

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
Reserve, Louisiana**

**Comprehensive Annual
Financial Report**



For the Fiscal Year Ended June 30, 2004

Prepared by

Mr. Felix K. Boughton
Executive Director of Finance

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-12-05

**INTRODUCTORY
SECTION**

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ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

List of Principal Officials
June 30, 2004

BOARD OF EDUCATION

Mr. Russell Jack	Member, District No. 1
Ms. Elexia Henderson	Member, District No. 2
Dr. Gerald J. Keller	President, District No. 3
Mr. Patrick H. Sanders	Vice President, District No. 4
Mr. Dowie L. Gendron	Member, District No. 5
Mr. Keith Jones	Member, District No. 6
Mr. Phillip Johnson	Member, District No. 7
Mr. Russ Wise	Member, District No. 8
Mr. Lowell Bacas	Member, District No. 9
Mr. Matthew J. Ory	Member, District No. 10
Mr. Clarence Triche	Member, District No. 11

CENTRAL ADMINISTRATION

Mr. Michael K. Coburn	Superintendent of Schools
Mr. Wilbert Omond	Assistant Superintendent
Mr. Herbert Smith	Assistant Superintendent

OFFICIAL PREPARING REPORT

Mr. Felix K. Boughton	Executive Director of Finance
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October 15, 2004

Members, Board of Education
St. John the Baptist Parish School Board
Reserve, Louisiana

The Comprehensive Annual Financial Report (CAFR) of the St. John the Baptist Parish School Board (School Board), Reserve, Louisiana for the fiscal year ended June 30, 2004 is presented herewith. The report was prepared by the School Board's business office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the School Board. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the School Board as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the School Board's financial affairs have been included.

Reporting Standards

This report has been prepared following the guidelines recommended by the Government Finance Officers Association of the United States of America and Canada and the Association of School Board Officials. A Certificate of Achievement for Excellence in Financial Reporting is awarded by the Government Finance Officers Association to those governments whose financial reports are judged to conform substantially with high financial reporting standards. A Certificate of Excellence in Financial Reporting is awarded by the Association of School Board Officials. Both of these evaluations include reporting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board.

The School Board is required to undergo an annual single audit in conformance with the provisions of the 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 expenditures of federal awards, findings and recommendations, and independent auditors' reports on internal control and compliance, are included in a separately issued single audit report and is available upon request.

Report Organization

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this letter of transmittal, an organizational chart and a list of the St. John the Baptist Parish School Board's principal elected and appointed officials. The financial section includes the management's discussion and analysis (page 3), basic financial statements (beginning on page 13), major fund budgetary comparisons (page 51), non-major fund combining statements (page 55), as well as the independent auditors' report (page 1). The statements and schedules are particularly useful in assessing the financial position of the School Board. The statistical section, which is unaudited, includes selected financial and demographic information, generally presented on a multi-year basis.

Management's Discussion and Analysis

The Management's Discussion and Analysis on page 3 provides an overall review of the School Board's activities for the year ended June 30, 2004. Included in this analysis are discussions on budget variances and modifications and the financial condition of the School Board.

Reporting Entity

This report includes all funds and account groups of the School Board. The School Board is a legislative body authorized to govern the public education system of St. John the Baptist Parish, Louisiana. The School Board provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities, 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 influence operations and primary accountability for financial matters, the School Board is not included in any other governmental reporting entity. Based on that criteria the St. John the Baptist Parish School Board and all its individual schools constitute the School Board's reporting entity.

Services Provided

The St. John the Baptist Parish School Board is a legislative body authorized to govern the public education system of the Parish of St. John the Baptist, Louisiana. It is the responsibility of the School Board to make public education available to the residents of St. John the Baptist Parish by providing various services, including instruction, instructional materials, instructional facilities, administrative support, business services, system operations, plant maintenance and bus transportation.

Structure, Local Economic Condition and Outlook

The St. John the Baptist Parish School Board, established in 1876, is located in the southeastern part of Louisiana, which is a high industrial area for the state. The parish in which the School Board is located has a land area of 231 square miles and a population of 45,531. The School Board is empowered to levy a property tax on both real and personal property located within its boundaries. The School Board also levies a sales and use tax on the sale at retail, the use, the

lease or rental, and the consumption of tangible personal property and upon sales of some services within its boundaries.

The St. John the Baptist School Board has operated under the board form of government. Policymaking is vested in the School Board, which consists of eleven members elected within their respective districts for a four-year term. The School Board is responsible, among other things, for passing local ordinances, adopting the budget, appointing committees, adhering to the Louisiana Board of Elementary and Secondary Education's requirements, and hiring the Superintendent and the School Board's attorney. The Superintendent is responsible for carrying out the policies and ordinances of the School Board, for overseeing the day to day operations of the School Board, for informing the School Board of changes in the Louisiana Board of Elementary and Secondary Education requirements, and for making recommendations when these changes occur to ensure compliance.

The School Board finished 2004 with a fund balance in the General Fund of \$ 4,060,059 , which reflects a \$ 62,290 decrease in the prior year's fund balance.

The Parish has a manufacturing and industrial base on which the unemployment rate is somewhat dependent. The major industries with operations within the parish consist mainly of oil and chemical manufacturers. The Parish also has one steel manufacturing industry. The Parish's unemployment rate is 4.2 %, which is slightly lower than the state's unadjusted rate of 4.3%.

Major Initiatives and Major Operational/Financial Concerns

For the Year: The School Board finished 2004 with a General Fund surplus of approximately 9% of the General Fund Budget. The surplus remained basically unchanged from 2003, it is still significant enough to maintain a strong financial position allowing the School Board to continue to fund the various educational programs. As the financial position gets stronger, financial resources will be allocated to areas that have the most effect on student achievement.

The School Board has continued its parish-wide computer network called STEP (Schools Technology for Excellence Program). This program supplies all grade levels with computers. These computers allow all students to become computer literate while integrating technology into the curriculum.

The School Board operates a Redirection Center. The Redirection Center focuses on students with disciplinary problems. These students are removed from the regular school setting and placed at this center where they receive stricter discipline and individual counseling.

Because of the increased emphasis on early childhood development, the School Board operates an early childhood center. This center focuses on 4-year old students through kindergarten and concentrates on developing skills that will aid these students throughout their scholastic career.

The State of Louisiana requires all fourth and eighth grade students to pass a standard test (LEAP Test) before they are allowed to advance to the next grade. The School Board offers an after school assistance program during the year for students having problems with the skills necessary to pass this test. In addition the School Board offers a mandatory Summer School Remediation Program for all students that do not pass this LEAP test. This summer program focuses strictly

on teaching the skills necessary to pass the LEAP test. Students can re-take the LEAP test after completion of this summer program

The School Board operates two magnet schools: The Garyville/Mt. Airy Magnet School and the John L. Ory Magnet School. The Garyville/Mt. Airy Magnet School specializes in the math and science areas and provides advanced curriculum in these areas. The John L. Ory Magnet School specializes in communication arts, with a curriculum rich in communication skills.

Salaries of certified teachers had fallen below local market rates. School Board sought public support on October 7, 2000 for a new ¼ cent sales tax dedicated to teacher salaries. The School Board was successful in passing this new sales tax which became effective January 1, 2001. The revenues from this new sales tax have allowed St. John the Baptist Parish teachers to be paid in the top ten for teachers in Louisiana.

In July 2002, the voters of St. John the Baptist Parish approved the borrowing of five million dollars to re-configure the elementary and junior high schools. Currently, St. John follows the approach of having an elementary school and then a junior high school. The school system is moving back to a neighborhood type of school setting of kindergarten through eighth grade schools. This approach seems to be well received in that for the first time in eight years, the school system experienced a growth in student population.

For the Future: Now that salaries for certified personnel have been moved into the top ten, to maintain a qualified staff it will be necessary to maintain a top ten status. It will be difficult because the general local economy has been somewhat suppressed for the past year.

The administration is preparing a long term strategic plan to compensate for enrollment increases and to strengthen the education of its secondary students. The system is exploring the possibilities of building new schools. A new elementary school may be needed to relieve the over crowding at current elementary schools. A career and technical center is being considered to offer technical course options to students planning on trades or entering the workforce rather than attending college.

Major Concerns: One major financial concern is the increase in health insurance and retirement benefits. In past years the School Board's benefits percentage was approximately 30% of payroll. Because of insurance and retirement increases this percentage is approaching 40%. To remain competitive with surrounding parishes these benefits are necessary expenditures. The Board will have to find revenues to continue to pay these employee benefits.

FINANCIAL INFORMATION

Internal Control

The management of the St. John the Baptist Parish 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 costs and benefits require estimates and judgments by management.

Single Audit

As a recipient of federal, state and local financial assistance, the School Board is also responsible for ensuring that adequate internal control is in place to ensure and document compliance with applicable laws and regulations related to these programs. The internal control structure is subject to periodic evaluation by management.

As part of the School Board's single audit, tests are made of the School Board's internal control and of its compliance with applicable laws and regulations, including those related to federal award programs. The results of the audit for the year ended June 30, 2004, disclosed no material internal control weaknesses or material violations of laws and regulations.

Budgetary Controls

In addition, the government maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget, and all subsequent amendments, approved by the School Board. Activities of the General Fund and Special Revenue Funds are included in the annual appropriated budget. Project-length budgets are prepared for the Capital Projects Funds. Budgetary control is maintained at the fund level. Variances with the budget at this level, as well as line item levels, are reported to the School Board's management monthly. The School Board also maintains an encumbrance accounting system for the General Fund as one technique of accomplishing budgetary control.

Debt Administration

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the School Board's debt position. As of June 30, 2004, gross direct general obligation bonded debt was \$ 24,005,000, net bonded debt was \$ 22,967,233, 13.13% of the assessed value and \$ 504 per capita.

The School Board's general obligation bonds and revenue bonds are rated by Moody's bond rating service. The latest rating given in September 2002 was a Baa1.

Cash Management

The School Board currently invests its cash and investment funds of \$10,381,598 as of June 30, 2004 with either the local banks based on competitive bid or invests in governmental securities through a national investment firm. At June 30, 2004, the School Board had cash and cash equivalents invested through the Board's fiscal agents (local banks) of \$7,551,169 of which the carrying amount reflected in the financial statements is \$5,651,873. These funds are secured by federal deposit insurance and the pledge of bank-owned securities. The remainder of the School Board's funds are invested with the Louisiana Asset Management Pool, Inc. (LAMP) and individual certificates of deposits. At June 30, 2004, the School Board had with LAMP an investment in the amount of \$4,454,725, and certificates of deposit of \$275,000. The investments are purchased and held by the investment firm in the name of the School Board. As required by generally accepted accounting principles, investments are recorded at fair value.

Risk Management

The St. John the Baptist Parish School Board manages its risk using excess insurance policies with various high deductibles and self-insured retention. For workers' compensation, the School Board's self-insured retention is \$200,000 per occurrence. This translates into the School Board being self-insured for the first \$200,000 on a worker's compensation claim with excess insurance paying amounts over this retention. For property and general/fleet liability, the School Board pays claims on the first \$250,000 of each occurrence with excess insurance being paid up to \$2,000,000. The claim liability at June 30, 2004 was approximately \$ 850,000.

Independent Audit

As required by Louisiana State Statute, the School Board has had an annual audit by independent certified public accountants, Rebowe & Company, APC. The independent auditors' report on the basic financial statements has an unqualified opinion. The audit meets the requirements of Louisiana State Law and the Single Audit Act of 1996 and related OMB Circular A-133. The independent auditors' report on the basic financial statements is included in the financial section of this report; the single audit reports are included in a separately issued document.

Awards

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the St. John the Baptist School Board for its comprehensive annual financial report for the year ended June 30, 2003. This was the School Board's eighth year to receive this prestigious award for its report. The School Board also submitted its June 30, 2003 comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada (GFOA) and was awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting to the School Board for the seventh year.

