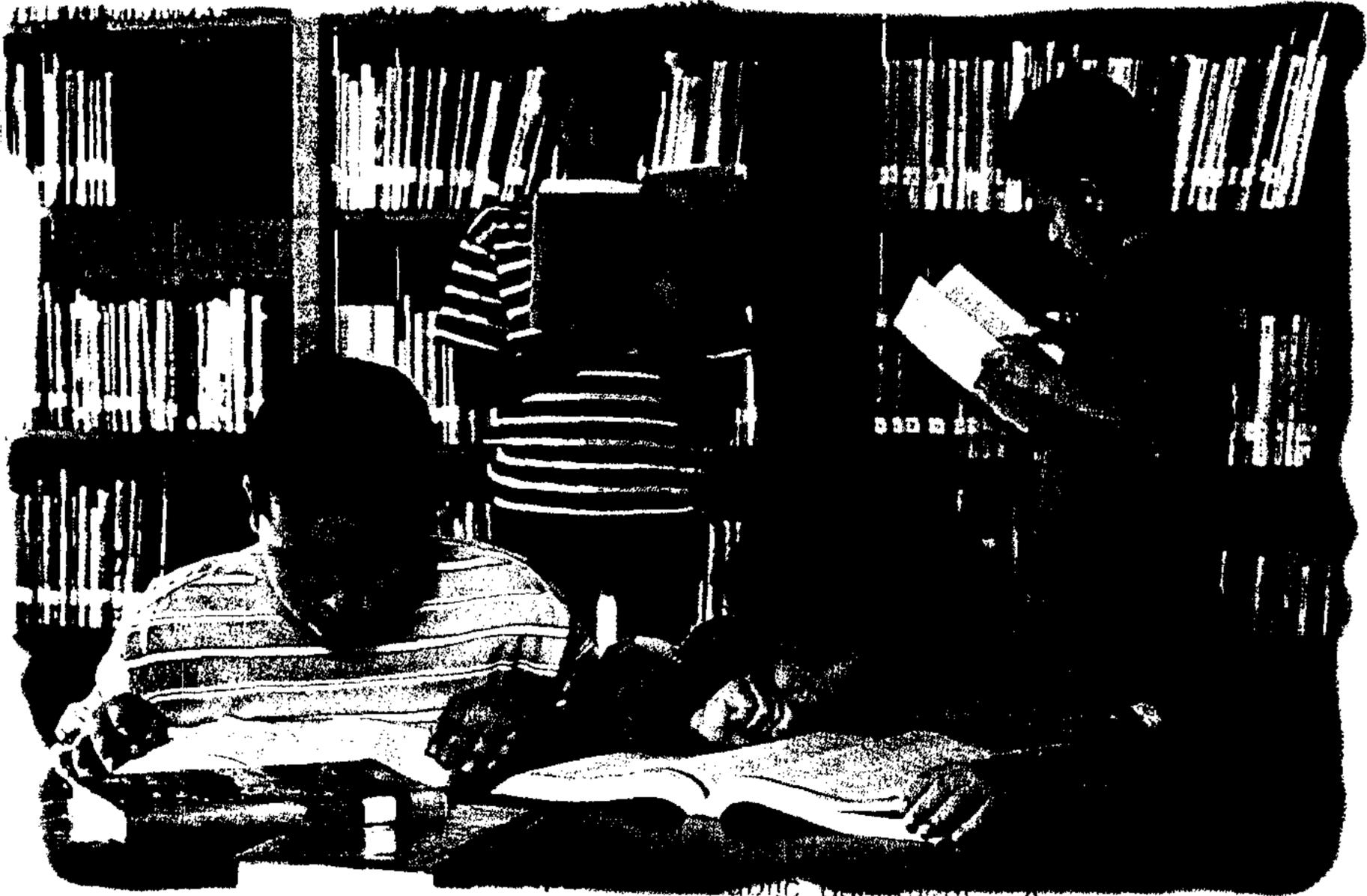




Comprehensive Annual FINANCIAL REPORT

for the Fiscal Year

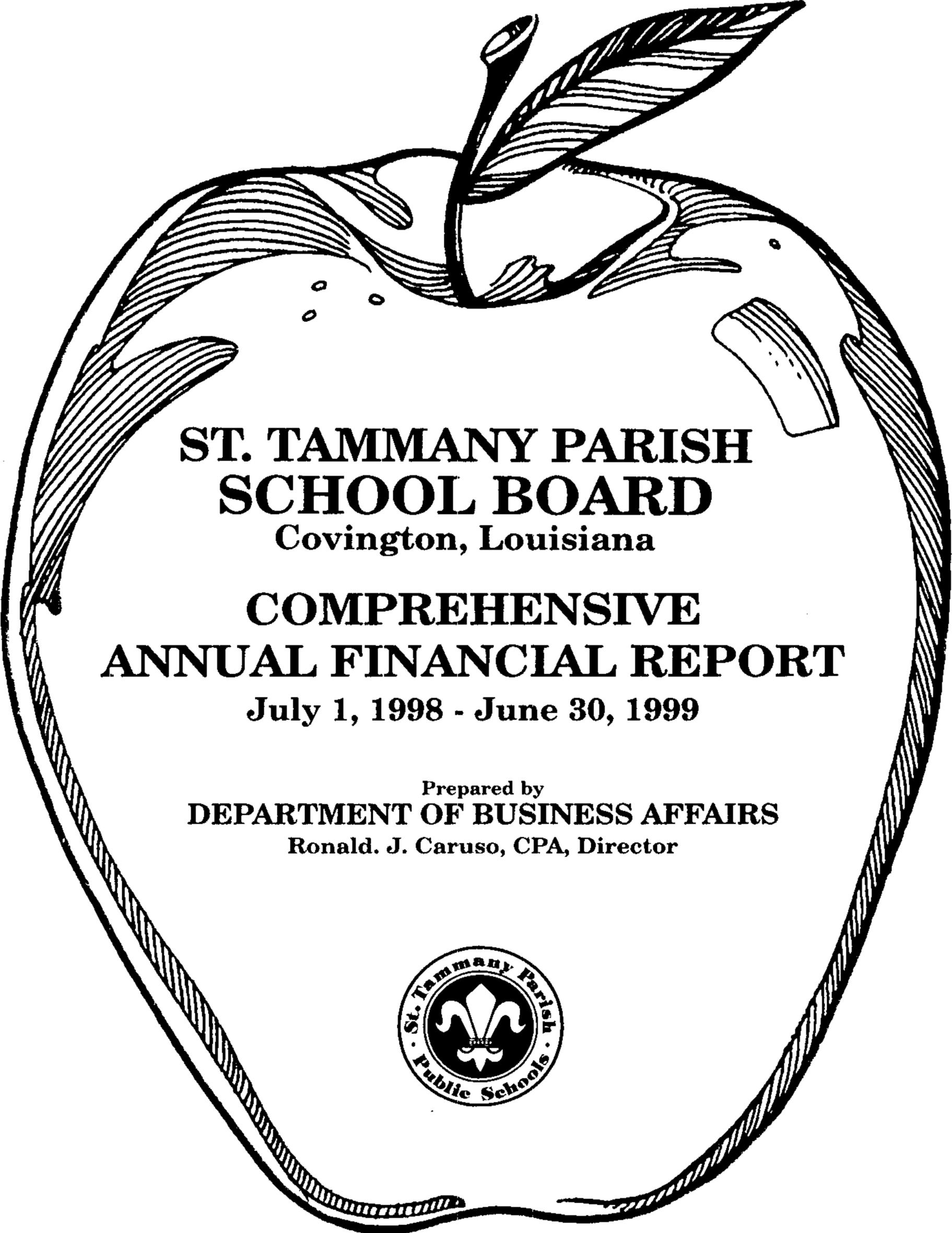
JULY 1, 1998 - JUNE 30, 1999



ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA

A copy of the report has been submitted to the audited, or reviewed, entity and other responsible officials. This report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/1/2000



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

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

July 1, 1998 - June 30, 1999

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



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

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 1999

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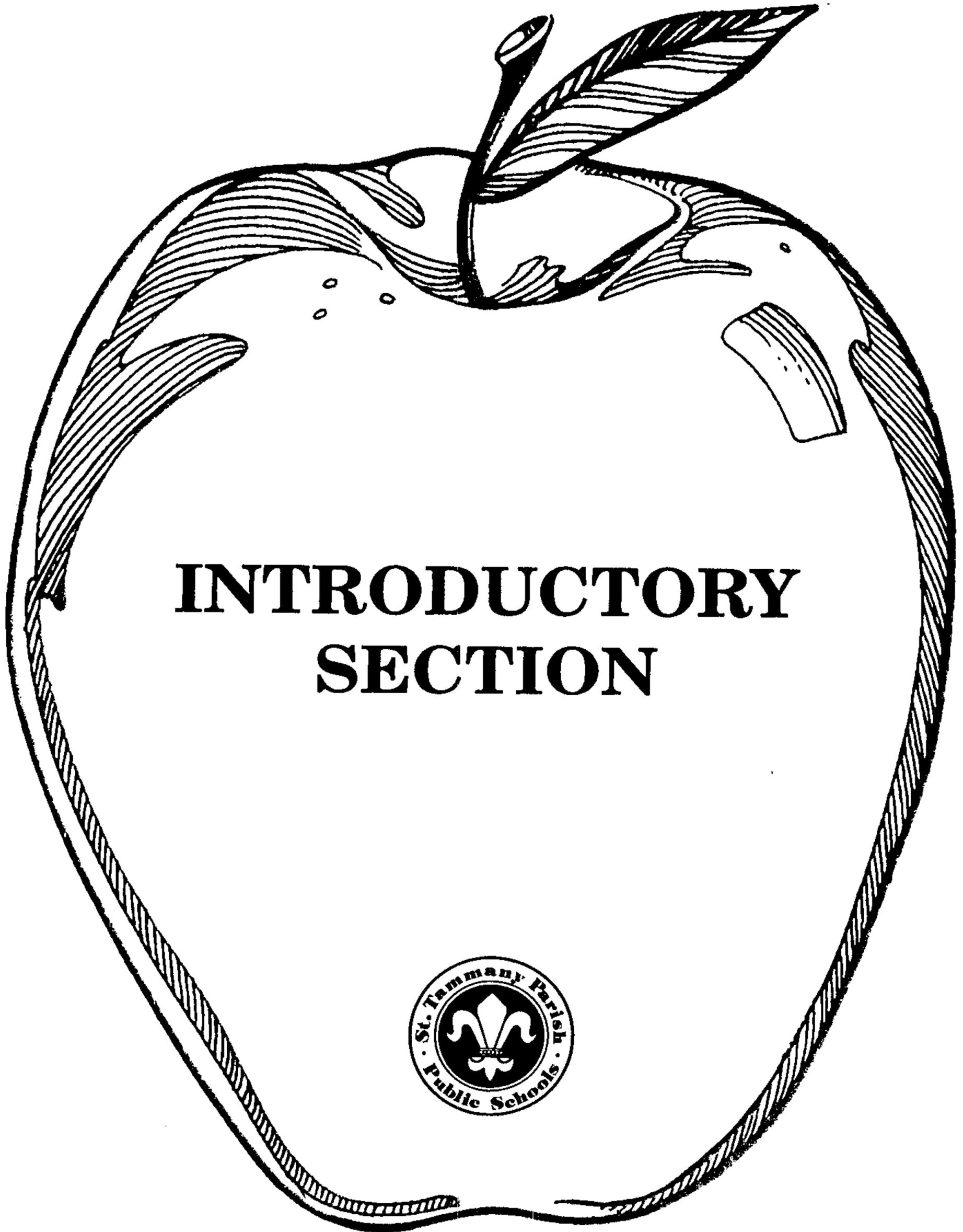
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**INTRODUCTORY
SECTION**



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LEONARD P. MONTELEONE
SUPERINTENDENT

November 18, 1999

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

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

The comprehensive annual financial report of the St. Tammany Parish School Board for the fiscal year ended June 30, 1999, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

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

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

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

and bus transportation. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12. These include regular and enriched academic education, special education for disabled children and vocational education. The school system has a current enrollment of approximately 32,600 pupils.

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

ECONOMIC CONDITION AND OUTLOOK

St. Tammany Parish is one of the southeastern parishes (counties) of Louisiana and covers an area of 1,141 square miles. It is located directly north of New Orleans on the north shore of Lake Pontchartrain and has been ranked as one of the fastest growth areas in the United States. St. Tammany was the fastest growing parish in Louisiana during the 1970s and the 1980s and, thus far, in the 1990s. The population has almost tripled since 1970 and today's population of 183,000 is an increase of 27% over 1990's population. If the growth in population continues at its current rate, it is estimated that the population will be approaching 211,000 by the year 2002. St. Tammany has experienced a 20% growth rate over the last five years and there are more than 65,000 households in the parish and this number is expected to increase to more than 76,000 by 2002.

The economy of St. Tammany Parish is primarily residential oriented, which has brought an influx of retail and service establishments, offices and shopping centers. However, there is a unique blend of residents employed in a variety of diverse industries ranging from agriculture to space-age technology. The parish currently has a 3.2 percent unemployment rate as compared to a statewide rate of 5.1 percent and a national rate of 4.7 percent. Its per capita personal income of \$24,224 ranks first in the State whose average is \$20,458, with the national average being \$25,288. The median household effective buying income in the parish in 1998 was \$37,317 compared to a state rate of \$28,939 and a national rate of \$35,377. The value of single-family homes in 1997 averaged \$112,000 in the eastern section of the parish and \$167,900 in the western section. Total retail sales for 1998 were in excess of \$1.88 billion and St. Tammany Parish is ranked number one in the State in retail trade employment. The assessed value of residential and commercial property has increased by 3.2 percent over the previous year.

According to University of New Orleans economist, Dr. Timothy Ryan, "The economy of St. Tammany Parish is actually growing faster than the population. St. Tammany has the state's highest per capita income, lowest poverty rate, highest median home prices and second highest median household income." The number of businesses rose 34% between 1990 and 1995, earnings rose 60.7% and employment rose 35.2%. According to Dr. Ryan, 27% of the households of St. Tammany have incomes over \$50,000 and about 23% of the population has a bachelor's degree or better.

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It is expected that as a result of the continuing favorable economic indicators, St. Tammany's population will continue to increase and that construction of both homes and retail establishments will lead the economy. At present, St. Tammany is issuing more than half of all building permits in the metropolitan New Orleans area. Recent job growth can be attributed considerably to home building. Typically, there is one permanent job created for every two-thirds of a house built.

The commercial market in St. Tammany has followed the residential market. The average occupancy for retail centers is 95% and office occupancy is over 90%. The commercial market is as active as it has been in the past ten years. Following the boom in residential construction, shopping center developers have entered the market. Major retail facilities, as well as strip centers, are approaching full occupancy and most are pre-leased prior to construction.

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

St. Tammany Parish's economy is also being driven by the tourism industry. The parish ranks ninth in the state in tourism related revenue having generated \$125 million in 1998. This is more than three times the \$38 million received in 1987 and is a twenty-five percent increase in the past five years. It is estimated by the Louisiana Department of Culture, Recreation and Tourism that 1,200 jobs are created in St. Tammany Parish by tourism spending. Since Slidell, in the eastern part of the parish, is the junction site of three interstate highways and three federal highways, sufficient vehicular traffic exists to provide a continuing source of potential tourists.

The St. Tammany Parish Economic Development Foundation (STEDF) is playing a major role in coordinating with other regional economic development organizations to target key commercial and industrial interest for future development. STEDF is participating with the Partners for Stennis Group, consisting of community leaders from Mississippi and Louisiana, to market the former Army Ammunition Plant, which closed in 1992, at Mississippi's Stennis Space Center. Nearly two million square feet are available and approximately 65% of all future employees are expected to reside in St. Tammany Parish. STEDF is also coordinating with MetroVision and the Florida Parishes Economic Development Association to target key commercial and industrial interest for future development. Additionally, STEDF is working with the Chambers of Commerce to encourage the local municipalities and the parish government to cooperate and coordinate their activities in the matters of planning and zoning.

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

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MAJOR INITIATIVES

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

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

The Parent Involvement Program is utilized in every school in the system. The goal is to involve parents in the child's education in whatever capacity the parents offer (first aid assistant, library aide, classroom tutor, parenting workshop, etc.). In fiscal 1999, more than 242,000 hours were donated by parent volunteers.

On June 10, 1999, the School Board adopted a Strategic Plan entitled "Reaching Even Higher". Its purpose is to identify the most vital issues facing the school system during the next three to five years and to develop strategies to address these issues. The Plan is designed to be a dynamic guide that is flexible and responsive to critical changes as circumstances may warrant. The Plan focuses on student achievement and serves as a blueprint for the school system's efforts to support school improvement by linking funding decisions, staffing requirements and professional development opportunities. These elements of school improvement have now been made a part of each principal's job performance evaluation and professional growth plans.

The Plan is the result of hundreds of hours being provided by educators, parents, students, business leaders and representatives of community service organizations. The School Board recognizes that a primary strength of this school system is active community involvement and that the collective vision and beliefs of the community are essential in the process of planning for the future. The general public was given the opportunity to provide input into the Plan through an extensive telephone survey conducted by Southern Media and Opinion Research. The survey was intended to gauge the general public's opinion of the school system and to solicit ideas for the education of the students. Public meetings were held throughout the process to allow for those interested to review the data collected and to provide input to the Plan as it was being developed. Additionally, the presence of representatives of the press at all meetings ensured that extensive coverage would keep the public informed as the Plan was being developed.

Progress reports on the Plan will be made semiannually at meetings of the School Board to determine the status of the goals and objectives established by the Plan and to revise and update any part of the Plan as may be required. In this manner the Plan will become a living document changing as necessary and always reaching for the future.

During fiscal year 1997, the School Board formed an Instructional Technology Committee, consisting of parents, community leaders, teachers, and administrators, whose mission was to develop a world-class and nationally recognized instructional technology program which promotes significant improvements in the learning and teaching process in all schools of the St. Tammany Parish School System. The School Board intends to develop responsible lifelong learners who are able to achieve and excel in a global society of continuing technological advancement. As such,
(continued)

the school system will invest in state-of-the-art equipment and services, ensure teacher and staff development opportunities, and continuously maintain and upgrade the technology base.

In fiscal year 1998, the St. Tammany Parish School Board began an aggressive technology improvement program by adopting the following three goals:

1. To update existing electrical wiring and to identify, purchase and install equipment and software need to empower students to use technology as a tool for effective communication, personal productivity, and life long learning.
2. To empower teachers, media specialists and staff to effectively use technology to enhance instruction, increase productivity, and facilitate their own life long learning.
3. To provide a technologically rich environment at all schools by installing local area networks, a wide area network and access to the Internet.

During the 1998 fiscal year, twenty-five schools were electronically rewired to accommodate the new technology, equipment was purchased and installed in 405 classrooms, eight labs with 832 computers were installed, 16 computers and their related software for student research were purchased at four libraries, equipment for student video production was installed and 24 trainers were trained so that they could instruct 369 educators on the new technology and the integration of the Internet into the curriculum to improve student achievement.

All of this resulted in approximately 19,000 students gaining access to the Internet for research, classroom projects and telecommunication activities across the curriculum.

During the 1998-99 school year, 579 teachers received 8,781 training contact hours related to integrating instructional technology into the classroom. Approximately 1,600 new multi-media computers and 1,700 software titles were purchased. The student/computer ratio was reduced to approximately 7 to 1.

During the 1999 fiscal year, the School Board appropriated \$1 million from the General Fund for technology. Additionally, the school system was awarded a \$865,000 technology grant and a \$31,000 8G grant from the State of Louisiana, and a \$200,000 federal grant.

During fiscal 2000, the school system will continue to purchase equipment and software to effectively integrate instructional technology into the classroom curriculum. In addition, \$2 million in bond proceeds will be spent in renovating and equipping the old Mandeville Kindergarten facilities into the Instructional Technology Center. When completed, this 23,000 square foot facility will be a year-round, state-of-the-art teacher training center. It will have a Windows computer lab, a Mac computer lab, a technology rich classroom, a professional development center, a distance learning classroom with compressed video and satellite signals, a video production studio, and a 450 seat auditorium with teleconferencing and multi-media presentation capabilities.

During fiscal 1999, the Data Processing Department's continued to provide expertise for the development and support for the implementation of the school system's technology plan. Members of the Department's staff served as network and technology resources at both the school and the parish levels assisting the schools in implementing their school specific technology plan. The Data Processing Department performed the engineering, prepared specifications, and managed the installation and implementation of the individual schools' network wiring requirements. The Department's engineering section continues to provide all PC and network installation, support and repair services for the Instructional Department and the Administration Department. Additionally,

(continued)

the Department upgraded its wide area network from 56k to 256k-T1 bandwidth to provide for the new technologies contained in the school system's technology plan.

During fiscal 1999, as part of the 1996 \$25,000,000 bond issue, 52 classrooms were completed at four school sites. The new 45 classroom elementary school in Mandeville is scheduled to be opened in the fall of 1999. The remaining 46 classrooms will be combined with the 1998 bond issue and should be completed by the fall of 2001.

The School Board, using in-depth forecasting methods and after a thorough review of existing school facilities developed a five-year capital improvement plan. As a result, on May 2, 1998, the voters of St. Tammany Parish approved a proposition which authorized the issuance of \$55,000,000 as discussed elsewhere in this letter.

This five-year program will provide for the construction of 279 classrooms, including a new middle school in Mandeville and a new junior high school in the Pearl River area. These new permanent classrooms will replace 125 existing portable classrooms. Additionally, new rest room facilities, paved parking and renovations to existing school facilities are also planned. In addition, Schoen Middle School in Covington will be closed, its students transferred to Pine View Middle School, and renovated for use as an administrative facility. During fiscal year 1999, construction began on 40 new classrooms, a new cafeteria at Mandeville Junior High, a new industrial arts building at Fontainebleau Junior High and parking lots at both Fontainebleau Junior High and Fontainebleau High.

