
Instructional staff services	9,927
General administration	1,667,174
School administration	1,500
Business services	16,691
Operation and maintenance of plant services	69,522
Student transportation services	104,068
Central services	124,014
Food services	<u>44,118</u>
	<u>\$ 2,079,443</u>

At June 30, 2003, the Construction Fund had construction commitments of \$967,241.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 7 ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$10,296,387 at June 30, 2003, are as follows:

	General Fund	Special Revenue Funds	Capital Projects Funds	Trust and Agency	Total
Accounts	\$ 478,762	\$ 164,609	\$ 184,540	\$ 2,033	\$ 829,944
Retainage	-	-	30,813	-	30,813
Salaries, withholdings, and other payables	<u>9,126,014</u>	<u>309,616</u>	<u>-</u>	<u>-</u>	<u>9,435,630</u>
Total	<u>\$ 9,604,776</u>	<u>\$ 474,225</u>	<u>\$ 215,353</u>	<u>\$ 2,033</u>	<u>\$10,296,387</u>

NOTE 8 CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the long-term obligation transactions of the St. Mary Parish School Board for the year ended June 30, 2003:

	Bonded Debt	Capital Leases	Compensated Absences	Total
Long-term obligations payable at July 1, 2002	\$15,165,000	\$ 146,941	\$ 2,264,056	\$17,575,997
Additions:	-	52,000	665,183	717,183
Deductions:	<u>1,125,000</u>	<u>147,696</u>	<u>165,879</u>	<u>1,438,575</u>
Long-term obligations payable at June 30, 2003	<u>\$14,040,000</u>	<u>\$ 51,245</u>	<u>\$ 2,763,360</u>	<u>\$16,854,605</u>

Summary of current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2003:

	Bonded Debt	Capital Leases	Compensated Absences	Total
Current	\$ 1,200,000	\$ 9,334	\$ 232,346	\$ 1,441,680
Long-term	<u>12,840,000</u>	<u>41,911</u>	<u>2,531,014</u>	<u>15,412,925</u>
Totals	<u>\$14,040,000</u>	<u>\$ 51,245</u>	<u>\$ 2,763,360</u>	<u>\$16,854,605</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 8 CHANGES IN GENERAL LONG-TERM DEBT (CONTINUED)

Bonds payable at June 30, 2003 is comprised of the following individual issues:

\$16,500,000 1997 General Obligations Bonds of Consolidated School District No. 1 with final payment date occurring in 2012; interest at 5.00 to 10.00 percent; payable by levy of ad valorem tax	\$ 11,840,000
\$3,000,000 1997 General Obligation Bonds of Special School District No. 4 with final payment date occurring in 2012; interest at 5.25 to 10.00 percent; payable by levy of ad valorem tax	<u>2,200,000</u>
Total bonded debt	<u>\$ 14,040,000</u>

The annual requirements to amortize all bonds outstanding at June 30, 2003, are as follows:

Year Ended	Consolidated School District No. 1		Special School District No. 4	
June 30,	Principal	Interest	Principal	Interest
2004	\$ 1,010,000	\$ 592,000	\$ 190,000	\$ 113,425
2005	1,075,000	541,500	200,000	103,925
2006	1,145,000	487,750	215,000	93,925
2007	1,220,000	430,500	225,000	83,175
2008	1,300,000	369,500	240,000	71,925
2009 - 2012	<u>6,090,000</u>	<u>785,000</u>	<u>1,130,000</u>	<u>153,038</u>
	<u>\$11,840,000</u>	<u>\$ 3,206,250</u>	<u>\$ 2,200,000</u>	<u>\$ 619,413</u>

Compensated absences reported at June 30, 2003 of \$2,763,360 reflect amounts due to eligible employees, for unused sick leave, up to a maximum of 25 days and unused vacation leave.

In April 2003, the School Board entered into an agreement for the lease of a copier. The lease is paid in monthly installments; final payments are due April 2008. The book value of the copier under capital lease at June 30, 2003 as capitalized in the capital assets is \$52,000.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 8 CHANGES IN GENERAL LONG-TERM DEBT (CONTINUED)

The following is a schedule of future minimum lease payments under capital leases, together with the present value of the net minimum lease payments, as of June 30, 2003:

Year Ended June 30,	<u>Amount</u>
2004	\$ 11,919
2005	11,919
2006	11,919
2007	11,919
2008	<u>10,926</u>
Total minimum lease payments	58,602
Less: Amount representing interest	<u>(7,357)</u>
Present value of net minimum lease payments	<u>\$ 51,245</u>

NOTE 9 SALES TAX

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

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

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

- Payment of the cost of utilities.
- An amount equal to 65 percent of the total net proceeds of this tax is set aside and used to supplement other funds for the payment of salaries and/or other employee benefits of teachers and other school board personnel.
- The remainder of the proceeds of this tax is used to construct, maintain, and acquire capital improvements and for other school purposes provided that such proceeds are not used to construct new classroom facilities.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 9 SALES TAX (CONTINUED)

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

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

NOTE 10 PENSION PLAN

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

Louisiana Teachers' Retirement System of Louisiana - Regular

For the year ended June 30, 2003, plan members are required to contribute 8.0 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 13.1 percent of the total annual covered salary. The School Board was also required to contribute the statutory rates of 13.1 and 14.2 percent of the total annual salaries for the years ended June 2002 and 2001. The School Board's contributions to the system for the years ended June 30, 2003, 2002, and 2001 were \$5,019,848, \$4,890,447 and \$4,866,718, respectively, equal to the required contribution for each year.

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

Louisiana Teachers' Retirement System of Louisiana - Plan B

For the year ended June 30, 2003, plan members are required to contribute 5.0 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 13.1 percent of the total annual covered salary. The School Board was also required to contribute the statutory rates of 13.1 and 14.2 percent of the total annual salaries for the years ended June 2002 and 2001. The School Board's contributions to the system for the years ended June 30, 2003, 2002 and 2001 were \$243,519, \$239,237 and \$240,530, respectively, equal to the required contribution for each year.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 10 PENSION PLAN (CONTINUED)

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

Parochial Employees' Retirement System

Plan members are required to contribute 9.5 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 7.75 percent of the total annual covered salary for the years ended June 30, 2003, 2002, and 2001. The School Board's contributions to the system for the years ended June 30, 2003, 2002 and 2001 were \$1,721, \$1,767 and \$1,721, respectively, equal to the required contribution for each year.

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

Louisiana School Employee's Retirement System

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the School Board was not required to contribute to the plan for the years ended June 30, 2003, 2002, and 2001.

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

NOTE 11 POST-RETIREMENT BENEFITS - HEALTH CARE AND LIFE INSURANCE

The St. Mary Parish School Board provides certain continuing health care benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee and the School Board. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure when the monthly premiums are due. The School Board's total cost of providing both health care and life insurance benefits was \$1,217,729 and \$2,893 for the year ended June 30, 2003.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 12 RISK MANAGEMENT

Workers' Compensation

The School Board replaced the limited risk management program for workers' compensation with a fully insured plan on May 1, 1999. Management Service, USA was hired by the School Board as administrator of the limited risk program. While under the limited risk plan, the School Board purchased commercial insurance for individual claims in excess of \$175,000. The School Board incurred \$140,203 benefits and administrative costs under the limited risk plan during fiscal year 2003. Premiums paid under the fully insured plan totaled \$457,638 for fiscal year 2003. Incurred but not paid claims have been accrued as a liability in the General Fund.

Reconciliation of Claims Liabilities

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

	<u>Beginning of Fiscal year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at Fiscal Year - End</u>
Workers' Compensation	\$ 265,900	\$ 457,297	\$ 597,841	\$ 125,356

Claims payable of \$125,356 for workers' compensation at June 30, 2003 was obtained from information provided by the third party administrator.