In order to be awarded a Certificate of Excellence and Certificate of Achievement, the School Board published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

Both the Certificate of Excellence and Certificate of Achievement are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Program requirements of both organizations and we are submitting it to the ASBO and GFOA to determine its eligibility for each of the certificates.

Acknowledgments

We believe that this report contains the necessary information and data, which will provide a better understanding of the operations of our school system. It is further hoped that this report has been designed in a manner to be used as an administrative tool and general source of information so as to enhance our accountability to the public.

We would like to take this opportunity to express our sincere appreciation to the accounting staff and other participating employees whose efforts contributed significantly in the timely preparation of this report.

Respectfully submitted,



Mr. Michael Coburn
Superintendent



Mr. Felix K. Boughton
Business Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. John the Baptist
School Board, Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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.



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

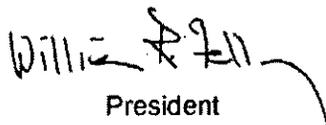


This Certificate of Excellence in Financial Reporting is presented to

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

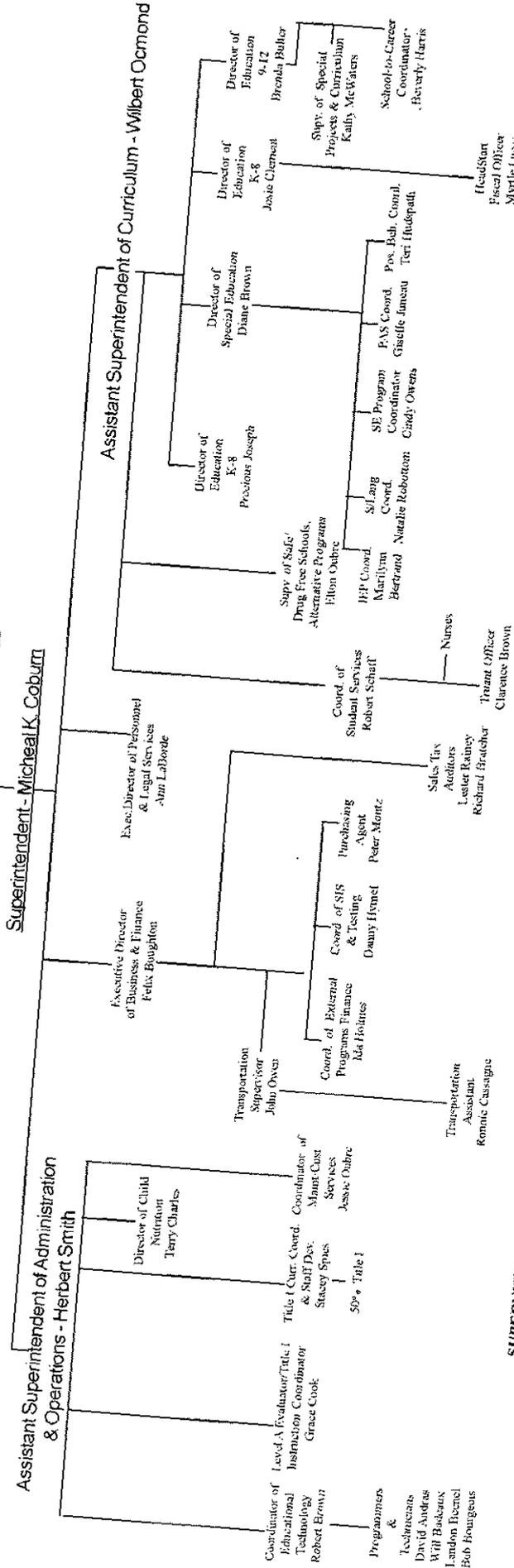
For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2003

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


President


Executive Director

ORGANIZATIONAL CHART
St. John the Baptist Parish Community
St. John the Baptist Parish School Board



SUPERVISES SCHOOLS
Herbert Smith
 East St. John Elementary
 Fifth Ward Elementary
 LaPlace Elementary
 West St. John Elementary

SUPERVISES SCHOOLS
Wilbert Omond
 Garyville Magnet
 Grade School
 John L. Ory Magnet
 St. John Child Development Center

SUPERVISES SCHOOLS
Brenda Butler
 East St. John High
 West St. John High

SUPERVISES SCHOOLS
Elton Oubre
 Leon Godchaux/Success Academy
 ISSP
 Pre-GED
 St. John Redirection Center

FINANCIAL SECTION

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

3501 N. Causeway Blvd. • Suite 810 • P.O. Box 6952 • Metairie, LA 70009
Phone (504) 837-9116 • Fax (504) 837-0123 • E-mail prebowe@rebowe.com

INDEPENDENT AUDITOR'S REPORT

Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **St. John the Baptist Parish School Board** (the "School Board"), as of and for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2004, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2004 on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on

compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 50 through 53, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Rebowe & Company

Metairie, Louisiana
October 15, 2004

REQUIRED SUPPLEMENTARY INFORMATION

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis
June 30, 2004**

The Management's Discussion and Analysis (MD&A) of the St. John the Baptist Parish School Board ("School Board") financial performance provides an overall review and an objective, easily readable analysis of the School Board's financial activities for the fiscal year ended June 30, 2004. The intent of the MD&A is to look at the School Board's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Therefore, readers should read the MD&A in conjunction with the Comprehensive Annual Financial Report's (CAFR) Letter of Transmittal (Page vi) of the Introductory Section, in the School Board's Financial Statements, and the Notes to the Financial Statements.

The MD&A is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued in June 1999.

FINANCIAL HIGHLIGHTS

Key financial highlights for the years ending June 30, 2004 and 2003 include the following:

- Net assets amounted to \$12,422,161 and \$13,243,843 for the years ended June 30, 2004 and 2003, respectively. The net amounts were composed of the following elements:

	<u>Net Amount</u>	
	<u>2004</u>	<u>2003</u>
Invested in capital assets, net of related debt	\$ 4,955,848	\$ 6,879,722
Restricted for:		
Debt Service	1,156,723	1,090,542
Unrestricted:	<u>6,309,590</u>	<u>5,273,579</u>
Total Net Assets	<u>\$ 12,422,161</u>	<u>\$ 13,243,843</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis (Continued)
June 30, 2004**

Net Assets decreased from July 1, 2003 to June 30, 2004 by \$821,682. Although there are many factors that make up this decrease, the largest factor is spending of surplus construction funds. However, the net assets decreased by \$1,666,270 in the previous year. This change is the result of a reduction of surplus construction funds.

The amount "Invested in capital assets, net of related debt", represents the School Board's net book value of its fixed assets net of the current balances of debt incurred to acquire the capital assets. It is the accumulation of years of investments in capital projects. The net assets restricted for debt service represents accumulation of excess revenues over bond payments and can only be used for the retirement of debt. The Unrestricted Net Asset of \$5,273,579 represents years of excess revenues over expenditures (mainly sales taxes). This balance can be used for any legal purpose and has not been dedicated for any purpose by the School Board.

As of June 30, 2004 and 2003, total assets amounted to \$48,339,286 and \$53,795,916, respectively, attributed to the following elements:

	<u>2004</u>	<u>2003</u>
Cash and cash equivalents	\$ 5,651,873	\$ 9,584,959
Investments	4,729,725	4,661,161
Other receivables	33,679	10,146
Due from other governments	1,805,391	1,501,434
Inventory	47,770	43,494
Capital assets (net of accumulated depreciation)	<u>36,070,848</u>	<u>37,994,722</u>
TOTAL ASSETS	<u>\$ 48,339,286</u>	<u>\$ 53,795,916</u>

The School Board keeps strong cash and investment positions. Throughout the year, funds are continually transferred between cash and investments to maximize investment earnings. Due from other governments represents federal and state grant monies due at year end. Capital assets represent the investment in capital projects over the history of the School Board.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis (Continued)
June 30, 2004**

As of June 30, 2004 and 2003, total liabilities amounted to \$35,917,125 and \$40,552,073, respectively, due to the following items:

	<u>2004</u>	<u>2003</u>
Accounts, salaries, and other payables	\$ 5,040,210	\$ 6,468,650
Deferred revenue	15,075	20,248
Interest payable	333,942	368,131
Other liabilities	877,263	689,647
Liabilities due within one year	3,840,000	3,705,000
Liabilities due in more than one year	<u>25,810,635</u>	<u>29,300,397</u>
TOTAL LIABILITIES	<u>\$ 35,917,125</u>	<u>\$ 40,552,073</u>

Accounts, salaries, and other payables represent normal year end payables and the accrued summer payroll. Liabilities due within one year represent the current portion due of the bonded debt. Liabilities due in more than one year represent the long term portion of bonded debt.

As of June 30, 2004 and 2003, total revenues amounted to \$57,525,185 and \$54,343,136, respectively, due to the following items:

	<u>2004</u>	<u>2003</u>
Minimum Foundation Program	\$ 26,724,913	\$ 25,686,872
Sales Taxes	12,472,230	11,439,000
Federal Grants	7,789,753	7,108,106
Other State and Local Grants	895,759	1,159,831
Ad Valorem Taxes	7,791,663	7,408,380
All Other Sources	<u>1,850,867</u>	<u>1,540,947</u>
TOTAL REVENUES	<u>\$ 57,525,185</u>	<u>\$ 54,343,136</u>

Minimum Foundation Program Revenue increased primarily because student enrollment increased. Sales taxes increased primarily because of overall improvements in the local economy.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis (Continued)
June 30, 2004**

The largest single revenue source continues to be the Minimum Foundation Program (MFP) distribution from the state, amounting to \$26,724,913. This MFP formula establishes a standard of local support for each school system based on the state average local support relative to the system's capacity to raise local funds. Because the student population increased, the MFP distribution increased by approximately \$1 million or 4%.

Grant revenue remained relatively stable when compared to the prior year. The School Lunch Program and Title I continue to be the largest federally funded programs with \$2,257,756 and \$1,940,811 in grant revenue, respectively.

As of June 30, 2004 and 2003, total revenues were \$57,525,185 and \$54,343,136, respectively. The decrease in net assets was (\$821,682) and, (\$1,666,270), respectively.

As of June 30, 2004 and 2003, total expenses amounted to \$58,346,867 and \$56,009,406, respectively, due to the following items:

	<u>2004</u>	<u>2003</u>
Instruction related expenses	\$ 34,381,655	\$ 33,856,099
Support Services	22,884,959	21,106,586
Interest on debt	<u>1,080,253</u>	<u>1,046,721</u>
TOTAL EXPENSES	<u>\$ 58,346,867</u>	<u>\$ 56,009,406</u>

Expenditures have remained relatively constant with the exception of normal salary increases and the rise in health insurance costs. Health insurance continues to rise annually each year at rates significantly higher than inflation.

USING THE COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

The School Board's CAFR consists of a series of financial statements and the associated notes to those statements. These statements are organized so the reader can understand the operations of the School Board as a financial whole, i.e., an entire operating entity, its funds, and its fiduciary responsibilities. The "Basic Financial Statements" Section, consisting of the Statement of Net Assets, and the Statement of Activities (pages 13-14) provide highly consolidated financial information, and render a government-wide perspective of the School Board's financial condition. The Fund Financial Statements (pages 15 and 18) provide the next level of detail and look at the School Board's most significant funds and a total of all other nonmajor funds.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis (Continued)
June 30, 2004**

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities present an aggregate view of the School Board's finances and a longer-term view of those finances. These statements seek to answer the question, "How did the School Board do financially during the 2003-2004 fiscal year?" These statements include *all assets and liabilities* using the *accrual basis* of accounting used by most private-sector enterprises. The *accrual basis* takes into account all of the Board's current year revenues and expenses regardless of when paid or received.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School Board's major funds begins on page 15. Fund Financial Statements provide more in-depth reporting of the School Board's financial position and the results of operations. Fund basis financial information is presented in the "Fund Financial Statements" Section. The School Board uses many funds to account for the numerous funding sources provided annually. However, the Fund Financial Statements look at the School Board's most significant funds with all non-major funds presented in total in one column. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

Fund Financial Statements provide more in-depth data on the School Board's most significant funds, such as its General Fund. This fund is considered a "major fund" under GASB Statement No. 34. While not a "major fund" School Lunch/Breakfast, Capital Projects II Fund, Capital Projects III Fund and Sinking Fund are presented separately as if they were "major" funds due to the amount of tax revenue generated and the nature of operations.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis (Continued)
June 30, 2004**

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end and the amount available for spending in future periods.