FINANCIAL INFORMATION

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

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

As a part of the School Board's single audit, described earlier, significant internal controls are considered, including that portion related to federal financial awards, as well as to test the School Board's compliance with material provisions of applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 1999 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgeting Controls. In addition, the School Board maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the annual appropriated budgets, including all subsequent amendments, approved by the School Board. Activities of the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which
(continued)

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

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

General Government Functions. The following schedule presents a summary of General Fund, Special Revenue Funds and Debt Service Funds revenues for the fiscal year ended June 30, 1999 and the amount and percentage of increases and decreases in relation to prior year revenues:

<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) From 1998</u>	<u>Percent of Increase (Decrease)</u>
Local sources:				
Taxes:				
Ad valorem	\$37,543,149	17.42%	\$844,838	2.30%
Sales and use	43,058,382	19.98	3,349,992	8.44
Rentals, leases and royalties	16,104	.01	4,210	35.40
Tuition	868,674	.40	69,168	8.65
Earnings on Investments	2,827,925	1.31	391,905	16.09
Food service	2,533,021	1.18	104,835	4.32
Other	<u>607,406</u>	<u>.28</u>	<u>99,755</u>	<u>19.65</u>
Total local sources	<u>87,454,661</u>	<u>40.58</u>	<u>4,864,703</u>	<u>5.89</u>
State sources:				
Equalization	107,920,484	50.09	7,541,497	7.51
Contributions to Teachers'				
Retirement	157,280	.08	(2,757)	(1.72)
Revenue sharing	1,781,976	.83	60,423	3.51
Professional Improvement				
Program	1,130,613	.52	(23,149)	(2.01)
Other	<u>4,260,724</u>	<u>1.98</u>	<u>41,431</u>	<u>.98</u>
Total state sources	<u>115,251,077</u>	<u>53.50</u>	<u>7,617,445</u>	<u>7.08</u>
Federal sources	<u>12,757,100</u>	<u>5.92</u>	<u>597,991</u>	<u>4.92</u>
TOTAL REVENUES	<u>\$215,462,838</u>	<u>100.00%</u>	<u>\$13,080,139</u>	6.46

The two most significant local revenue sources are property taxes and sales taxes. Property tax millages are established by the State Constitution and/or tax propositions approved by the electorate. Any increase to current millages or additional millages must be approved by a referendum of the voters. Ad valorem taxes show a sustained growth primarily due to the population growth and the related home and commercial construction being added to the tax roles. Sales taxes show a continued growth in collections which is attributable to the expansion of the local economy over the previous year and to the growth in the population. The School Board collects the maximum two percent sales tax allowed by state law. The increase in earnings on investments is primarily attributable to the accumulation of a General Fund fund balance, thereby providing funds for investment.

State revenue sources continue to provide the majority of the School Board's revenue. The increase in the State's 1998-99 appropriation for equalization is composed primarily of the State Legislature's efforts to fully fund the Minimum Foundation Program (MFP) formula and the funding for a \$1,200 teacher salary increase.

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

The following schedule presents a summary of General Fund, Special Revenue Funds and Debt Service Funds expenditures for the fiscal year ended June 30, 1999 and the percentage of increases and decreases in relation to prior year expenditures.

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from 1998</u>	<u>Percent of Increase (Decrease)</u>
Current:				
Instruction:				
Regular Ed programs	\$73,330,690	35.56%	\$2,662,624	3.77%
Special Ed programs	34,285,961	16.62	3,058,323	9.79
Vocational education programs	4,206,620	2.04	135,309	3.32
Other instructional programs	4,827,102	2.34	491,100	11.33
Special programs	3,680,088	1.78	93,145	2.60
Adult education programs	<u>299,650</u>	<u>.15</u>	<u>80,323</u>	36.62
Total instruction	<u>120,630,111</u>	<u>58.49</u>	<u>6,520,824</u>	5.71
Support services:				
Pupil support	8,118,369	3.93	680,825	9.15
Instructional staff support	7,883,533	3.82	707,981	9.87
General administration	3,376,895	1.64	214,474	6.78
School administration	10,721,643	5.20	319,836	3.07
Business administration	1,399,455	.68	147,079	11.74
Operation and maintenance of plant	14,742,254	7.15	547,899	3.86
Pupil transportation	11,840,239	5.74	548,126	4.85
Central services	<u>1,758,373</u>	<u>.85</u>	<u>222,517</u>	14.49
Total support services	<u>59,840,761</u>	<u>29.01</u>	<u>3,388,737</u>	6.00
Food services	10,530,543	5.11	692,588	7.04
Community services	786,077	.38	29,838	3.95
Facilities acquisition and construction	199,161	.10	(2,523)	(1.25)
Debt service:				
Principal	7,740,000	3.75	1,525,000	24.54
Interest and other charges	<u>6,532,287</u>	<u>3.16</u>	<u>980,622</u>	17.36
TOTAL EXPENDITURES	<u>\$206,258,940</u>	<u>100.00%</u>	<u>\$13,135,086</u>	6.79%

(continued)

As shown above, expenditures for instructional purposes increased by \$6.5 million. When added to the increases for pupil and instructional staff support, less the debt service increases, this represents approximately 75% of the total increase in expenditures. This indicates that we are continuing to place a larger portion of our resources into the classroom.

Included in the expenditures for instructional purposes is the locally funded \$1,000,000 and the State funded \$860,548 for technology and the State funded \$437,392 for teacher supplies. Also included is the locally funded increase from \$22.75 to \$35 per student provided to each school for site-based instructional purposes and the locally funded \$50 for each vocational agricultural student as required by State statute.

Reflected throughout the expenditures is the State funded \$1,254 teacher salary increase and the one-time salary supplement of \$300 for full time and \$150 for part time support personnel. Additionally, local funding provided a \$400 salary increase for teachers and a \$500 salary increase for support personnel. Also reflected are the related increases in retirement, workers' compensation, social security and medicare based on these salary increases. Additionally, throughout the expenditures is the 4% increase in the group insurance life and health rates.

General Fund Balance. The fund balance of the General Fund increased in fiscal year 1999 to \$23,489,075 which is the equivalent of 34 working days of expenditures. The fund balance is primarily earmarked for the improvement in ratings of any future debt general obligation issuances. The continued growth of the fund balance reflects the philosophy in sound financial management of both the School Board and the administration in that revenue projections are based on conservative estimates in relation to past receipts and expenditures are stringently controlled by utilizing the encumbrance budgetary basis. In this manner, the School Board anticipates that it would be able to continue providing the necessary level of services should revenues encounter a temporary downturn. The School Board does not anticipate entering the short-term debt market to finance current operating expenditures.

Debt Administration. At June 30, 1999, the School Board had a number of debt issues outstanding, including \$12,960,000 of sales tax bonds, \$120,230,000 of general obligation bonds, and \$3,065,000 of certificates of indebtedness.

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

Under state statute, the School Board's general obligation bonded debt issuances are subject to a limitation based on thirty-five percent of total assessed value of real and personal property within the parish. As of June 30, 1999, the School Board's general obligation bonded debt of \$120,230,000 was well below the legal limit of \$260,405,642 and debt per capita equaled \$654. The general obligation bonds are serviced by an ad valorem tax levy.

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

(continued)

A summary of ratings, by issue, follows:

<u>Issue</u>	<u>Original Amount Issued</u>	<u>.....Ratings.....</u>	
		<u>Moody's</u>	<u>Standard and Poor's</u>
Sales Tax Bonds:			
1992 (1)	\$11,000,000	Aaa	AAA
1995 (2)	7,500,000	Aaa	AAA
General Obligation Bonds:			
1990 (1)	9,875,000	Aaa	AAA
1991 (1)	30,800,000	Aaa	AAA
1992 (3)	5,000,000	Aaa	AAA
1993	3,540,000	Baa1	A
1993 (1)	13,195,000	Aaa	AAA
1996 (2)	25,000,000	Aaa	AAA
1997	7,415,000	A3	A-
1998A (2)	55,000,000	Aaa	AAA
1998B (2)	14,480,000	Aaa	AAA
Certificates of Indebtedness:			
1994 (3)	6,000,000	Aaa	AAA

(1) Insured by Financial Guaranty Insurance Company

(2) Insured by Financial Security Assurance, Inc.

(3) Insured by AMBAC Indemnity Corporation

During fiscal year 1999, the School Board issued \$55,000,000 of general obligation bonds dated July 1, 1998 which are secured by unlimited ad valorem taxation. The bonds mature from March 1, 1999 through March 1, 2018 and have an interest rate ranging from 4.5% to 6.75%. The proceeds are to be used for the construction of new school facilities and for improvements to existing school facilities. The bonds were approved by the voters of St. Tammany Parish in a referendum held May 2, 1998.

On August 28, 1998, the School Board issued \$14,480,000 of general obligation bonds dated July 1, 1998 to advance refund \$14,015,000 of School District No. 12 outstanding bonds dated June 1, 1991. The advance refunding will reduce the total debt service payments by \$1,128,978 over the life of the bonds. The refunded bonds are considered defeased and have been removed from the School Board's General Long-Term Debt Account Group. Also not included in the School Board's General Long-Term Debt Account Group are \$4,775,000 of School District No. 12 General Obligation Bonds defeased on June 1, 1991, \$1,130,000 of School District No. 8 General Obligation Bonds defeased on February 1, 1993 and \$6,970,000 of School District No. 12 General Obligation Bonds defeased on February 5, 1997. The Notes to the Financial Statements contain more detailed information on the defeased bonds.

Cash Management. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit and the Louisiana Asset Management Pool (LAMP) administered by the State Treasurer. The School Board earned interest revenue of \$6,155,959 on all investments for the year ended June 30, 1999.

(continued)

The School Board's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits in financial institutions were either insured by federal depository insurance or secured by the pledge of securities owned by the financial institution. These pledged securities are held by a mutually agreed upon third-party financial institution in the name of the School Board. All of the deposits in financial institutions made by the School Board during the year and at June 30, 1999 are classified in the category of the lowest credit risk as defined by the Governmental Accounting Standards Board. The deposits made in LAMP are more fully discussed in the Notes to Financial Statements.

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

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

OTHER INFORMATION

Independent Audit. State statutes require an annual audit by independent certified public accountants. The accounting and auditing firm of KPMG Peat Marwick LLP was selected by the School Board to perform the fiscal year 1999 audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act and related OMB Circular A-133. The independent auditors' report on the general purpose financial statements is included in the financial section of this report. The independent auditors' reports related specifically to the Single Audit Act are included in the Single Audit Section.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the St. Tammany Parish School Board for its comprehensive annual financial report for the fiscal year ended June 30, 1998.

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

The St. Tammany Parish School Board was also awarded a Certificate of Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 1998 by the Association of School Business Officials, International (ASBO).

(continued)

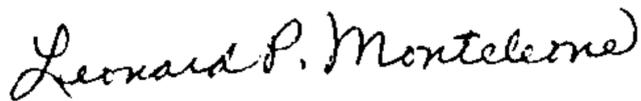
The award certifies that the school system has presented its comprehensive annual financial report to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO. Receiving the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

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

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Business Affairs Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Leonard P. Monteleone
Superintendent



Ronald J. Caruso, CPA
Director of Business Affairs

Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Tammany Parish School
Board, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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



Douglas R. Ellaworth
President

Jeffrey L. Esler
Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

ST. TAMMANY PARISH SCHOOL BOARD

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 1998

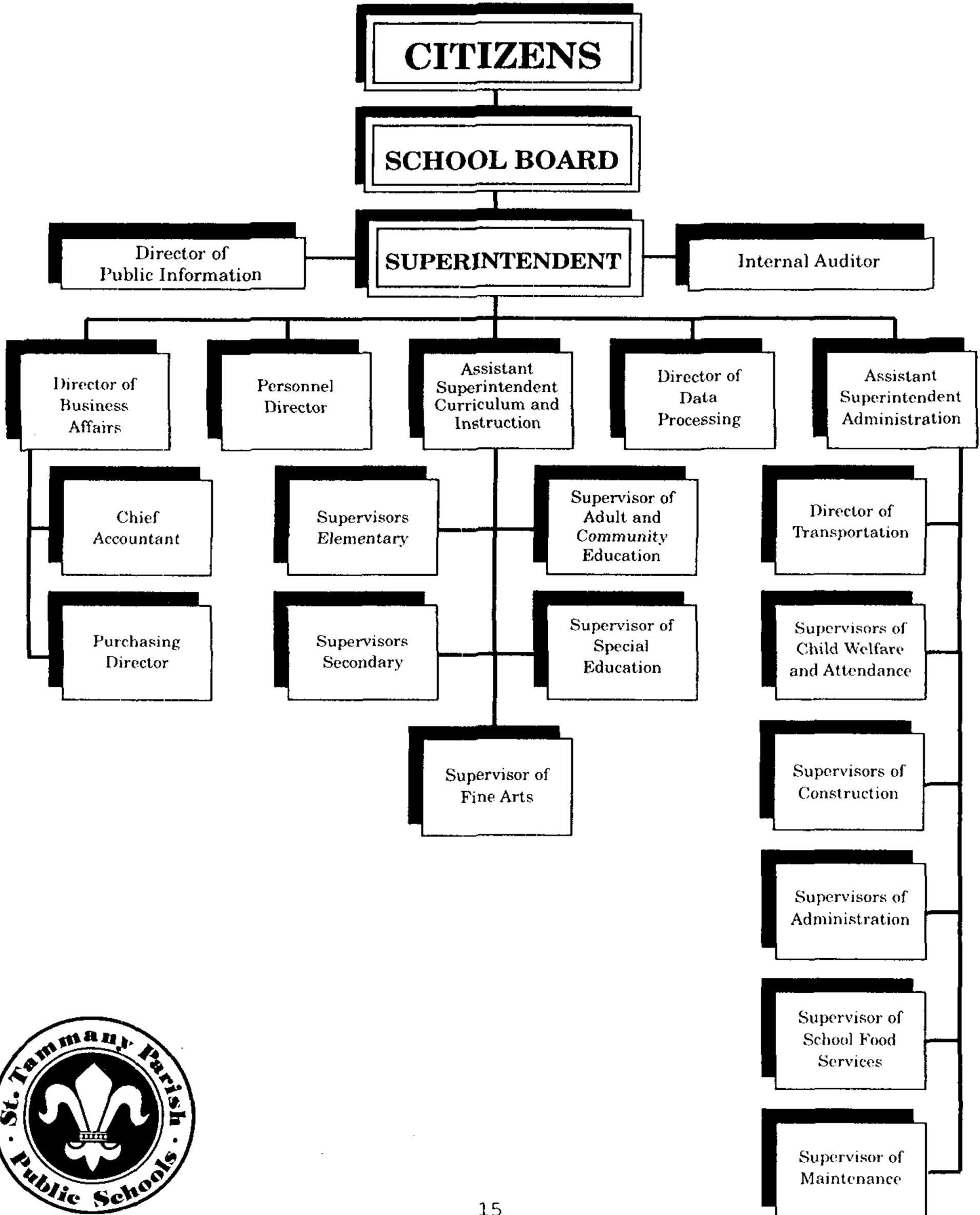
Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

Glenn A. Henkin
President

Don A. Morgan
Executive Director

ST. TAMMANY PARISH SCHOOL BOARD

Organizational Chart



St. Tammany Parish School Board

PRINCIPAL OFFICIALS

School Board Members

President - John C. Lamarque

Vice-President - Daniel G. Zechenelly

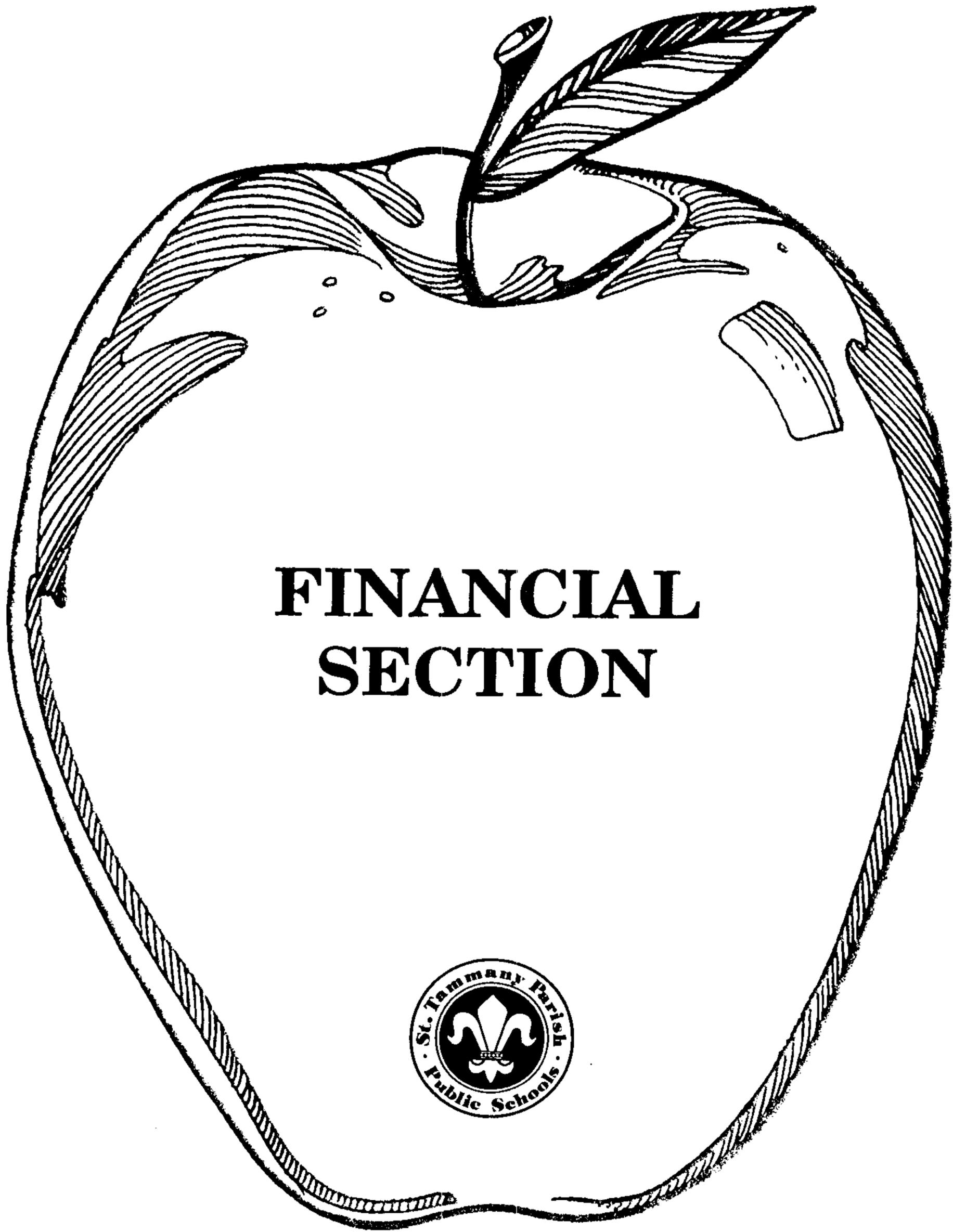
**Ray A. Alfred
E. Roth Allen
Robert Broome
Donald L. Burris
Charles T. Harrell
Elizabeth Heintz
Neal M. Hennegan**

**Carmen Johnson
Mary K. Lynch-Bellisaro
James Panks, Sr.
Diane Sambola
Donald J. Villere
Patti Young**

Administrative Officials

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





**FINANCIAL
SECTION**





Suite 3500 One Shell Square
New Orleans, LA 70139-3599

Independent Auditors' Report

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

We have audited the accompanying general purpose financial statements of the St. Tammany Parish School Board (the School Board), as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the School Board as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 1999, on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The Year 2000 supplementary information, as listed in the table of contents, is not a required part of the general purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards, because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the School Board is or will become year 2000 compliant, that the School Board's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the School Board does business are or will become year 2000 compliant.



Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the School Board taken as a whole. The combining, individual fund and individual account group financial statements and schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

KPMG LLP

October 25, 1999



**GENERAL PURPOSE
FINANCIAL STATEMENTS**



ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Combined Balance Sheet-All Fund Types and Account Groups
June 30, 1999
With Comparative Totals for June 30, 1998

Governmental Fund Types.....			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and cash equivalents (note 5)	\$35,094,306	3,323,352	10,192,459	10,964,159
Investments (note 6)	<u>1,806,724</u>			54,679,849
Receivables:				
Taxes:				
Ad valorem	572,298		242,195	
Sales and use		3,574,334		
Intergovernmental:				
Federal	56,462	1,527,080		
State	572,332	246,039		
Other	<u>516,324</u>	<u>9,979</u>	<u>139,321</u>	<u>40,645</u>
Total receivables	<u>1,717,416</u>	<u>5,357,432</u>	<u>381,516</u>	<u>40,645</u>
Due from other funds (note 7)	3,926,278	1,626,921	147,899	257,313
Inventory (note 1-I)		259,620		
Prepaid items				
Other assets				
Property, plant and equipment (note 8)				
Land				
Buildings and improvements				
Furniture and equipment				
Construction in progress				
Other debits:				
Amount available in debt service funds				
Amount to be provided for retirement of general long-term debt				
TOTAL ASSETS AND OTHER DEBITS	<u>\$42,544,724</u>	<u>10,567,325</u>	<u>10,721,874</u>	<u>65,941,966</u>

Proprietary Fund Type	Fiduciary Fund TypeAccount Groups.....		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	1999	1998
Internal Service	Agency				
5,039,805	1,735,692			66,349,773	68,292,762
	1,037,879			57,524,452	1,727,097
				814,493	643,300
				3,574,334	3,350,366
				1,583,542	1,737,798
				818,371	1,129,299
83,182				789,451	640,631
83,182				7,580,191	7,501,394
4,592				5,963,003	6,552,328
				259,620	240,602
					52,588
					189,203
		6,031,030		6,031,030	5,835,103
		211,299,727		211,299,727	205,707,741
		39,043,302		39,043,302	33,935,127
		12,177,077		12,177,077	5,717,334
			10,697,830	10,697,830	10,995,203
			135,260,073	135,260,073	86,289,740
5,127,579	2,773,571	268,551,136	145,957,903	552,186,078	433,036,222

(continued)

ST. TAMMANY PARISH SCHOOL BOARD

Covington, Louisiana

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

Governmental Fund Types.....			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Salaries and wages payable	\$15,013,206			
Payroll deductions and withholdings payable	983,879			
Accounts payable	2,707,492	174,501		761,409
Retainage payable				1,106,581
Due to other funds (note 7)	130,701	5,719,731	24,044	88,527
Other liabilities	135,276	29,996		
Deferred revenues	85,095	195,700		
Deposits due others (note 17)				
Liability for self-insurance losses (note 9)				
Claims liability (note 9)				
Bonds and certificates of indebtedness payable (note 10)				
Compensated absences payable (notes 1-L and 10)				
Total Liabilities	<u>19,055,649</u>	<u>6,119,928</u>	<u>24,044</u>	<u>1,956,517</u>
Equity and Other Credits:				
Investment in general fixed assets				
Retained Earnings:				
Reserved for employee benefits				
Unreserved, undesignated				
Fund balances (note 1-N):				
Reserved for encumbrances	171,751			7,708,717
Reserved for inventory		78,976		
Reserved for debt service			10,697,830	
Unreserved, undesignated	<u>23,317,324</u>	<u>4,368,421</u>		<u>56,276,732</u>
Total Equity and Other Credits	<u>23,489,075</u>	<u>4,447,397</u>	<u>10,697,830</u>	<u>63,985,449</u>
Commitments and contingencies (notes 9 and 18)				
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$42,544,724</u>	<u>10,567,325</u>	<u>10,721,874</u>	<u>65,941,966</u>

See accompanying notes to financial statements.