NOTE 13 PENDING LITIGATION

Contingencies

At June 30, 2003, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the School Board. It is the opinion of the School Board, after conferring with legal counsel, that the liabilities, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

Grant Audit

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 14 DESIGNATED FUND BALANCES

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

General Fund -	
Future Occurrences	\$ 6,000,000
Floor Tile	100,000
Asbestos Abatement	500,000
Wildlife Exhibits	56,215
Insurance Deductibles	500,000
Insurance Stabilization	996,274
School Food Service	100,000
Technological Advances	97,922
Accounting and Food Service Software	365,000
Electrical Upgrade	56,707
Plumbing Upgrade	206,392
Bus Sinking	<u>8,912</u>
	<u>8,987,422</u>
Capital Projects Funds -	
Designated for Construction	<u>4,419,519</u>
Total designated fund balances	<u>\$ 13,406,941</u>

NOTE 15 RESERVED FUND BALANCES

At June 30, 2003, the School Board has reserved portions of fund balances as follows:

General Fund -	
Red Ribbon	\$ 9,405
Federal Programs	168,327
Employee Concession Revenue	7,260
Truancy	10,017
Inventory	442,788
Prepaid Items	1,636,103
Student Software	371,649
Education Excellence	<u>230,440</u>
	<u>2,875,989</u>
Special Revenue Funds -	
Maintenance	2,713,616
Food Service	605,364
Federal Programs	<u>48,244</u>
	<u>3,367,224</u>
Debt Service Funds -	
Debt Retirement	1,607,087
Other	<u>9,989</u>
	<u>1,617,076</u>
Capital Projects Funds -	
Construction	<u>33,199</u>
Total reserved fund balances	<u>\$ 7,893,488</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Notes to Financial Statements

NOTE 16 COMPENSATION OF BOARD MEMBERS

A detail of the compensation paid to individual board members for the year ending June 30, 2003 follows:

Board Member		
Daniel Brumfield	\$	3,600
Wayne Deslatte		7,200
Joseph Foulcard		7,200
Ginger Griffin		3,600
Beatrice Guarisco		7,200
Marilyn LaSalle, President		7,800
Louis Lipari		3,600
Mary Lockley		7,200
Frances Miller		7,200
Edward Payton, Jr.		3,600
Willie Peters		7,200
Michael Taylor		7,800
Marie Trimm		3,600
Roland Verret		3,600
Total	\$	80,400

NOTE 17 CHANGES IN AGENCY FUND DEPOSITS

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

Fund	Balance at July 1, 2002	Additions	Reductions	Balance at June 30, 2003
School Activity	\$ 852,613	\$ 2,793,561	\$ 2,736,249	\$ 909,925

REQUIRED SUPPLEMENTARY INFORMATION – PART II

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

MAJOR FUND DESCRIPTION

GENERAL FUND

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues:</u>				
Local sources:				
Ad valorem tax	5,268,000	5,668,000	5,796,944	\$ 128,944
Sales taxes	12,275,000	11,975,000	11,926,430	(48,570)
Tuition	179,500	243,500	238,365	(5,135)
Interest earnings	792,000	848,345	929,322	80,977
Other	1,289,350	3,616,647	3,637,797	21,150
State sources:				
Unrestricted grants-in-aid	35,454,027	35,667,838	35,629,160	(38,678)
Restricted grants-in-aid	1,535,908	1,713,881	1,684,667	(29,214)
Federal sources:				
Restricted	<u>125,000</u>	<u>125,000</u>	<u>103,647</u>	<u>(21,353)</u>
Total revenues	<u>56,918,785</u>	<u>59,858,211</u>	<u>59,946,332</u>	<u>88,121</u>
<u>Expenditures:</u>				
Current -				
Instruction:				
Regular programs	26,800,088	27,108,598	26,790,845	317,753
Special education programs	7,705,199	6,860,188	7,846,041	(985,853)
Vocational education programs	1,692,953	1,596,114	1,581,864	14,250
Other instructional programs	1,149,455	1,123,551	1,059,953	63,598
Special programs	352,927	348,660	353,954	(5,294)
Adult and continuing education programs	138,910	138,910	139,443	(533)
Support services:				
Pupil support services	2,210,366	3,046,844	2,077,009	969,835
Instructional staff services	3,227,607	3,244,902	3,095,174	149,728
General administration	1,032,687	1,047,722	984,130	63,592
School administration	4,331,182	4,393,823	4,386,395	7,428
Business services	740,983	569,146	521,784	47,362
Operation and maintenance of plant services	5,196,068	5,219,902	5,071,954	147,948
Student transportation services	2,706,260	2,651,714	2,646,125	5,589
Central services	473,489	838,585	444,069	394,516
Non-instructional services:				
Food service operations	187,926	187,926	185,759	2,167
Community service programs	10,000	10,000	9,978	22
Facilities acquisition and construction	5,000	5,000	2,621	2,379

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Budgetary Comparison Schedule
General Fund (Continued)
For the Year Ended June 30, 2003

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service -				
Principal retirement	\$ 123,000	\$ 123,000	\$ 135,625	\$ (12,625)
Interest	<u>3,700</u>	<u>3,700</u>	<u>4,336</u>	<u>(636)</u>
Total expenditures	<u>58,087,800</u>	<u>58,518,285</u>	<u>57,337,059</u>	<u>1,181,226</u>
Excess (deficiency) of revenues over expenditures	(1,169,015)	1,339,926	2,609,273	1,269,347
Other financing sources (uses):				
Operating transfers in	900,205	298,205	303,131	4,926
Operating transfers out	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>900,205</u>	<u>273,205</u>	<u>278,131</u>	<u>4,926</u>
Excess of revenues and other sources over (under) expenditures and other uses	(268,810)	1,613,131	2,887,404	1,274,273
<u>FUND BALANCES</u>				
Beginning of year	<u>15,208,607</u>	<u>15,208,607</u>	<u>15,208,607</u>	<u>-</u>
End of year	<u>\$15,571,192</u>	<u>\$16,821,738</u>	<u>\$18,096,011</u>	<u>\$ 1,274,273</u>

SUPPLEMENTAL INFORMATION

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

NON-MAJOR FUND DESCRIPTIONS

Elementary and Secondary Education Act - As Amended by the No Child Left Behind Act of 2001

Title I of the No Child Left Behind Act of 2001 is a program for economically and educationally deprived school children that is federally financed, state-administered, and locally operated by the School Board. Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities. Title I Migrant is a program for children of migrant parents that is federally financed, state-administered, and locally operated by the School Board. This service is supplementary and is designed to meet the special needs of migratory children.

Title II of the No Child Left Behind Act of 2001 is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science, computer learning, and foreign languages and to increase the accessibility of such instruction to all students.

Title III of the No Child Left Behind Act of 2001 is a federal grant that focuses on assisting school districts in teaching English to LEP students in an effort to meet the challenges of state standards required of all students.

Title IV Drug-Free Schools and Communities Fund of the No Child Left Behind Act of 2001 is a program by which the federal government provides funds to the School Board for drug abuse education and prevention that is coordinated with related community efforts and resources.

Title V of the No Child Left Behind Act of 2001 is a federal grant used to encourage comprehensive school reform, upgrade instructional and professional development to align with high standards, strengthen accountability and promote coordination of resources to improve education for all children.

Improving America's Schools Act

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

Individuals with Disabilities Education Act

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

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

Workforce Investment Act

The Workforce Investment Act provides funds from the federal government to design, with States and local communities, a revitalized, workforce investment system that will help low income youth between the ages of 14 and 21 acquire the educational and occupational skills, training and support needed to achieve academic and employment success and successfully transition to careers and productive adulthood.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

NON-MAJOR FUND DESCRIPTIONS (Continued)

School Districts Maintenance Fund

The School Districts Maintenance Fund accounts for the purchases of new equipment, for repairs and renovation of existing buildings and equipment, and for the maintenance of the grounds for School Districts 1, 2, and 3. Financing is provided primarily by a special property tax levy on property within each district and by the related state revenue sharing. Individual account balances of the School Districts Maintenance Fund at June 30, 2003, are as follows:

District 1	\$ 887,975
District 2	733,812
District 3	<u>1,091,829</u>
Total fund equity	<u>\$ 2,713,616</u>

School Lunch Fund

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

LEARN Teacher Subgrants

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

Vocational/Adult Education

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

Starting Points – Preschool

To provide “at risk” 4 year olds access to education.

Comprehensive School Grants

To enhance the achievement in reading for bilingual children.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

NON-MAJOR FUND DESCRIPTIONS (Continued)

DEBT SERVICE FUNDS

Consolidated School District No. 1, Special School District No. 4, Fifth Ward Special School District No 1, and Sixth Ward Special School District No. 3.

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

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

CAPITAL PROJECTS FUNDS

Hurricane Construction Fund

The Hurricane Construction Fund is used to account for FEMA proceeds and expenditures attributable to the destruction caused by Hurricane Lili in October 2002.

District Construction Fund

The board appropriated funds to provide for construction at each District.