These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash.

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

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

Governmental Activities

As reported in the Statement of Activities on page 14, the cost of the School Board's governmental activities for the year ended June 30, 2004 was \$49,435,374. The Statement of Activities shows the cost of program services and the charges and grants offsetting some of those services. Grants and contributions of \$8,685,512 subsidized certain programs, and charges for services for school lunches was the only contributor of charges for services totaling \$225,981. The remaining amount was financed by the taxpayers in the parish through ad valorem and sales and use taxes totaling \$20,263,893 and \$196,468 in State Revenue Sharing. The Minimum Foundation Program (MFP) from the State of Louisiana funded \$26,724,913 and other general revenues contributed the remainder. In Table I, which follows, the cost of the School Board's largest categories of expenses are presented as well as each program's net cost (total cost less revenues generated by the activities). This "net cost" presentation allows the parish taxpayers to determine the remaining cost of the various categories, and also allows them the opportunity to assess the cost of each function in comparison to the benefits they believe are provided by the function. The net cost also reflects the amount needed to finance these functions from general sources such as taxes and MFP.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis (Continued)
June 30, 2004**

Table I
Total and Net Cost of Governmental Activities

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Governmental activities:		
Instruction:		
Regular programs	\$ 20,248,284	\$(20,112,136)
Special programs	11,584,844	(8,380,924)
Vocational programs	239,730	(124,902)
All other programs	2,308,797	(974,518)
Support services:		
Student services	2,348,836	(2,348,836)
Instructional staff support	922,409	(922,409)
General administration	2,813,429	(1,388,484)
School administration	3,219,785	(3,219,785)
Business services	525,215	(525,215)
Plant services	6,881,914	(6,856,999)
Student transportation services	2,656,631	(2,467,910)
Central services	688,649	(688,649)
Food services	2,828,091	(344,354)
Interest on long-term debt	<u>1,080,253</u>	<u>(1,080,253)</u>
Total Governmental Activities	<u>\$ 58,346,867</u>	<u>\$(49,435,374)</u>

THE SCHOOL BOARD'S FUNDS

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

As the School Board completed the fiscal year ended June 30, 2004, its combined fund balance was \$6,335,890 as compared to a combined fund balance of \$8,622,649 as of June 30, 2003. As mentioned earlier, the majority of this decrease is attributable to lower sales taxes. The Capital Projects III fund balance decreased by \$2,322,010 mainly as a result spending surplus funds for ongoing Capital Projects.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis (Continued)
June 30, 2004**

General Fund Budgetary Highlights

The School Board's budget is prepared according to Louisiana law. During the course of the year, the School Board revises its budget to take into consideration significant changes in revenues or expenditures. Louisiana Revised Statute 39:1311 requires a budget amendment if either expected revenues are less or anticipated expenditures are in excess of budgetary goals by five percent (5%) or more. The original budget for the School Board was adopted on June 19, 2003 and the final revised budget was adopted on June 17, 2004.

A statement showing the School Board's original and final budget compared with actual operating results is provided in this CAFR beginning on page 51. The School Board's year-end actual results were better than had been budgeted, as conservative budgetary practices are customary. Revenues are forecast conservatively and expenditures are budgeted in anticipation of all possible costs and projects. The General Fund's projected revenues exceeded actual reviews by \$709,007. However, total expenditures were less than projected by \$2,613,389. The undesignated fund balance of \$3,963,711 is better than anticipated (by approximately \$2,715,131), which represented approximately 9% of the budget.

A comparison of actual results as of June 30, 2004 and the original budget for the General Fund are as follows:

Table II
Original Budget Comparison
June 30, 2004

	<u>Original Budget</u>	<u>Actual</u>	<u>Difference</u>
Total Revenues	\$ 44,712,964	\$ 45,761,466	\$ 1,048,502
Total Expenditures	(48,703,383)	(47,531,469)	(1,171,914)
Other Financing Sources	<u>1,738,266</u>	<u>1,707,713</u>	<u>(30,553)</u>
Net Change in Fund Balance	<u>\$ (2,252,153)</u>	<u>\$ (62,290)</u>	<u>\$ 2,189,863</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis (Continued)
June 30, 2004**

Significant variations between the original budget and the final amended budget are as follows:

Table III
Original and Final Amended Budget Comparison
June 30, 2004

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Difference</u>
Total Revenues	\$ 44,712,964	\$ 46,470,473	\$ 1,757,509
Total Expenditures	(48,703,383)	(50,144,858)	1,441,475
Other Financing Sources	<u>1,738,266</u>	<u>1,797,526</u>	<u>59,260</u>
Net Change in Fund Balance	<u>\$ (2,252,153)</u>	<u>\$ (1,876,859)</u>	<u>\$ 375,294</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2004, the School Board has approximately \$36 million invested in a broad range of capital assets, including land, buildings, furniture, vehicles, computers, and other equipment. This amount is net of accumulated depreciation to date. Table III below shows the net book value of capital assets at the end of 2004.

Table III
Capital Assets

	<u>June 30, 2004</u>	<u>June 30, 2003</u>
Land	\$ 2,597,055	\$ 2,597,055
Buildings	29,957,599	27,556,322
Furniture and Equipment	1,234,437	1,270,888
Construction in Progress	<u>2,281,757</u>	<u>6,570,457</u>
Totals	<u>\$ 36,070,848</u>	<u>\$ 37,994,722</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA**

**Management's Discussion and Analysis (Continued)
June 30, 2004**

During the current year, additions of \$345,366 of fixed assets were capitalized while -0- was deleted. Depreciation for the year ended June 30, 2004 was \$1,887,423 for buildings and improvements and \$381,817 for furniture and equipment. In July 2002 the voters approved \$5 million dollars for new construction. More detailed information on capital assets is included in Note 6 on page 38 of the basic financial statements.

At June 30, 2004, the School Board had outstanding indebtedness of \$27,695,000. In accordance with LSA-R.S.39:562 (L), the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of the taxable property (including homestead exempt and nonexempt property) within the parish. At June 30, 2004, the statutory limit was \$84,847,445.

Other long-term obligations include accrued sick leave and annual leave at June 30, 2004 of both current and long-term obligations was \$1,955,635. More detailed information on long term obligations and debt is included in Note 9 on page 40 of the basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The financial well being of the School Board is tied in large measure to the state funding formula and the tax base. Following several years of declining sales tax collections, the retail sales and industrial activity has shown some recent growth. This growth is expected to continue and would help strengthen the Board's financial position.

While net assets and the overall financial position has deteriorated slightly during the year, the outlook is promising with the expected industry growth and increased enrollment.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT

While this CAFR is designed to provide full and complete disclosure of the financial condition and operations of the School Board, citizens groups, taxpayers, parents, students, other parish officials, investors or creditors may need further details. To obtain such details, please contact St. John the Baptist Parish School Board, Post Office Box AL, Reserve, LA 70068, or call (985) 536-1106 during regular office hours, Monday through Friday, 8:00 a.m. to 4:30 p.m., Central Standard Time, or e-mail at Fboughton@stjohn.k12.la.us.

BASIC FINANCIAL STATEMENTS

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
STATEMENT OF NET ASSETS
June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 5,651,873
Investments	4,729,725
Other receivables	33,679
Due from other governments	1,805,391
Inventory	47,770
Land	2,597,055
Buildings, improvements, furniture and equipment (net of accumulated depreciation)	31,192,036
Construction in progress	<u>2,281,757</u>
TOTAL ASSETS	<u><u>48,339,286</u></u>
 LIABILITIES	
Accounts, salaries, and other payables	5,040,210
Deferred revenue	15,075
Interest payable	333,942
Other Liabilities	877,263
Non-current liabilities:	
Due within one year	3,840,000
Due in more than one year	<u>25,810,635</u>
Total Liabilities	<u><u>35,917,125</u></u>
 NET ASSETS	
Invested in capital assets, net of related debt	4,955,848
Restricted for:	
Debt service	1,156,723
Unrestricted	<u>6,309,590</u>
TOTAL NET ASSETS	<u><u>\$ 12,422,161</u></u>

The notes to the financial statements are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004

	Program Revenues			Net (Expense) Revenue And Changes In Net Assets	
	Charges For Services	Operating Grants and Contributions	Capital Grants And Contributions		
Expenses					
FUNCTIONS/PROGRAMS					
Governmental activities:					
Instruction:					
Regular programs	\$ 20,248,284	\$ -	\$ 136,148	\$ -	\$ (20,112,136)
Special programs	11,584,844	-	3,203,920	-	(8,380,924)
Vocational programs	239,730	-	114,828	-	(124,902)
All other programs	2,308,797	-	1,334,279	-	(974,518)
Support services:					
Student Services	2,348,836	-	-	-	(2,348,836)
Instructional staff support	922,409	-	-	-	(922,409)
General administration	2,813,429	-	1,424,945	-	(1,388,484)
School administration	3,219,785	-	-	-	(3,219,785)
Business services	525,215	-	-	-	(525,215)
Plant services	6,881,914	-	24,915	-	(6,856,999)
Student transportation services	2,656,631	-	188,721	-	(2,467,910)
Central services	688,649	-	-	-	(688,649)
Food services	2,828,091	225,981	2,257,756	-	(344,354)
Interest on long-term debt	1,080,253	-	-	-	(1,080,253)
Total Governmental Activities	\$ 58,346,867	\$ 225,981	\$ 8,685,512	\$ -	(49,435,374)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes					3,757,869
Property taxes, levied for debt service					4,033,794
Sales and use taxes, levied for general purposes					10,621,588
Sales and use taxes, levied for public improvement					1,850,642
State revenue sharing					196,468
Grants and contributions not restricted to specific purposes:					
Minimum Foundation Program					26,724,913
Other					1,315,250
Interest and investment earnings					113,168
					<u>48,613,692</u>
					(821,682)
					<u>13,243,843</u>
					<u>\$ 12,422,161</u>

The notes to the financial statements are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2004

	General Fund	School Lunch/ Breakfast Fund	Capital Projects II Fund	Capital Projects III Fund
ASSETS				
Cash and cash equivalents	\$ 2,025,460	\$ 502,285	\$ 1,816,821	\$ 71,389
Investments	3,806,648	-	-	923,077
Receivables	1,241,659	-	892	-
Interfund receivables	2,292,555	-	-	-
Inventory	-	47,770	-	-
TOTAL ASSETS	\$ 9,366,322	\$ 550,055	\$ 1,817,713	\$ 994,466
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries, and other payables	\$ 4,501,220	\$ 104,263	\$ -	\$ 27,771
Interfund payables	115,396	200,688	1,707,713	-
Deferred revenues	-	15,075	-	-
Other liabilities	689,647	187,616	-	-
<i>Total Liabilities</i>	<u>5,306,263</u>	<u>507,642</u>	<u>1,707,713</u>	<u>27,771</u>
Fund balances:				
Reserved for:				
Encumbrances	96,348	-	-	8,000
Debt service	-	-	-	-
Inventory	-	42,413	-	-
Unreserved, Designated for:				
Capital projects	-	-	110,000	958,695
Unreserved, Undesignated, Reported In:				
General Fund	3,963,711	-	-	-
Special Revenue Funds	-	-	-	-
Total Fund Balances	<u>4,060,059</u>	<u>42,413</u>	<u>110,000</u>	<u>966,695</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,366,322	\$ 550,055	\$ 1,817,713	\$ 994,466

The notes to the financial statements are an integral part of this statement.