Proprietary Fund Type	Fiduciary Fund TypeAccount Groups.....		Totals (Memorandum Only)	
		General Fixed Assets	General Long-Term Debt	1999	1998
Internal Service	Agency			15,013,206	14,207,062
				983,879	826,096
28,047				3,671,449	3,359,483
				1,106,581	515,502
				5,963,003	6,552,328
				165,272	216,981
405,361				686,156	704,510
	2,773,571			2,773,571	2,598,285
1,181,884				1,181,884	955,389
900,000				900,000	900,000
			136,255,000	136,255,000	88,530,000
			9,702,903	9,702,903	8,754,943
<u>2,515,292</u>	<u>2,773,571</u>	<u>NONE</u>	<u>145,957,903</u>	<u>178,402,904</u>	<u>128,120,579</u>
		268,551,136		268,551,136	251,195,305
812,919				812,919	959,123
1,799,368				1,799,368	1,463,779
				7,880,468	6,924,474
				78,976	71,682
				10,697,830	10,995,203
				83,962,477	33,306,077
<u>2,612,287</u>	<u>NONE</u>	<u>268,551,136</u>	<u>NONE</u>	<u>373,783,174</u>	<u>304,915,643</u>
<u>5,127,579</u>	<u>2,773,571</u>	<u>268,551,136</u>	<u>145,957,903</u>	<u>552,186,078</u>	<u>433,036,222</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	General	Special Revenue	Debt Service
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$26,534,959		11,008,190
Sales and use		43,058,382	
Rentals, leases, and royalties		16,104	
Tuition	207,170	661,504	
Earnings on investments	1,958,052	284,811	584,962
Food service		2,533,021	
Other	573,862	33,544	
State sources:			
Equalization	106,736,966	1,183,518	
Contributions to			
Teachers' Retirement	157,280		
Revenue sharing	1,781,976		
Professional Improvement Program	1,130,613		
Other	2,785,670	1,475,054	
Federal sources			
	305,664	12,451,436	
Total revenues	<u>142,172,212</u>	<u>61,697,474</u>	<u>11,593,152</u>
EXPENDITURES			
Current:			
Instruction:			
Regular Ed programs	72,433,920	896,770	
Special Ed programs	32,754,851	1,531,110	
Vocational Ed programs	3,964,744	241,876	
Other instructional programs	4,546,217	280,885	
Special programs	217,355	3,462,733	
Adult Ed programs	299,650		
Support services:			
Pupil support	7,281,105	837,264	
Instructional staff support	6,432,566	1,450,967	
General administration	2,465,956	558,095	352,844
School administration	10,721,643		
Business administration	1,399,455		
Operation and maintenance of plant	14,563,643	178,611	
Pupil transportation	11,684,723	155,516	
Central services	1,758,373		
Food service	1,032,479	9,498,064	
Community service programs	33,960	752,117	
Facilities acquisition and construction	199,161		
Debt service:			
Principal retirement			7,740,000
Interest and bank charges			5,973,638
Issuance costs			18,686
Advance refunding escrow			539,963
Total expenditures	<u>171,789,801</u>	<u>19,844,008</u>	<u>14,625,131</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(29,617,589)</u>	<u>41,853,466</u>	<u>(3,031,979)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sales			14,480,000
Operating transfers in	39,241,911	1,602,138	2,630,000
Operating transfers out	(2,489,241)	(43,029,414)	(95,394)
Payment to escrow agent			(14,480,000)
Total other financing sources (uses)	<u>36,752,670</u>	<u>(41,427,276)</u>	<u>2,734,606</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	7,135,081	426,190	(297,373)
FUND BALANCES AT BEGINNING OF YEAR	<u>16,353,994</u>	<u>4,021,207</u>	<u>10,995,203</u>
FUND BALANCES AT END OF YEAR	<u>\$23,489,075</u>	<u>4,447,397</u>	<u>10,697,830</u>

See accompanying notes to financial statements.

Capital Projects	Totals (Memorandum Only)	
	1999	1998
	37,543,149	36,698,311
	43,058,382	39,708,390
	16,104	11,894
	868,674	799,506
3,092,248	5,920,173	3,657,062
	2,533,021	2,428,186
200,000	807,406	507,651
	107,920,484	100,378,987
	157,280	160,037
	1,781,976	1,721,553
	1,130,613	1,153,762
	4,260,724	4,219,293
	<u>12,757,100</u>	<u>12,159,109</u>
<u>3,292,248</u>	<u>218,755,086</u>	<u>203,603,741</u>
	73,330,690	70,668,066
	34,285,961	31,227,638
	4,206,620	4,071,311
	4,827,102	4,336,002
	3,680,088	3,586,943
	299,650	219,327
	8,118,369	7,437,544
	7,883,533	7,175,552
	3,376,895	3,162,421
	10,721,643	10,401,807
	1,399,455	1,252,376
	14,742,254	14,194,355
	11,840,239	11,292,113
	1,758,373	1,535,856
	10,530,543	9,837,955
	786,077	756,239
15,994,631	16,193,792	9,690,736
	7,740,000	6,215,000
	5,973,638	5,551,665
179,200	197,886	
	<u>539,963</u>	
<u>16,173,831</u>	<u>222,432,771</u>	<u>202,612,906</u>
<u>(12,881,583)</u>	<u>(3,677,685)</u>	<u>990,835</u>
55,000,000	69,480,000	
1,940,000	45,614,049	42,046,470
	(45,614,049)	(42,046,470)
	<u>(14,480,000)</u>	
<u>56,940,000</u>	<u>55,000,000</u>	<u>NONE</u>
44,058,417	51,322,315	990,835
<u>19,927,032</u>	<u>51,297,436</u>	<u>50,306,601</u>
63,985,449	102,619,751	51,297,436

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - All Governmental Fund Types
For the Year Ended June 30, 1999

	GENERAL FUND (NON-GAAP BASIS)			SPECIAL REVENUE FUNDS (GAAP BASIS)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Local Sources:						
Taxes:						
Ad valorem	\$26,189,000	26,534,959	345,959	42,090,894	43,058,382	967,488
Sales and use				14,500	16,104	1,604
Rentals, leases, and royalties				640,000	661,504	21,504
Tuition	165,000	207,170	42,170	276,000	284,911	8,911
Earnings on investments	1,601,000	1,958,052	357,052	2,432,000	2,533,021	101,021
Food service				31,124	33,544	2,420
Other	467,000	573,862	106,862			
State sources:						
Equalization	106,736,966	106,736,966		1,183,518	1,183,518	
Contributions to						
Teachers' Retirement	147,000	157,280	10,280			
Revenue sharing	1,769,000	1,781,976	12,976			
Professional Improvement Program	1,140,000	1,130,613	(9,387)			
Other	2,728,034	2,785,670	57,636	1,662,068	1,475,054	(187,014)
Federal sources	296,000	305,664	9,664	12,517,841	12,451,436	(66,405)
Total revenues	141,239,000	142,172,212	933,212	60,847,945	61,697,474	849,529
EXPENDITURES						
Current:						
Instruction:						
Regular Ed programs	74,816,720	72,401,224	2,415,496	968,505	896,770	71,735
Special Ed programs	33,191,018	32,761,031	429,987	1,692,621	1,531,110	161,511
Vocational Ed programs	3,999,718	3,964,592	35,126	260,148	241,876	18,272
Other instructional programs	4,722,938	4,567,472	155,466	302,019	280,885	21,134
Special programs	196,289	217,947	(21,658)	3,613,561	3,462,733	150,828
Adult Ed programs	260,965	299,650	(38,685)			
Support Services:						
Pupil support	7,681,804	7,280,909	400,895	899,180	837,264	61,916
Instructional staff support	6,563,829	6,428,640	135,189	1,586,752	1,450,967	135,785
General administration	2,584,548	2,462,526	122,022	549,729	558,095	(8,366)
School administration	10,904,290	10,709,284	195,006			
Business administration	1,408,823	1,397,446	11,377			
Operation and maintenance of plant	14,911,150	14,567,017	344,133	187,373	178,611	8,762
Pupil transportation	12,240,249	11,685,115	555,134	169,487	155,516	13,971
Central services	1,801,066	1,757,846	43,220			
Food service	1,037,321	1,032,479	4,842	9,527,767	9,498,064	29,703
Community service programs	48,675	33,960	14,715	759,000	752,117	6,883
Facilities acquisition and construction	200,120	186,172	13,948			
Debt service:						
Principal retirement						
Interest and bank charges						
Issuance costs						
Advance refunding escrow						
Total expenditures	176,569,523	171,753,310	4,816,213	20,516,142	19,844,008	672,134
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(35,330,523)	(29,581,098)	5,749,425	40,331,803	41,853,466	1,521,663
OTHER FINANCING SOURCES (USES)						
Proceeds from bond sales						
Operating transfers in	38,161,819	39,241,911	1,080,092	1,600,560	1,602,138	1,578
Operating transfers out	(2,489,555)	(2,489,241)	314	(41,972,735)	(43,029,414)	(1,056,679)
Payment to escrow agent						
Total other financing sources (uses)	35,672,264	36,752,670	1,080,406	(40,372,175)	(41,427,276)	(1,055,101)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	341,741	7,171,572	6,829,831	(40,372)	426,190	466,562
FUND BALANCES AT BEGINNING OF YEAR	16,145,752	16,145,752	NONE	4,021,206	4,021,207	1
FUND BALANCES AT END OF YEAR	\$16,487,493	23,317,324	6,829,831	3,980,834	4,447,397	466,563

See accompanying notes to financial statements.

DEBT SERVICE FUNDS (GAAP BASIS)			CAPITAL PROJECTS FUNDS (NON-GAAP BASIS)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
10,826,388	11,008,190	181,802			
561,000	584,962	23,962	3,029,500	3,092,248	62,748
			200,000	200,000	
<u>11,387,388</u>	<u>11,593,152</u>	<u>205,764</u>	<u>3,229,500</u>	<u>3,292,248</u>	<u>62,748</u>
352,844	352,844				
			30,470,002	16,987,116	13,482,886
7,740,000	7,740,000				
5,985,816	5,973,638	12,178			
26,289	18,686	7,603	182,682	179,200	3,482
503,357	539,963	(36,606)			
<u>14,608,306</u>	<u>14,625,131</u>	<u>(16,825)</u>	<u>30,652,684</u>	<u>17,166,316</u>	<u>13,486,368</u>
<u>(3,220,918)</u>	<u>(3,031,979)</u>	<u>188,939</u>	<u>(27,423,184)</u>	<u>(13,874,068)</u>	<u>13,549,116</u>
14,480,000	14,480,000		55,000,000	55,000,000	
2,830,000	2,830,000		1,940,000	1,940,000	
(95,000)	(95,394)	(394)			
<u>(14,480,000)</u>	<u>(14,480,000)</u>				
<u>2,735,000</u>	<u>2,734,606</u>	<u>(394)</u>	<u>56,940,000</u>	<u>56,940,000</u>	<u>NONE</u>
(485,918)	(297,373)	188,545	29,516,816	43,065,932	13,549,116
<u>10,995,204</u>	<u>10,995,203</u>	<u>(1)</u>	<u>13,210,800</u>	<u>13,210,800</u>	<u>NONE</u>
<u>10,509,286</u>	<u>10,697,830</u>	<u>188,544</u>	<u>42,727,616</u>	<u>56,276,732</u>	<u>13,549,116</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	1999	1998
OPERATING REVENUES		
Employer contributions	\$2,947,962	\$2,712,818
Insurance proceeds	<u> </u>	<u>18,834</u>
Total operating revenues	<u>2,947,962</u>	<u>2,731,652</u>
OPERATING EXPENSES		
Contractual services	205,830	200,353
Premium payments	707,092	833,356
Benefit payments	1,266,853	1,106,116
Claims	580,853	496,914
Increase in provision for self-insurance losses	226,495	172,624
Other operating expenses	<u>7,715</u>	<u>9,021</u>
Total operating expenses	<u>2,994,363</u>	<u>2,818,384</u>
OPERATING LOSS	(46,401)	(86,732)
NON-OPERATING REVENUES		
Earnings on investments	<u>235,786</u>	<u>233,990</u>
NET INCOME	189,385	147,258
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>2,422,902</u>	<u>2,275,644</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$2,612,287</u>	<u>\$2,422,902</u>

See accompanying notes to financial statements.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from employer contributions	\$2,957,495	\$2,828,599
Insurance proceeds		18,834
Cash payments for:		
Benefits and claims	(1,831,785)	(1,611,481)
Insurance premiums	(707,092)	(833,356)
Services and other operating expenses	<u>(213,545)</u>	<u>(209,524)</u>
Net cash provided by operating activities	205,073	193,072
CASH FLOWS FROM INVESTING ACTIVITIES		
Earnings on investments	<u>244,551</u>	<u>222,146</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	449,624	415,218
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>4,590,181</u>	<u>4,174,963</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$5,039,805</u>	<u>\$4,590,181</u>
 Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	(\$46,401)	(\$86,732)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Increase in provision for self-insurance losses	226,495	172,624
Changes in assets and liabilities:		
Decrease in receivables	9,533	115,781
Increase (decrease) in payables	<u>15,446</u>	<u>(8,601)</u>
Net cash provided by operating activities	<u>\$205,073</u>	<u>\$193,072</u>

See accompanying notes to financial statements.

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

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

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

Notes to Financial Statements
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

The School Board operates 52 schools within the parish with a total enrollment of approximately 32,600 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

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

B. BASIS OF PRESENTATION-FUND ACCOUNTING

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

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA

Notes to Financial Statements
June 30, 1999

Governmental Fund Types:

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

General Fund

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

Special Revenue Funds

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

Debt Service Funds

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

Capital Projects Funds

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

Proprietary Fund Type:

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

Internal Service Funds

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

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

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

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

Fiduciary Fund Type:

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

Agency Fund

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

Account Groups:

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

General Fixed Assets Account Group

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

General Long-Term Debt Account Group

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

C. BASIS OF ACCOUNTING/MEASUREMENT FOCUS

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

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

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

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

Revenues

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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, based on the assessed value on January 1, become due on November 15 of each year, and become delinquent on December 31. An enforceable lien attaches to the property as of November 15. The taxes were levied by the School Board on June 11, 1998. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year end to the extent that they have been collected and are unremitted by the St. Tammany Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

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

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

Substantially all other revenues are recorded when received.

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

Expenditures

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

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recorded in the general long-term debt account group.

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

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

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

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

Deferred Revenues

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

D. BUDGET PRACTICES

The proposed budgets for fiscal year 1999 were completed and made available for public inspection at the School Board office on August 6, 1998. A public hearing was held on August 27, 1998 for suggestions and comments from taxpayers. The proposed fiscal year 1999 budgets were formally adopted by the School Board on September 10, 1998. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service and Capital Projects Funds were published in the official journal ten days prior to the public hearings.

The budgets for the General and Capital Projects Funds for the fiscal year 1999 were prepared on the modified accrual basis of accounting except that outstanding encumbrances at the close of the fiscal year are treated as expenditures. The Special Revenue and Debt Service Funds' budgets for the 1999 fiscal year were prepared on a modified accrual basis, consistent with generally accepted accounting principles (GAAP).

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

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

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

General Fund:

Excess of revenues and other financing sources over expenditures and other financing uses - Exhibit B	\$7,135,081
Add - prior year encumbrances liquidated	208,242
Less - current year encumbrances	<u>(171,751)</u>
Excess of revenues and other financing sources over expenditures and other financing uses - Exhibit C	<u>\$7,171,572</u>

Capital Projects Funds:

Excess of revenues and other financing sources over expenditures and other financing uses - Exhibit B	\$44,058,417
Add - prior year encumbrances liquidated	6,716,232
Less - current year encumbrances	<u>(7,708,717)</u>
Excess of revenues and other financing sources over expenditures and other financing uses - Exhibit C	<u>\$43,065,932</u>

E. ENCUMBRANCES

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

F. CASH, CASH EQUIVALENTS AND INVESTMENTS

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

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

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

G. INTERGOVERNMENTAL RECEIVABLES

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

H. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

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

I. INVENTORY

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

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

J. GENERAL FIXED ASSETS

Land, buildings and improvements, and furniture and equipment are recorded as expenditures in the governmental funds and are capitalized in the general fixed assets account group at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are valued at their estimated market value on the date of donation. Approximately 95 per cent of general fixed assets are valued at historical cost, while the remaining 5 per cent are valued at estimated cost, based on the historical cost of like items.

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

K. LONG-TERM OBLIGATIONS

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

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

L. COMPENSATED ABSENCES

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

All school board employees earn from 10 to 13 days of sick leave each year, depending upon the number of months employed. Sick leave can be accumulated without limitation. Upon retirement, a maximum of 25 days of unused sick leave is paid to the employee at the employee's current rate of pay, and all unused sick leave is used in the retirement benefit computation as earned service.

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St. Tammany Parish School Board
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Notes to Financial Statements
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Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Leave may be granted for rest and recuperation and professional and cultural improvement.

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

At June 30, 1999, employees of the School Board have accumulated and vested \$9,702,903 of compensated absence benefits in salary and salary related payments, which is recorded within the general long-term debt account group since they are not payable from expendable available financial resources.

M. SALES AND USE TAXES

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

N. RESERVES OF FUND BALANCE

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

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St. Tammany Parish School Board
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O. CLAIMS AND JUDGEMENTS

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

The liability for such losses is recorded in the Internal Service Funds. Incurred but not reported claims as of June 30, 1999, have been considered in determining the accrued liability.

P. COMPARATIVE DATA AND TOTAL COLUMNS ON COMBINED STATEMENTS

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

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

2. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 1999, the following funds had actual expenditures over appropriations, at the functional level:

<u>Fund and Function</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund:			
Special programs	\$196,289	217,947	21,658
Adult Ed programs	260,965	299,650	38,685
1966 Sales Tax Fund:			
General Administration	243,223	249,307	6,084
1977 Sales Tax Fund:			
General Administration	243,660	249,307	5,647
Parishwide District No. 12			
Debt Service Fund:			
Advance Refunding Escrow	503,357	539,963	36,606

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

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Notes to Financial Statements
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3. TERMINATED FUND

During fiscal year 1999, the Building Committee Capital Projects Fund terminated. There was no residual equity.

4. AD VALOREM TAXES

The following is a summary of authorized and levied parish wide ad valorem taxes for the fiscal year ended June 30, 1999:

Constitutional	4.47
Additional Support	6.26
Construction, Maintenance and Operations	4.47
Improve, Maintain and Operating	46.00
Bond and Interest - District No. 12	<u>25.90</u>
Total millage	<u>87.10</u>

5. CASH AND CASH EQUIVALENTS

At June 30, 1999, the School Board had cash and cash equivalents as follows:

Demand deposits	\$291,062
Money market accounts	8,862,404
Time certificates of deposit	<u>57,196,307</u>
Total cash and cash equivalents	<u>\$66,349,773</u>

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

Under state law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. At June 30, 1999, cash and cash equivalents are entirely insured or collateralized with securities held by a mutually acceptable third party financial institution in the School Board's name, however, the securities may be released only upon the written authorization of the School Board, which is

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St. Tammany Parish School Board
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Notes to Financial Statements
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the lowest credit risk as defined by the Governmental Accounting Standards Board. The bank balances are fully insured and collateralized at June 30, 1999 as follows:

Total bank balances	<u>\$71,286,542</u>
Federal deposit insurance	\$1,070,149
Pledged securities	<u>78,839,912</u>
Total collateral	<u>\$79,910,061</u>

6. INVESTMENTS

Investments of \$57,524,452 at June 30, 1999 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section I50.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participant's shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

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St. Tammany Parish School Board
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Notes to Financial Statements
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7. DUE FROM/TO OTHER FUNDS

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

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	<u>\$3,926,278</u>	<u>\$130,701</u>
Special Revenue Funds:		
IASA	1,260,281	2,271,091
IDEA	14,577	617,694
Voc Ed		235,455
Miscellaneous Programs	25,677	356,248
8G	6,145	71,656
School Food Service	296,847	112
1966 Sales Tax		1,766,552
1977 Sales Tax	23,394	389,191
Community Ed	<u> </u>	<u>11,732</u>
Total Special Revenue Funds	<u>1,626,921</u>	<u>5,719,731</u>
Debt Service Funds:		
Sales Tax Bond Sinking	147,249	
Sales Tax Bond Reserve		23,394
Certificate Sinking		650
Parishwide School Dist. No. 12	<u>650</u>	<u> </u>
Total Debt Service Funds	<u>147,899</u>	<u>24,044</u>
Capital Projects Funds:		
\$55 Million Construction		87,027
\$50 Million Construction		1,500
\$25 Million Construction	84,150	
Roofing Construction	1,500	
Parishwide Construction	<u>171,663</u>	<u> </u>
Total Capital Projects Funds	<u>257,313</u>	<u>88,527</u>
Risk Management Internal Service Fund	<u>4,592</u>	<u> </u>
Total	<u>\$5,963,003</u>	<u>\$5,963,003</u>

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St. Tammany Parish School Board
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Notes to Financial Statements
June 30, 1999

8. PROPERTY, PLANT AND EQUIPMENT

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

	Balance July 1, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1999</u>
Land	\$5,835,103	195,927		6,031,030
Buildings and improvements	205,707,741	5,591,986		211,299,727
Furniture and equipment	33,935,127	5,555,460	447,285	39,043,302
Construction in progress	<u>5,717,334</u>	<u>12,021,664</u>	<u>5,561,921</u>	<u>12,177,077</u>
	<u>\$251,195,305</u>	<u>23,365,037</u>	<u>6,009,206</u>	<u>268,551,136</u>

Construction in progress at June 30, 1999 is composed of the following:

	<u>Project Authorization</u>	<u>Incurred as of June 30, 1999</u>	<u>Committed</u>
Abney Elementary	\$934,379	777,500	156,879
Bayou Woods Elementary	921,119	908,497	12,622
Covington Elementary	1,269,440	841,249	428,191
Covington High	77,855	4,371	73,484
Covington High	55,475	9,458	46,017
Covington High	244,860	244,046	814
Cypress Cove Elementary	873,797	844,560	29,237
Fifth Ward Junior High	75,000	29,894	45,106
Folsom Junior High	45,000	13,337	31,663
Fontainebleau High	587,055	87,000	500,055
Fontainebleau Junior High	1,509,570	223,716	1,285,854
Little Oak Middle	197,381	197,046	335
Magnolia Trace Elementary	5,882,567	5,480,039	402,528
Mandeville High	283,868	282,911	957
Mandeville High	250,000	197,622	52,378
Mandeville Junior High	3,392,845	150,340	3,242,505
Northshore High	1,271,605	31,060	1,240,545
Northshore High	125,000	1,805	123,195
Northshore High	256,505	232,137	24,368
Northshore High	211,143	210,561	582
Pearl River High	45,000	32,652	12,348
Pineview Middle	75,000	7,833	67,167
Pineview Middle	4,571,057	214,933	4,356,124
Riverside Elementary	1,674,696	30,415	1,644,281

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	<u>Project Authorization</u>	<u>Incurred as of June 30, 1999</u>	<u>Committed</u>
Salmen High	\$80,675	4,371	76,304
Salmen High	623,604	524,812	98,792
Salmen High	242,369	237,213	5,156
Slidell High	77,855	4,371	73,484
Slidell High	125,000	39,406	85,594
Slidell High	108,236	36,216	72,020
Slidell High	250,000	241,538	8,462
Woodlake Elementary	<u>1,867,400</u>	<u>36,168</u>	<u>1,831,232</u>
 Total	 <u>\$28,205,356</u>	 <u>12,177,077</u>	 <u>16,028,279</u>

9. RISK MANAGEMENT

The School Board initiated a risk management program for workers' compensation in fiscal year 1988. Premiums are paid into the Workers' Compensation Internal Service Fund by all funds from which salaries are paid and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 1999, a total of \$1,452,163 was incurred in benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$250,000. An amount for self-insurance losses of \$1,181,884 has been accrued as a liability based upon an actuary's estimate. Interfund premiums are based primarily upon the individual funds' claims experience and are reported as expenditures in the individual funds.