Consolidated School District No. 1 Fund

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

Special School District No. 4 Fund

Special School District No. 4 Fund is used to acquire or improve land, building sites and other school – related facilities within the district. In addition, it is used to purchase the necessary equipment and furnishings for the schools. Funding has been provided by the proceeds of the \$3,000,000 bond issues dated May 1, 1997.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Combined Balance Sheet
Non-Major Governmental Funds
By Fund Type
June 30, 2003

ASSETS	Special Revenue	Debt Service	Capital Projects	Total
Cash and interest-bearing deposits	\$ 3,617,792	\$ 1,607,773	\$ 2,153,477	\$ 7,379,042
Investments, at fair value	202,250	-	639,971	842,221
Receivables:				
Accounts	42,871	9,303	35	52,209
Accrued interest	2,756	-	12,933	15,689
Due from other governmental units	1,471,754	-	-	1,471,754
Due from other funds	6,815	-	2,145,077	2,151,892
Inventory, at cost	80,814	-	-	80,814
 Total assets	 <u>\$ 5,425,052</u>	 <u>\$ 1,617,076</u>	 <u>\$ 4,951,493</u>	 <u>\$ 11,993,621</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	164,609	-	184,540	349,149
Accrued liabilities	323,116	-	30,813	353,929
Due to other funds	1,570,103	-	283,422	1,853,525
Total liabilities	2,057,828	-	498,775	2,556,603
Fund balances:				
Reserved for debt service	-	1,607,087	-	1,607,087
Reserved for maintenance	2,713,616	-	-	2,713,616
Reserved for federal programs	48,244	-	-	48,244
Reserved for food service	605,364	-	-	605,364
Reserved for construction	-	-	33,199	33,199
Reserved for other	-	9,989	-	9,989
Unreserved -				
Designated for construction	-	-	4,419,519	4,419,519
Total fund balances	3,367,224	1,617,076	4,452,718	9,437,018
 Total liabilities and fund balances	 <u>\$ 5,425,052</u>	 <u>\$ 1,617,076</u>	 <u>\$ 4,951,493</u>	 <u>\$ 11,993,621</u>

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

Combining Balance Sheet
June 30, 2003

	No Child Left Behind Act			
	Title I	Title II	Title III	Title IV
ASSETS				
Cash and interest-bearing deposits	\$ -	\$ -	\$ -	\$ -
Investments, at fair value	-	-	-	-
Receivables:				
Accounts	-	-	362	-
Accrued interest	-	-	-	-
Due from other governmental units	735,304	173,718	8,003	8,783
Due from other funds	16	-	-	-
Inventory, at cost	-	-	-	-
Total assets	\$ 735,320	\$ 173,718	\$ 8,365	\$ 8,783
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 30,899	\$ -	\$ 4,571	\$ 205
Accrued liabilities	103,978	25,716	-	1,030
Due to other funds	595,213	148,002	3,794	7,548
Total liabilities	730,090	173,718	8,365	8,783
Fund balances:				
Reserved for maintenance	-	-	-	-
Reserved for federal programs	5,230	-	-	-
Reserved for food service	-	-	-	-
Total fund balances	5,230	-	-	-
Total liabilities and fund balances	\$ 735,320	\$ 173,718	\$ 8,365	\$ 8,783

No Child Left Behind Act	Improving America's Schools Act	Individuals with Disabilities Education Act		Workforce Investment Act
Title V	Title VI	Preschool Incentive	Special Education	
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	100	-
7,082	-	14,357	240,934	46,259
-	-	-	491	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,082</u>	<u>\$ -</u>	<u>\$ 14,357</u>	<u>\$ 241,525</u>	<u>\$ 46,259</u>
\$ 2,209	\$ -	\$ 1,621	\$ 5,474	\$ 121
591	-	2,297	32,254	3,834
<u>4,282</u>	<u>-</u>	<u>10,439</u>	<u>203,797</u>	<u>42,304</u>
<u>7,082</u>	<u>-</u>	<u>14,357</u>	<u>241,525</u>	<u>46,259</u>
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 7,082</u>	<u>\$ -</u>	<u>\$ 14,357</u>	<u>\$ 241,525</u>	<u>\$ 46,259</u>

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

Combining Balance Sheet (Continued)
June 30, 2003

	School Districts Maintenance	School Lunch	Vocational/Adult Education	Starting Points - Preschool
ASSETS				
Cash and interest-bearing deposits	\$ 2,686,966	\$ 930,826	\$ -	\$ -
Investments, at fair value	202,250	-	-	-
Receivables:				
Accounts	41,870	539	-	-
Accrued interest	2,756	-	-	-
Due from other governmental units	1,824	13,008	186,609	-
Due from other funds	-	347	5,961	-
Inventory, at cost	-	80,814	-	-
Total assets	<u>\$ 2,935,666</u>	<u>\$ 1,025,534</u>	<u>\$ 192,570</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$ 93,900	\$ 3,330	\$ 19,857	\$ -
Accrued liabilities	20,810	110,180	15,898	2,805
Due to other funds	107,340	306,660	118,507	(7,511)
Total liabilities	<u>222,050</u>	<u>420,170</u>	<u>154,262</u>	<u>(4,706)</u>
Fund balances:				
Reserved for maintenance	2,713,616	-	-	-
Reserved for federal programs	-	-	38,308	4,706
Reserved for food service	-	605,364	-	-
Total fund balances	<u>2,713,616</u>	<u>605,364</u>	<u>38,308</u>	<u>4,706</u>
Total liabilities and fund balances	<u>\$ 2,935,666</u>	<u>\$ 1,025,534</u>	<u>\$ 192,570</u>	<u>\$ -</u>

<u>Comprehensive School Grants</u>	<u>LEARN Teacher Subgrants</u>	<u>Total</u>
\$ -	\$ -	\$ 3,617,792
-	-	202,250
-	-	42,871
-	-	2,756
35,873	-	1,471,754
-	-	6,815
<u>-</u>	<u>-</u>	<u>80,814</u>
<u>\$ 35,873</u>	<u>\$ -</u>	<u>\$ 5,425,052</u>
\$ 2,422	\$ -	\$ 164,609
3,723	-	323,116
<u>29,728</u>	<u>-</u>	<u>1,570,103</u>
<u>35,873</u>	<u>-</u>	<u>2,057,828</u>
-	-	2,713,616
-	-	48,244
<u>-</u>	<u>-</u>	<u>605,364</u>
<u>-</u>	<u>-</u>	<u>3,367,224</u>
<u>\$ 35,873</u>	<u>\$ -</u>	<u>\$ 5,425,052</u>

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

Combining Balance Sheet
June 30, 2003

	<u>Consolidated District No. 1</u>	<u>Special School District No. 4</u>	<u>Fifth Ward Special School District No. 1</u>
ASSETS			
Cash and interest-bearing deposits	\$ 1,355,830	\$ 241,954	\$ 560
Accounts receivable	<u>8,792</u>	<u>511</u>	<u>-</u>
Total assets	<u>\$ 1,364,622</u>	<u>\$ 242,465</u>	<u>\$ 560</u>
FUND BALANCES			
Reserved for debt service	\$ 1,364,622	\$ 242,465	\$ -
Reserved	<u>-</u>	<u>-</u>	<u>560</u>
Total fund balances	<u>\$ 1,364,622</u>	<u>\$ 242,465</u>	<u>\$ 560</u>

<u>Sixth Ward Special School District No. 3</u>	<u>Total</u>
\$ 9,429	\$ 1,607,773
<u>-</u>	<u>9,303</u>
<u>\$ 9,429</u>	<u>\$ 1,617,076</u>
\$ -	\$ 1,607,087
<u>9,429</u>	<u>9,989</u>
<u>\$ 9,429</u>	<u>\$ 1,617,076</u>

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

Combining Balance Sheet
June 30, 2003

	Hurricane Construction	District Construction	Consolidated School District No. 1
ASSETS			
Cash and interest-bearing deposits	\$ 13,293	\$ 2,096,172	\$ 22,565
Investments, at fair value	-	639,971	-
Accounts receivable	-	35	-
Accrued interest	-	12,933	-
Due from other funds	-	2,145,077	-
Total assets	\$ 13,293	\$ 4,894,188	\$ 22,565
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 184,540	\$ -
Retainage payable	-	20,000	10,813
Due to other funds	3,333	280,089	-
Total liabilities	3,333	484,629	10,813
Fund balances:			
Reserved for construction	-	-	11,752
Designated for construction	9,960	4,409,559	-
Total fund balances	9,960	4,409,559	11,752
Total liabilities and fund balances	\$ 13,293	\$ 4,894,188	\$ 22,565

<u>Special School District No. 4</u>	<u>Totals</u>
\$ 21,447	\$ 2,153,477
-	639,971
-	35
-	12,933
<u>-</u>	<u>2,145,077</u>
<u>\$ 21,447</u>	<u>\$ 4,951,493</u>

\$ -	\$ 184,540
-	30,813
<u>-</u>	<u>283,422</u>
<u>-</u>	<u>498,775</u>

21,447	33,199
<u>-</u>	<u>4,419,519</u>
<u>21,447</u>	<u>4,452,718</u>
<u>\$ 21,447</u>	<u>\$ 4,951,493</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Combined Statement of Revenues, Expenditures,
And Changes in Fund Balances
Non-Major Governmental Funds
By Fund Type
Year Ended June 30, 2003