Sinking Fund	Other Governmental Funds	TOTAL
\$ 1,021,107	\$ 214,811	\$ 5,651,873
-	-	4,729,725
16,661	579,858	1,839,070
15,396	100,000	2,407,951
-	-	47,770
<u>\$ 1,053,164</u>	<u>\$ 894,669</u>	<u>\$ 14,676,389</u>

\$ -	\$ 406,956	\$ 5,040,210
-	384,154	2,407,951
-	-	15,075
-	-	877,263
-	791,110	8,340,499

-	-	104,348
1,053,164	103,559	1,156,723
-	-	42,413
-	-	-
-	-	1,068,695
-	-	3,963,711
-	-	-
<u>1,053,164</u>	<u>103,559</u>	<u>6,335,890</u>

<u>\$ 1,053,164</u>	<u>\$ 894,669</u>	<u>\$ 14,676,389</u>
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**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
June 30, 2004**

Total Fund Balances at June 30, 2004 - Governmental Funds		\$ 6,335,890
Cost of capital assets at June 30, 2004	\$ 69,521,988	
Less - accumulated depreciation as of June 30, 2004:		
Buildings	(30,275,956)	
Movable property	<u>(3,175,184)</u>	36,070,848
Elimination of interfund assets and liabilities:		
Due from other funds	(2,407,951)	
Due to other funds	<u>2,407,951</u>	-
Long-term liabilities at June 30, 2004:		
Compensated absences	1,955,635	
Bonds payable	27,695,000	
Accrued interest payable	<u>333,942</u>	<u>(29,984,577)</u>
Net Assets at June 30, 2004		<u><u>\$ 12,422,161</u></u>

The notes to the financial statements are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
For the Year Ended June 30, 2004

	General Fund	School Lunch/ Breakfast Fund	Capital Projects II Fund	Capital Projects III Fund
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,757,869	\$ -	\$ -	\$ -
Sales and use	10,621,588	-	1,850,642	-
Interest earnings	66,767	3,667	11,250	18,568
Charges for services	-	225,981	-	-
Other	599,236	-	-	-
Total Local Sources	<u>15,045,460</u>	<u>229,648</u>	<u>1,861,892</u>	<u>18,568</u>
State sources:				
Minimum Foundation Program	26,574,913	150,000	-	-
Other	1,792,845	-	-	-
Total State Sources	<u>28,367,758</u>	<u>150,000</u>	<u>-</u>	<u>-</u>
Federal Sources	2,348,248	2,257,756	-	-
TOTAL REVENUES	<u>45,761,466</u>	<u>2,637,404</u>	<u>1,861,892</u>	<u>18,568</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	19,383,416	-	-	-
Special programs	9,009,748	-	-	-
Vocational programs	230,232	-	-	-
All other programs	2,217,325	-	-	-
Support services:				
Student services	2,255,778	-	-	-
Instructional staff support	885,864	-	-	-
General administration	1,774,332	-	-	-
School administration	3,092,221	-	-	-
Business services	504,407	-	-	-
Plant services	4,290,454	-	-	-
Student transportation services	2,551,378	-	-	-
Central services	661,365	-	-	-
School food services	-	2,716,045	-	-
Other expenses	-	-	44,179	2,340,578

(Continued)

Sinking Fund	Other Governmental Funds	Total
\$ 4,033,794	\$ -	\$ 7,791,663
-	-	12,472,230
12,915	1	113,168
-	-	225,981
15,396	-	614,632
<u>4,062,105</u>	<u>1</u>	<u>21,217,674</u>
-	-	26,724,913
-	-	1,792,845
-	-	<u>28,517,758</u>
-	3,183,749	7,789,753
<u>4,062,105</u>	<u>3,183,750</u>	<u>57,525,185</u>
-	-	19,383,416
-	2,116,117	11,125,865
-	-	230,232
-	-	2,217,325
-	-	2,255,778
-	-	885,864
-	927,632	2,701,964
-	-	3,092,221
-	-	504,407
-	-	4,290,454
-	-	2,551,378
-	-	661,365
-	-	2,716,045
6,359	-	2,391,116

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES (CONTINUED)
For the Year Ended June 30, 2004**

	General Fund	School Lunch/ Breakfast Fund	Capital Projects II Fund	Capital Projects III Fund
Capital outlay	\$ 130,072	\$ -	\$ -	\$ -
Debt service:				
Principal retirement	490,000	-	-	-
Interest and bank charges	54,877	-	-	-
Total expenditures	<u>47,531,469</u>	<u>2,716,045</u>	<u>44,179</u>	<u>2,340,578</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,770,003)</u>	<u>(78,641)</u>	<u>1,817,713</u>	<u>(2,322,010)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,707,713	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(1,707,713)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,707,713</u>	<u>-</u>	<u>(1,707,713)</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>(62,290)</u>	<u>(78,641)</u>	<u>110,000</u>	<u>(2,322,010)</u>
FUND BALANCES JULY 1, 2003	<u>4,122,349</u>	<u>121,054</u>	<u>-</u>	<u>3,288,705</u>
FUND BALANCES JUNE 30, 2004	<u>\$ 4,060,059</u>	<u>\$ 42,413</u>	<u>\$ 110,000</u>	<u>\$ 966,695</u>

The notes to the financial statements are an integral part of this statement.

Sinking Fund	Other Governmental Funds	Total
\$ -	\$ 140,000	\$ 270,072
2,930,000	-	3,420,000
1,059,565	-	1,114,442
<u>3,995,924</u>	<u>3,183,749</u>	<u>59,811,944</u>
<u>66,181</u>	<u>1</u>	<u>(2,286,759)</u>
-	-	1,707,713
<u>-</u>	<u>-</u>	<u>(1,707,713)</u>
<u>-</u>	<u>-</u>	<u>-</u>
<u>66,181</u>	<u>1</u>	<u>(2,286,759)</u>
<u>986,983</u>	<u>103,558</u>	<u>8,622,649</u>
<u>\$ 1,053,164</u>	<u>\$ 103,559</u>	<u>\$ 6,335,890</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2004**

Total net change in fund balances - governmental funds		\$ (2,286,759)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period:		
Depreciation expense	\$ (2,269,240)	
Assets Capitalized	<u>345,366</u>	(1,923,874)
Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		3,420,000
Proceeds from the issuance of long-term debt in governmental funds are recorded as revenue. However, the proceeds are not recorded in the Statement of Activities but rather are recorded as a liability on the Statement of Net Assets.		-
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
Current year		(333,942)
Prior year		368,131
Net decrease in compensated absences		<u>(65,238)</u>
Change in net assets of governmental activities		<u><u>\$ (821,682)</u></u>

The notes to the financial statements are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2004

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	\$ 390,034
TOTAL ASSETS	<u>\$ 390,034</u>
LIABILITIES	
Accounts Payable	\$ 123,900
Due to other funds	16,758
Due to St. John the Baptist Parish Council	5,844
Amounts held for school activities	<u>243,532</u>
TOTAL LIABILITIES	<u>\$ 390,034</u>

The notes to the financial statements are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2004

NOTE 1 - GENERAL INFORMATION

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

The School Board operates 11 schools within the parish with a total enrollment of 6,449 pupils for the year ended June 30, 2004. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

a. Reporting Entity

The School Board is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined as other legally separate organizations for which the elected school board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

b. Funds

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

segregating transactions related to certain School Board functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the School Board are classified into two categories: governmental and fiduciary, as follows:

Governmental Fund Types

Governmental funds account for all or most of the School Board's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the School Board. The following are the School Board's primary governmental funds:

General Fund - The General Fund is the general operating fund of the School Board. The General Fund receives most of the resources derived by the School Board from local sources (principally ad valorem and sales taxes) and state sources (principally the Minimum Foundation Program). General Fund expenditures represent the cost of general school system operations and individual functional categories of instructional and support services. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to School Board policy.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Of the special revenue funds, the School Lunch/Breakfast Fund is considered a major fund.

School Lunch/Breakfast Fund

The School Lunch/Breakfast Fund accounts for the operation of the school food service programs in the parish school system during the regular school term. The basic goals of the school food service programs are to serve nutritionally adequate, attractive, and moderately-priced meals, to help children grow socially, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically-fit adults.

Debt Service Fund - The Debt Service Funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs. Of the Debt Service Funds, the Sinking Fund is considered a major fund.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and for the major repairs thereto. Separate capital project funds are maintained to account for the proceeds of major general obligation bonds and other financing proceeds. Of the Capital Projects Funds, Construction II and Construction III are considered major funds.

Capital Projects - Fund II

This fund is used to account for the proceeds and use of a one-third of the one percent sales and use tax dedicated to capital acquisition and improvements. It also accounts for the proceeds and use of a sales tax revenue bond dedicated for the purpose of making capital improvements to the School Board.

Capital Projects - Fund III

Prior to July 18, 1992, this fund was used to account for the proceeds and use of a special property tax levy dedicated to capital acquisition and improvements. Subsequent to July 18, 1992, this fund is used to account for the proceeds and use of certain General Obligation Bonds being issued for the purpose of acquiring and/or improving land for building sites and playgrounds and acquiring the necessary equipment and furnishings.

Fiduciary Fund Type

The Fiduciary Fund is used to account for assets held by the School Board in a trustee or agency capacity. The School Board maintains two fiduciary fund type agency funds; the School Activity Agency Fund and the Sales Tax Fund, both of which account for assets held by the Board in custodial capacity. An agency fund is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

Sales Tax Fund

The Sales Tax Fund accounts for the collection and distribution of St. John the Baptist Parish's four and one-half percent sales and use tax. Two and one-quarter percent is dedicated to the St. John the Baptist Parish School Board and two percent is dedicated to the St. John the Baptist Parish Council and one-quarter percent is dedicated to the St. John the Baptist Parish Sheriff's Department.

School Activity Fund

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

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Measurement Focus/Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for the Fiduciary fund. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Revenues from nonexchange transactions include sales taxes, ad valorem taxes and grants from federal, state and local sources. The accounting policies for revenue recognition pertaining to these nonexchange transactions are described in the remainder of this footnote.

Program Revenues

Program revenues included in the Statement of Activities derive directly from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

Internal Activities

All internal activities and interfund transactions are eliminated in the Government-Wide Financial Statements.

Allocation of Indirect Expenses

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

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (FFS)

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

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are recognized as expenditures when the benefit earned by the employee has matured, and general long-term obligations principal and interest payments are recognized only when due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Expenditure-driven federal and state grants are recorded as restricted grants-in-aid when the reimbursable expenditures have been incurred.

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 January 1. The taxes to be levied were approved by the School Board. However, before the taxes can be collected, the tax rolls are submitted to the State

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Commission for approval. The taxes are generally collected in November, 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. John the Baptist Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Sales taxes, tuition, rent, and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Expenditures

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) costs of accumulated unpaid vacation, sick leave and other employee benefit amounts are reported in the period due and payable rather than the period earned by employees; (2) general long-term obligations principal and interest payments are recognized when due. Commitments under construction contracts are recognized as expenditures when earned by the contractor. 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 as a long-term liability in the GWFS.

Other Financial Sources (Uses)

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

d. Budgetary Data

The General Fund and the Special Revenue Funds are the only fund types with legally required annual budgets. Budgets are prepared on a modified accrual basis, consistent with the basis of accounting for comparability of budgeted and actual revenues and expenditures. Formal budget accounts are integrated into the accounting system during the year as a management control device, excluding the recording of encumbrances. Budgetary data for the Capital Projects Funds have not been presented in the accompanying financial statements as such funds are budgeted over the life of the respective project and not on an annual basis. The Debt Service Fund complies with bond covenant provisions and is, therefore, not budgeted.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)**

June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prior to September 15 of each year, the Superintendent submits to the School Board a proposed annual appropriated budget for the General Fund for the fiscal year commencing the prior July 1. The operating budgets include proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to September 15, the General Fund budget is legally enacted through adoption by the School Board.