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

The General Fund of the School Board makes payments to the Risk Management Fund based on estimates of the amounts needed to pay claims and to accumulate funds for future catastrophic losses. At June 30, 1999, \$1,799,368 of fund equity is designated for future catastrophic losses. The claims liability of \$900,000 reported in the Fund at June 30, 1999 is based on the requirements of Governmental Accounting Standards Board which requires that a

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Notes to Financial Statements
June 30, 1999

liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability amount in previous fiscal years were 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:				
1988-89	None	486,828	306,753	180,075
1989-90	\$180,075	702,404	393,776	488,703
1990-91	488,703	801,746	573,866	716,583
1991-92	716,583	512,942	604,020	625,505
1992-93	625,505	806,967	551,603	880,869
1993-94	880,869	813,785	727,379	967,275
1994-95	967,275	783,809	621,322	1,129,762
1995-96	1,129,762	804,968	971,398	963,332
1996-97	963,332	703,135	851,223	815,244
1997-98	815,244	1,246,261	1,106,116	955,389
1998-99	955,389	1,492,873	1,266,378	1,181,884
Risk Management:				
1989-90	None	254,878	54,878	200,000
1990-91	\$200,000	445,698	70,698	575,000
1991-92	575,000	(37,714)	146,286	391,000
1992-93	391,000	301,887	283,451	409,436
1993-94	409,436	819,898	402,128	827,206
1994-95	827,206	539,874	394,954	972,126
1995-96	972,126	920,627	920,627	972,126
1996-97	972,126	462,088	566,693	867,521
1997-98	867,521	529,393	496,914	900,000
1998-99	900,000	580,853	580,853	900,000

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

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Notes to Financial Statements
June 30, 1999

10. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the long-term debt transactions for the year ended June 30, 1999:

	Balance July 1, <u>1998</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>1999</u>
Sales Tax Bonds	\$14,150,000		1,190,000	12,960,000
General Obligation Bonds	70,655,000	69,480,000	19,905,000	120,230,000
Certificates of Indebtedness	<u>3,725,000</u>		<u>660,000</u>	<u>3,065,000</u>
	88,530,000	69,480,000	21,755,000	136,255,000
Compensated Absences	<u>8,754,943</u>	<u>1,240,446</u>	<u>292,486</u>	<u>9,702,903</u>
Total	<u>\$97,284,943</u>	<u>70,720,446</u>	<u>22,047,486</u>	<u>145,957,903</u>

A schedule of the individual issues outstanding as of June 30, 1999 is as follows:

	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Sales Tax Bonds:					
1992	\$11,000,000	5.5-5.8%	2007	\$2,019,810	\$7,295,000
1995	<u>7,500,000</u>	5.5%	2007	<u>1,517,175</u>	<u>5,665,000</u>
Total Sales Tax Bonds	<u>18,500,000</u>			<u>3,536,985</u>	<u>12,960,000</u>
General Obligation Bonds:					
1990	9,875,000	6.6%	2000	28,710	435,000
1991	30,800,000	6.0-6.5%	2001	426,435	4,605,000
1992	5,000,000	5.4-6.1%	2012	1,949,350	4,070,000
1993	3,540,000	5.0-5.4%	2002	87,835	1,060,000
1993	13,195,000	4.7-8.8%	2013	4,905,113	11,430,000
1996	25,000,000	5.3-8.0%	2016	13,565,368	23,210,000
1997	7,415,000	4.6-5.2%	2010	2,548,233	7,195,000
1998A	55,000,000	4.5-5.0%	2018	30,573,430	53,765,000
1998B	<u>14,480,000</u>	4.5-5.0%	2011	<u>4,249,425</u>	<u>14,460,000</u>
Total General Obligation Bonds	<u>164,305,000</u>			<u>58,333,899</u>	<u>120,230,000</u>
Certificates of Indebtedness					
1994	<u>6,000,000</u>	4.9-5.0%	2003	<u>392,320</u>	<u>3,065,000</u>
Total	<u>\$188,805,000</u>			<u>\$62,263,204</u>	<u>\$136,255,000</u>

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Notes to Financial Statements
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All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish or by the 1977 sales and use tax. At June 30, 1999, the School Board has accumulated \$10,697,830 in the debt service funds for future debt service requirements.

The Sales Tax Bonds require the maintenance of a reserve as additional security for debt repayment. At June 30, 1999, the School Board has accumulated \$1,850,000 in reserve and is in compliance with the requirements of the debt agreement.

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

Year Ending June 30,	<u>Principal Payments</u>		Combined Interest Payments	<u>Total</u>
	<u>Bonds</u>	Certificates of <u>Indebtedness</u>		
2000	\$7,980,000	700,000	7,124,348	15,804,348
2001	8,325,000	740,000	6,616,930	15,681,930
2002	8,175,000	790,000	6,103,632	15,068,632
2003	8,475,000	835,000	5,642,380	14,952,380
2004	8,845,000		5,159,782	14,004,782
2005-2009	38,515,000		19,323,636	57,838,636
2009-2013	32,735,000		9,899,616	42,634,616
2015-2018	<u>20,140,000</u>		<u>2,392,880</u>	<u>22,532,880</u>
	<u>\$133,190,000</u>	<u>3,065,000</u>	<u>62,263,204</u>	<u>198,518,204</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt funded solely by ad valorem taxes in excess of 35 percent of the assessed value of taxable property. At June 30, 1999, the statutory limit is \$260,405,642 and the legal debt margin is \$148,283,888. Outstanding bonded debt payable from ad valorem taxes at June 30, 1999 totaled \$120,230,000.

11. DEFEASANCE AND ISSUANCE OF BONDS

On August 28, 1998, the School Board issued \$14,480,000 of School District No. 12 general obligation bonds, Series 1998B dated July 1, 1998, with an average interest rate of 4.7% to advance refund \$14,015,000 of School District No. 12, Series 1991, outstanding bonds with maturities ranging from March 1, 2002 through March 1, 2011 and an average interest rate of 6.5%. These bonds are callable on March 1, 2001.

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Notes to Financial Statements
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The net proceeds of \$14,443,557 (after payment of \$36,423 in underwriting fees and other issuance costs) plus \$539,963 of sinking fund monies were used to purchase U.S. Government securities. These securities were placed in an irrevocable trust fund with an escrow agent to provide future debt service requirements. The advance refunding met the requirements of an in substance defeasance and the bonds have been removed from the School Board's general long-term debt account group.

The School Board advance refunded the bonds to reduce its total debt service payments over the life of the bonds by \$1,128,978 and to obtain an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$848,168.

Also, on August 28, 1998, the School Board issued \$55,000,000 of School District No. 12 general obligation bonds, Series 1998A dated July 1, 1998, secured by unlimited ad valorem taxation. These bonds mature from March 1, 1999 through March 1, 2018 and have an interest rate ranging from 4.5% to 6.75%. The bonds were authorized by the voters of St. Tammany Parish in a referendum held May 2, 1998 and the proceeds are to be used for the construction of new school facilities and for improvements to existing school facilities.

12. PRIOR YEAR DEFEASANCE OF DEBT

On June 1, 1991, the School Board defeased the June 1, 1984 School District No. 12 General Obligation Bonds maturing on or after March 1, 1995. On February 5, 1997, the School Board defeased the June 1, 1990 School District No. 12 General Obligation Bonds maturing on or after June 1, 2001. On August 1, 1998, the School Board defeased the June 1, 1991 School District No. 12 General Obligation Bonds maturing on or after March 1, 2002. On February 1, 1993, the School Board defeased the June 1, 1980 School District No. 8 General Obligation Bonds maturing on or after March 1, 1994. For each defeasement an irrevocable trust fund was created. New debt was issued and the proceeds were used to purchase U.S. Government Securities that were placed in the trust funds.

The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the School Board's General Long-Term Debt Account

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St. Tammany Parish School Board
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Notes to Financial Statements
June 30, 1999

group. As of June 30, 1999, the following outstanding bonds are considered defeased:

	Amount <u>Outstanding</u>
School District No. 12:	
June 1, 1984	\$4,775,000
June 1, 1990	6,970,000
June 1, 1991	14,015,000
School District No. 8:	
June 1, 1980	<u>1,130,000</u>
Total	<u>\$26,890,000</u>

13. TAX ARBITRAGE REBATE

Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). For fiscal year 1999, arbitrage was not owed to the IRS.

14. RETIREMENT PLANS

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

A. Teachers' Retirement System of Louisiana (TRS)

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

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St. Tammany Parish School Board
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Notes to Financial Statements
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TRS issues a publicly available financial report that includes financial statements and required supplementary information of the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446.

Funding Policy: Plan members are required to contribute 8.0 percent and 9.1 percent of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 16.5 percent of annual covered payroll for both membership plans. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution to the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRS for the years ended June 30, 1999, 1998, and 1997, were \$18,023,356, \$16,864,348, and \$15,127,505, respectively, equal to the required contributions for each year.

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description: The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484.

Funding Policy: Plan members are required to contribute 6.35 percent of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 6.00 percent of annual covered payroll. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations and by remittances from the School Board.

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

The School Board's contributions to the LSERS for the years ended June 30, 1999, 1998, and 1997 were \$623,887, \$582,460, and \$550,410, respectively, equal to the required contributions for each year.

15. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

In accordance with State statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. Currently, 805 retirees are eligible to participate in these benefits. These benefits for retirees are provided through the State Employees Group Benefits Program whose monthly premiums are paid jointly by the retirees and by the School Board. During fiscal year 1999, the School Board contributed 62% of the total premium for life insurance and 95% of the total premium for health care insurance provided to the retirees. The School Board recognizes the cost of providing these benefits (the Board's portion of premiums) as an expenditure on a pay-as-you-go basis when the monthly premiums are due. The School Board's cost of providing all health care benefits and life insurance premiums to the approximately 3,300 active and 650 retired participating employees amounted to \$13,991,675 for 1999. For 1999, the cost of premiums paid for retirees totaled \$3,053,386.

16. LEASES

The School Board has operating lease agreements for the rental of office equipment and classroom space. Rental expenditures for the year ended June 30, 1999 are as follows:

Office Equipment	\$233,758
Classroom Space	<u>74,387</u>
Total	<u>\$308,145</u>

17. CHANGES IN AGENCY DEPOSITS DUE OTHERS

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

Balance at Beginning of Year	\$2,598,285
Additions	12,598,282
Deductions	<u>12,422,996</u>
Balance at End of Year	<u>\$2,773,571</u>

(continued)

St. Tammany Parish School Board
Covington, Louisiana

Notes to Financial Statements
June 30, 1999

18. LITIGATION AND CLAIMS

At June 30, 1999, the School Board was a defendant in lawsuits principally arising from the normal course of operations. The School Board's legal counsel has reviewed the School Board's claims and lawsuits, which are primarily personal injury claims, in order to evaluate the likelihood of an unfavorable outcome to the School Board and to arrive at an estimate, if any, of the amount or range of potential loss to the School Board. As a result of the review, the various claims and lawsuits have been categorized into "probable", "reasonably possible", or "remote", as defined by the Governmental Accounting Standards Board. Amounts of claims classified as "probable" have been accrued in the claims liability and the liability for self-insurance losses, as explained in Note 8. The amount of claims and lawsuits which have been classified as "reasonably possible" individually range from \$3,000 to \$100,000. It is the opinion of the School Board, after conferring with legal counsel, that the liability, if any, which might arise from these lawsuits would not have a material adverse effect on the School Board's financial position.

The School Board participates in a number of federal financial assistance programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 1999, these programs are still subject to financial and compliance audits and resolution of previously identified questioned costs. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School Board expects such amounts, if any, to be immaterial.



St. Tammany Parish School Board
Covington, Louisiana

Year 2000 Issues
(Unaudited)

In October 1998, the Government Accounting Standards Board (GASB) issued Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*. The provisions of the GASB technical bulletin, effective for financial statements on which the auditor's report is dated after October 31, 1998, require the School System to make disclosures about its state of readiness in addressing Year 2000 issues for its internal computer systems and equipment. On March 29, 1999, GASB issued Technical Bulletin 99-1, which amended the previously issued disclosure requirements allowing the disclosure to be made in the required supplementary information (RSI). "This note is written pursuant to the Year 2000 Information and Readiness Disclosure Act, Public Law No. 105-271, 112 Stat. 2386 (1998)."

The Year 2000 issue is the result of shortcomings in electric data-processing systems and other equipment that may adversely affect operations in the year 1999 and beyond.

The following stages have been identified by the GASB as necessary to implement a Year 2000-compliant system:

Awareness Stage - In this first stage, an organization establishes a budget and project plan (for example, a time line or chart noting major tasks and due dates) for dealing with the Year 2000 issue.

Assessment Stage - While in this stage, an organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the systems. An organization may decide to review all system components for Year 2000 compliance or, through a risk analysis, identify only mission-critical systems and equipment--systems and equipment critical to conducting operations to check compliance.

Remediation Stage - During this stage, an organization actually makes changes to systems and equipment. This stage involves the technical issues of converting existing systems, or switching to compliant systems. Decisions are made on how to make the system or processes Year 2000 compliant, and the required system changes are made.

Validation/Testing Stage - At this stage, an organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and re-tested.

(continued)

The school system has gone through the GASB stages at various times depending on the area being addressed. The school system's Data Processing Department began addressing Year 2000 problems in 1990. All developments since that time have been written to be Year 2000 compliant. School Fund Accounting, Accounts Payable, General Ledger, Personnel, Payroll and their ancillary sub-systems have all been reengineered, rewritten, tested and implemented prior to 1998.

The Student Administrative System was originally acquired from another parish. All reprogramming for the Student System was completed during fiscal 1999 and that software was put into production during the school system's Easter break. Most of the information for the last quarter of fiscal 1999 and the school closing procedures were all completed on the revised systems. Year 2000 rollover testing strategies were prepared during that time and completed in July 1999. Hardware platforms have been confirmed compliant and upgraded where necessary. All mission critical systems have been addressed.

In August 1998, the Superintendent formed a Year 2000 Steering Committee. This committee was charged with reviewing the Data Processing Department's efforts, developing a parish wide effort and communicating results to the School Board. The committee developed surveys and instructions for site administrators. The committee contacted each site administrator to insure their understanding, and to confirm that critical software and hardware, including "embedded chips", had been addressed.

The committee is currently developing contingency plans. Prior to the upcoming Christmas break, the site administrators will be sent "Pre-Post" Year 2000 instructions and a check off sheet to use in assessing their site on January 1, 2000.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter, management cannot assure that the School Board is or will be Year 2000 ready, that the School Board's remediation efforts will be successful in whole or in part, or that parties with whom the School Board does business will be year 2000 ready.



**FINANCIAL STATEMENTS
OF
INDIVIDUAL FUNDS**



GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FUND
Comparative Balance Sheets
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and cash equivalents	\$35,094,306	25,627,044
Investments	1,806,724	1,727,097
Receivables:		
Ad valorem taxes	572,298	452,010
Intergovernmental:		
Federal	56,462	45,170
State	572,332	979,698
Other	516,324	281,194
Total receivables	<u>1,717,416</u>	<u>1,758,072</u>
Due from other funds	3,926,278	4,937,989
Other	<u> </u>	<u>175,100</u>
TOTAL ASSETS	<u>\$42,544,724</u>	<u>34,225,302</u>
LIABILITIES AND EQUITY		
Liabilities:		
Salaries and wages payable	\$15,013,206	14,206,455
Payroll deductions and withholdings payable	983,879	826,096
Accounts payable	2,707,492	2,476,358
Due to other funds	130,701	83,731
Other liabilities	135,276	186,663
Deferred revenues	<u>85,095</u>	<u>92,005</u>
Total Liabilities	<u>19,055,649</u>	<u>17,871,308</u>
Equity:		
Fund balance:		
Reserved for encumbrances	171,751	208,242
Unreserved, undesignated	<u>23,317,324</u>	<u>16,145,752</u>
Total Equity	<u>23,489,075</u>	<u>16,353,994</u>
TOTAL LIABILITIES AND EQUITY	<u>\$42,544,724</u>	<u>34,225,302</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FUND

Schedule of Revenues, Expenditures, and Changes In
Fund Balance-Budget and Actual
(NON-GAAP BASIS)
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES (Schedule 3)	\$141,239,000	142,172,212	933,212
EXPENDITURES (Schedule 4)	<u>176,569,523</u>	<u>171,753,310</u>	<u>4,816,213</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(35,330,523)</u>	<u>(29,581,098)</u>	<u>5,749,425</u>
OTHER FINANCING SOURCES (USES):			
Other financing sources (Schedule 3)	38,161,819	39,241,911	1,080,092
Other financing uses (Schedule 4)	<u>(2,489,555)</u>	<u>(2,489,241)</u>	<u>314</u>
Total other financing sources (uses)	<u>35,672,264</u>	<u>36,752,670</u>	<u>1,080,406</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	341,741	7,171,572	6,829,831
FUND BALANCE AT BEGINNING OF YEAR	<u>16,145,752</u>	<u>16,145,752</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$16,487,493</u>	<u>23,317,324</u>	<u>6,829,831</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FUND
Schedule of Revenues and Other Financing Sources
Budget and Actual (Non-GAAP Basis)
For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
REVENUES				
Local sources:				
Ad valorem taxes	\$26,189,000	26,534,959	345,959	25,990,794
Tuition:				
Summer school	110,000	147,260	37,260	109,313
Driver education	55,000	59,910	4,910	60,650
Earnings on investments	1,601,000	1,958,052	357,052	1,604,305
Medical services	225,000	255,538	30,538	238,415
Other	242,000	318,324	76,324	139,380
Total revenues from local sources	<u>28,422,000</u>	<u>29,274,043</u>	<u>852,043</u>	<u>28,142,857</u>
State sources:				
Equalization	106,736,966	106,736,966		99,195,469
Contributions to				
Teachers' Retirement	147,000	157,280	10,280	160,037
Revenue sharing	1,769,000	1,781,976	12,976	1,721,553
Professional Improvement Program	1,140,000	1,130,613	(9,387)	1,153,762
Special education	136,000	154,657	18,657	139,856
Adult education	232,082	232,497	415	82,695
Non-public students	485,000	503,272	18,272	429,464
Teacher supply	437,392	437,392		408,867
Technology	860,548	860,390	(158)	1,305,447
Salary supplement	547,512	547,512		
Miscellaneous	29,500	49,950	20,450	39,623
Total revenues from state sources	<u>112,521,000</u>	<u>112,592,505</u>	<u>71,505</u>	<u>104,636,773</u>
Federal sources:				
Impact aid - PL 81-874	11,288	11,288		4,013
ROTC	265,712	281,496	15,784	259,201
Adult education	19,000	12,880	(6,120)	71,267
Total revenues from federal sources	<u>296,000</u>	<u>305,664</u>	<u>9,664</u>	<u>334,481</u>
Total revenues	<u>141,239,000</u>	<u>142,172,212</u>	<u>933,212</u>	<u>133,114,111</u>
OTHER FINANCING SOURCES				
Operating transfers in:				
1966 Sales Tax Fund	20,088,220	20,569,346	481,126	18,932,096
1977 Sales Tax Fund	17,725,599	18,309,356	583,757	16,695,508
School Food Service Fund	200,000	202,636	2,636	197,861
Indirect costs	148,000	160,573	12,573	148,602
Total other financing sources	<u>38,161,819</u>	<u>39,241,911</u>	<u>1,080,092</u>	<u>35,974,067</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$179,400,819</u>	<u>181,414,123</u>	<u>2,013,304</u>	<u>169,088,178</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FUND
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Non-GAAP Basis)
For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	1999		Variance Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
EXPENDITURES				
Instruction:				
Regular Ed programs:				
Salaries and benefits	\$69,262,910	68,036,019	1,226,891	64,262,167
Materials and books	5,503,440	4,328,647	1,174,793	4,391,538
Other	50,370	36,558	13,812	25,880
Total Regular Ed programs	<u>74,816,720</u>	<u>72,401,224</u>	<u>2,415,496</u>	<u>68,679,585</u>
Special Ed programs:				
Salaries and benefits	32,787,005	32,463,367	323,638	30,026,036
Materials and books	90,113	76,325	13,788	83,259
Other	313,900	221,339	92,561	244,674
Total Special Ed programs	<u>33,191,018</u>	<u>32,761,031</u>	<u>429,987</u>	<u>30,353,969</u>
Vocational Ed programs:				
Salaries and benefits	3,790,718	3,759,870	30,848	3,666,964
Other	209,000	204,722	4,278	163,603
Total Vocational Ed programs	<u>3,999,718</u>	<u>3,964,592</u>	<u>35,126</u>	<u>3,830,567</u>
Other instructional programs:				
Salaries and benefits	4,410,055	4,386,906	23,149	3,947,267
Other	312,883	180,566	132,317	203,944
Total other instructional programs	<u>4,722,938</u>	<u>4,567,472</u>	<u>155,466</u>	<u>4,151,211</u>
Special programs:				
Salaries and benefits	186,289	210,193	(23,904)	162,126
Other	10,000	7,754	2,246	
Total special programs	<u>196,289</u>	<u>217,947</u>	<u>(21,658)</u>	<u>162,126</u>
Adult Ed programs:				
Salaries and benefits	240,465	260,494	(20,029)	170,606
Other	20,500	39,156	(18,656)	3,825
Total Adult Ed programs	<u>260,965</u>	<u>299,650</u>	<u>(38,685)</u>	<u>174,431</u>
Total Instruction	<u>117,187,648</u>	<u>114,211,916</u>	<u>2,975,732</u>	<u>107,351,889</u>
Support Services:				
Pupil support:				
Salaries and benefits	7,506,829	7,151,422	355,407	6,537,046
Other	174,975	129,487	45,488	109,885
Total pupil support	<u>7,681,804</u>	<u>7,280,909</u>	<u>400,895</u>	<u>6,646,931</u>
Instructional staff support:				
Salaries and benefits	5,808,059	5,777,478	30,581	5,489,464
Materials and books	458,500	394,796	63,704	257,575
Other	297,270	256,366	40,904	226,726
Total instructional staff support	<u>6,563,829</u>	<u>6,428,640</u>	<u>135,189</u>	<u>5,973,765</u>
General administration:				
Salaries and benefits	964,446	959,716	4,730	911,300
Professional services	1,138,602	1,102,229	36,373	868,407
Other	481,500	400,581	80,919	541,578
Total general administration	<u>2,584,548</u>	<u>2,462,526</u>	<u>122,022</u>	<u>2,321,285</u>

	1999			
	Budget	Actual	Variance Favorable (Unfavorable)	1998 Actual
School administration:				
Salaries and benefits	\$10,126,723	10,118,147	8,576	9,692,335
Other	777,567	591,137	186,430	625,952
Total school administration	10,904,290	10,709,284	195,006	10,318,287
Business administration:				
Salaries and benefits	1,047,023	1,039,442	7,581	1,016,306
Other	361,800	358,004	3,796	237,529
Total business administration	1,408,823	1,397,446	11,377	1,253,835
Operation and maintenance of plant:				
Salaries and benefits	7,475,347	7,449,599	25,748	7,087,445
Utilities	3,960,000	3,694,354	265,646	3,871,825
Other	3,475,803	3,423,064	52,739	3,041,708
Total operation and maintenance of plant	14,911,150	14,567,017	344,133	14,000,978
Pupil transportation:				
Salaries and benefits	11,590,319	11,294,193	296,126	10,847,314
Other	649,930	390,922	259,008	343,248
Total pupil transportation	12,240,249	11,685,115	555,134	11,190,562
Central services:				
Salaries and benefits	1,207,330	1,204,857	2,473	1,051,944
Other	593,736	552,989	40,747	490,907
Total central services	1,801,066	1,757,846	43,220	1,542,851
Total Support Services	58,095,759	56,288,783	1,806,976	53,248,494
Food service-salaries and benefits	1,037,321	1,032,479	4,842	881,017
Community service programs-other	48,675	33,960	14,715	33,879
Facilities acquisition and construction:				
Salaries and benefits	168,320	167,491	829	146,072
Other	31,800	18,681	13,119	26,439
Total facilities acquisition and construction	200,120	186,172	13,948	172,511
Total Expenditures	176,569,523	171,753,310	4,816,213	161,687,790
OTHER FINANCING USES				
Operating transfers out:				
School Food Service Fund	329,555	329,241	314	321,517
Community Education Fund	120,000	120,000		120,000
Roofing Construction Fund	650,000	650,000		550,000
Certificate Sinking Fund	840,000	840,000		833,250
Parishwide Construction Fund	550,000	550,000		350,000
Total other financing uses	2,489,555	2,489,241	314	2,174,767
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$179,059,078	174,242,551	4,816,527	163,862,557

See accompanying independent auditors' report.





SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The School Board maintains the following Special Revenue Funds:

**IMPROVING AMERICA'S SCHOOLS ACT
INDIVIDUALS WITH DISABILITIES EDUCATION ACT
VOCATIONAL EDUCATION
MISCELLANEOUS PROGRAMS
8G
SCHOOL FOOD SERVICE
1966 and 1977 SALES TAX FUNDS
COMMUNITY EDUCATION PROGRAM**

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

SPECIAL REVENUE FUNDS-
Individual Fund Descriptions

IMPROVING AMERICA'S SCHOOL ACT

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

INDIVIDUALS WITH DISABILITIES EDUCATION ACT

Individuals with Disabilities Education Act (IDEA), Public Law (PL) 101-476, is a federally financed program of free public education in the least restrictive environment for children with exceptionalities.

VOCATIONAL EDUCATION

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

MISCELLANEOUS PROGRAMS

The Miscellaneous Programs Fund is used to account for those programs that are anticipated to have a short duration. For fiscal year 1999, Arts in Education, Child Search, Starting Points, School to Work, Learn and Serve America, Educate America Act, Tech Prep, National Science, K-3 Reading and Math Initiative, and Literary Challenge are among those accounted for in this fund.

8-G

The 8-G Fund is a state program to provide enhancement to elementary, secondary and vocational programs funded through the State Minimum Foundation Program.

SCHOOL FOOD SERVICE FUND

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

(continued)

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

SPECIAL REVENUE FUNDS (CONTINUED)

1966 AND 1977 SALES TAX FUNDS

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

COMMUNITY EDUCATION

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



ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

SPECIAL REVENUE FUNDS

Combining Balance Sheet
June 30, 1999
With Comparative Totals for June 30, 1998

	IASA	IDEA	Voc Ed	Miscellaneous Programs	8G
ASSETS					
Cash and cash equivalents	\$623,966				
Receivables	430,700	620,749	235,811	365,498	66,729
Due from other funds	1,260,281	14,577		25,677	6,145
Inventory					
TOTAL ASSETS	\$2,314,947	635,326	235,811	391,175	72,874
LIABILITIES AND EQUITY					
Liabilities:					
Salaries and wages payable					
Accounts payable	\$36,219	17,632	356	27,508	1,218
Due to other funds	2,271,091	617,694	235,455	356,248	71,656
Other liabilities					
Deferred revenues	7,637			7,419	
Total Liabilities	2,314,947	635,326	235,811	391,175	72,874
Equity:					
Fund balances:					
Reserved for inventory					
Unreserved, undesignated					
Total Equity	NONE	NONE	NONE	NONE	NONE
TOTAL LIABILITIES AND EQUITY	\$2,314,947	635,326	235,811	391,175	72,874

See accompanying independent auditors' report.

Statement 5

School Food Service	1966 Sales Tax	1977 Sales Tax	Community Education	Totals	
				1999	1998
2,448,270	4,938	76,964	169,214	3,323,352	4,465,736
63,611	1,787,167	1,787,167		5,357,432	5,202,649
296,847		23,394		1,626,921	1,257,558
259,620				259,620	240,602
<u>3,068,348</u>	<u>1,792,105</u>	<u>1,887,525</u>	<u>169,214</u>	<u>10,567,325</u>	<u>11,166,545</u>
50,466	20,551	20,551		174,501	552,046
112	1,766,552	389,191	11,732	5,719,731	6,355,223
29,996				29,996	30,318
180,644				195,700	207,144
<u>261,218</u>	<u>1,787,103</u>	<u>409,742</u>	<u>11,732</u>	<u>6,119,928</u>	<u>7,145,338</u>
78,976				78,976	71,682
2,728,154	5,002	1,477,783	157,482	4,368,421	3,949,525
2,807,130	5,002	1,477,783	157,482	4,447,397	4,021,207
<u>3,068,348</u>	<u>1,792,105</u>	<u>1,887,525</u>	<u>169,214</u>	<u>10,567,325</u>	<u>11,166,545</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	IASA	IDEA	Voc Ed	Miscellaneous Programs	BG
REVENUES					
Local sources:					
Taxes-sales and use					
Rentals, leases and royalties					
Tuition					
Earnings on investments					
Food service					
Other	\$1,124			17,520	
State sources:					
Equalization					
Other				635,117	839,937
Federal sources					
	4,555,182	2,347,470	255,819	603,617	
Total revenues	4,556,306	2,347,470	255,819	1,256,254	839,937
EXPENDITURES					
Current:					
Instruction:					
Regular Ed programs	58,450			328,986	509,334
Special Ed programs		1,255,258		275,852	
Vocational Ed programs			241,876		
Other instructional programs	36,369			92,269	152,247
Special programs	3,245,930			87,856	128,947
Adult Ed programs					
Support services:					
Pupil support	308,609	491,804		28,604	8,247
Instructional staff support	602,065	381,272		428,649	38,981
General administration	39,787	19,450	235	9	
Operation and maintenance of plant	145,716	23,655	9,240		
Pupil transportation	12,084	127,251	4,468	9,532	2,181
Food service					
Community service programs					
Total expenditures	4,449,010	2,298,690	255,819	1,251,757	839,937
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	107,296	48,780	NONE	4,497	NONE
OTHER FINANCING SOURCES (USES)					
Operating transfers in					
Operating transfers out	(107,296)	(48,780)		(4,497)	
Total other financing sources (uses)	(107,296)	(48,780)	NONE	(4,497)	NONE
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES					
	NONE	NONE	NONE	NONE	NONE
FUND BALANCES AT BEGINNING OF YEAR					
	NONE	NONE	NONE	NONE	NONE
FUND BALANCES AT END OF YEAR					
	NONE	NONE	NONE	NONE	NONE

See accompanying independent auditors' report.

Statement 6

School Food Service	1966 Sales Tax	1977 Sales Tax	Community Education	Totals	
				1999	1998
	21,529,191	21,529,191		43,058,382	39,708,390
			16,104	16,104	11,894
			661,504	661,504	629,543
120,233	82,589	82,089		284,911	283,966
2,533,021				2,533,021	2,428,186
14,900				33,544	129,856
1,183,518				1,183,518	1,183,518
4,689,348				1,475,054	1,813,341
				12,451,436	11,824,628
8,541,020	21,611,780	21,611,280	677,608	61,697,474	58,013,322
				896,770	2,005,399
				1,531,110	874,322
				241,876	243,965
				280,885	196,295
				3,462,733	3,424,817
					44,812
				837,264	787,120
				1,450,967	1,208,710
	249,307	249,307		558,095	518,344
				178,611	171,780
				155,516	101,551
9,498,064				9,498,064	8,956,938
			752,117	752,117	722,360
9,498,064	249,307	249,307	752,117	19,844,008	19,256,413
(957,044)	21,362,473	21,361,973	(74,509)	41,853,466	38,756,909
1,386,744		95,394	120,000	1,602,138	1,610,357
(202,636)	(21,362,473)	(21,303,732)		(43,029,414)	(39,728,111)
1,184,108	(21,362,473)	(21,208,338)	120,000	(41,427,276)	(38,117,754)
227,064	NONE	153,635	45,491	426,190	639,155
2,580,066	5,002	1,324,148	111,991	4,021,207	3,382,052
2,807,130	5,002	1,477,783	157,482	4,447,397	4,021,207

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

IASA Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources - other	\$1,124	1,124	
Federal sources	<u>4,742,235</u>	<u>4,555,182</u>	(187,053)
Total revenues	<u>4,743,359</u>	<u>4,556,306</u>	<u>(187,053)</u>
EXPENDITURES			
Instruction:			
Regular Ed programs	60,834	58,449	2,385
Other instructional programs	37,853	36,369	1,484
Special programs	<u>3,378,388</u>	<u>3,245,930</u>	<u>132,458</u>
Support services:			
Pupil support	321,203	308,609	12,594
Instructional staff support	626,634	602,065	24,569
General administration	41,410	39,787	1,623
Operation and maintenance of plant	151,662	145,716	5,946
Pupil transportation	<u>12,577</u>	<u>12,084</u>	<u>493</u>
Total expenditures	<u>4,630,561</u>	<u>4,449,009</u>	<u>181,552</u>
EXCESS OF REVENUES OVER EXPENDITURES	112,798	107,297	(5,501)
OTHER FINANCING USES			
Operating transfers out	<u>(112,798)</u>	<u>(107,297)</u>	<u>5,501</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

IDEA Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	\$2,559,441	2,347,470	(211,971)
EXPENDITURES			
Instruction-Special Ed programs	1,367,714	1,255,258	112,456
Support services:			
Pupil support	535,864	491,804	44,060
Instructional staff support	415,429	381,272	34,157
General administration	21,192	19,450	1,742
Operation and maintenance of plant	25,774	23,655	2,119
Pupil transportation	138,651	127,251	11,400
Total expenditures	2,504,624	2,298,690	205,934
EXCESS OF REVENUES OVER EXPENDITURES	54,817	48,780	(6,037)
OTHER FINANCING USES			
Operating transfers out	(54,817)	(48,780)	6,037
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	NONE	NONE	NONE
FUND BALANCE AT END OF YEAR	NONE	NONE	NONE

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Vocational Education Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Federal sources	<u>\$275,125</u>	<u>255,819</u>	<u>(19,306)</u>
EXPENDITURES			
Instruction-Vocational Ed programs	260,148	241,876	18,272
Support services:			
General administration	235	235	
Operation and maintenance of plant	9,937	9,240	697
Pupil transportation	<u>4,805</u>	<u>4,468</u>	<u>337</u>
Total expenditures	<u>275,125</u>	<u>255,819</u>	<u>19,306</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Miscellaneous Programs Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
Local sources-other	\$20,000	17,520	(2,480)
State sources-other	804,244	635,117	(169,127)
Federal sources	<u>655,410</u>	<u>603,617</u>	<u>(51,793)</u>
Total revenues	<u>1,479,654</u>	<u>1,256,254</u>	(223,400)
EXPENDITURES			
Instruction:			
Regular Ed programs	387,490	328,986	58,504
Special Ed programs	324,907	275,852	49,055
Other instructional programs	108,677	92,269	16,408
Special programs	103,480	87,856	15,624
Support services:			
Pupil support	33,690	28,604	5,086
Instructional staff support	504,878	428,649	76,229
General administration	9	9	
Pupil transportation	<u>11,227</u>	<u>9,532</u>	<u>1,695</u>
Total expenditures	<u>1,474,358</u>	<u>1,251,757</u>	222,601
EXCESS OF REVENUES OVER EXPENDITURES	5,296	4,497	(799)
OTHER FINANCING USES			
Operating transfers out	<u>(5,296)</u>	<u>(4,497)</u>	<u>799</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

8G Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
REVENUES			
State sources-other	<u>\$857,824</u>	<u>839,937</u>	<u>(17,887)</u>
EXPENDITURES			
Instruction:			
Regular Ed programs	520,181	509,334	10,847
Other instructional programs	155,489	152,247	3,242
Special programs	131,693	128,947	2,746
Support services:			
Pupil support	8,423	8,247	176
Instructional staff support	39,811	38,981	830
Pupil transportation	<u>2,227</u>	<u>2,181</u>	<u>46</u>
Total expenditures	<u>857,824</u>	<u>839,937</u>	<u>17,887</u>
EXCESS OF REVENUES OVER EXPENDITURES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

School Food Service Special Revenue Fund
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Earnings on investments	\$120,000	120,233	233
Food service	2,432,000	2,533,021	101,021
Other	10,000	14,900	4,900
State sources - Equalization	1,183,518	1,183,518	
Federal sources	<u>4,285,630</u>	<u>4,689,348</u>	<u>403,718</u>
Total revenues	8,031,148	8,541,020	509,872
EXPENDITURES			
Food service	<u>9,527,767</u>	<u>9,498,064</u>	<u>29,703</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES			
	<u>(1,496,619)</u>	<u>(957,044)</u>	<u>539,575</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,385,560	1,386,744	1,184
Operating transfers out	<u>(200,000)</u>	<u>(202,636)</u>	<u>(2,636)</u>
Total other financing sources (uses)	<u>1,185,560</u>	<u>1,184,108</u>	<u>(1,452)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
	(311,059)	227,064	538,123
FUND BALANCE AT BEGINNING OF YEAR	<u>2,580,066</u>	<u>2,580,066</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$2,269,007</u>	<u>2,807,130</u>	<u>538,123</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

1966 Sales Tax Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Taxes-sales and use	\$21,045,447	21,529,191	483,744
Earnings on investments	<u>78,000</u>	<u>82,589</u>	<u>4,589</u>
Total revenues	21,123,447	21,611,780	488,333
EXPENDITURES			
Support services-general administration	<u>243,223</u>	<u>249,307</u>	<u>(6,084)</u>
EXCESS OF REVENUES OVER EXPENDITURES	20,880,224	21,362,473	482,249
OTHER FINANCING USES			
Operating transfers out	<u>(20,880,224)</u>	<u>(21,362,473)</u>	<u>(482,249)</u>
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	<u>5,000</u>	5,002	2
FUND BALANCE AT END OF YEAR	<u>\$5,000</u>	<u>5,002</u>	2

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

1977 Sales Tax Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Taxes-sales and use	\$21,045,447	21,529,191	483,744
Earnings on investments	<u>78,000</u>	<u>82,089</u>	<u>4,089</u>
Total revenues	21,123,447	21,611,280	487,833
EXPENDITURES			
Support services-general administration	<u>243,660</u>	<u>249,307</u>	<u>(5,647)</u>
EXCESS OF REVENUES OVER EXPENDITURES			
	<u>20,879,787</u>	<u>21,361,973</u>	<u>482,186</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	95,000	95,394	394
Operating transfers out	<u>(20,719,600)</u>	<u>(21,303,732)</u>	<u>(584,132)</u>
Total other financing sources (uses)	<u>(20,624,600)</u>	<u>(21,208,338)</u>	<u>(583,738)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES			
	255,187	153,635	(101,552)
FUND BALANCE AT BEGINNING OF YEAR	<u>1,324,149</u>	<u>1,324,148</u>	<u>(1)</u>
FUND BALANCE AT END OF YEAR	<u>\$1,579,336</u>	<u>1,477,783</u>	<u>(101,553)</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Community Education Special Revenue Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable
REVENUES			
Local sources:			
Rentals, leases and royalties	\$14,500	16,104	1,604
Tuition	<u>640,000</u>	<u>661,504</u>	<u>21,504</u>
Total revenues	654,500	677,608	23,108
EXPENDITURES			
Community service programs	<u>759,000</u>	<u>752,117</u>	<u>6,883</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(104,500)	(74,509)	29,991
OTHER FINANCING SOURCES			
Operating transfers in	<u>120,000</u>	<u>120,000</u>	<u>NONE</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	15,500	45,491	29,991
FUND BALANCE AT BEGINNING OF YEAR	<u>111,991</u>	<u>111,991</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$127,491</u>	<u>157,482</u>	<u>29,991</u>

See accompanying independent auditors' report.



DEBT SERVICE FUNDS

The Debt Service Funds are used to accumulate monies for the payment of bond issues and certificates of indebtedness. The bond issues and certificates of indebtedness are financed by sales tax collections and special property tax levies on property within the territorial limits of the school district. The School Board maintains the following Debt Service Funds:

**SALES TAX BOND SINKING
SALES TAX BOND RESERVE
CERTIFICATES SINKING
PARISHWIDE SCHOOL DISTRICT NO. 12**

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

DEBT SERVICE FUNDS
Individual Fund Descriptions

SALES TAX BOND SINKING

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

SALES TAX BOND RESERVE

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

CERTIFICATES SINKING

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

PARISHWIDE SCHOOL DISTRICT NO. 12

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

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

DEBT SERVICE FUNDS

Combining Balance Sheet
June 30, 1999
With Comparative Totals for June 30, 1998

	Sales Tax Bond <u>Sinking</u>	Sales Tax Bond <u>Reserve</u>	Certificates <u>Sinking</u>
ASSETS			
Cash and cash equivalents	\$572,912	1,850,250	17,518
Receivables	2,555	23,144	
Due from other funds	147,249		
Other	-----	-----	-----
TOTAL ASSETS	<u>\$722,716</u>	<u>1,873,394</u>	<u>17,518</u>
LIABILITIES AND EQUITY			
Liabilities:			
Due to other funds		23,394	650
Equity:			
Fund balances-reserved for debt service	<u>\$722,716</u>	<u>1,850,000</u>	<u>16,868</u>
TOTAL LIABILITIES AND EQUITY	<u>\$722,716</u>	<u>1,873,394</u>	<u>17,518</u>

See accompanying independent auditors' report.

Statement 16

Parishwide School District No. 12	Totals	
	1999	1998
7,751,779	10,192,459	10,509,202
355,817	381,516	361,789
650	147,899	156,317
		<u>14,103</u>
<u>8,108,246</u>	<u>10,721,874</u>	<u>11,041,411</u>
	24,044	46,208
<u>8,108,246</u>	<u>10,697,830</u>	<u>10,995,203</u>
<u>8,108,246</u>	<u>10,721,874</u>	<u>11,041,411</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

DEBT SERVICE FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	Sales Tax Bond <u>Sinking</u>	Sales Tax Bond <u>Reserve</u>	Certificates <u>Sinking</u>
REVENUES			
Local sources:			
Taxes-ad valorem			
Earnings on investments	\$40,989	95,394	1,053
Total revenues	<u>40,989</u>	<u>95,394</u>	<u>1,053</u>
EXPENDITURES			
Current:			
Support services-general administration			
Debt service:			
Principal retirement	1,190,000		660,000
Interest and bank charges	792,661		184,790
Issuance cost			
Advance refunding escrow			
Total expenditures	<u>1,982,661</u>	<u>NONE</u>	<u>844,790</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,941,672)	95,394	(843,737)
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sale			
Operating transfers in	1,990,000		840,000
Operating transfers out		(95,394)	
Payment to escrow agent			
Total other financing sources (uses)	<u>1,990,000</u>	<u>(95,394)</u>	<u>840,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	48,328	NONE	(3,737)
FUND BALANCES AT BEGINNING OF YEAR	<u>674,388</u>	<u>1,850,000</u>	<u>20,605</u>
FUND BALANCES AT END OF YEAR	<u>\$722,716</u>	<u>1,850,000</u>	<u>16,868</u>

See accompanying independent auditors' report.

Statement 17

Parishwide School District No. 12	Totals	
	1999	1998
11,008,190	11,008,190	10,707,517
<u>447,526</u>	<u>584,962</u>	<u>547,749</u>
11,455,716	11,593,152	11,255,266
352,844	352,844	326,009
5,890,000	7,740,000	6,215,000
4,996,187	5,973,638	5,551,665
18,686	18,686	
<u>539,963</u>	<u>539,963</u>	
11,797,680	14,625,131	12,092,674
(341,964)	(3,031,979)	(837,408)
14,480,000	14,480,000	
	2,830,000	2,822,046
	(95,394)	(143,592)
(14,480,000)	(14,480,000)	
NONE	2,734,606	2,678,454
(341,964)	(297,373)	1,841,046
8,450,210	10,995,203	9,154,157
8,108,246	10,697,830	10,995,203

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Sales Tax Bond Sinking Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources-earnings on investments	<u>\$40,000</u>	<u>40,989</u>	<u>989</u>
EXPENDITURES			
Debt service:			
Principal retirement	1,190,000	1,190,000	
Interest and bank charges	<u>793,955</u>	<u>792,661</u>	<u>1,294</u>
Total expenditures	<u>1,983,955</u>	<u>1,982,661</u>	<u>1,294</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,943,955)	(1,941,672)	2,283
OTHER FINANCING SOURCES			
Operating transfers in	<u>1,990,000</u>	<u>1,990,000</u>	<u>NONE</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	46,045	48,328	2,283
FUND BALANCE AT BEGINNING OF YEAR	<u>674,389</u>	<u>674,388</u>	<u>(1)</u>
FUND BALANCE AT END OF YEAR	<u>\$720,434</u>	<u>722,716</u>	<u>2,282</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Sales Tax Bond Reserve Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources-earnings on investments	\$95,000	95,394	394
OTHER FINANCING USES			
Operating transfers out	95,000	95,394	(394)
EXCESS OF REVENUES OVER OTHER FINANCING USES	NONE	NONE	NONE
FUND BALANCE AT BEGINNING OF YEAR	1,850,000	1,850,000	NONE
FUND BALANCE AT END OF YEAR	\$1,850,000	1,850,000	NONE

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Certificates Sinking Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable
REVENUES			
Local sources-earnings on investments	<u>\$1,000</u>	<u>1,053</u>	<u>53</u>
EXPENDITURES			
Debt service:			
Principal retirement	660,000	660,000	
Interest and bank charges	<u>186,990</u>	<u>184,790</u>	2,200
Total expenditures	<u>846,990</u>	<u>844,790</u>	<u>2,200</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(845,990)	(843,737)	2,253
OTHER FINANCING SOURCES			
Operating transfers in	<u>840,000</u>	<u>840,000</u>	<u>NONE</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(5,990)	(3,737)	2,253
FUND BALANCE AT BEGINNING OF YEAR	<u>20,605</u>	<u>20,605</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$14,615</u>	<u>16,868</u>	<u>2,253</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Parishwide School District No. 12 Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources:			
Taxes-ad valorem	\$10,826,388	11,008,190	181,802
Earnings on investments	<u>425,000</u>	<u>447,526</u>	<u>22,526</u>
Total revenues	<u>11,251,388</u>	<u>11,455,716</u>	<u>204,328</u>
EXPENDITURES			
Support services-general administration	352,844	352,844	
Debt service:			
Principal retirement	5,890,000	5,890,000	
Interest and bank charges	5,004,871	4,996,187	8,684
Issuance cost	26,289	18,686	7,603
Advance refunding escrow	<u>503,357</u>	<u>539,963</u>	<u>(36,606)</u>
Total expenditures	<u>11,777,361</u>	<u>11,797,680</u>	<u>(20,319)</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(525,973)</u>	<u>(341,964)</u>	<u>184,009</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from bond sale	14,480,000	14,480,000	
Payment to escrow agent	<u>(14,480,000)</u>	<u>(14,480,000)</u>	
Total other financing sources (uses)	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(525,973)</u>	<u>(341,964)</u>	<u>184,009</u>
FUND BALANCE AT BEGINNING OF YEAR	8,450,210	8,450,210	NONE
FUND BALANCE AT END OF YEAR	<u>\$7,924,237</u>	<u>8,108,246</u>	<u>184,009</u>

See accompanying independent auditors' report.