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Revenues:				
Local sources -				
Ad valorem taxes	\$ 3,509,953	\$ 2,121,036	\$ -	\$ 5,630,989
Interest earnings	61,678	25,809	135,169	222,656
Food service	644,051	-	-	644,051
Other	7,902	-	-	7,902
State sources -				
Unrestricted grants-in-aid	1,328,593	-	-	1,328,593
Restricted grants-in-aid	-	-	11,291	11,291
Federal sources -				
Restricted grants-in-aid	9,791,548	-	87,940	9,879,488
Other - commodities	<u>302,546</u>	<u>-</u>	<u>-</u>	<u>302,546</u>
Total revenues	<u>15,646,271</u>	<u>2,146,845</u>	<u>234,400</u>	<u>18,027,516</u>
Expenditures:				
Current -				
Instruction:				
Regular programs	760,160	-	2,132	762,292
Special education programs	678,399	-	-	678,399
Vocational education programs	177,727	-	-	177,727
Other instructional programs	182,221	-	4,618	186,839
Special programs	2,570,956	-	-	2,570,956
Adult and continuing education programs	560,310	-	-	560,310
Support services:				
Pupil support services	850,733	-	-	850,733
Instructional staff services	859,474	-	3,154	862,628
General administration	115,616	68,034	10,530	194,180
School administration	33,871	-	1,800	35,671
Business services	118,787	108	285	119,180
Operation and maintenance of plant services	2,589,761	-	161,432	2,751,193
Student transportation services	71,298	-	1,285	72,583
Central services	23,930	-	-	23,930
Non-instructional services -				
Food service operations	4,988,728	-	11,030	4,999,758
Facilities acquisition and construction	152,326	-	1,439,791	1,592,117
Debt service -				
Principal retirement	-	1,125,000	-	1,125,000
Interest and fiscal charges	<u>-</u>	<u>804,863</u>	<u>-</u>	<u>804,863</u>
Total expenditures	<u>14,734,297</u>	<u>1,998,005</u>	<u>1,636,057</u>	<u>18,368,359</u>
Excess of revenues over expenditures	<u>911,974</u>	<u>148,840</u>	<u>(1,401,657)</u>	<u>(340,843)</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Combined Statement of Revenues, Expenditures,
And Changes in Fund Balances
Non-Major Governmental Funds
By Fund Type (Continued)
Year Ended June 30, 2003

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Other financing sources (uses)				
Operating transfers in	400,000	-	2,556,051	2,956,051
Operating transfers out	<u>(2,834,182)</u>	<u>-</u>	<u>(400,000)</u>	<u>(3,234,182)</u>
Total other financing sources (uses)	<u>(2,434,182)</u>	<u>-</u>	<u>2,156,051</u>	<u>(278,131)</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 (1,522,208)	 148,840	 754,394	 (618,974)
 Fund balances, beginning	 <u>4,889,432</u>	 <u>1,468,236</u>	 <u>3,698,324</u>	 <u>10,055,992</u>
 Fund balances, ending	 <u>\$ 3,367,224</u>	 <u>\$ 1,617,076</u>	 <u>\$4,452,718</u>	 <u>\$ 9,437,018</u>

ST. MARY PARISH SCHOOL BOARD

Centerville, Louisiana

Special Revenue Funds

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Year Ended June 30, 2003

	No Child Left Behind Act			
	Title I	Title II	Title III	Title IV
Revenues:				
Local sources -				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-
Food service	-	-	-	-
Other	-	-	-	-
State sources -				
Unrestricted grants-in-aid	-	-	-	-
Federal sources -				
Restricted grants-in-aid	3,099,759	728,724	20,539	68,377
Other - commodities	-	-	-	-
Total revenues	<u>3,099,759</u>	<u>728,724</u>	<u>20,539</u>	<u>68,377</u>
Expenditures:				
Current -				
Instruction:				
Regular programs	55,904	530,593	-	287
Special education programs	-	-	-	-
Vocational education programs	-	-	-	-
Other instructional programs	-	-	-	-
Special programs	2,207,926	-	13,634	-
Adult and continuing education programs	-	-	-	-
Support services:				
Pupil support services	234,864	37,203	-	66,658
Instructional staff services	393,755	123,845	6,577	-
General administration	1,236	280	-	-
School administration	-	-	-	-
Business services	3,162	-	-	-
Operation and maintenance of plant services	43,839	-	-	-
Student transportation services	2,513	-	-	50
Central services	-	-	-	-
Non-instructional services -	-	-	-	-
Food service operations	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Total expenditures	<u>2,943,199</u>	<u>691,921</u>	<u>20,211</u>	<u>66,995</u>
Excess of revenues over expenditures	<u>156,560</u>	<u>36,803</u>	<u>328</u>	<u>1,382</u>

No Child Left Behind Act	Improving America's Schools Act	Individuals with Disabilities Education Act		Workforce Investment Act
Title V	Title VI	Preschool Incentive	Special Education	Act
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
61,922	60,773	83,377	1,461,027	138,653
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>61,922</u>	<u>60,773</u>	<u>83,377</u>	<u>1,461,027</u>	<u>138,653</u>
-	29,515	-	-	-
-	-	8,131	670,268	-
-	-	-	-	-
-	-	-	-	-
-	-	22,119	-	-
-	-	-	-	138,653
46,316	4,676	47,980	408,124	-
12,566	24,744	633	224,940	-
-	-	-	579	-
-	-	-	-	-
-	-	-	14,895	-
-	-	-	16,075	-
-	-	628	22,370	-
-	-	-	23,930	-
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>9,817</u>	<u>-</u>
<u>58,882</u>	<u>58,935</u>	<u>79,491</u>	<u>1,390,998</u>	<u>138,653</u>
<u>3,040</u>	<u>1,838</u>	<u>3,886</u>	<u>70,029</u>	<u>-</u>

ST. MARY PARISH SCHOOL BOARD

Centerville, Louisiana

Special Revenue Funds

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances (Continued)
Year Ended June 30, 2003

	School Districts Maintenance	School Lunch	Vocational/Adult Education	Starting Points - Preschool
Revenues:				
Local sources -				
Ad valorem taxes	\$ 3,509,953	\$ -	\$ -	\$ -
Interest earnings	52,483	9,195	-	-
Food service	-	644,051	-	-
Other	7,276	626	-	-
State sources -				
Unrestricted grants-in-aid	321,659	1,006,934	-	-
Federal sources -				
Restricted grants-in-aid	-	2,968,701	810,970	82,974
Other - commodities	-	302,546	-	-
Total revenues	<u>3,891,371</u>	<u>4,629,507</u>	<u>810,970</u>	<u>82,974</u>
Expenditures:				
Current -				
Instruction:				
Regular programs	113,270	-	-	-
Special education programs	-	-	-	-
Vocational education programs	5,934	-	171,793	-
Other instructional programs	156,863	-	25,358	-
Special programs	-	-	155,089	77,521
Adult and continuing education programs	-	-	420,741	-
Support services:				
Pupil support services	-	-	4,912	-
Instructional staff services	-	-	3,564	-
General administration	113,521	-	-	-
School administration	33,871	-	-	-
Business services	100,730	-	-	-
Operation and maintenance of plant services	2,529,697	-	150	-
Student transportation services	21,338	-	22,097	452
Central services	-	-	-	-
Non-instructional services -				
Food service operations	5,712	4,983,016	-	-
Facilities acquisition and construction	<u>142,509</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>3,223,445</u>	<u>4,983,016</u>	<u>803,704</u>	<u>77,973</u>
Excess (deficiency) of revenues over expenditures	<u>667,926</u>	<u>(353,509)</u>	<u>7,266</u>	<u>5,001</u>

<u>Comprehensive School Grants</u>	<u>LEARN Teacher Subgrants</u>	<u>Total</u>
\$ -	\$ -	\$ 3,509,953
-	-	61,678
-	-	644,051
-	-	7,902
-	-	1,328,593
175,161	30,591	9,791,548
-	-	302,546
<u>175,161</u>	<u>30,591</u>	<u>15,343,725</u>
-	30,591	760,160
-	-	678,399
-	-	177,727
-	-	182,221
94,667	-	2,570,956
916	-	560,310
-	-	850,733
68,850	-	859,474
-	-	115,616
-	-	33,871
-	-	118,787
-	-	2,589,761
1,850	-	71,298
-	-	23,930
-	-	4,988,728
-	-	152,326
<u>166,283</u>	<u>30,591</u>	<u>14,734,297</u>
<u>8,878</u>	<u>-</u>	<u>609,428</u>

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

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances (Continued)
Year Ended June 30, 2003

	No Child Left Behind Act			
	Title I	Title II	Title III	Title IV
Other financing sources (uses)				
Operating transfers in	-	-	-	-
Operating transfers out	<u>(152,452)</u>	<u>(36,803)</u>	<u>(328)</u>	<u>(1,382)</u>
Total other financing sources (uses)	<u>(152,452)</u>	<u>(36,803)</u>	<u>(328)</u>	<u>(1,382)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	4,108	-	-	-
Fund balances, beginning	<u>1,122</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 5,230</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