Special Revenue Funds' budgets that are not grant-oriented have annual appropriated budgets adopted prior to September 15 by the School Board. Grant funds are included in Special Revenue Funds and their budgets are adopted at the time the grant applications are approved by the grantor. Unencumbered appropriations of grant-oriented Special Revenue Funds are reappropriated at the beginning of the following fiscal year. Unencumbered appropriations of certain nongrant-oriented Special Revenue Funds lapse at the end of the fiscal year and are included in the next year's budget with funds appropriated in that year to finance them.

The Superintendent and/or the Business Manager are authorized to transfer amounts between line items within any fund. When actual total revenues within the General Fund or Special Revenue Fund fail to meet budgeted total revenues by five percent or more and/or actual total expenditures within the General Fund or a Special Revenue Fund fails to meet budgeted total expenditures by five percent or more, a budget amendment to reflect such change is adopted by the School Board in an open meeting. The Budgetary Comparison Schedules (see pages 51 to 53) and the Schedules of Revenues, Expenditures, and Changes in Fund Balance – Final Budget and Actual (see pages 57 to 58) include the effect of such budget amendments, none of a significant nature.

e. Cash, Cash Equivalents and Investments

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts with original maturities of three months or less from the date of acquisition. Cash equivalents include time deposits.

Louisiana Revised Statutes, at LSA-R.S. 33:2955, authorize the School Board to invest in (1) direct obligations of the United States treasury, the principal and interest of which are fully guaranteed by the federal government; (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. Government instrumentalities; (3) direct security repurchase agreements of any federal book-entry-only securities; (4) time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, savings accounts or shares of savings and loan associations; (5) in mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

limited to securities of the U.S. Government or its agencies; or (6) guaranteed investment contracts issued by a bank, financial institution, insurance company, or other entity having one of the two highest short-term rating categories of either Standard & Poor's Corporation or Moody's Investors Service, provided that no such investment may be made except in connection with a financing program approved by the State Bond Commission.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation organized under the laws of the State of Louisiana.

These investments are reported at fair value. Fair value is based on quoted market prices. If quoted prices are not available, fair value is estimated based on similar securities.

f. 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.

g. Interfund Transactions

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 interfund receivable or interfund payable on the balance sheet.

h. Inventories

All purchased inventories are valued at cost (first-in, first-out); commodities are assigned values based on information provided by the U.S. Department of Agriculture. Inventories in the School Lunch/Breakfast Special Revenue Fund consisted of food and supplies. The commodities are recorded in revenues and expenditures when consumed. The commodities remaining in inventory at the end of the fiscal year are recorded as deferred revenue.

i. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a threshold level of \$10,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	15-30 years
Furniture and Equipment	5-10 years

k. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the GWFS. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, the non-current portion of capital leases, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the FFS only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the FFS. Other long-term liabilities such as compensated absences have typically been paid by the General Fund.

l. Deferred Revenue

Deferred revenues arise when resources are received by the School Board before it has a legal claim to them or when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the School Board has legal claim to the resources,

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

m. Compensated Absences

All 12-month employees earn from 12 to 18 days of vacation leave each year, depending on their length of service with the School Board. Vacation leave must be used in the year earned. If the Superintendent and the employee agree that the employee's absence would be detrimental to the normal operation of the School Board, the vacation leave may be deferred to a subsequent period.

Teachers and other 9-month employees earn 10 days of sick leave each year. All 12-month employees earn from 10 to 18 days sick leave each year, depending on their length of service with the School Board. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave up to 25 days is paid to employees (or their heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. Under the Louisiana School Employees' Retirement System, all unpaid sick leave excluding the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for medical leave and for professional and cultural improvement. An employee with a teacher's certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after six semesters of continuous service or two semesters of sabbatical leave after twelve or more semesters of continuous service. Sabbatical leave benefits are recorded as expenditures in the period paid.

Compensated absences are recognized as expenditures in the FFS in the year claimed.

The total liability is reported on the GWFS.

n. Pension Plans

The School Board participates in two pension plans administered by other governmental entities which cover substantially all employees who meet certain length of service requirements.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o. Restricted Net Assets

For GWFS Statement of Net Assets, net assets are reported as restricted when constraints placed on net assets used are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; and
- Imposed by law through constitutional provisions or enabling legislation.

p. Reserves and Designations

In the FFS, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

q. Claims and Judgments

Losses resulting from claims and judgments, including related expenditures, salvage and subrogation, are estimated by utilizing a case by case review of all claims, based on data provided by legal counsel and third-party administrators. The liability for such losses is recorded in the General Fund. Incurred but not reported claims as of June 30, 2004 have been considered in determining the accrued liability.

r. Sales Taxes

The School Board collects four and one-half percent in sales and use tax. The sales and use tax is collected by the Sales Tax Department of the School Board. Two percent of the taxes collected are remitted to the Parish Council. One-quarter percent of the taxes collected are remitted to the Sheriff's Department. The School Board's costs of collecting the funds are shared proportionally by the Parish Council, Sheriff's Department and the School Board. The School Board retains the remaining two and one-quarter percent of the taxes collected and allocates them as follows:

General Fund:

General Support Service	1%
Regular Instruction Programs	1/3%
Repairs and Maintenance of Plant and Facilities	1/3%
Capital Projects Fund	1/3%
Teacher Salaries	1/4%

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

At June 30, 2004, the School Board had cash and cash equivalents as follows:

Bank accounts	<u>\$ 5,651,873</u>
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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 fair 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 year-end, the bank balance deposits totaled \$7,551,169. The bank balance is categorized as follows:

Amount insured by the FDIC, or collateralized with securities held by the School Board's agent in the School Board's name.	<u>\$ 7,551,169</u>
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Investments

There are three categories of credit risk that apply to the School Board's investments.

1. Insured or registered, or securities held by the School Board or the School Board's agent in the School Board's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the School Board's name.
3. Uninsured and unregistered, with the securities held by the counterparty, or by its trust department or agent but not in the School Board's name.

The School Board maintains an investment pool with an investment broker for all funds. Each fund's portion of the cash and investment pool is included in that fund's cash and cash equivalent account and/or that fund's investment account. Interest earned on pooled cash and investments is allocated to the participating funds based upon their combined participating balances.

Investments in the Louisiana Asset Management Pool, Inc. (LAMP), a local government investment pool (See Summary of Significant Accounting Policies) consisted of \$4,454,725, at June 30, 2004. In accordance with GASB Codification Section 150.165, the investment in LAMP at June 30, 2004 is not categorized in the three risk categories provided by GASB

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Codification Section 150.164 because the investment is in the pool of funds and therefore 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. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities and any other investments allowed by state statute. 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. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The investments in LAMP are stated at fair value based on quoted market rates. Fair value is determined on a weekly basis.

Since all investments are short-term, highly liquid securities, the pool sponsor has not obtained any legally binding guarantees during the period to support the value of shares.

The book balance includes a \$150,000 certificate of deposit and a \$125,000 certificate of deposit pledged as collateral for workers' compensation insurance.

NOTE 4 - AD VALOREM TAXES

The School Board levies taxes on real and business personal property located within St. John the Baptist Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the St. John the Baptist Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which is valued by the Louisiana Tax Commission (LRS 47:1957).

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvement for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15% of fair market value and public service properties, excluding land, are to be assessed at 25% of fair market value. The correctness of assessments by the assessor is subject to review and rectification by the Louisiana

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 4 - AD VALOREM TAXES (CONTINUED)

Tax Commission. The Assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

Ad valorem taxes are attached as an enforceable lien of property as of January 1 of each year. Taxes are levied by the Parish Assessor during the year and are billed to taxpayers in November. Billed taxes become delinquent on December 31. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when billed. The Parish Assessor bills and collects the property taxes.

Voters approved a rededication of 3.47 mills of ad valorem tax beginning in 1992 and ending in 2011 for the purpose of providing additional funds for salaries and fringe benefits for all employees, and said tax will be in lieu of a 3.47 mills tax dedication to constructing, maintaining, and operating schools in the district.

The following is a summary of authorized and levied ad valorem taxes for the fiscal year ended June 30, 2004 (calendar year 2003 assessments):

Parishwide Taxes	<u>Millage Authorized</u>	<u>Millage Levied</u>	<u>Expiration Date</u>
Constitutional	3.87	3.87	Permanent
Maintenance and operations	4.57	4.57	2006
Salaries and benefits	14.03	14.03	2012
Bond debt	<u>24.12</u>	<u>24.12</u>	Permanent
	<u>46.59</u>	<u>46.59</u>	

The School Board is permitted by state law to levy taxes up to \$48 per \$1,000 of assessed valuation. For the year ended June 30, 2004, taxes of 46.59 mills were levied on property with assessed valuations totaling \$174,976,645. Total taxes levied were \$8,152,162. Property taxes receivable at June 30, 2004 totaled \$15,523 and is included under the caption receivables due from other governments in the GWFS and the caption receivables in the FFS.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 5 - RECEIVABLES DUE FROM OTHER GOVERNMENTS

The receivables due from other governments of \$1,805,391 at June 30, 2004 are as follows:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total</u>
Receivable:			
State	\$ 217,643	\$ -	\$ 217,643
Federal	971,573	579,858	1,551,431
Other	<u>36,317</u>	<u>-</u>	<u>36,317</u>
	<u>\$1,225,533</u>	<u>\$ 579,858</u>	<u>\$1,805,391</u>

NOTE 6 - CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2004, is as follows:

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2004</u>
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 2,597,055	\$ -	\$ -	\$ 2,597,055
Capital assets being depreciated:				
Buildings and improvements	55,944,855	4,288,700	-	60,233,555
Furniture and equipment	4,064,255	345,366	-	4,409,621
Construction in Process	6,570,457	-	(4,288,700)	2,281,757
Total capital assets being depreciated	<u>66,579,567</u>	<u>4,634,066</u>	<u>(4,288,700)</u>	<u>66,924,933</u>
Less accumulated depreciation:				
Buildings and improvements	(28,388,533)	(1,887,423)	-	(30,275,956)
Furniture and equipment	(2,793,367)	(381,817)	-	(3,175,184)
Construction in Process	-	-	-	-
Total	<u>(31,181,900)</u>	<u>(2,269,240)</u>	<u>-</u>	<u>(33,451,140)</u>
Total capital assets Being depreciated	<u>35,397,667</u>	<u>2,364,826</u>	<u>(4,288,700)</u>	<u>33,473,793</u>
Capital assets, net	<u>\$37,994,722</u>	<u>\$ 2,364,826</u>	<u>\$ (4,288,700)</u>	<u>\$ 36,070,848</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation expense of \$2,269,240 for the year ended June 30, 2004, was charged to the following governmental functions:

Instruction:	
Regular Education	\$ 799,630
Special Education	485,979
Vocational Education	9,498
Other Educational Programs	91,472
Support Services:	
Student Services	93,058
Instructional Staff Support	36,545
General Administration	111,465
School Administration	127,564
Business Services	20,808
Plant Services	176,996
Student Transportation	105,253
Central Services	27,284
School Food Services	112,046
Other Expenses	98,642
Total	\$ 2,269,240

NOTE 7 - ACCOUNTS AND SALARIES PAYABLE

The following is a summary of accounts and salaries payable as of June 30, 2004:

	<u>General</u> <u>Fund</u>	<u>Lunch/Breakfast</u> <u>Fund</u>	<u>Capital</u> <u>Projects III</u>	<u>Non-major</u> <u>Funds</u>	<u>Total</u>
Accounts payable	\$1,818,339	\$ 1,633	\$ 27,771	\$ 222,653	\$2,070,396
Accrued salaries and benefits	2,682,881	102,630	-	184,303	2,969,814
Total	\$4,501,220	\$104,263	\$ 27,771	\$ 406,956	\$5,040,210

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivables and payables balances at June 30, 2004 reported on the fund financial statements were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds:	
	Title 1	\$ 334,984
	Lunch	200,688
	Head Start	<u>49,170</u>
		<u>584,842</u>
	Capital Project Fund:	
	Construction II	<u>1,707,713</u>
	Total due to General Fund	<u>\$2,292,555</u>
Sinking Fund	General Fund	\$ 15,396
Non-Major Funds	General Fund	<u>100,000</u>
	Total payable by General Fund	<u>\$ 115,396</u>

The General Fund is due \$15,190 and the Construction II Fund is due \$892 from the Agency Fund - Sales Tax at June 30, 2004 and is included in the receivables caption in the fund financial statements. The purpose of the interfund receivables and payables is to meet current operational needs and are expected to be repaid within one year, with the exception of the amount due to the Sinking Fund from the General Fund.