CAPITAL PROJECTS FUNDS

The Capital Projects Funds account for the district wide construction and improvement of public school facilities. Financing has been provided by the proceeds from various sales of general obligation and special revenue bonds, certificates of indebtedness, and transfers from the General Fund and the 1977 Sales Tax Special Revenue Fund. The School Board maintains the following Capital Projects Funds:

**\$55 MILLION CONSTRUCTION
\$50 MILLION CONSTRUCTION
CERTIFICATES CONSTRUCTION
\$25 MILLION CONSTRUCTION
BUILDING COMMITTEE
ROOFING CONSTRUCTION
PARISHWIDE CONSTRUCTION**

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

CAPITAL PROJECTS FUNDS
Individual Fund Descriptions

\$55 MILLION CONSTRUCTION

The \$55 Million Construction Fund is used to account for the \$55 million in bond proceeds for the construction and renovation of schools.

\$50 MILLION CONSTRUCTION

The \$50 Million Construction Fund is used to account for the \$50 million in bond proceeds for the construction and renovation of schools.

CERTIFICATES CONSTRUCTION

The Certificates Construction Fund is used to account for the \$6 million of certificates of indebtedness issued for the construction of Fontainebleau Junior High School.

\$25 MILLION CONSTRUCTION

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

BUILDING COMMITTEE

The Building Committee Fund accounts for the appropriations from the 1977 Sales Tax Special Revenue Fund and is used for unforeseen incidental projects not to exceed \$5,000. This fund terminated in fiscal year 1999. There was no residual equity.

ROOFING CONSTRUCTION

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

PARISHWIDE CONSTRUCTION

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

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

CAPITAL PROJECTS FUNDS

Combining Balance Sheet
June 30, 1999
With Comparative Totals for June 30, 1998

	<u>\$55 Million Construction</u>	<u>\$50 Million Construction</u>	<u>Certificates Construction</u>	<u>\$25 Million Construction</u>
ASSETS				
Cash and cash equivalents	\$9,483	1,226,102	29,684	7,375,677
Investments	54,679,849			
Receivables				28,594
Due from other funds				84,150
Prepaid items				
TOTAL ASSETS	<u>\$54,689,332</u>	<u>1,226,102</u>	<u>29,684</u>	<u>7,488,421</u>
LIABILITIES AND EQUITY				
Liabilities:				
Accounts payable	\$309,804	9,751		403,537
Retainage payable	26,623	212,263	3,524	786,085
Due to other funds	87,027	1,500		
Total Liabilities	<u>423,454</u>	<u>223,514</u>	<u>3,524</u>	<u>1,189,622</u>
Equity:				
Fund balances:				
Reserved for encumbrances	6,269,419	438,711		891,956
Unreserved, undesignated	47,996,459	563,877	26,160	5,406,843
Total Equity	<u>54,265,878</u>	<u>1,002,588</u>	<u>26,160</u>	<u>6,298,799</u>
TOTAL LIABILITIES AND EQUITY	<u>\$54,689,332</u>	<u>1,226,102</u>	<u>29,684</u>	<u>7,488,421</u>

See accompanying independent auditors' report.

Statement 22

Roofing Construction	Parishwide Construction	Totals	
		1999	1998
198,089	2,125,124	10,964,159	20,502,314
		54,679,849	
	12,051	40,645	86,937
1,500	171,663	257,313	186,339
			52,588
<u>199,589</u>	<u>2,308,838</u>	<u>65,941,966</u>	<u>20,828,178</u>
28,596	9,721	761,409	319,730
72,836	5,250	1,106,581	515,502
		88,527	65,914
<u>101,432</u>	<u>14,971</u>	<u>1,956,517</u>	<u>901,146</u>
13,798	94,833	7,708,717	6,716,232
84,359	2,199,034	56,276,732	13,210,800
98,157	2,293,867	63,985,449	19,927,032
<u>199,589</u>	<u>2,308,838</u>	<u>65,941,966</u>	<u>20,828,178</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	<u>\$55 Million Construction</u>	<u>\$50 Million Construction</u>	<u>Certificates Construction</u>	<u>\$25 Million Construction</u>
REVENUES				
Local sources:				
Earnings on investments	\$2,265,460	102,691	1,658	630,594
Other	-----	-----	-----	-----
Total revenues	<u>2,265,460</u>	<u>102,691</u>	<u>1,658</u>	<u>630,594</u>
EXPENDITURES				
Facilities acquisition and construction:				
Site improvements	236,940	1,214,584		313,340
Construction contracts	447,938	340,364		9,093,570
Architect and engineers	684,416	90,681		291,961
Land purchases	175,000	20,927		
Equipment	1,270,645	24,215	16,445	162,591
Other	5,443	5,228		3,807
Debt Service-Bond issuance cost	<u>179,200</u>	-----	-----	-----
Total expenditures	<u>2,999,582</u>	<u>1,695,999</u>	<u>16,445</u>	<u>9,865,269</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(734,122)</u>	<u>(1,593,308)</u>	<u>(14,787)</u>	<u>(9,234,675)</u>
OTHER FINANCING SOURCES				
Proceeds from bond sales	55,000,000			
Operating transfers in	-----	-----	-----	-----
Total other financing sources	<u>55,000,000</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>54,265,878</u>	<u>(1,593,308)</u>	<u>(14,787)</u>	<u>(9,234,675)</u>
FUND BALANCES AT BEGINNING OF YEAR	<u>NONE</u>	<u>2,595,896</u>	<u>40,947</u>	<u>15,533,474</u>
FUND BALANCES AT END OF YEAR	<u>\$54,265,878</u>	<u>1,002,588</u>	<u>26,160</u>	<u>6,298,799</u>

See accompanying independent auditors' report.

Building Committee	Roofing Construction	Parishwide Construction	Totals	
			1999	1998
	18,391	73,454	3,092,248	1,221,042
		<u>200,000</u>	<u>200,000</u>	
NONE	<u>18,391</u>	<u>273,454</u>	<u>3,292,248</u>	<u>1,221,042</u>
		153,979	1,918,843	967,800
	996,792	246,738	11,125,402	7,660,517
	63,911	27,705	1,158,674	755,761
			195,927	
10,278		85,855	1,570,029	92,408
	670	10,608	25,756	12,566
			<u>179,200</u>	
10,278	<u>1,061,373</u>	<u>524,885</u>	<u>16,173,831</u>	<u>9,489,052</u>
(10,278)	<u>(1,042,982)</u>	<u>(251,431)</u>	<u>(12,881,583)</u>	<u>(8,268,010)</u>
			55,000,000	
	<u>650,000</u>	<u>1,290,000</u>	<u>1,940,000</u>	<u>1,640,000</u>
NONE	<u>650,000</u>	<u>1,290,000</u>	<u>56,940,000</u>	<u>1,640,000</u>
(10,278)	<u>(392,982)</u>	1,038,569	44,058,417	(6,628,010)
10,278	<u>491,139</u>	<u>1,255,298</u>	<u>19,927,032</u>	<u>26,555,042</u>
NONE	<u>98,157</u>	<u>2,293,867</u>	<u>63,985,449</u>	<u>19,927,032</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

\$55 Million Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources-earnings on investments	<u>\$2,265,000</u>	<u>2,265,460</u>	<u>460</u>
EXPENDITURES			
Facilities acquisition and construction:			
Site improvements	400,000	236,940	163,060
Construction contracts	13,500,000	6,224,056	7,275,944
Architects and engineers	1,985,000	1,008,460	976,540
Land purchase	900,000	175,000	725,000
Equipment	2,000,000	1,439,902	560,098
Other	5,000	5,443	(443)
Bond issuance cost	<u>182,682</u>	<u>179,200</u>	<u>3,482</u>
Total expenditures	<u>18,972,682</u>	<u>9,269,001</u>	<u>9,703,681</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(16,707,682)	(7,003,541)	9,704,141
OTHER FINANCING SOURCES			
Proceeds from bond sales	<u>55,000,000</u>	<u>55,000,000</u>	<u>NONE</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	38,292,318	47,996,459	9,704,141
FUND BALANCE AT BEGINNING OF YEAR	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$38,292,318</u>	<u>47,996,459</u>	<u>9,704,141</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

\$50 Million Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable
REVENUES			
Local sources-earnings on investments	\$95,000	102,691	7,691
EXPENDITURES			
Facilities acquisition and construction:			
Site improvements	1,050,000	938,032	111,968
Construction contracts	700,000	389,286	310,714
Architects and engineers	125,000	113,049	11,951
Land purchase	25,000	20,927	4,073
Equipment	60,000	24,215	35,785
Other	7,500	5,228	2,272
Total expenditures	<u>1,967,500</u>	<u>1,490,737</u>	<u>476,763</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,872,500)	(1,388,046)	484,454
FUND BALANCE AT BEGINNING OF YEAR	<u>1,951,923</u>	<u>1,951,923</u>	NONE
FUND BALANCE AT END OF YEAR	\$79,423	563,877	484,454

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Certificates Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable
REVENUES			
Local sources-earnings on investments	\$1,500	1,658	158
EXPENDITURES			
Facilities acquisition and construction:			
Construction contracts	12,000		12,000
Equipment	13,000		13,000
Other	1,002		1,002
Total expenditures	26,002	NONE	26,002
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(24,502)	1,658	26,160
FUND BALANCE AT BEGINNING OF YEAR	24,502	24,502	NONE
FUND BALANCE AT END OF YEAR	NONE	26,160	26,160

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

\$25 Million Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources-earnings on investments	\$590,000	630,594	40,594
EXPENDITURES			
Facilities acquisition and construction:			
Site improvements	500,000	313,340	186,660
Construction contracts	4,500,000	4,006,077	493,923
Architects and engineers	750,000	233,485	516,515
Equipment	175,000	209,931	(34,931)
Other	12,000	3,807	8,193
Total expenditures	<u>5,937,000</u>	<u>4,766,640</u>	<u>1,170,360</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(5,347,000)	(4,136,046)	1,210,954
FUND BALANCE AT BEGINNING OF YEAR	<u>9,542,889</u>	<u>9,542,889</u>	<u>NONE</u>
FUND BALANCE AT END OF YEAR	<u>\$4,195,889</u>	<u>5,406,843</u>	<u>1,210,954</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Roofing Construction Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Basis)
For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable
REVENUES			
Local sources-earnings on investments	\$18,000	18,391	391
EXPENDITURES			
Facilities acquisition and construction:			
Construction contracts	1,000,000	977,933	22,067
Architects and engineers	80,000	62,626	17,374
Other	2,000	670	1,330
Total expenditures	1,082,000	1,041,229	40,771
DEFICIENCY OF REVENUES OVER EXPENDITURES	(1,064,000)	(1,022,838)	41,162
OTHER FINANCING SOURCES			
Operating transfers in	650,000	650,000	NONE
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(414,000)	(372,838)	41,162
FUND BALANCE AT BEGINNING OF YEAR	457,197	457,197	NONE
FUND BALANCE AT END OF YEAR	\$43,197	84,359	41,162

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

For the Year Ended June 30, 1999

	Budget	Actual	Variance Favorable
REVENUES			
Local sources:			
Earnings on investments	\$60,000	73,454	13,454
Other	200,000	200,000	-----
Total revenues	260,000	273,454	13,454
EXPENDITURES			
Facilities acquisition and construction:			
Site improvements	575,000	175,224	399,776
Construction contracts	1,775,000	273,182	1,501,818
Architects and engineers	100,000	35,159	64,841
Equipment	200,000	104,536	95,464
Other	17,500	10,608	6,892
Total expenditures	2,667,500	598,709	2,068,791
DEFICIENCY OF REVENUES OVER EXPENDITURES	(2,407,500)	(325,255)	2,082,245
OTHER FINANCING SOURCES			
Operating transfers in	1,290,000	1,290,000	NONE
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(1,117,500)	964,745	2,082,245
FUND BALANCE AT BEGINNING OF YEAR	1,234,289	1,234,289	NONE
FUND BALANCE AT END OF YEAR	\$116,789	2,199,034	2,082,245

See accompanying independent auditors' report.





INTERNAL SERVICE FUNDS

Internal Service Funds are used to accumulate resources to pay the claims and judgements against the School Board's governmental funds.

WORKERS' COMPENSATION FUND

The Workers' Compensation Internal Service Fund accounts for the accumulation of resources for and the payments of benefits under the School Board's self-insurance program for workers' compensation.

RISK MANAGEMENT FUND

The Risk Management Internal Service Fund is used to account for and finance the School Board's uninsured risks of loss arising from general liability and property damage claims.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

PROPRIETARY FUND TYPE
INTERNAL SERVICE FUNDS

Combining Balance Sheet
June 30, 1999
With Comparative Totals for June 30, 1998

	Workers' Compensation	Risk Management	Totals	
			1999	1998
ASSETS				
Cash and cash equivalents	\$1,951,305	3,088,500	5,039,805	4,590,181
Accounts receivable	57,861	25,321	83,182	91,947
Due from other funds		4,592	4,592	14,125
TOTAL ASSETS	\$2,009,166	3,118,413	5,127,579	4,696,253
LIABILITIES AND EQUITY				
Liabilities:				
Accounts payable	\$14,363	13,684	28,047	11,349
Due to other funds				1,252
Deferred revenue		405,361	405,361	405,361
Liability for self-insurance losses	1,181,884		1,181,884	955,389
Claims liability		900,000	900,000	900,000
Total Liabilities	1,196,247	1,319,045	2,515,292	2,273,351
Equity:				
Retained Earnings:				
Reserved for employee benefits	812,919		812,919	959,123
Unreserved - undesignated		1,799,368	1,799,368	1,463,779
Total Equity	812,919	1,799,368	2,612,287	2,422,902
TOTAL LIABILITIES AND EQUITY	\$2,009,166	3,118,413	5,127,579	4,696,253

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

PROPRIETARY FUND TYPE
INTERNAL SERVICE FUNDS

Combining Statement of Revenues, Expenses , and
Changes in Retained Earnings
For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	Workers' Compensation	Risk Management	Totals	
			1999	1998
OPERATING REVENUES				
Employer contributions	\$1,443,456	1,504,506	2,947,962	2,712,818
Insurance proceeds				18,834
Total operating revenues	<u>1,443,456</u>	<u>1,504,506</u>	<u>2,947,962</u>	<u>2,731,652</u>
OPERATING EXPENSES				
Contractual services	56,665	149,165	205,830	200,353
Premium payments	129,120	577,972	707,092	833,356
Benefit Payments	1,266,378		1,266,378	1,106,116
Claims		580,853	580,853	496,914
Increase (Decrease) in provision for self-insurance losses	226,495		226,495	172,624
Other operating expenses		7,715	7,715	9,021
Total operating expenses	<u>1,678,658</u>	<u>1,315,705</u>	<u>2,994,363</u>	<u>2,818,384</u>
OPERATING INCOME (LOSS)	(235,202)	188,801	(46,401)	(86,732)
NON-OPERATING REVENUES				
Earnings on investments	<u>88,998</u>	<u>146,788</u>	<u>235,786</u>	<u>233,990</u>
NET INCOME (LOSS)	(146,204)	335,589	189,385	147,258
RETAINED EARNINGS AT BEGINNING OF YEAR				
	<u>959,123</u>	<u>1,463,779</u>	<u>2,422,902</u>	<u>2,275,644</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$812,919</u>	<u>1,799,368</u>	<u>2,612,287</u>	<u>2,422,902</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

PROPRIETARY FUND TYPE
INTERNAL SERVICE FUNDS

Combining Statement of Cash Flows
For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	Workers' Compensation	Risk Management	Totals	
			1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from employer contributions	\$1,443,456	1,514,039	2,957,495	2,828,599
Insurance proceeds				18,834
Cash payments for:				
Benefits and claims	(1,252,134)	(579,651)	(1,831,785)	(1,661,481)
Insurance premiums	(129,120)	(577,972)	(707,092)	(833,356)
Other	(56,665)	(156,880)	(213,545)	(209,524)
Net cash provided by operating activities	5,537	199,536	205,073	193,072
CASH FLOWS FROM INVESTING ACTIVITIES				
Earnings on investments	92,987	151,564	244,551	222,146
NET INCREASE IN CASH AND CASH EQUIVALENTS	98,524	351,100	449,624	415,218
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,852,781	2,737,400	4,590,181	4,174,963
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$1,951,305	3,088,500	5,039,805	4,590,181
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	(\$235,202)	188,801	(46,401)	(86,732)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Increase (decrease) in provision for self insurance losses	226,495		226,495	172,624
Changes in assets and liabilities:				
Decrease in receivables		9,533	9,533	115,781
Increase (decrease) in payables	14,244	1,202	15,446	(8,601)
Net cash provided by operating activities	\$5,537	199,536	205,073	193,072

See accompanying independent auditors' report.





AGENCY FUND

The Agency Fund is used to account for assets held by the School Board as an agent for others.

SCHOOL ACTIVITY FUND

The activities of the various individual school accounts are accounted for in the School Activity Fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

SCHOOL ACTIVITY AGENCY FUND

Comparative Balance Sheet
With Totals for June 30, 1999 and June 30, 1998

	TOTALS	
	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and cash equivalents	\$1,735,692	2,598,285
Investments	<u>1,037,879</u>	<u> </u>
TOTAL ASSETS	<u>\$2,773,571</u>	2,598,285
LIABILITIES		
Deposits due others	<u>\$2,773,571</u>	<u>2,598,285</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

SCHOOL ACTIVITY AGENCY FUND

Statement of Changes in Assets and Liabilities
Year Ended June 30, 1999

	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
ASSETS				
Cash and cash equivalents	\$2,598,285	10,745,546	11,608,139	1,735,692
Investments		<u>1,852,736</u>	<u>814,857</u>	<u>1,037,879</u>
TOTAL ASSETS	<u>\$2,598,285</u>	<u>12,598,282</u>	<u>12,422,996</u>	<u>2,773,571</u>
LIABILITIES				
Deposits due others	<u>\$2,598,285</u>	<u>12,598,282</u>	<u>12,422,996</u>	<u>2,773,571</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

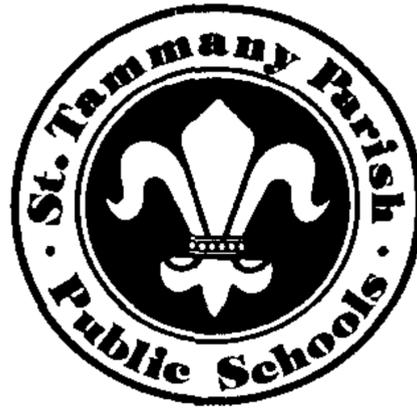
SCHOOL ACTIVITY AGENCY FUND

Schedule of Changes in Deposits
By School
For the Year Ended June 30, 1999

School	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Mandeville Kindergarten	\$13,483	60,976	65,150	9,309
Abita Springs Elementary	23,730	57,847	62,326	19,251
Abney Elementary	30,719	151,523	147,702	34,540
Alton Elementary	1,936	18,475	18,982	1,429
Bayou Woods Elementary	6,299	82,640	80,853	8,086
Bonne Ecole Elementary	23,756	141,037	130,522	34,271
Brock Elementary	14,477	33,680	33,647	14,510
Chahta-Ima Elementary	4,895	35,678	35,501	5,072
Covington Elementary	82,099	194,526	211,542	65,083
Cypress Cove Elementary	31,966	119,891	111,755	40,102
Florida Ave. Elementary	29,852	67,816	63,654	34,014
Folsom Elementary	8,379	68,525	61,969	14,935
Honey Island Elementary	26,609	111,860	118,778	19,691
Lyon Elementary	28,695	102,372	102,891	28,176
Madisonville Elementary	26,054	84,159	99,801	10,412
Mandeville Elementary	30,938	186,526	155,259	62,205
Pontchartrain Elementary	65,644	313,645	298,996	80,293
Riverside Elementary	14,008	59,624	59,123	14,509
Whispering Forest Elementary	20,126	82,584	75,524	27,186
Woodlake Elementary	11,335	280,614	243,464	48,485
Covington Special Ed.	607	8,516	6,471	2,652
Abita Springs Middle	24,988	82,686	85,374	22,300
Bayou Lacombe Middle	10,681	26,658	27,372	9,967
Carolyn Park Middle	30,473	151,216	154,219	27,470
Little Oak Middle	6,084	198,599	189,997	14,686
Mandeville Middle	76,418	345,784	337,164	85,038
Pine View Middle	2,759	56,549	51,125	8,183
Schoen, C.J. Middle	13,959	59,540	61,873	11,626
Tchefuncte Middle	38,533	230,137	210,871	57,799
Boyet Jr. High	71,243	150,462	146,715	74,990
Clearwood Jr. High	34,637	146,857	148,276	33,218
Fifth Ward Jr. High	46,113	138,715	134,439	50,389
Folsom Jr. High	14,615	76,471	77,339	13,747
Fontainebleau Jr. High	61,039	203,888	220,273	44,654
Lee Road Jr. High	25,076	154,388	156,529	22,935
Madisonville Jr. High	24,425	117,934	127,356	15,003
Mandeville Jr. High	58,968	262,172	256,853	64,287
Pearl River Jr. High	31,415	87,644	90,873	28,186
Pitcher Jr. High	22,968	179,192	174,915	27,245
St. Tammany Jr. High	73,722	169,108	187,631	55,199
Sixth Ward Jr. High	22,223	105,186	89,618	37,791
Slidell Jr. High	127,904	531,050	514,389	144,565
Covington High	262,480	837,134	821,277	278,337
Fontainebleau High	210,602	895,551	885,842	220,311
Mandeville High	219,918	1,515,696	1,503,374	232,240
Northshore High	159,443	1,177,971	1,159,271	178,143
Pearl River High	78,599	428,100	436,828	69,871
Salmen High	207,437	687,600	710,441	184,596
Slidell High	145,956	1,319,480	1,278,852	186,584
TOTAL	\$2,598,285	12,598,282	12,422,996	2,773,571

See accompanying independent auditors' report.