No Child Left Behind Act	Improving America's Schools Act	Individuals with Disabilities Education Act		Workforce Investment Act
		Preschool Incentive	Special Education	
Title V	Title VI			
-	-	-	-	-
<u>(3,040)</u>	<u>(1,838)</u>	<u>(3,886)</u>	<u>(70,029)</u>	<u>-</u>
<u>(3,040)</u>	<u>(1,838)</u>	<u>(3,886)</u>	<u>(70,029)</u>	<u>-</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances (Continued)
Year Ended June 30, 2003

	<u>School Districts Maintenance</u>	<u>School Lunch</u>	<u>Vocational/Adult Education</u>	<u>Starting Points - Preschool</u>
Other financing sources (uses):				
Operating transfers in	400,000	-	-	-
Operating transfers out	<u>(2,531,051)</u>	<u>-</u>	<u>(20,552)</u>	<u>(3,943)</u>
Total other financing sources (uses)	<u>(2,131,051)</u>	<u>-</u>	<u>(20,552)</u>	<u>(3,943)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,463,125)	(353,509)	(13,286)	1,058
Fund balances, beginning	<u>4,176,741</u>	<u>656,327</u>	<u>51,594</u>	<u>3,648</u>
Fund balances, ending	<u>\$ 2,713,616</u>	<u>\$ 302,818</u>	<u>\$ 38,308</u>	<u>\$ 4,706</u>

<u>Comprehensive School Grants</u>	<u>LEARN Teacher Subgrants</u>	<u>Total</u>
-	-	400,000
<u>(8,878)</u>	<u>-</u>	<u>(2,834,182)</u>
<u>(8,878)</u>	<u>-</u>	<u>(2,434,182)</u>
-	-	(1,824,754)
<u>-</u>	<u>-</u>	<u>4,889,432</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,064,678</u>

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

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
June 30, 2003

	Consolidated School District No. 1	Special School District No. 4	Fifth Ward Special School District No. 1
Revenues:			
Local sources -			
Ad valorem taxes	\$ 1,784,703	\$ 336,333	\$ -
Interest earnings	<u>21,866</u>	<u>3,798</u>	<u>8</u>
Total revenues	<u>1,806,569</u>	<u>340,131</u>	<u>8</u>
Expenditures:			
Current -			
Support services:			
General administration	57,366	10,668	-
Business services	54	54	-
Debt service -			
Principal retirement	950,000	175,000	-
Interest and fiscal charges	<u>679,275</u>	<u>125,588</u>	<u>-</u>
Total expenditures	<u>1,686,695</u>	<u>311,310</u>	<u>-</u>
Excess of revenues over expenditures	<u>119,874</u>	<u>28,821</u>	<u>8</u>
Fund balances, beginning	<u>1,244,748</u>	<u>213,644</u>	<u>552</u>
Fund balances, ending	<u>\$ 1,364,622</u>	<u>\$ 242,465</u>	<u>\$ 560</u>

<u>Sixth Ward Special School District No. 3</u>	<u>Total</u>
\$ -	\$ 2,121,036
<u>137</u>	<u>25,809</u>
<u>137</u>	<u>2,146,845</u>
-	68,034
-	108
-	1,125,000
<u>-</u>	<u>804,863</u>
<u>-</u>	<u>1,998,005</u>
<u>137</u>	<u>148,840</u>
<u>9,292</u>	<u>1,468,236</u>
<u>\$ 9,429</u>	<u>\$ 1,617,076</u>

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

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

Year Ended June 30, 2003

	Hurricane Construction	District Construction	Consolidated School District No. 1
Revenues:			
Local sources -			
Interest earnings	\$ -	\$ 102,748	\$ 12,161
State sources -			
Restricted grants-in-aid	11,291	-	-
Federal sources -			
Restricted grants-in-aid	<u>87,940</u>	<u>-</u>	<u>-</u>
Total revenues	<u>99,231</u>	<u>102,748</u>	<u>12,161</u>
Expenditures:			
Current -			
Instruction:			
Regular programs	-	2,132	-
Other instructional programs	-	4,618	-
Support services:			
Instructional staff services	-	3,154	-
General administration	-	5,530	2,500
School administration	1,800	-	-
Business services	-	285	-
Operation and maintenance of plant	100,156	61,276	-
Transportation	1,285	-	-
Food service operation	11,030	-	-
Facilities acquisition and construction	<u>-</u>	<u>1,439,791</u>	<u>-</u>
Total expenditures	<u>114,271</u>	<u>1,516,786</u>	<u>2,500</u>
Excess (deficiency) of revenues over expenditures	(15,040)	(1,414,038)	9,661
Other financing sources (uses)			
Operating transfers in	25,000	2,531,051	-
Operating transfers out	<u>-</u>	<u>(400,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>25,000</u>	<u>2,131,051</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	9,960	717,013	9,661
Fund balances, beginning	<u>-</u>	<u>3,692,546</u>	<u>2,091</u>
Fund balances, ending	<u>\$ 9,960</u>	<u>\$ 4,409,559</u>	<u>\$ 11,752</u>

<u>Special School District No. 4</u>	<u>Total</u>
\$ 20,260	\$ 135,169
-	11,291
<u>-</u>	<u>87,940</u>
<u>20,260</u>	<u>234,400</u>
-	2,132
-	4,618
-	3,154
2,500	10,530
-	1,800
-	285
-	161,432
-	1,285
-	11,030
<u>-</u>	<u>1,439,791</u>
<u>2,500</u>	<u>1,636,057</u>
17,760	(1,401,657)
-	2,556,051
<u>-</u>	<u>(400,000)</u>
<u>-</u>	<u>2,156,051</u>
17,760	754,394
<u>3,687</u>	<u>3,698,324</u>
<u>\$ 21,447</u>	<u>\$ 4,452,718</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

FIDUCIARY FUNDS

EXPENDABLE TRUST FUNDS:

Ann Dangerfield Scholarship, J. J. Hebert Memorial, C. J. Peltier Scholarship

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

AGENCY FUND:

School Activity

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana
Fiduciary Funds

Combining Balance Sheet
June 30, 2003

	Expendable Trust Funds		
	Ann Dangerfield Scholarship	J. J. Hebert Memorial	C. J. Peltier, Jr. Scholarship
ASSETS			
Cash	\$ 2,880	\$ 380	\$ 234
Investments, at fair value	10,000	-	-
Accrued interest	231	-	-
Total assets	\$ 13,111	\$ 380	\$ 234
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,033	\$ -	\$ -
Deposits due to others	-	-	-
Total liabilities	2,033	-	-
Fund balances:			
Unreserved - undesignated	11,078	380	234
Total liabilities and fund balances	\$ 13,111	\$ 380	\$ 234

<u>Agency Fund School Activity</u>	<u>Total</u>
\$ 909,925	\$ 913,419
-	10,000
<u>-</u>	<u>231</u>
<u>\$ 909,925</u>	<u>\$ 923,650</u>

\$ -	\$ 2,033
<u>909,925</u>	<u>909,925</u>
<u>909,925</u>	<u>911,958</u>
<u>-</u>	<u>11,692</u>
<u>\$ 909,925</u>	<u>\$ 923,650</u>

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

Combining Statement of Revenues, Expenditures,
And Changes in Fund Balances
Year Ended June 30, 2003

	Ann Dangerfield Scholarship	J. J. Hebert Memorial	C. J. Peltier, Jr. Scholarship	Total
Revenues:				
Local sources -				
Interest earnings	\$ 635	\$ -	\$ -	\$ 635
Expenditures:				
Tuition Grants	1,390	-	-	1,390
Deficiency of revenues over expenditures	(755)	-	-	(755)
Fund balances, beginning	11,833	380	234	12,447
Fund balances, ending	<u>\$ 11,078</u>	<u>\$ 380</u>	<u>\$ 234</u>	<u>\$ 11,692</u>