NOTE 9 - LONG-TERM OBLIGATIONS

General obligation bonds are direct obligations and pledge the full faith and credit of the School Board. These bonds were issued over the years for the purpose of constructing and acquiring capital assets and are to be repaid by the levy of dedicated ad valorem taxes.

Sales tax bonds are direct obligations and pledge the full faith and credit of the School Board. These bonds were issued for the purpose of making capital improvements to the school system and are payable from the dedication of one-third (1/3) of the special one percent (1%) sales and use tax now being levied and collected in the Parish.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

The following schedule shows the changes in general obligation bonds, sales tax bonds, and certificates of indebtedness, the outstanding balance of the bonds and certificates of indebtedness at June 30, 2004 and the total future interest due on the bonds:

<u>Bond Type</u>	<u>Date of Issuance</u>	<u>Authorized and Issued</u>	<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Interest To Maturity</u>
<u>General Obligation Bonds</u>						
Refunding Series 1995	8/1/95	\$ 7,100,000	5.00 - 5.20	3/1/10	\$ 3,530,000	\$ 669,250
Refunding Series 1998	9/1/98	6,975,000	3.65 - 4.75	3/1/12	4,800,000	660,021
Refunding Series 2001	4/1/01	3,690,000	4.00 - 4.55	3/1/14	3,575,000	995,715
Refunding Series 2003	1/1/03	8,850,000	2.00 - 3.25	3/1/09	7,390,000	701,238
Series 2002	10/1/02	5,000,000	3.35 - 7.00	3/1/22	<u>4,710,000</u>	<u>2,174,770</u>
Total General Obligation Bonds					<u>24,005,000</u>	<u>5,200,994</u>
<u>Sales Tax Bonds</u>						
Series 2001	4/1/01	1,000,000	5.75%	4/1/21	970,000	601,737
<u>Certificates of Indebtedness</u>						
QZAB Series 2000	8/3/00	3,500,000	N/A	9/1/10	2,450,000	N/A
Series 2003	6/10/03	400,000	0.1 - 3.4%	6/1/06	<u>270,000</u>	<u>9,200</u>
Total Bonds and Certificates of Indebtedness					<u>\$ 27,695,000</u>	<u>\$ 5,811,931</u>

Bond principal and interest payable in the next fiscal year is \$4,608,418. Interest paid and bank charges in the current fiscal year on general obligation bonds and sales tax bonds amounted to \$1,115,915.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

At June 30, 2004, the School Board accumulated \$1,156,723 in the Debt Service Fund for the future retirement of General Obligation Bonds.

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2004, the statutory limit is \$84,847,445 resulting in a legal debt margin of \$24,005,000.

The School Board is in compliance with all significant limitations and restrictions as set forth in the individual bond indentures.

Annual debt service to maturity is as follows:

<u>Fiscal Year</u>	<u>Principal and Interest</u>	<u>Interest</u>	<u>Principal</u>
2005	\$ 4,608,417	\$ 1,018,417	\$ 3,590,000
2006	4,612,397	897,397	3,715,000
2007	4,505,753	775,753	3,730,000
2008	4,509,490	639,490	3,870,000
2009	4,755,908	500,908	4,255,000
2010-2014	6,411,952	1,056,107	5,355,845
2015-2019	2,590,232	801,077	1,789,155
2020-2024	<u>1,512,782</u>	<u>122,782</u>	<u>1,390,000</u>
	<u>\$33,506,931</u>	<u>\$ 5,811,931</u>	<u>\$27,695,000</u>

Prior Years' Defeasance of Debt

On February 25, 1987, the School Board issued \$10,408,597 in General Obligation Bonds with interest yields between 4.8% and 6.8% to advance refund the callable portion (\$10,900,000) of a \$15,000,000 outstanding 1984 Series bond issue with interest rates of 10% to 12%. The School Board placed sufficient proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old debt. Accordingly, the trust account assets and the liability for the defeased debt are not included in the School Board's financial statements. At June 30, 2004, the balance of the defeased portion of the bonds was \$25,000.

On August 1, 1995, the School Board issued \$7,100,000 of General Obligation School Bonds, Series 1995A and 1995B, the proceeds of which were used to refund the School Board's revenue bonds, Series ST-1979 and ST-1988, and Sales Tax School Bonds Series 1992, and to improve

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

or construct lands, buildings, playgrounds, and other school related facilities. The ST-1979 bonds were called and the outstanding defeased amounts of ST-1988 Bonds and Sales Tax School Bonds Series 1992 were \$980,000 and \$1,685,000, respectively, as of June 30, 2004. The trust account assets and the liability for these defeased bonds are not included in the School Board's general-purpose financial statements.

On September 1, 1998, the School Board issued \$6,975,000 in General Obligation Refunding Bonds with interest rates ranging between 3.65% and 4.75%. The School Board issued the bonds to advance refund \$6,410,000 of the outstanding series 1992 General Obligation School Bonds with interest rates ranging between 6.25% and 6.5%. The School Board used the net proceeds to purchase U.S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the refunded portion of the 1992 series bonds. As a result, that portion of the 1992 series bonds is considered defeased, and the School Board has removed the liability from its accounts. At June 30, 2004, the balance of the defeased portion of the bonds was \$4,705,000.

On April 1, 2002, the School Board issued \$3,690,000 in General Obligation Refunding Bonds to advance refund \$3,385,000 of outstanding General Obligation School Bonds, Series 1995 with interest rates ranging between 5% and 9%. The School Board used the net proceeds to purchase U. S. Government Securities. These securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service on the refund portion of the 1995 Series Bonds. As a result, that portion of the 1995 Series Bonds is considered defeased, and the School Board has removed the liability from its accounts. At June 30, 2004, the balance of the defeased portion of the bonds was \$3,385,000.

General Long-Term Obligations

The following is a summary of the changes to general long-term obligations for the year ended June 30, 2004:

	<u>Compensated Absences</u>	<u>Total Bonded Debt</u>	<u>Total</u>
Balance at June 30, 2003	\$ 1,890,397	\$ 31,115,000	\$33,005,397
Additions	177,976	-	177,976
Deductions - payments and retirements	<u>(112,738)</u>	<u>(3,420,000)</u>	<u>(3,532,738)</u>
Balance at June 30, 2004	<u>\$ 1,955,635</u>	<u>\$ 27,695,000</u>	<u>\$29,650,635</u>

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 9 - LONG-TERM OBLIGATIONS (CONTINUED)

The deductions-payments and retirements are reflected in the Statement of Revenues Expenditures and Changes in Fund Balances. The deduction in compensated absences of \$112,738 is included in payroll which is allocated among all the functions. The bond and note principal payments totaling \$3,420,000 are included under the caption "Principal Retirement".

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2004:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Total</u>
Current portion	\$ 3,590,000	\$ 250,000	\$ 3,840,000
Long-term portion	<u>24,105,000</u>	<u>1,705,635</u>	<u>25,810,635</u>
Total	<u>\$27,695,000</u>	<u>\$ 1,955,635</u>	<u>\$29,650,635</u>

The current portion of the compensated absences is based on an average of amounts used in previous periods.

NOTE 10 - INTERFUND TRANSFERS

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount</u>
General Fund	Capital Project Fund II	\$ 1,707,713

The Capital Project Fund II is used to account for the proceeds of a one-third of one percent sales and use tax dedicated to capital acquisition and improvements. The above transfer represents the amount not needed for that purpose.

NOTE 11 - RISK MANAGEMENT

The School Board is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The School Board established a self-insurance program recorded in the General Fund to account for and finance its uninsured risk of loss as described below. No claim settlements in the past three years exceeded insurance coverage. Premiums are paid by the General Fund. Other funds are charged at the time of occurrence of the claim payment. The amounts of claim liabilities that are accrued are based on data as provided by a third party administrator.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 11 - RISK MANAGEMENT (CONTINUED)

Workers' Compensation Insurance

The School Board has a self-insurance program for workers' compensation whereby the School Board is exposed to losses relating to any potential claim for up to \$200,000 per occurrence and \$1,000,000 in the aggregate. The General Fund reports the claims' expenditures and liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The claims liability at June 30, 2004 totaled \$418,212.

The School Board has two certificates of deposit totaling \$275,000, which are held in trust at a local bank for the Office of Worker's Compensation as collateral for potential claims against the School Board. These certificates are included in investments.

General Liability and Automobile Insurance

As of June 30, 2004, the School Board is insured for up to \$3,000,000 or \$1,000,000 per occurrence. The amount of the insurance deductible is \$250,000 per occurrence with no limit in aggregate, for public entity general liability and automobile (fleet) liability. The claims liability at June 30, 2004 totaled \$327,122.

The changes in claims liability amounts were as follows for the years ended June 30, 2003 and 2004:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payments and Claims</u>	<u>Balance at End of Fiscal Year</u>
Workers' compensation:				
2003	\$ 243,174	\$ 720,792	\$ 535,124	\$ 428,842
2004	428,842	1,011,580	890,281	550,141
Property damage and automotive liability:				
2003	\$ 477,046	\$ 341,393	\$ 491,317	\$ 327,122
2004	327,122	555,772	555,772	327,122
Total:				
2003	\$ 720,220	\$1,062,185	\$1,026,441	\$ 755,964
2004	755,964	1,567,352	1,446,053	877,263

Changes in estimates are included in general administration expenditures.

There were no significant reductions in insurance coverage during the year.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 12 - DEFINED BENEFIT PENSION 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 a separate board of trustees. Pertinent information, as required by the Governmental Accounting Standards Board Statement No. 27, relative to each plan is as follows:

Teachers' Retirement System of Louisiana (TRS)

Plan description - The School Board participates in two membership plans of the TRS, the Regular Plan and Plan B. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123 or by calling (225) 925-6446.

Funding policy - Plan members are required to contribute 8.0 percent and 5.0 percent of their annual covered salary for the Regular Plan and Plan B, respectively. The School Board is required to contribute at an actuarially determined rate. The current rate is 13.8 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 provided by remittances from the School Board and by deductions from local ad valorem taxes.

The School Board's contributions to the TRS for the years ended June 30, 2004, 2003 and 2002 were \$3,643,569, \$3,139,875 and \$2,942,906, respectively, equal to the required contributions for each year.

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 (225) 925-6484.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 12 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Funding Policy - Plan members are required to contribute 7.5 percent of their annual covered salary, and the School Board is required to contribute at an actuarially determined rate. The current rate is 8.5 percent of annual covered payroll. Member 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 remittances from the School Board.

The School Board's contributions to the LSERS for the years ended June 30, 2004, 2003 and 2002 were \$165,384, \$4,945 and \$0, respectively, equal to the required contributions for each year. For the year ended June 30, 2002 no School Board contributions were required by the LSERS.