GENERAL FIXED ASSETS ACCOUNT GROUP

This account group is used to account for the general fixed assets of the School Board.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of General Fixed Assets- By Source
June 30, 1999

General fixed assets:	
Land	\$6,031,030
Buildings and improvements	211,299,727
Furniture and equipment	39,043,302
Construction in progress	<u>12,177,077</u>
Total general fixed assets	<u>\$268,551,136</u>
Investment in general fixed assets from:	
General and Capital Projects Funds	\$258,890,280
IASA funds	4,178,582
Vocational education funds	1,077,089
Other funds	<u>4,405,185</u>
Total investment in general fixed assets	<u>\$268,551,136</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of General Fixed Assets-By Function
June 30, 1999

Function	Land	Buildings and Improvements	Furniture and Equipment	Total
Support services:				
Pupil support	\$5,943,103	206,763,606	26,542,906	239,249,615
Instructional staff support		1,497,860	479,413	1,977,273
General administration		613,151	3,614,591	4,227,742
Business and central services	50,000	1,241,583	4,310,914	5,602,497
Operation and maintenance of plant	37,927	1,183,527	3,786,915	5,008,369
Pupil transportation			308,563	308,563
Total support services	<u>\$6,031,030</u>	<u>211,299,727</u>	<u>39,043,302</u>	256,374,059
Construction in progress				<u>12,177,077</u>
Total general fixed assets				<u>\$268,551,136</u>

See accompanying independent auditors' report.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FIXED ASSETS ACCOUNT GROUP
Schedule of General Fixed Assets-By Location
June 30, 1999

Site	Land	Buildings and Improvements	Furniture and Equipment	Total
Old Rosenwald-Mandeville, La.	\$5,000			5,000
Abita Springs Elementary	53,050	2,606,596	434,746	3,094,392
Abita Springs Middle	14,000	2,661,074	377,682	3,052,756
Abney Elementary	47,000	3,327,385	582,437	3,956,822
Alton Elementary	30,700	1,700,822	415,191	2,146,713
Bayou Lacombe Junior	53,942	2,353,651	382,412	2,790,005
Bayou Woods Elementary	26,750	3,892,828	628,403	4,547,981
Bonne Ecole Elementary	42,363	3,385,290	346,696	3,774,349
Boyet Junior	36,180	3,844,938	659,729	4,540,847
Brock Elementary	5,000	2,639,781	380,759	3,025,540
Carolyn Park Middle	26,750	2,164,681	553,233	2,744,664
Chahta Ima Elementary	27,850	2,215,403	337,875	2,581,128
Clearwood Junior	85,000	5,214,705	569,013	5,868,718
Covington Annex	50,000	600,583	184,753	835,336
Covington Elementary	50,000	2,441,000	666,625	3,157,625
Covington High	315,000	9,723,599	1,555,992	11,594,591
Covington Special Ed. Center- Harrison Curriculum Center	34,500	1,242,020	62,806	1,339,326
Covington Warehouse- Covington Educational Center	10,000	196,000	1,860,236	2,066,236
Cypress Cove Elementary	438,900	4,594,678	492,940	5,526,518
5th Ward Junior	25,500	3,238,280	548,718	3,812,498
Florida Avenue Elementary	46,475	4,157,721	363,712	4,567,908
Folsom Elementary	14,500	3,109,575	467,867	3,591,942
Folsom Junior	41,180	1,809,048	327,879	2,178,107
Fontainebleau High	610,000	13,945,563	986,262	15,541,825
Fontainebleau Junior High	478,150	6,415,962	696,303	7,590,415
Honey Island Elementary	423,010	2,971,597	434,370	3,828,977
Lee Road Junior	35,500	3,018,385	598,507	3,652,392
Little Oak Middle	36,180	4,392,480	585,032	5,013,692
Lyon Elementary	9,800	3,380,512	484,881	3,875,193
Madisonville Elementary	15,000	2,414,046	320,211	2,749,257
Madisonville Junior	48,750	2,260,326	378,038	2,687,114
Mandeville Elementary	19,500	3,738,214	483,635	4,241,349
Mandeville High	189,250	8,852,610	1,424,421	10,466,281
Mandeville Junior High	24,360	3,077,497	559,188	3,661,045
Mandeville Kindergarten	20,000	658,000	152,467	830,467
Mandeville Middle	128,000	3,584,513	833,872	4,546,385
Magnolia Trace Elementary	273,059		134,934	407,993
Northshore High	400,000	8,815,736	1,398,433	10,614,169
Operation Jumpstart			109,982	109,982
Pearl River High	60,120	6,189,332	706,763	6,956,215
Pearl River Junior High	15,500	3,828,022	517,054	4,360,576
Pine View Middle	24,000	1,859,000	375,018	2,258,018
Pitcher, Wm. Junior High	6,642	5,337,880	531,902	5,876,424
Pontchartrain Elementary	336,001	5,927,917	543,615	6,807,533
Riverside Elementary	160,000	2,972,207	310,444	3,442,651
St. Tammany Junior High Slidell Curriculum Center	46,807	5,522,000	752,415	6,321,222
Slidell Pupil Appraisal		763,860	379,831	379,831
Salmen High	58,000	6,820,486	85,859	849,719
Schoen, C.J. Middle	20,000	2,187,776	1,117,778	7,996,264
School Board Office	2,658	1,028,021	353,540	2,561,316
6th Ward Junior	16,000	4,545,562	3,117,894	4,148,573
Slidell Annex	2,289	82,000	635,548	5,197,110
Slidell High	66,386	10,142,812	163,916	248,205
Slidell Junior High	16,500	6,587,644	1,882,430	12,091,628
Slidell Support Facility		153,438	854,717	7,458,861
Slidell Warehouse	27,927	158,321	380,854	534,292
Tchefuncte Middle	336,001	6,068,410	391,701	577,949
Whispering Forest Elementary	620,000	2,896,860	536,006	6,940,417
Woodlake Elementary	26,000	2,233,729	374,228	3,891,088
Other		2,200	464,994	2,724,723
			192,885	195,085
TOTAL	\$6,031,030	211,299,727	39,043,302	256,374,059

See accompanying independent auditors' report.

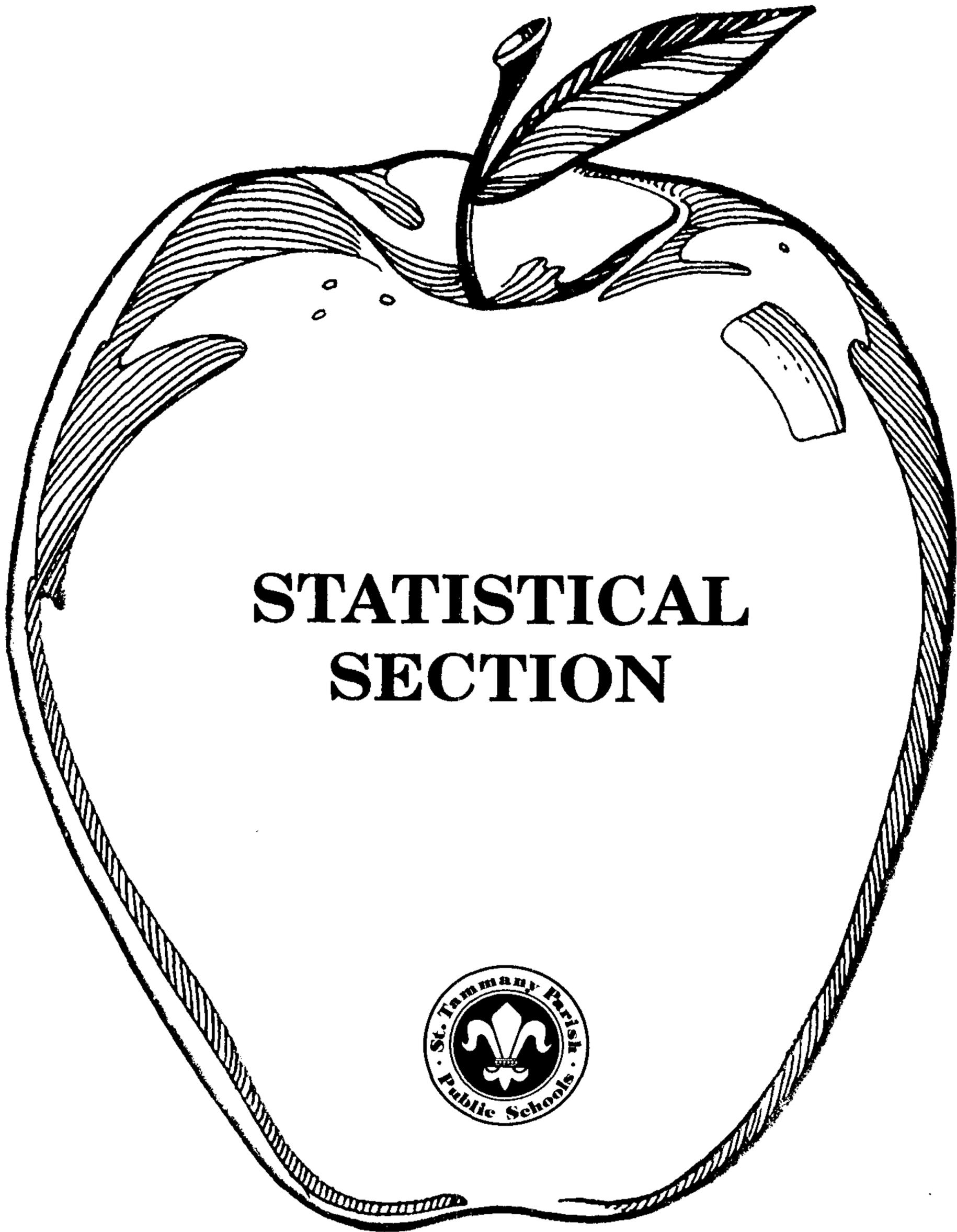
ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

GENERAL FIXED ASSETS ACCOUNT GROUP

Schedule of Changes in General Fixed Assets-By Function
For the Year Ended June 30, 1999

Function	Balance July 1, 1998	Additions	Deductions	Balance June 30, 1999
Support services:				
Pupil support	\$229,441,777	10,193,342	385,504	239,249,615
Instructional staff support	1,915,869	63,675	2,271	1,977,273
General administration	4,038,311	203,915	14,484	4,227,742
Business and central services	5,107,067	511,250	15,820	5,602,497
Operation and maintenance of plant	4,676,936	360,639	29,206	5,008,369
Pupil transportation	<u>298,011</u>	<u>10,552</u>	<u> </u>	<u>308,563</u>
Total support services	245,477,971	11,343,373	447,285	256,374,059
Construction in progress	<u>5,717,334</u>	<u>12,021,664</u>	<u>5,561,921</u>	<u>12,177,077</u>
Total general fixed assets	<u>\$251,195,305</u>	<u>23,365,037</u>	<u>6,009,206</u>	<u>268,551,136</u>

See accompanying independent auditors' report.



**STATISTICAL
SECTION**





ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	-----Instruction-----				-----Support Services-----			
	Regular Ed Programs	Special Ed Programs	Other Programs	Pupil Support Services	Instructional Staff Support	General Administration	School Administration	Business Administration
1990	\$42,900,676	\$12,035,252	\$132,445	\$3,058,066	\$1,758,051	\$1,535,347	\$5,986,219	\$696,643
1991	47,068,409	13,433,528	179,180	3,705,155	2,117,557	1,660,284	6,383,830	726,010
1992	51,890,115	15,928,025	195,202	4,236,496	2,132,928	1,658,027	6,945,273	767,379
1993	46,931,281 (1)	17,156,796	4,802,657 (1)	4,359,334	3,851,302 (1)	1,679,544	6,807,562	809,538
1994	49,476,931	19,221,373	5,204,179	4,621,729	4,315,790	2,076,696	7,255,193	876,286
1995	54,674,839	21,853,260	6,125,842	5,216,295	4,825,474	2,021,695	8,192,367	1,059,538
1996	57,176,090	24,119,662	6,693,220	5,474,147	4,938,319	2,566,886	8,740,377	1,096,043
1997	62,538,271	27,452,174	7,357,686	6,050,112	5,519,268	2,308,558	10,009,169	1,149,804
1998	68,662,667	30,353,316	8,303,694	6,650,424	5,966,842	2,318,068	10,401,807	1,252,376
1999	72,433,920	32,754,851	9,027,966	7,281,105	6,432,566	2,465,956	10,721,643	1,399,455

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

Operation and Maintenance of Plant	Pupil Transportation	Central Activities	Food Service	Community Service Programs	Facilities Acquisition and Construction	Debt Service	Total
\$8,179,066	\$6,230,518	\$967,061	\$386,562	\$19,605	\$1,120,298	\$256,986	\$85,262,795
8,996,274	6,969,586	909,479	479,769	17,893	1,004,621	103,632	93,755,207
9,564,734	7,628,144	1,069,425	534,686	15,807	171,347	146,942	102,884,530
9,817,983	7,949,159	914,315	224,944	17,826	119,329	124,766	105,566,333
10,408,114	8,279,239	1,393,556	643,288	28,911	103,234	41,283	113,945,802
11,595,233	8,924,263	1,118,305	690,666	27,064	154,225	67,724	126,546,790
12,408,116	9,678,857	1,253,259	752,614	36,788	145,711		135,080,089
13,285,388	10,628,069	1,394,746	872,370	37,885	556,912		149,160,412
14,022,575	11,190,562	1,535,856	881,017	33,879	201,684		161,774,767
14,563,643	11,684,723	1,758,373	1,032,479	33,960	199,161		171,789,801

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	-----Local Sources-----				Equalization	Contributions to Teachers' Retirement
	Ad Valorem Taxes	Tuition	Earnings on Investments	Other		
1990	\$14,073,893	\$194,671	\$1,242,729	\$370,155	\$49,897,679	\$1,247,866
1991	14,807,912	153,709	725,980	374,635	54,505,644	199,525
1992	14,774,495	131,280	416,033	273,598	60,286,621	253,829
1993	15,927,847	127,440	305,332	440,930	63,351,967	223,120
1994	17,190,593	125,251	431,975	364,158	69,921,213	202,627
1995	19,032,717	149,401	805,002	427,091	76,660,386	190,291
1996	20,124,363	147,340	1,102,542	429,438	81,569,868	178,803
1997	24,177,250	154,412	1,375,408	446,336	92,312,015	169,212
1998	25,990,794	169,963	1,604,305	377,795	99,195,469	160,037
1999	26,534,959	207,170	1,958,052	573,862	106,736,966	157,280

Table 2

---- State Sources-----				
Revenue Sharing	Professional Improvement Program	Other	Federal Sources	Total
\$1,458,168	\$1,509,299	\$589,026	\$378,668	\$70,962,154
1,496,535	1,445,831	792,855	423,513	74,926,139
1,510,416	1,411,729	690,476	414,764	80,163,241
1,514,148	1,393,496	785,952	265,412	84,335,644
1,541,151	1,332,784	1,205,323	265,425	92,580,500
1,569,300	1,292,745	2,176,624	347,557	103,651,114
1,650,879	1,256,489	642,343	252,740	107,354,805
1,631,845	1,200,771	1,069,436	267,077	122,803,762
1,721,553	1,153,762	2,405,952	334,481	133,114,111
1,781,976	1,130,613	2,785,670	305,664	142,172,212

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	Total Tax Levy	Current Year Tax Levy Collections (1)	Total Tax Collections (1)	Percentage of Total Current Year Collections to Tax Levy	Current Year Outstanding Taxes	Percentage of Current Year Outstanding Taxes to Tax Levy
1990	\$20,319,888	\$18,793,780	\$20,039,064	92.5%	\$1,526,108	7.5%
1991	21,009,132	19,786,930	21,084,552	94.2%	1,222,202	5.8%
1992	21,724,940	20,067,618	21,030,223	92.4%	1,657,322	7.6%
1993	22,249,929	21,238,827	22,499,923	95.1%	1,011,102	4.5%
1994	24,221,576	23,031,420	24,272,958	95.1%	1,190,156	4.9%
1995	26,111,200	25,686,081	26,881,093	98.4%	425,119	1.6%
1996	28,304,369	27,432,575	28,419,028	96.9%	871,794	3.1%
1997	33,989,981	32,981,367	34,136,248	97.0%	1,008,614	3.0%
1998	37,323,704	35,451,881	36,698,311	95.0%	1,871,823	5.0%
1999	37,921,259	36,371,394	37,543,149	95.9%	1,549,565	4.1%

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

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	Real Estate Assessed Value	Commercial and Other Property Assessed Value	Total Assessed Value	Homestead Exemption Value	Total Assessed Value Taxed	Total Estimated Actual Value	Percentage of Total Assessed Value to Total Estimated Actual Value
1990	\$355,038,746	\$81,964,860	\$437,003,606	\$199,066,524	\$237,937,082	\$4,096,819,860	10.7%
1991	358,244,887	89,487,870	447,732,757	201,720,288	246,012,469	4,045,101,470	11.1%
1992	367,269,774	93,337,772	460,607,546	206,198,073	254,409,473	4,158,034,513	11.1%
1993	374,560,203	95,970,349	470,530,552	215,077,907	255,452,645	4,246,180,037	11.1%
1994	398,500,909	104,160,566	502,661,475	224,572,278	278,089,197	4,534,965,530	11.1%
1995	420,818,901	115,744,760	536,563,661	236,779,583	299,784,078	4,829,278,397	11.1%
1996	453,039,166	124,016,650	577,055,816	252,091,848	324,963,968	5,201,903,433	11.1%
1997	532,174,889	134,343,983	666,518,872	276,278,015	390,240,857	6,058,688,723	11.0%
1998	573,279,924	147,820,260	721,100,184	292,584,805	428,515,379	6,552,878,573	11.0%
1999	583,140,747	160,875,374	744,016,121	308,640,221	435,375,900	6,733,548,083	11.0%

Source: St. Tammany Parish Assessor's Office

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	-----Other Governments (Parishwide)-----				City of Abita Springs Millage
	School Board Millage	Police Jury Millage	Law Enforcement Millage	Assessor Millage	
1990	85.41	17.83	12.58	3.12	18.17
1991	85.41	17.83	12.58	3.12	18.17
1992	85.41	17.83	12.58	3.12	18.17
1993	87.10	18.35	12.94	3.21	19.18
1994	87.10	18.35	12.94	3.21	19.18
1995	87.10	18.35	12.94	3.21	19.18
1996	87.10	18.35	12.94	3.21	19.18
1997	87.10	20.82	12.94	3.21	19.70
1998	87.10	17.76	12.94	3.05	15.72
1999	87.10	17.76	12.94	3.05	15.72

Source: Respective Taxing Jurisdiction

-----Other Governments (Special Districts)-----					
City of Covington Millage	City of Madisonville Millage	City of Mandeville Millage	City of Pearl River Millage	City of Slidell Millage	Other
20.60	15.46	18.95	5.83	36.91	322.98
20.60	13.32	18.95	5.83	36.38	351.84
20.60	12.30	18.95	5.83	36.51	354.95
19.60	12.80	18.25	5.83	36.44	393.83
18.60	13.80	18.25	5.83	35.11	395.64
18.25	11.30	19.18	5.83	33.93	398.52
26.80	11.30	17.95	5.83	33.93	428.28
24.55	11.52	17.60	5.83	37.54	433.18
24.55	11.52	17.30	5.83	37.04	437.70
24.55	11.52	16.95	5.83	36.62	437.84

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Principal Taxpayers
June 30, 1999
(Unaudited)

Taxpayer	Type of Business	Fiscal Year 1999 Assessed Valuation	Percentage of Total Assessed Valuation
Central La. Elec. Co.	Utility	\$26,065,050	3.50%
BellSouth Communications	Telephone	19,570,150	2.63%
First National Bank of Commerce	Bank	7,488,850	1.01%
Hibernia National Bank	Bank	6,415,360	.86%
EPIC Development	Real Estate	3,873,640	.52%
Wash.-St. Tammany Elect.	Utility	3,477,510	.47%
La. Gas Services Co.	Utility	3,435,840	.46%
Southern Natural Gas	Pipeline	2,842,060	.38%
Sizeler North Shore Limited	Real Estate	2,580,650	.35%
McKesson Corp.	Warehousing	2,173,580	.29%
		<u>\$77,922,690</u>	<u>10.47%</u>

Source: St. Tammany Parish Assessor's Office

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Computation of Legal Debt Margin
June 30, 1999
(Unaudited)

Assessed Valuations:		
Taxable assessed value		\$435,375,900
Add back: exempt property		<u>308,640,221</u>
Total assessed value		<u>\$744,016,121</u>
Legal debt margin:		
Debt limitation-35 percent of total assessed value		\$260,405,642
Debt applicable to limitation:		
Total general obligation bonded debt	\$120,230,000	
Less: Amount available for repayment of general obligation bonds	<u>8,108,246</u>	
Total general obligation debt applicable to limitation		<u>112,121,754</u>
Legal debt margin		<u>\$148,283,888</u>

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	Number of Students	State Support(1)	State Support per Student	Total Student Expenditures(1)	Total Cost per Student	Local Support(1)	Local Support per Student
1990	26,656	\$55,236,164	\$2,072	\$95,393,407	\$3,579	\$37,580,748	\$1,410
1991	27,523	58,774,488	2,135	103,879,133	3,774	39,116,809	1,421
1992	28,522	64,480,323	2,261	113,913,754	3,994	40,901,507	1,434
1993	29,282	67,606,305	2,343	117,639,147	4,017	44,448,991	1,518
1994	30,504	74,732,474	2,450	128,290,620	4,206	49,726,002	1,630
1995	31,412	83,704,980	2,665	141,910,870	4,518	54,184,671	1,725
1996	31,852	87,141,280	2,736	150,924,250	4,738	61,056,129	1,917
1997	32,677	98,043,602	3,000	165,721,221	5,071	66,670,666	2,040
1998	32,559	107,633,632	3,306	181,031,180	5,560	72,555,734	2,228
1999	32,567	115,251,077	3,539	191,633,809	5,884	75,861,509	2,329

(1) Consists of General Fund and Special Revenue Funds.
Effective fiscal year 1991, the School Food Service Special Revenue Fund is included.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	Population(1)	Number of Students	Assessed Value(2)	Gross Bonded Debt(3)	Less Debt Service Fund(4)	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	Net Bonded Debt per Student
1990	149,340	26,656	\$437,003,606	\$38,145,000	\$7,868,607	\$30,276,393	6.9	\$203	\$1,136
1991	144,508	27,523	447,732,757	56,040,000	7,269,603	48,770,397	10.9	337	1,772
1992	148,137	28,522	460,607,546	49,255,000	2,822,642	45,432,358	9.9	307	1,593
1993	153,351	29,282	470,530,552	50,320,000	2,804,369	47,515,631	10.1	310	1,623
1994	155,990	30,504	502,661,475	60,260,000	2,743,386	57,516,614	11.4	369	1,886
1995	164,394	31,412	536,563,661	57,165,000	3,536,974	53,628,026	10.0	326	1,707
1996	170,321	31,852	577,055,816	53,695,000	4,762,929	48,932,071	8.5	287	1,536
1997	174,856	32,677	666,518,872	75,130,000	6,617,872	68,512,128	10.3	392	2,097
1998	180,692	32,559	721,100,184	70,655,000	8,450,210	62,204,790	8.6	344	1,911
1999	183,727	32,567	744,016,121	120,230,000	8,108,246	112,121,754	15.1	610	3,443