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

Schedule of Changes in Deposits Due to Others
Year Ended June 30, 2003

	Balance July 1, 2002	Additions	Reductions	Balance June 30, 2003
St. Mary Parish Alternative	\$ 1,232	\$ 2,651	\$ 3,515	\$ 368
J. S. Aucoin Elementary	41,091	32,782	46,092	27,781
Baldwin Elementary	3,787	30,010	29,453	4,344
Bayou Vista Elementary	11,970	111,965	107,109	16,826
Berwick Elementary	11,783	95,674	83,775	23,682
Berwick Junior High	25,367	88,257	82,676	30,948
Berwick Senior High	123,426	312,030	317,171	118,285
B. Edward Boudreaux Junior High	10,902	65,269	70,103	6,068
Centerville High	22,146	148,410	128,992	41,564
W. P. Foster Elementary	31,054	33,440	40,288	24,206
Franklin Adult Education	1,815	8,176	6,097	3,894
Franklin Junior High	53,540	76,350	70,503	59,387
Franklin Senior High	12,666	241,727	240,647	13,746
Thomas Gibbs Elementary	3,237	20,422	19,360	4,299
G. W. Hamilton Elementary	9,295	22,653	24,870	7,078
Mary Hines Elementary	16,302	39,679	48,528	7,453
LaGrange Elementary	13,100	55,699	56,442	12,357
J. B. Maitland Elementary	14,080	38,231	37,499	14,812
Morgan City Adult Education	1,540	3,873	841	4,572
Morgan City Junior High	47,123	96,276	85,667	57,732
Morgan City Senior High	179,940	439,808	433,635	186,113
M. E. Norman Elementary	25,158	22,302	23,565	23,895
Patterson Junior High	25,245	70,903	72,729	23,419
Patterson Senior High	55,696	319,431	294,259	80,868
M. D. Shannon Elementary	13,737	41,528	43,292	11,973
H. A. Watts Elementary	41,306	63,465	58,992	45,779
Hernandez Elementary	12,368	50,394	42,300	20,462
West St. Mary High	23,476	197,733	203,870	17,339
Wyandotte Elementary	20,231	64,423	63,979	20,675
	<u>\$ 852,613</u>	<u>\$ 2,793,561</u>	<u>\$ 2,736,249</u>	<u>\$ 909,925</u>

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



(A Corporation of Certified Public Accountants)

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

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

We have audited the basic financial statements of the St. Mary Parish School Board as of and for the year ended June 30, 2003, and have issued our report thereon dated September 20, 2003. We have conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations".

Compliance

As part of obtaining reasonable assurance about whether the St. Mary Parish School Board's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA

Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr. CPA

Kathleen T. Darnall, CPA
Erich G. Loewer, III, MTX CPA
Tamera T. Landry, CPA
Raegan D. Stelly, CPA
Barbara A. Clark, CPA
Lauren F. Verrett, CPA
Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

This report is intended for the information and use of management, federal awarding agencies, and pass-through entities. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document, therefore its distribution is not limited.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Morgan City, Louisiana
September 20, 2003

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
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(A Corporation of Certified Public Accountants)

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

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

Compliance

We have audited the compliance of the St. Mary Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2003. The St. Mary Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Mary Parish School Board's management. Our responsibility is to express an opinion on the St. Mary Parish School Board's compliance based on our audit.

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

In our opinion, the St. Mary Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003.

Member of:
American Institute of
Certified Public Accountants

Society of Louisiana
Certified Public Accountants

Internal Control Over Compliance

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

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

This report is intended for the information and use of management, federal awarding agencies, and pass-through entities. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document, therefore its distribution is not limited.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Morgan City, Louisiana
September 20, 2003

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2003

Program Title	Federal CFDA Number	Grantor Number	Federal Disbursements/ Expenditures
U. S. Department of Agriculture:			
Passed through Louisiana Department of Education & Agriculture - School Food Service -			
Food Distribution Program	10.550		\$ 302,546
School Breakfast Program	10.553		755,733
National School Lunch Program	10.555		<u>2,212,968</u>
Total U. S. Department of Agriculture			<u>3,271,247</u>
U. S. Department of Health and Human Services:			
Passed through Louisiana Department of Education -			
Starting Points Preschool Program	93.558	0338-51	82,974
Pre/GED Skills Options - FY 02 c/o	93.558	0236-51	81,462
Pre/GED Skills Options - FY 03	93.558	0336-51	82,053
TANF Adult & Family Literacy	93.560	03LG-51	57,199
TANF Child Literacy	93.560	03MS-51	<u>17,246</u>
Total U. S. Department of Health and Human Services			<u>320,934</u>
U. S. Department of Labor:			
Passed through St. Landry Parish Police Jury -			
Workforce Investment Act - JAG FY 03	17.259	1506	67,202
Workforce Investment Act - Summer Youth Training	17.259	5940	58,143
Workforce Investment Act - Summer Youth Training	17.259	5941	<u>13,308</u>
Total U. S. Department of Labor			<u>138,653</u>
U. S. Department of Education:			
Direct Programs -			
Migrant Education - Based State Formula Grant Program	84.011	2899M151M	57,726
Comprehensive School Grants - Aucoin	84.289P	T290U990187-02	158,851
Bilingual Education - Comprehensive School Grants - Aucoin	84.290U	T290U990187	16,310
Passed through Louisiana Department of Education -			
Educationally Deprived Children - Local			
Education Agencies - Title I - FY 02 c/o	84.010A	02-T1-51	119,629
Title I - FY 03	84.010A	03-T1-51	2,795,389
Reading Excellence Act	84.338A	00-R2-51-C	12,628
Handicapped - IDEA-B FY 03	84.027A	03-B1-51	1,222,368
IDEA-B FY 02 c/o	84.027A	02-B1-51	228,460
Special Education - Preschool FY 03	84.173A	03-P1-51	65,037
Preschool FY 02 c/o	84.173A	02-P1-51-S	18,341

(Continued)

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2003

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor Number</u>	<u>Federal Disbursements/ Expenditures</u>
Vocational Education			
Basic Grants - Carl Perkins FY 02 c/o	84.048A	0202-51-C	4,501
Carl Perkins FY 03	84.048A	0302-51	171,855
Special Education IDEA-Part C	84.181A	28-02-C3-51	10,199
Grants for Strengthening the Skills of Teachers and Instruction in Math, Science, Foreign Languages, and Computer Learning			
Teacher & Principal Training	84.281A	02-50-51	6,331
Teacher & Principal Training	84.367A	03-50-51	722,393
Title IV Drug-Free Schools & Communities FY 03	84.186A	03-70-51	66,671
Title IV Drug-Free Schools & Communities FY 02 c/o	84.186A	02-70-51	1,706
Louisiana Learn - Learn Grant	84.276A	02450-C	30,591
Academic Achievement - Title III	84.365A	03-60-51	20,539
Innovative Education Program Strategies Title V	84.298A	03-80-51	66,443
Technology Grant EETT - Enhancing Education Through Technology	84-318X	0349-51	71,937
Class Size Reduction	84.340A	02-01-51	56,253
Rural Education Achievement Program	84.358B	03-RE-51	42,450
Adult Ed - Workplace Literacy FY 03	84.002A	0342-51	59,361
Adult Ed - Technology FY 02 c/o	84.002A	0222-51	9,979
Adult Ed - Basic - Federal FY 02 c/o	84.002A	0244-51	7,060
Adult Ed - Basic - Federal FY 01 c/o	84.002A	0144-51-C	8,658
Adult Ed - Basic - Federal FY 02 c/o	84.002A	0244-51-C	1,276
Adult Ed - Basic - Federal FY 03	84.002A	0344-51	145,525
Even Start FY 02 c/o	84.213C	02-F1-51	43,239
Even Start FY 01 Supplement	84.213C	01-F1-51-C	3,484
Even Start FY 02 Supplement	84.213C	02-F1-51-C	525
Even Start FY 03	84.213C	03-F1-51	117,545
Total U. S. Department of Education			<u>6,363,260</u>
Passed through State of Louisiana Office of Emergency Preparedness:			
Public Assistance Grant	83.544	147-DR-LA	<u>87,940</u>
Total Federal Assistance			<u>\$ 10,182,034</u>

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2003

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the St. Mary Parish School Board and is presented on the same basis of accounting as described in Note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

OTHER SUPPLEMENTARY INFORMATION

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Summary Schedule of Prior Year Findings
Year Ended June 30, 2003

There were no findings for the year ended June 30, 2002.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2003

Part 1 Summary of Audit Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the St. Mary Parish School Board's basic financial statements as of and for the year ended June 30, 2003.

Reportable Conditions - Financial Reporting

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

Material Noncompliance - Financial Reporting

The results of our tests disclosed no instances of noncompliance which are required to be reported under *Government Auditing Standards*.

FEDERAL AWARDS

Major Program - Identification

The St. Mary Parish School Board, at June 30, 2003, had four major programs:

Teacher and Principal Training and Recruiting, CFDA # 84.367A, which received funds from the Department of Education "passed through" the State Department of Education.

Adult Education, CFDA # 84.002A, which received funds from the Department of Education "passed through" the State Department of Education.

Even Start, CFDA # 84.213C, which received funds from the Department of Education "passed through" the State Department of Education.