NOTE 13 - POST-RETIREMENT HEALTH CARE BENEFITS

The School Board provides certain continuing health care and life insurance benefits for its retired employees as provided by Louisiana Revised Statute (LSA-R.S.) 17:1223. 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. These benefits for retirees and similar benefits for active employees are provided through a private insurer, whose monthly premiums are paid jointly by the employee and the School Board. The School Board recognizes the cost of providing these benefits (School Board's portion of premiums) as expenditures when the monthly healthcare benefit premiums are due. In 2004, healthcare benefit premiums totaled \$4,286,917, which represents the School Board's portion. Also included in the total amount is the cost of retiree benefits totaling \$1,364,086 for 375 retirees. The School Board has a continuing future obligation for life insurance and health care benefits for retired teachers and noninstructional employees and their dependents. This future liability is not funded but will be payable by the General Fund out of future years' operations. Although estimated by management that this future liability is significant, current generally accepted accounting principles do not require the School Board to reflect this liability in the financial statements. Except for one-half of the dependent coverage, no contributions are required by the retirees to help finance these future benefits and at the present time, up to one-half of the premiums is paid by the State of Louisiana.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 14 - CHANGE IN AGENCY DEPOSITS DUE OTHERS

A summary of changes in deposits due others is as follows:

	<u>School Activity</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Balance at beginning of year	\$ 228,994	\$ 4,281	\$ 233,275
Additions	1,756,007	23,323,974	25,079,981
Deductions	<u>(1,741,469)</u>	<u>(23,305,653)</u>	<u>(24,976,800)</u>
Balance at end of year	<u>\$ 243,532</u>	<u>\$ 22,602</u>	<u>\$ 336,456</u>

NOTE 15 - EXPENDITURES - BUDGET AND ACTUAL

Actual expenditures over appropriations at the functional level are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Head Start - Current			
Instructional:			
Special education programs	\$ 950,209	\$1,015,950	\$ (65,741)
Capital Outlay	-	140,000	(140,000)
Title I			
General Administration	583,671	840,644	(256,973)
School Lunch			
Food Services	2,685,944	2,810,823	(124,879)

NOTE 16 - LITIGATION AND CONTINGENCIES

At June 30, 2004, the School Board was a defendant in various 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 the estimate, if any, of the amount or range of potential claims and lawsuits that have been categorized into "probable," "reasonably possible", or "remote," as defined by the GASB Codification C50. The School Board's "reasonably possible" loss contingencies at June 30, 2004 for which an amount of liability can be estimated at approximately \$100,000, not including the possible loss contingencies disclosed below. No potential liability is recorded in the accompanying financial statements for "reasonably possible" loss contingencies.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
June 30, 2004

NOTE 16 - LITIGATION AND CONTINGENCIES (CONTINUED)

A class action petition has been filed against the School Board on June 25, 2004 for alleged toxic mold infestation at the Glade School located in LaPlace, Louisiana. An initial physical inspection of the School indicates that mold exists throughout the entire structure. Should the plaintiffs be able to prove that toxic mold existed and that the mold injured students, the assessment of the potential claimants would be able to establish specific causation and a resulting medical condition, the potential liability could exceed \$150,000 per person. With 700 potential claimants the damages could exceed \$100 million. As of the date of this report, no depositions have been taken to analyze the medical proof provided by the plaintiffs to establish medical causation. As such, it is not possible to effectively estimate the amount and likelihood of the damages and no potential liability has been recorded in the accompanying financial statements.

A former employee filed a suit against the School Board on February 10, 2004 for violations of the Fair Labor Standards Act (FLSA). Specifically, the complainant, a custodial supervisor, asserted that he was not paid overtime for hours worked above his regular rate of pay. The defense of the suit involves an extensive voluntary review of payroll records, union contracts and manual time records. The suit could potentially be a collective action and the damages will depend on the number of employees who were paid incorrectly. The estimate of possible damages is between \$500 and \$50,000. However, the evaluation of the payroll records is not completed. As such, it is not possible to effectively estimate the amount and likelihood of the damages and no potential liability has been recorded in the accompanying financial statements.

Amounts of claims classified as "probable" have been accrued as claims payable, as explained in Note K. It is the opinion of the School Board, after conferring with legal counsel for the School Board, that the potential claims against the School Board not covered by self-insurance reserves and commercial insurance would not materially affect its financial statements.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally by the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School Board expects such amounts, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

PART II

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS WITH LEGALLY
ADOPTED BUDGETS**

GENERAL FUND

To account for resources traditionally associated with the School Board which are not required legally or by sound financial management to be accounted for in another fund.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

School Lunch/Breakfast Fund

The School Lunch/Breakfast Fund accounts for the operation of the school food service programs in the parish school system during the regular school term. The basic goals of the school food service programs are to serve nutritionally adequate, attractive, and moderately-priced meals, to help children grow socially, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically-fit adults.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive/ (Negative)
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 3,802,478	\$ 3,937,683	\$ 3,757,869	\$ (179,814)
Sales and use	10,010,992	10,351,734	10,621,588	269,854
Interest earnings	260,000	65,000	66,767	1,767
Other	426,141	514,350	599,236	84,886
Total local sources	<u>14,499,611</u>	<u>14,868,767</u>	<u>15,045,460</u>	<u>176,693</u>
State sources:				
Minimum Foundation Program	25,511,404	26,724,913	26,574,913	(150,000)
Other	1,565,592	1,616,964	1,792,845	175,881
Total state sources	<u>27,076,996</u>	<u>28,341,877</u>	<u>28,367,758</u>	<u>25,881</u>
Federal sources	<u>3,136,357</u>	<u>3,259,829</u>	<u>2,348,248</u>	<u>(911,581)</u>
Total revenues	<u>44,712,964</u>	<u>46,470,473</u>	<u>45,761,466</u>	<u>(709,007)</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	19,268,885	19,881,193	19,383,416	497,777
Special programs	9,260,796	9,654,111	9,009,748	644,363
Vocational programs	368,632	313,207	230,232	82,975
All other programs	2,146,046	2,824,595	2,217,325	607,270
Support services:				
Student services	2,138,157	2,237,951	2,255,778	(17,827)
Instructional staff support	908,545	922,029	885,864	36,165
General administration	1,490,869	1,700,215	1,774,332	(74,117)
School administration	3,084,519	3,185,088	3,092,221	92,867
Business services	538,936	550,835	504,407	46,428
Plant services	4,535,006	4,560,006	4,290,454	269,552
Student transportation services	2,746,888	2,685,621	2,551,378	134,243
Central services	739,559	784,348	661,365	122,983
Capital outlay	944,545	313,660	130,072	183,588
Debt Service				
Principal Retirement	531,000	531,000	490,000	41,000
Interest and Bank Charges	1,000	1,000	54,877	(53,877)
Total expenditures	<u>48,703,383</u>	<u>50,144,858</u>	<u>47,531,469</u>	<u>2,613,389</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(3,990,419)</u>	<u>(3,674,385)</u>	<u>(1,770,003)</u>	<u>1,904,382</u>

Continued

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
For the Year Ended June 30, 2004**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive/ (Negative)
OTHER FINANCING SOURCES (Uses)				
Proceeds from bonds and certificates of indebtedness	-	-	-	-
Transfers in	1,738,266	1,797,526	1,707,713	(89,813)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>1,738,266</u>	<u>1,797,526</u>	<u>1,707,713</u>	<u>(89,813)</u>
NET CHANGES IN FUND BALANCE	<u>(2,252,153)</u>	<u>(1,876,859)</u>	<u>(62,290)</u>	<u>1,814,569</u>
FUND BALANCE - BEGINNING OF YEAR	<u>3,752,898</u>	<u>3,221,787</u>	<u>4,122,349</u>	<u>900,562</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,500,745</u>	<u>\$ 1,344,928</u>	<u>\$ 4,060,059</u>	<u>\$ 2,715,131</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
LUNCH/BREAKFAST SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2004**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES				
Food Services	\$ 185,500	\$ 185,500	\$ -	\$ 185,500
Interest on cash and investments	4,000	4,000	3,667	333
Other local sources	25,470	25,470	225,981	(200,511)
State equalization	115,000	115,000	150,000	(35,000)
Grants	2,151,666	2,343,977	2,257,756	86,221
Total revenues	<u>2,481,636</u>	<u>2,673,947</u>	<u>2,637,404</u>	<u>36,543</u>
EXPENDITURES				
Food services	2,476,475	2,685,944	2,716,045	(30,101)
Capital Outlay	25,000	20,000	-	20,000
Total expenditures	<u>2,501,475</u>	<u>2,705,944</u>	<u>2,716,045</u>	<u>(10,101)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(19,839)</u>	<u>(31,997)</u>	<u>(78,641)</u>	<u>(46,644)</u>
OTHER FINANCING SOURCES (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(19,839)</u>	<u>(31,997)</u>	<u>(78,641)</u>	<u>(46,644)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>85,751</u>	<u>113,015</u>	<u>121,054</u>	<u>8,039</u>
FUND BALANCE AT END OF YEAR	<u>\$ 65,912</u>	<u>\$ 81,018</u>	<u>\$ 42,413</u>	<u>\$ (38,605)</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NON-MAJOR FUNDS DESCRIPTIONS**

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

Improving America's Schools Act (Title I) Fund

Title I is a program to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging state and local content standards and to meet the challenging state and local performance standards developed for all children.

Head Start Fund

Project Head Start is a program to provide comprehensive health, educational, nutritional, social, and other services primarily to economically disadvantaged preschool children and their families and to involve parents in activities with their children so that the children will attain overall social competence.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2004

	<u>Special Revenue</u>			Debt Service Fund	Total Non-major Governmental Funds
	Improving America's Schools Act (Title I)	Head Start	Total		
ASSETS					
Cash and cash equivalents	\$ 211,252	\$ -	\$ 211,252	\$ 3,559	\$ 214,811
Investments	-	-	-	-	-
Receivables	264,232	315,626	579,858	-	579,858
Interfund receivables	-	-	-	100,000	100,000
TOTAL ASSETS	\$ 475,484	\$ 315,626	\$ 791,110	\$ 103,559	\$ 894,669
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries, and other payables	\$ 140,500	\$ 266,456	\$ 406,956	\$ -	\$ 406,956
Interfund payables	334,984	49,170	384,154	-	384,154
Total Liabilities	475,484	315,626	791,110	-	791,110
Fund balances:					
Reserved for :					
Debt service	-	-	-	103,559	103,559
Total Fund Balances	-	-	-	103,559	103,559
TOTAL LIABILITIES AND FUND BALANCES	\$ 475,484	\$ 315,626	\$ 791,110	\$ 103,559	\$ 894,669

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2004**

	<u>Special Revenue</u>			Debt Service Fund	Total Non-major Governmental Funds
	Improving America's Schools Act (Title I)	Head Start	Total		
REVENUES					
Local sources:					
Interest earnings	\$ -	\$ -	\$ -	\$ 1	\$ 1
Total Local Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Federal Sources	<u>1,940,811</u>	<u>1,242,938</u>	<u>3,183,749</u>	<u>-</u>	<u>3,183,749</u>
TOTAL REVENUES	<u>1,940,811</u>	<u>1,242,938</u>	<u>3,183,749</u>	<u>1</u>	<u>3,183,750</u>
EXPENDITURES					
Current:					
Instruction:					
Special programs	1,100,167	1,015,950	2,116,117	-	2,116,117
General administration	840,644	86,988	927,632	-	927,632
Capital outlay	<u>-</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>	<u>140,000</u>
Total expenditures	<u>1,940,811</u>	<u>1,242,938</u>	<u>3,183,749</u>	<u>-</u>	<u>3,183,749</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-	1	1
OTHER FINANCING SOURCES (Uses)	-	-	-	-	-
NET CHANGES IN FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,558</u>	<u>103,558</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,559</u>	<u>\$ 103,559</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - FINAL BUDGET AND ACTUAL
For the Year Ended June 30, 2004**

Improving America's Schools Act (Title I) Fund

	Final Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Grants	\$ 2,001,546	\$ 1,940,811	\$ (60,735)
Total revenues	<u>2,001,546</u>	<u>1,940,811</u>	<u>(60,735)</u>
EXPENDITURES			
Special education programs	1,417,875	1,100,167	317,708
General Administration	583,671	840,644	(256,973)
Total expenditures	<u>2,001,546</u>	<u>1,940,811</u>	<u>60,735</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (Uses)	-	-	-
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR (Budgetary Basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
For the Year Ended June 30, 2004**

Head Start Special Revenue Fund

	Final Budget	Actual	Variance Positive/ (Negative)
REVENUES			
Grants	\$ 1,079,462	\$ 1,242,938	\$ 163,476
Total revenues	<u>1,079,462</u>	<u>1,242,938</u>	<u>163,476</u>
EXPENDITURES			
Special education programs	950,209	1,015,950	(65,741)
General Administration	129,253	86,988	42,265
Capital Outlay	-	140,000	(140,000)
Total expenditures	<u>1,079,462</u>	<u>1,242,938</u>	<u>(163,476)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES (Uses)	-	-	-
EXCESS (Deficiency) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-
FUND BALANCE AT END OF YEAR (Budgetary Basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FIDUCIARY TYPE FUNDS - AGENCY FUNDS

Agency Funds account for assets held by an entity as an agent for individuals, private organizations, other governments, and/or other entity's funds.