(1) Source: Louisiana Technical University

(2) From Table 4

(3) General obligation bonds

(4) Amount available for repayment of general obligation bonds

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Percentage of Debt Service to General Fund Expenditures
1990	\$5,250,000	\$3,466,280	\$8,716,280	\$85,262,795	10.23%
1991	5,610,000	3,724,922	9,334,922	93,755,207	9.96%
1992	6,785,000	3,433,641	10,218,641	102,884,530	9.93%
1993	4,065,000	4,020,050	8,085,050	105,566,426	7.66%
1994	3,710,000	4,451,363	8,161,363	113,945,802	7.16%
1995	4,115,000	4,664,815	8,779,815	126,546,790	6.94%
1996	4,975,000	4,927,773	9,902,773	135,080,089	7.33%
1997	5,630,000	5,532,069	11,162,069	149,160,412	7.48%
1998	6,215,000	5,544,845	11,759,845	161,774,767	7.27%
1999	7,740,000	5,964,317	13,704,317	171,789,801	7.98%

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Computation of Direct and Overlapping General Bonded Debt
June 30, 1999
(Unaudited)

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
St. Tammany Parish School Board	\$120,230,000	100%	\$120,230,000
Overlapping:			
City of Abita Springs	368,000	100%	368,000
City of Covington	5,475,000	100%	5,475,000
City of Mandeville	1,240,000	100%	1,240,000
City of Slidell	13,460,000	100%	13,460,000
Police Jury	<u>1,560,000</u>	100%	<u>1,560,000</u>
	<u>\$142,333,000</u>		<u>\$142,333,000</u>

Source: Respective government entities

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population(1)	Total Number of Students	-----Public Schools-----		-----Private Schools-----	
			Number of Students	Percentage of Number of Students to Total Students	Number of Students	Percentage of Number of Students to Total Students
1990	149,340	30,425	26,656	87.6	3,769	12.4
1991	144,508	31,286	27,523	88.0	3,763	12.0
1992	148,137	32,476	28,522	87.8	3,954	12.2
1993	153,351	32,840	29,282	89.2	3,558	10.8
1994	155,990	34,640	30,504	88.1	4,136	11.9
1995	164,394	35,768	31,412	87.8	4,356	12.2
1996	170,321	36,772	31,852	86.6	4,920	13.4
1997	174,856	37,801	32,677	86.4	5,124	13.6
1998	180,692	37,903	32,559	85.9	5,344	14.1
1999	183,727	38,104	32,567	85.5	5,537	14.5

(1) Source: Louisiana Technical University

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

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

<u>Calendar Year</u>	<u>Estimated Actual Property Value</u>	<u>Bank Deposits(1)</u>
1989	\$4,096,819,860	\$249,031,875
1990	4,045,101,470	260,475,000
1991	4,158,034,513	296,087,000
1992	4,246,180,037	302,235,000
1993	4,534,965,530	294,135,000
1994	4,829,278,397	288,612,000
1995	5,201,903,433	33,948,000
1996	6,058,688,723	37,082,000
1997	6,552,878,573	41,562,000
1998	6,733,548,083	71,012,000

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

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

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

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 1999
(Unaudited)

Ray A. Alfred	\$9,600
E. Roth Allen	9,600
Edward J. Fielding, III (2)	4,800
Robert Broome (5)	4,800
Donald L. Burris (6)	258
Charles T. Harrell	9,600
Elizabeth Heintz (5)	4,800
Neal M. Hennegan	9,600
Carmen Johnson (4)	6,293
John C. Lamarque, President	10,800
Mary K. Lynch-Bellisario	9,600
James Panks	9,600
Diane Sambola (5)	4,800
Gregory J. Saurage (2)	4,800
Albert R. Smith (3)	9,127
Anthony J. Tedesco (2)	4,800
Betty Verzwylvelt (1)	3,200
Donald J. Villere	9,600
Patti Young	9,600
Daniel G. Zechenelly	<u>9,600</u>
	<u>\$144,878</u>

- (1) Served July 1, 1998 to October 31, 1998
 (2) Served July 1, 1998 to December 31, 1998
 (3) Served July 1, 1998 to June 13, 1999
 (4) Served November 5, 1998 to June 30, 1999
 (5) Served January 1, 1999 to June 30, 1999
 (6) Served June 22, 1999 to June 30, 1999

The Schedule of Compensation Paid to Board Members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statue 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month and the President receives \$900 per month for performing the duties of his office.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Miscellaneous Statistical Data
June 30, 1999
(Unaudited)

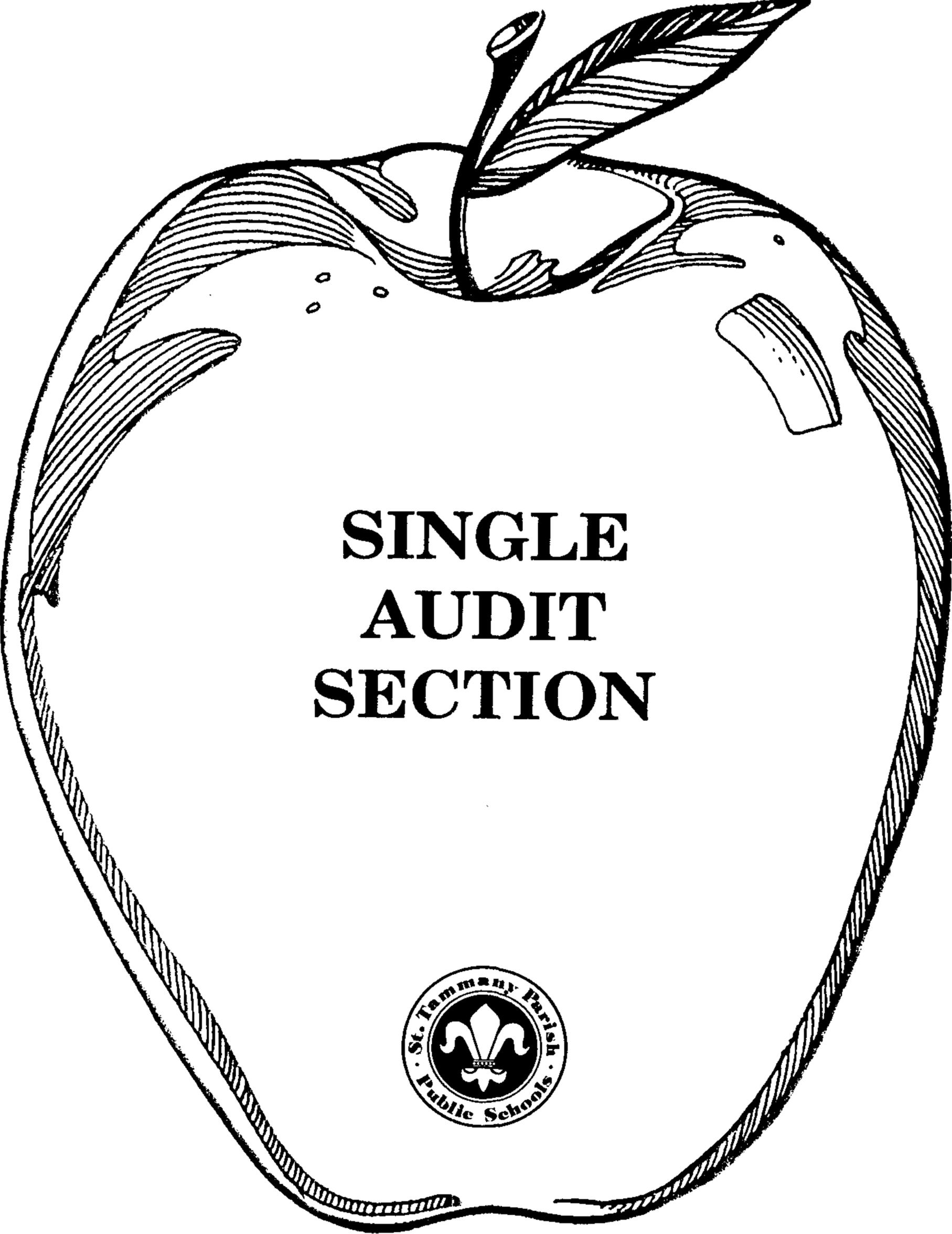
DEGREE	NO. OF TEACHERS	% OF TOTAL
Bachelor's Degree	1,280	52.7
Master's Degree	814	33.5
Master's + 30	300	12.3
Education Specialist	27	1.1
Doctorate	10	0.4
Totals:	2,431	100.0%

YEARS OF EXPERIENCE	NO. OF TEACHERS	% OF TOTAL
0-5	531	21.8
6-10	446	18.4
11-14	297	12.2
15-19	404	16.6
20-24	382	15.7
25-over	371	15.3
Totals:	2,431	100.0%

Year of incorporation:	1900
Form of government:	School Board President
Area of parish:	1,141 square miles
Regular School Days:	182
Population:	183,727

NUMBER OF SCHOOLS		ENROLLMENT	
Elementary	23	Elementary	10,471
Middle	8	Middle	4,734
Junior	14	Junior	7,922
Senior	7	Senior	9,460
	52		32,587





**SINGLE
AUDIT
SECTION**





Suite 3500 One Shell Square
New Orleans, LA 70139-3599

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

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

We have audited the general purpose financial statements of St. Tammany Parish School Board (the School Board), as of and for the year ended June 30, 1999, and have issued our report thereon dated October 25, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the School Board in a separate letter dated October 25, 1999.



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

KPMG LLP

October 25, 1999



Suite 3500 One Shell Square
New Orleans, LA 70139-3599

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

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

Compliance

We have audited the compliance of St. Tammany Parish School Board (the School Board), with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

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



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.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the School Board as of and for the year ended June 30, 1999, and have issued our report thereon dated October 25, 1999. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

KPMG LLP

October 25, 1999



ST. TAMMANY PARISH SCHOOL BOARD
COVINGTON, LOUISIANA

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

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Pass Through Grantor Award Number	Expenditures
United States Department of Agriculture Passed Through Louisiana Department of Agriculture: Food Distribution Program	10.550	NONE	\$652,865
Passed Through Louisiana Department of Education: School Breakfast Program	10.553	NONE	938,432
National School Lunch Program	10.555	NONE	3,098,051
Total United States Department Of Agriculture			4,689,348
United States Department of Education Direct Program-School Assistance in Federally Affected Areas- Maintenance & Operation (PL81-874)	84.041	28-LA-96	11,288
Passed Through Louisiana Department of Education: Adult Education-State Administered Program	84.002	NONE	12,880
Improving America's School Act (IASA): Title I: Helping Disadvantaged Children Meet High Standards	84.010 84.010 84.010 84.010 84.010 84.216 84.010	99-IASA-52-1 99-IASA-52-C 98-IASA-52-1 98-IASA-52C/O 97-IASA-52C/O 98 Capital School Support	3,655,227 53,684 76,091 159,969 8,480 1,096 2,277 3,956,824
Title II: Dwight D. Eisenhower Professional Development Program	84.281 84.281 84.281 84.281	99-IASA-52-2 98-IASA-52-2 98-IASA-52-2C/O 97-IASA-52-2C/O	124,781 1,075 24,951 85 150,892
Title IV: Safe and Drug Free School and Communities	84.186A 84.186A 84.186A 84.186A	99-IASA-52-4 98-IASA-52-4 98-70-52-DC 97-IASA-52-4C/O	203,724 716 51,399 1,114 256,953
Title VI: Innovative Education Program Strategies	84.298 84.298 84.298 84.298	99-IASA-52-6 98-IASA-52-6 98-IASA-52-6C/O 97-IASA-52-6C/O	170,313 1,031 17,640 1,529 190,513
Total IASA			4,555,182
Individuals with Disabilities Education Act (IDEA): Part B-Regular Education	84.027 84.027 84.027	99-1B-52-S 98-B8-52-S-C 98-FT-52	1,926,431 24,451 189,149 2,140,031

Schedule 40

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Pass Through Grantor Award Number	Expenditures
Preschool Education	84.173 84.173	99-1P-52-S 98-PF-52	\$192,764 6,231 198,995
Part H-Infant/Toddler	84.181 84.181	98-H3-52-SC/O 97-CIT3-52	2,224 6,220 8,444
Total IDEA			2,347,470
Vocational Education: Basic Grants to States Single Parent	84.048 84.048A	99-VE-52-2B/BG 99-VE-52-2SP	234,675 21,144 255,819
Goals 2000-Educate America Act (EAA): Education Systemic Improvement	84.276	99-LI-52-L	226,944
Literacy Challenge	84.318X	99TLCFPD-52-F	145,374
Total United States Department of Education			7,554,957
United States Department of Labor Passed Through Louisiana Department of Education, Passed Through Delgado Community College: School to Work	17.249	NONE	2,924
Passed Through Louisiana Technical College - Sullivan Campus: School to Work	17.249	NONE	117,397
Total United States Department of Labor			120,321
Corporation for National and Community Service Passed Through Louisiana's Office of the Lieutenant Governor: Learn and Serve America	94.004	HSTW	14,605
National Science Foundation Direct Program - Presidential Award for Excellence in Science and Mathematics Teaching	47.066	ESI-9708786	8,517
United States Department of Health and Human Development Passed Through the Louisiana Department of Education: Starting Points Program	93.037	CFMS533866	87,856
United States Department of Defense Air Force - JROTC Army - JROTC Marines - JROTC Navy - JROTC	NONE NONE NONE NONE	NONE NONE NONE NONE	55,496 62,913 33,903 129,184
Total United States Department of Defense			281,496
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$12,757,100

See accompanying Notes to Schedule of Federal Awards

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

Notes to Schedule of Expenditures of Federal Awards
June 30, 1999

1. General

The accompanying Schedule of Federal Awards presents the activity of all federal awards programs of the St. Tammany Parish School Board (the School Board). The School Board reporting entity is defined in note 1 to the general purpose financial statements for the year ended June 30, 1999. All federal awards received directly from federal agencies is included on the schedule as well as federal awards passed through other government agencies. The following programs are considered major federal programs of the School Board: IASA Title I, IDEA Part B, USDA Commodities-Food Distribution, and National School Lunch and School Breakfast.

2. Basis of Accounting

Schedule of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's general purpose financial statements for the year ended June 30, 1999. Commodities received, which are non-cash revenue are valued at prices provided by the U.S. Department of Agriculture. Any received but unused commodities are recorded as deferred revenue until used.

3. Relationship to General Purpose Financial Statements

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

<u>From Federal Sources</u>	
General Fund	\$305,664
Special Revenue Funds	<u>12,451,436</u>
Total	<u>\$12,757,100</u>

4. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Federal Awards agree with the amounts reported in the related federal financial reports, except for the amounts in reports submitted as of a date subsequent to June 30, 1999, which will differ from the schedule by the amount of encumbrances as of June 30, 1999, liquidated to the dates of the reports.

ST. TAMMANY PARISH SCHOOL BOARD
Covington, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 1999

(1) Summary of Auditors' Results

- (a) The type of report issued on the general purpose financial statements: unqualified opinion
 - (b) Reportable conditions in internal control were disclosed by the audit of the Financial Statements: none reported Material weaknesses: no
 - (c) Noncompliance which is material to the general purpose financial statements: no
 - (d) Reportable conditions in internal control over major programs: none reported Material weaknesses: no
 - (e) The type of report issued on compliance for major programs: unqualified opinion
 - (f) Any audit findings which are required to be reported under Section. 510(a) of OMB Circular A-133: no
 - (g) Major program:
United States Department of Education:
Improving America's School Act (IASA) (CFDA Number 84.010)
 - (h) Dollar threshold used to distinguish between Type A and Type B programs: \$382,713
 - (i) Auditee qualified as a low-risk auditee under Section.530 of OMB Circular A-133: yes
- (2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*:
None
- (3) Findings and Questioned Costs relating to Federal Awards: None





Suite 3500 One Shell Square
New Orleans, LA 70139-3599

CONFIDENTIAL

October 25, 1999

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

Dear Members of the Board:

We have audited the financial statements of the St. Tammany Parish School Board (the School Board) for the year ended June 30, 1999, and have issued our report thereon dated October 25, 1999. In planning and performing our audit of the financial statements of the School Board, we considered the School Board's internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. We have not considered internal control since the date of our report.

During our audit we noted a matter involving a recommendation that is presented for your consideration. This comment and recommendation, which has been discussed with the appropriate members of management, is intended to improve internal controls or result in other operating efficiencies and is summarized as follows:

Reporting Model Changes

After years of study and consideration of the needs of users of government financial statements, the Governmental Accounting Standards Board (GASB) issued its revolutionary new reporting model in June 1999. The new model dramatically changes the presentation of governments' external financial statements. In the GASB's view, the objective of the new model is to enhance the clarity and usefulness of government financial statements to the citizenry, oversight bodies, investors and creditors. It will substantially affect the Board's financial data accumulation and financial statement presentation processes. Some of the key aspects of the changes follow:

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



GFOA will make changes in their requirements so as to avoid any duplication between the two documents.

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

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

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

* * * * *

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

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

Very truly yours,

KPMG LLP

STATUS OF PRIOR YEAR COMMENTS

Automated Payroll System and Other MIS Comments

Information Systems Policies, Standards and Procedures Should Be Formalized

Information Systems policies, standards, and procedures have not been formalized and approved by School Board management. Formalized guidelines convey the intentions of management and application owners as well as provide guidance and promote uniformity related to internal controls. In addition, formalized guidelines will help to ensure the continuity of the computer environment during the transition of Information Systems personnel and software modifications.

School Board Information Systems management should consider formalizing policies, standards, and procedures for the payroll system that address the following;

- A policy statement that makes conformity to the standards mandatory,
- A policy statement outlining management's position on information security,
- Program modification procedures which provide reasonable assurance that changes to the production computer environment are performed in a controlled manner and approved by management,
- Procedures for testing program modifications.
- Standards for creating payroll application technical documentation,
- Procedures for migrating new and modified programs from development to production status, and
- Procedures for making emergency program modifications.

Policies and Procedures Governing Payroll Security Administration Should Be Documented

Various policies, standards, and procedures, such as the daily backup of the payroll application, are not documented. Formalized guidelines convey the intentions of management and application owners as well as provide guidance and promote uniformity related to internal controls. In addition, formalized guidelines will help to ensure the continuity of the computer environment during the transition of department personnel.

Management should consider documenting policies, standards, and procedures that address the following:

- Daily file backups and off-site storage rotation.
- Requirements to request and support system program updates and data modifications procedures which provide reasonable assurance that changes made to the production environment are performed in a controlled manner and approved by management, and
- Procedures for computer operations.

In addition, policies governing the payroll security administration have not been documented and formally approved by School Board management. At a minimum, formalized security administration duties and procedures should be documented to address the following:

- Responsibilities and duties of the payroll system users,
- Procedures for assigning user-ID's and passwords,
- Procedures for the periodic change of user passwords,
- Procedures for assigning transaction execution capabilities,
- Procedures for eliminating terminated or transferred employee computer access,

- Procedures for conducting investigations into suspected security violations, and
- Procedures for limiting and recording access to payroll and blank check stock.

Physical Security

Physical access is one type of control that protects the computer room from such risks as:

- Destruction of physical assets or information
- Interruption of computing services
- The removal of physical assets or information

At the present time, access to the computer room is not physically restricted during business hours. Access to the computer room is normally limited to computer operations personnel.

School Board Information Systems management should consider locking the computer room door at all times. Locking the computer room door during the day to limit access will help to ensure an efficient processing flow, and will also assist in protecting the equipment room from damage or loss of information.

Business Continuity Plan / Disaster Recovery Plan

User Recovery Planning

The School Board is dependent upon the Information System department's ability to deliver uninterrupted computing services. However, a complete contingency plan that would help ensure a timely recovery from either a temporary or catastrophic interruption has not been formally developed or tested.

The School Board user management should consider developing a formal Business Continuity Plan (BCP) and once completed, test the plan on a recurring basis. The plan should include a course of action for either partial or complete disruption of data processing services. The following areas should be addressed:

- Identifies and evaluates business risk.
- Identifies Critical Business Functions (those which, if inoperable for specific periods of time, would have a detrimental impact on the company's ability to function).
- Identifies specific support requirements which must be available to maintain such Critical Business Functions.
- Identifies and evaluates the alternatives available to address the recovery requirements of each of the Critical Business Functions.
- Documents the detailed plan (critical functions and organization-wide), associated responsibilities and procedures to be followed in the event of an outage which impacts any or all of the Critical Business Functions.
- Establishes responsibilities and procedures for the implementation, maintenance, and periodic testing of the established plan(s).
- Establishes responsibilities and procedures for the periodic review of the BCP to ensure the testing and maintenance expectations are being followed and that the overall plan continues to address the Company's Business Continuity needs.

User departments which perform functions that have been determined to be critical to the ongoing operation of the School Board payroll operations should develop and test a BCP. Each of these user departments, along with a Information Systems Disaster Recovery Plan, should be integrated into a School Board-wide BCP.

The School Board user management should establish responsibilities, procedures and time frames for the implementation, maintenance and periodic testing of the plan to assure that the overall plan continues to address the Business Continuity needs. The plan should be available to key management personnel.

Information Systems Recovery Planning

The School Board application user departments are dependent upon the ability to access computing services for the payroll system. However, a contingency plan that would help ensure a timely recovery from a computer processing interruption has not been developed and tested. While the School Board Information Systems management has developed a Disaster Recovery Plan (DRP), the plan should be available to key management and key elements of the plan should be communicated to upper management and Finance personnel to ensure that they are better prepared should a disaster occur.

Prior Year Status: All items concerning Data Processing are being addressed. A committee consisting of the Personnel Director, Director of Business Affairs, Director of Accounting Services, Internal Auditor, Director of Data Processing and the Assistant Director of Data Processing meet every other week to discuss these items. Some have been corrected. Actions on the other items are still in progress and are scheduled for future corrections.

Current Year Status: School Board's Status for Automated Payroll System Accounting Control Comments and Automated Payroll System and Other MIS Comments: This shall remain the same except for the following:

Due to forming a Y2K Committee to prepare the school system for Y2K, the committee meetings have been suspended until after the first of the year at which time the committee will begin to meet again. Since there are so many issues we are looking at, the purchasing of a processed based software system should correct most of these items.

Management's Response to the Current Year Comments

Reporting Model Changes

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Management Response Comment: The Finance Department will address the reporting model changes, GASB Statement #34, by having all accounting staff personnel attend educational programs. Also, we are searching for new software from a third party that will incorporate processed based software. This software will enable us to maintain records in a variety of ways.