National School Lunch Program and School Breakfast Program, CFDA #'s 10.555 and 10.553 which received funds from the Department of Agriculture "passed through" the State Department of Agriculture and the State Department of Education.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2003

Low-Risk Auditee

An entity is considered a low-risk auditee if it meets all of the following criteria, specified in the OMB Circular A-133, section 530, for each of the previous two years:

- Single audits were performed on an annual basis.
- The auditor's opinions on the financial statements and the schedule of expenditures of federal awards were unqualified.
- No material weaknesses in internal control, as defined by the Yellow Book, were identified.
- None of the federal programs had audit findings from any of the following in any of the preceding two years in which they were classified as Type A programs:
 - Material weaknesses in internal controls.
 - Noncompliance with the provisions of laws, regulations, contracts, or grant agreements that had a material affect on the Type A programs.
 - Known or likely questioned costs which exceed five percent of the total federal awards expended for a Type A program during the year.

For the fiscal year ended June 30, 2003, the St. Mary Parish School Board was considered a low-risk auditee.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$305,461 for the fiscal year ended June 30, 2003.

Auditor's Report - Major Program

An unqualified opinion has been issued on the St. Mary Parish School Board's compliance for its major programs as of and for the year ended June 30, 2003.

Reportable Conditions - Major Program

No reportable conditions were disclosed during the audit of major programs.

Compliance Findings Related to Federal Programs

The results of our test disclosed no instances of noncompliance during the audit of major programs.

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2003

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

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

Part 3 Findings and Questioned Costs Relating to the Federal Programs

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2003

There were no findings reported for the year ended June 30, 2003.

ST. MARY PARISH SCHOOL BOARD
Special District No. 4 and Consolidated School District No. 1
Centerville, Louisiana

Annual Report For Tax Year 2002

Audited Financial Statements

Special School District No. 4 and Consolidated School District No. 1 (the “Issuers”) operate on a fiscal year ending June 30. The Financial Statements of the St. Mary Parish School Board (the “Governing Authority”) and notes thereto for the fiscal year ended June 30, 2003, audited by Darnall, Sikes & Frederick, a Corporation of Certified Public Accountants, Morgan City, Louisiana, and their report dated as of September 20, 2003, is a supplement to this Annual Report. Included in the notes is a description of the basis of accounting used by the Issuers in reporting their financial statements.

Debt of the Issuers

The Issuers have no short-term indebtedness, other than normal accounts payable or as otherwise stated in this Annual Report or its supplement. The Issuers have never defaulted in the payment of their outstanding bonds or obligations. The total amount of debt the Issuers issued follows:

Special School District No. 4

Besides the general obligation bonds for which the Official Statement was prepared, no debt has been authorized or issued by the Issuer since the date of the Official Statement. Of the \$3,000,000 of bonds issued, \$2,200,000 was outstanding as of June 30, 2003.

Consolidated School District No. 1

Besides the general obligation bonds for which the Official Statement was prepared, no debt has been authorized or issued by the Issuer since the date of the Official Statement. Of the \$16,500,000 of bonds issued, \$11,840,000 was outstanding as of June 30, 2003.

Assessment Procedures

The assessment procedures and homestead exemption as authorized by law are the same as those in effect for the tax years reported in the Official Statement.

Assessed Valuation of Property in the Issuers

The 2002 assessed valuations of property in the Issuers follows:

Special School District No. 4

Taxable Assessed Valuation	\$ 34,915,602
Homestead Exemptions	<u>2,794,890</u>
Total Assessed Valuation	<u>\$ 37,710,492</u>

ST. MARY PARISH SCHOOL BOARD
Special District No. 4 and Consolidated School District No. 1
Centerville, Louisiana

Annual Report For Tax Year 2002

▪ **Assessed Valuation of Property in the Issuers (continued)**

Consolidated School District No. 1

Taxable Assessed Valuation	\$ 68,175,809
Homestead Exemptions	<u>18,251,134</u>
Total Assessed Valuation	<u>\$ 86,426,943</u>

Source: St. Mary Parish Assessor's Office

▪ **Assessed Valuation of Property in the Issuers – By Classification**

A breakdown of the 2002 assessed valuations of property in the Issuers by classification follows:

Special School District No. 4

<u>Classification</u>	<u>Assessed Valuation</u>
Real Estate	\$ 5,684,391
Personal Property	22,431,072
Public Service Property	<u>9,595,029</u>
Total	<u>\$ 37,710,492</u>

Consolidated School District No. 1

<u>Classification</u>	<u>Assessed Valuation</u>
Real Estate	\$ 36,539,474
Personal Property	36,387,378
Public Service Property	<u>13,500,091</u>
Total	<u>\$ 86,426,943</u>

Source: St. Mary Parish Assessor's Office

ST. MARY PARISH SCHOOL BOARD
Special District No. 4 and Consolidated School District No. 1
Centerville, Louisiana

Annual Report For Tax Year 2002

▪ **Tax Collection Records of the Issuers**

The 2002 ad valorem tax levies and collections for each of the issuers follows:

Special School District No. 4

Amount of Taxes Levied (a)	\$	335,190		
Deduction for Pensions (b)		<u>10,535</u>		
Net Taxes Levied		324,654		
Net Taxes Collected (c)		336,333	*	104%
Millage Rate		9.60		

Consolidated School District No. 1

Amount of Taxes Levied (a)	\$	1,772,572		
Deduction for Pensions (b)		<u>56,664</u>		
Net Taxes Levied		1,715,908		
Net Taxes Collected (c)		1,784,704	*	104%
Millage Rate		26.00		

*Includes prior year collections

Sources: (a) St. Mary Parish Assessor's Office, (b) Legislative Auditor's Office, (c) St. Mary Parish School Board

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ST. MARY PARISH SCHOOL BOARD
Special District No. 4 and Consolidated School District No. 1
Centerville, Louisiana

Annual Report For Tax Year 2002

▪ **Leading Taxpayers**

The ten largest property taxpayers for 2002 of the Issuers and their assessed valuations follow:

Special School District No. 4

Taxpayer	Type of Business	Assessed Valuation
1. Cabot Corporation	Carbon Black Mfg.	\$ 6,399,604
2. Columbian Chemicals	Carbon Black Mfg.	3,752,092
3. Nautilus Pipeline Co.	Oil & Gas	2,911,716
4. BP American Productions	Oil & Gas	2,492,670
5. Southern Natural Gas	Oil & Gas	1,619,500
6. Burlington Resources	Oil & Gas	1,543,533
7. CLECO Corporation	Power Generation	1,521,250
8. Grey Wolf Drilling Company	Oil & Gas	833,850
9. Manta Ray Offshore	Oil & Gas	816,662
10. Marathon Oil Company	Oil & Gas	760,125
		<u>\$ 22,651,002</u> *

*Approximately 64.9% of the 2002 taxable assessed valuation of Special School District No. 4

Consolidated School District No. 1

Taxpayer	Type of Business	Assessed Valuation
1. CLECO Corporation	Power Generation	\$ 7,270,080
2. Degussa Carbon Black	Carbon Black Mfg.	5,967,738
3. Carey Salt Company	Salt Processing	2,688,640
4. Hunt Oil Company	Oil & Gas	2,274,259
5. Sterling Sugars Inc.	Sugar Processing	1,872,132
6. Gulfport Energy	Power Generation	1,823,522
7. Bell South Telecommunications	Communications	1,459,390
8. Teche Federal Savings	Banking	1,339,589
9. Enervest Energy LP	Oil & Gas	1,306,788
10. Louisiana Intrastate	Communications	1,273,652
		<u>\$ 27,275,790</u> *

*Approximately 40.0% of the 2002 taxable assessed valuation of Consolidated School District No. 1

Source: St. Mary Parish Assessor's Office



(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990
Paula D. Bihm, CPA Deceased 2002

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. HigginBotham, CPA
John P. Armato, CPA

Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr. CPA

Kathleen T. Darnall, CPA
Erich G. Loewer, III, MTX CPA
Tamera T. Landry, CPA
Raegan D. Stelly, CPA
Barbara A. Clark, CPA
Lauren F. Verrett, CPA
Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA

INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES

St. Mary Parish School Board
Centerville, LA

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

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

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

No classification errors were noted in the transactions that were sampled.

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Education Levels of Public School Staff (Schedule 2)

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

No differences were noted for this procedure.

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

No differences were noted for this procedure.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We traced a random sample of 25 teachers to the individual’s personnel file and determined if the individual’s education level was properly classified on the schedule.

No differences were noted for the teachers sampled in this procedure.

Number of Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555).

No differences were noted for this procedure.

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

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

No differences were noted for this procedure.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual’s personnel file and determined if the individual’s salary, extra compensation, and full-time equivalents were properly included on the schedule.

No differences were noted for this procedure.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

No differences were noted for this procedure.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

No differences were noted for this procedure.

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

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

No differences were noted for this procedure.

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

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

No differences were noted for this procedure.

The Iowa Tests (Schedule 9)

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

No differences were noted for this procedure.

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

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants
Morgan City, Louisiana
September 20, 2003

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 1 - General Fund Instructional and Equipment Expenditures
As of June 30, 2003

General Fund Instructional and Equipment Expenditures:

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 25,506,656	
Other Instructional Staff Salaries	3,151,026	
Employee Benefits	6,927,421	
Purchased Professional and Technical Services	255,871	
Instructional Materials and Supplies	1,746,474	
Instructional Equipment	<u>300,521</u>	
Total Teacher and Student Interaction Activities		\$ 37,887,969

Other Instructional Activities 160,198

Pupil Support Activities	2,077,009	
Less: Equipment for Pupil Support Activities	<u>(1,255)</u>	
Net Pupil Support Activities		2,075,754

Instructional Staff Services	3,095,174	
Less: Equipment for Instructional Staff Services	<u>(9,273)</u>	
Net Instructional Staff Services		<u>3,085,901</u>

Total General Fund Instructional Expenditures \$ 43,209,822

Total General Fund Equipment Expenditures \$ 518,465

Certain Local Revenue Sources:

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 2,486,205
Renewable Ad Valorem Taxes	6,820,692
Debt Service Ad Valorem Taxes	2,121,038
Up to 1% of Collections by the Sheriff on Taxes Other Than School Taxes	298,189
Sales and Use Taxes	<u>11,926,430</u>
Total Local Taxation Revenue	<u>\$ 23,652,554</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	412,396
Earnings from Other Real Property	<u>105</u>
Total Local Earnings on Investment in Real Property	<u>\$ 412,501</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	176,666
Revenue Sharing - Other Taxes	230,253
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	<u>-</u>
Total State Revenue in Lieu of Taxes	<u>\$ 406,919</u>

Nonpublic Textbook Revenue \$ 29,710

Nonpublic Transportation Revenue \$ 93,904

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 2 – Education Levels of Public School Staff
As of October 1, 2002

Category	Full-Time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0%	4	4%	-	0%	-	0%
Bachelor's Degree	482	76%	89	95%	-	0%	-	0%
Master's Degree	91	14%	1	1%	14	32%	-	0%
Master's Degree + 30	55	9%	-	0%	29	66%	-	0%
Specialist in Education	7	1%	-	0%	1	2%	-	0%
Ph. D. or Ed. D.	-	0%	-	0%	-	0%	-	0%
Total	635	100%	94	100%	44	100%	-	0%

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 3 – Number and Type of Public Schools
For the Year Ended June 30, 2003

Type	Number
Elementary	15
Middle/Jr. High	5
Secondary	5
Combination	2
Total	27

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 4 – Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2002

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.
Assistant Principals	-	-	3	2
Principals	-	-	1	4
Classroom Teachers	114	72	189	96
Total	114	72	193	102

	15-19 yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	5	8	9	27
Principals	3	5	4	17
Classroom Teachers	58	81	119	729
Total	66	94	132	773

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 5 – Public School Staff Data
For the Year Ended June 30, 2003

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 37,044	\$ 36,851
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 36,642	\$ 36,437
Number of Teacher Full-Time Equivalent (FTEs) used in Computation of Average Salaries	748,295	726,662

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 6 – Class Size Characteristics
As of October 1, 2002

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	72.2%	242	26.6%	89	1.2%	4	0.0%	-
Elementary Activity Classes	52.0%	64	34.2%	42	5.7%	7	8.1%	10
Middle / Jr. High	33.5%	102	45.1%	137	21.4%	65	0.0%	-
Middle / Jr. High Activity Classes	13.5%	7	26.9%	14	32.7%	17	26.9%	14
High	43.0%	188	34.3%	150	22.7%	99	0.0%	-
High Activity Classes	40.0%	16	20.0%	8	20.0%	8	20.0%	8
Combination	66.7%	62	29.0%	27	4.3%	4	0.0%	-
Combination Activity Classes	59.3%	16	22.2%	6	11.1%	3	7.4%	2

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

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 7 – Louisiana Educational Assessment Program

District Achievement Level Results	English Language Arts					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 4						
Advanced	8	1%	19	2%	6	1%
Mastery	81	9%	105	11%	93	10%
Basic	351	40%	349	38%	350	40%
Approaching Basic	266	31%	322	35%	248	28%
Unsatisfactory	168	19%	124	14%	184	21%
Total	874	100%	919	100%	881	100%

District Achievement Level Results	Mathematics					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 4						
Advanced	20	2%	7	1%	20	2%
Mastery	95	11%	75	8%	69	8%
Basic	342	39%	306	33%	314	36%
Approaching Basic	244	28%	267	29%	220	25%
Unsatisfactory	172	20%	263	29%	258	29%
Total	873	100%	918	100%	881	100%

District Achievement Level Results	Science					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 4						
Advanced	9	1%	16	2%	10	1%
Mastery	72	8%	65	7%	58	7%
Basic	292	34%	365	40%	282	32%
Approaching Basic	364	42%	322	35%	365	41%
Unsatisfactory	135	15%	149	16%	167	19%
Total	872	100%	917	100%	882	100%

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 7 – Louisiana Educational Assessment Program (Continued)

District Achievement Level Results	Social Studies					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 4						
Advanced	12	1%	4	0%	8	1%
Mastery	67	8%	48	5%	59	7%
Basic	387	44%	379	42%	328	37%
Approaching Basic	223	26%	262	29%	251	28%
Unsatisfactory	183	21%	221	24%	235	27%
Total	872	100%	914	100%	881	100%

District Achievement Level Results	English Language Arts					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 8						
Advanced	10	1%	9	1%	7	1%
Mastery	119	14%	106	13%	117	15%
Basic	296	36%	242	30%	319	40%
Approaching Basic	281	34%	355	43%	246	31%
Unsatisfactory	127	15%	104	13%	105	13%
Total	833	100%	816	100%	794	100%

District Achievement Level Results	Mathematics					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 8						
Advanced	23	3%	14	1%	19	2%
Mastery	62	7%	30	4%	41	5%
Basic	348	40%	346	41%	377	44%
Approaching Basic	178	21%	239	29%	209	25%
Unsatisfactory	254	29%	209	25%	204	24%
Total	865	100%	838	100%	850	100%

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 7 – Louisiana Educational Assessment Program (Continued)

District Achievement Level Results	Science					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 8						
Advanced	8	1%	4	0%	11	1%
Mastery	102	12%	100	12%	106	14%
Basic	263	32%	294	37%	279	36%
Approaching Basic	256	31%	238	29%	229	29%
Unsatisfactory	197	24%	177	22%	153	20%
Total	826	100%	813	100%	778	100%

District Achievement Level Results	Social Studies					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 8						
Advanced	1	0%	1	0%	7	1%
Mastery	61	7%	47	6%	72	9%
Basic	302	37%	363	45%	326	42%
Approaching Basic	230	28%	219	27%	201	26%
Unsatisfactory	232	28%	179	22%	172	22%
Total	826	100%	809	100%	778	100%

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 8 – The Graduate Exit Exam

District Achievement Level Results	English Language Arts					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 10						
Advanced	3	0%	5	1%	1	0%
Mastery	63	8%	94	14%	75	12%
Basic	306	41%	291	42%	290	44%
Approaching Basic	183	24%	165	24%	168	26%
Unsatisfactory	200	27%	134	19%	116	18%
Total	755	100%	689	100%	650	100%

District Achievement Level Results	Mathematics					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 10						
Advanced	50	6%	36	5%	10	2%
Mastery	106	14%	84	12%	84	13%
Basic	282	36%	256	35%	242	37%
Approaching Basic	141	18%	140	19%	117	18%
Unsatisfactory	206	26%	213	29%	196	30%
Total	785	100%	729	100%	649	100%

District Achievement Level Results	Science					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 10						
Advanced	3	0%	12	2%	N/A	N/A
Mastery	57	9%	90	15%	N/A	N/A
Basic	245	40%	224	37%	N/A	N/A
Approaching Basic	163	27%	137	23%	N/A	N/A
Unsatisfactory	145	24%	142	23%	N/A	N/A
Total	613	100%	605	100%		

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 8 – The Graduate Exit Exam

District Achievement Level Results	Social Studies					
	2003		2002		2001	
Students	Number	Percent	Number	Percent	Number	Percent
Grade 10						
Advanced	1	0%	3	1%	N/A	N/A
Mastery	46	8%	55	9%	N/A	N/A
Basic	276	45%	250	41%	N/A	N/A
Approaching Basic	164	27%	146	24%	N/A	N/A
Unsatisfactory	126	20%	153	25%	N/A	N/A
Total	613	100%	607	100%		

ST. MARY PARISH SCHOOL BOARD
Centerville, Louisiana

Schedule 9 – The Iowa Test

	Composite		
	2003	2002	2001
Test of Basic Skills (ITBS)			
Grade 3	50	45	41
Grade 5	48	46	46
Grade 6	38	46	46
Grade 7	44	47	46
Tests of Educational Development (ITED)			
Grade 9	44	46	46