School Activity Fund

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

Sales Tax Fund

The Sales Tax Fund accounts for the collection and distribution of St. John the Baptist Parish's four and one-half percent sales and use tax. Two and one-quarter percent is dedicated to the St. John the Baptist School Board and two percent is dedicated to the St. John the Baptist Parish Council and one-quarter percent is dedicated to the St. John the Baptist Parish Sheriff's Department.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 COMBINING STATEMENT OF FIDUCIARY ASSETS
 AND LIABILITIES - ALL AGENCY FUNDS
 June 30, 2004**

	School Activity Fund	Sales Tax Fund	Total
Assets			
Cash and Cash Equivalents	\$ 243,532	\$ 146,502	\$ 390,034
Total assets	\$ 243,532	\$ 146,502	\$ 390,034
Liabilities			
Accounts Payable	\$ -	123,900	\$ 123,900
Due to other funds	-	16,758	16,758
Due to St. John the Baptist Parish Council	-	5,844	5,844
Amounts held for school activities	243,532	-	243,532
Total Liabilities	\$ 243,532	\$ 146,502	\$ 390,034

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES - ALL AGENCY FUNDS
June 30, 2004**

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
School Activity Fund				
Assets:				
Cash and cash equivalents	\$ 228,994	\$ 1,756,007	\$ 1,741,469	\$ 243,532
Total Assets	<u>\$ 228,994</u>	<u>\$ 1,756,007</u>	<u>\$ 1,741,469</u>	<u>\$ 243,532</u>
Liabilities:				
Amounts held for school activities	\$ 228,994	\$ 1,756,007	\$ 1,741,469	\$ 243,532
Total liabilities	<u>\$ 228,994</u>	<u>\$ 1,756,007</u>	<u>\$ 1,741,469</u>	<u>\$ 243,532</u>
Sales Tax Fund				
Assets:				
Cash and cash equivalents	\$ 720,893	\$ 22,862,968	\$ 23,437,359	\$ 146,502
Due from others	-	-	-	-
Total assets	<u>\$ 720,893</u>	<u>\$ 22,862,968</u>	<u>\$ 23,437,359</u>	<u>\$ 146,502</u>
Liabilities:				
Accounts payable	\$ 716,612	\$ -	\$ 592,712	\$ 123,900
Due to other funds	2,379	14,379	-	16,758
Due to St. John the Baptist Parish Council	1,902	3,942	-	5,844
Total liabilities	<u>\$ 720,893</u>	<u>\$ 18,321</u>	<u>\$ 592,712</u>	<u>\$ 146,502</u>
Total Agency Fund				
Assets:				
Cash and Cash equivalents	\$ 949,887	\$ 24,618,975	\$ 25,178,828	\$ 390,034
Due from others	-	-	-	-
Total assets	<u>\$ 949,887</u>	<u>24,618,975</u>	<u>25,178,828</u>	<u>\$ 390,034</u>
Liabilities:				
Accounts payable	\$ 716,612	\$ -	\$ 592,712	\$ 123,900
Due to other funds	2,379	14,379	-	16,758
Due to St. John the Baptist Parish Council	1,902	3,942	-	5,844
Amounts held for school activities	228,994	1,756,007	1,741,469	243,532
Total liabilities	<u>\$ 949,887</u>	<u>\$ 1,774,328</u>	<u>\$ 2,334,181</u>	<u>\$ 390,034</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 AGENCY FUND
 SCHEDULE OF CHANGES IN DEPOSIT BALANCES
 OF INDIVIDUAL SCHOOLS
 For the Year Ended June 30, 2004**

SCHOOL ACTIVITY AGENCY FUND

	BALANCE JULY 1, 2003	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2004
East St. John High School	\$ 68,249	\$ 583,847	\$ 559,980	\$ 92,116
East St. John Elementary School	(876)	158,281	150,091	7,314
Fifth Ward Elementary School	1,652	81,155	47,064	35,743
Garyville/Mt. Airy Magnet School	15,989	108,685	121,894	2,780
Glade Middle School	21,569	73,972	91,108	4,433
John L. Ory School	19,020	111,417	118,926	11,511
LaPlace Elementary School	30,905	191,963	197,248	25,620
Leon Godchaux Junior High School	7,498	16,987	24,410	75
St. John Child Development Center	5,426	22,207	23,765	3,868
St. John Redirection	-	-	-	-
West St. John Elementary School	18,350	98,004	92,636	23,718
West St. John High School	41,212	309,489	314,347	36,354
Total	\$ 228,994	\$ 1,756,007	\$ 1,741,469	\$ 243,532

Note: Balances and activity appear consistent with prior year. Waive further investigation.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
 SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
 For the Year Ended June 30, 2004**

Board Member	Compensation
John Crose	\$ 1,600
Clarenc G. Triche	8,000
Lowell Bacas	9,600
Dowie L. Gendron	9,600
Gerald J. Keller, President	10,800
Felix A. LeBouef	9,600
Elexia Henderson	6,640
Russ Wise	9,600
Leroy Mitchell, Sr.	3,600
Russel Jack	6,000
Matthew J. Ory	9,600
Patrick Sanders, Vice President	9,600
Philip Johnson	9,600
Charles J. Watkins	9,600
Keith Jones	1,600
	<hr/>
Total	\$ 115,040
	<hr/> <hr/>

STATISTICAL SECTION

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

General School System Expenditures by Function
(Government Fund Types)

For fiscal years 1995-2004
(Unaudited)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Regular instruction	\$ 10,203,665	\$ 12,704,702	\$ 12,402,483	\$ 13,979,704	\$ 14,111,066	\$ 14,901,078	\$ 16,039,096	\$ 18,998,683	\$ 19,235,094	\$ 19,383,416
Special and other instruction	5,173,903	7,557,749	8,402,594	9,155,123	9,822,415	10,363,866	10,576,157	11,832,485	13,581,503	13,573,422
Student services	1,080,444	1,350,419	1,326,368	1,292,121	1,446,566	1,639,798	1,741,314	2,056,314	2,327,705	2,255,778
Instructional staff support	633,029	563,676	555,884	508,605	703,919	608,421	723,510	860,060	902,685	885,864
General administration	7,644,768	1,984,899 (3)	2,040,724	2,111,622	2,376,203	1,915,471	2,021,632	2,110,712	2,302,185	2,701,964
School administration	1,365,723	1,782,060	1,631,725	1,945,856	2,190,151	2,320,811	2,345,395	2,901,066	3,067,715	3,092,221
Business services	405,355	449,564	427,347	437,483	519,767	535,237	484,756	522,299	536,433	504,407
Plant services	2,867,019	3,022,902	2,920,762	3,235,099	3,348,187	3,522,430	3,938,280	4,225,366	4,404,193	4,290,454
Student transportation	1,374,347	1,752,127	1,780,582	1,994,489	1,990,453	1,909,054	2,104,433	2,201,936	2,278,526	2,551,378
Central services	162,764	184,127	233,326	266,181	292,444	446,909	509,471	711,889	802,084	661,365
Food services	2,258,364	2,180,632	2,195,400	2,360,526	2,189,081	2,207,221	2,356,982	2,323,708	2,535,049	2,810,823
Community services	545,187	-	-	-	-	-	-	-	-	-
Unrealized market loss on investm	432,507 (2)	-	-	-	-	-	-	-	-	-
Capital outlay	10,799,921 (1)	4,202,899	1,122,621	1,242,193	1,928,712	3,782,197	4,674,779	3,523,714	4,246,788	2,654,829
Debt service	3,820,862	5,855,216	4,367,088	4,438,334	4,446,044	4,568,495	4,418,515	4,071,645	4,637,655	4,540,801
Total expenditures	\$ 48,767,858	\$ 43,590,972	\$ 39,406,904	\$ 42,967,340	\$ 45,365,008	\$ 48,720,188	\$ 51,934,320	\$ 56,339,877	\$ 60,857,615	\$ 59,906,722

(1) Increase as a result of capital bonds' project activity.

(2) Unrealized market losses were included as a direct offset to fund balance prior to 1995, rather than being recorded as expenditures.

(3) Beginning in 1996, all benefits previously included in general administration were charged to the respective line items.

Source: Basic Financial Statements

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

System Revenue by Source

For fiscal years 1995-2004
(Unaudited)

General Fund Revenues by Source

Fiscal Year	Local	State	Federal	Total
1995	\$ 10,226,923	\$ 16,851,182	\$ 736,702	\$ 27,814,807
1996	10,641,569	16,851,420	1,596,132	29,089,121
1997	11,320,459	18,380,380	1,336,645	31,037,484
1998	12,421,319	19,727,283	1,602,356	33,750,958
1999	12,926,094	21,231,701	1,828,849	35,986,644
2000	12,488,992	21,982,140	2,757,423	37,228,555
2001	14,884,407	24,469,155	2,639,685	41,993,247
2002	15,323,194	25,058,935	2,492,439	42,874,568
2003	13,928,367	27,267,529	2,287,875	43,483,771
2004				

Government Fund Types Revenues by Source (1)

Fiscal Year	Local	State	Federal	Total
1995	\$ 15,586,646	\$ 16,891,308	\$ 4,414,485	\$ 36,892,439
1996	16,536,179	16,951,420	5,567,547	39,055,146
1997	16,977,870	18,530,380	5,676,048	41,184,298
1998	18,197,816	19,927,283	5,716,580	43,841,679
1999	18,875,195	21,406,453	5,943,704	46,225,352
2000	18,144,443	22,132,140	7,088,581	47,365,164
2001	21,011,674	24,619,155	69,880,704	115,511,533
2002	21,400,165	25,158,935	7,207,188	53,766,288
2003	19,792,031	27,442,999	7,108,106	54,343,136
2004	21,217,674	28,517,758	7,884,531	57,619,963

Source: Basic Financial Statements

(1) Includes General Fund Revenues by Source

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Property Tax Levies and Collections
For fiscal years 1995-2004
(Unaudited)

<u>Fiscal Year</u>	<u>Millage</u>	<u>Property</u>	<u>Tax Levy</u>	<u>Collected</u>	<u>Uncollected</u>
1995	46.87 (2)	136,998,150	6,470,532	6,289,292	181,240
1996	46.87 (2)	142,052,255	6,657,989	6,650,084	7,905
1997	46.81 (3)	144,625,776	6,769,933	6,714,751	55,182
1998	46.59 (4)	148,375,059	6,912,794	6,787,216	125,578
1999	46.59 (4)	148,261,680	6,907,512	6,701,392	206,120
2000	46.59 (4)	151,865,752	7,075,425	6,796,680	278,745
2001	46.59 (4)	159,492,723	7,430,766	7,273,261	157,505
2002	46.59 (4)	171,895,276	8,008,601	7,891,406	117,195
2003	46.59 (4)	172,014,720	8,014,166	7,408,380	605,786
2004	46.59 (4)	174,976,645	8,152,162	8,021,233	130,929
References:					
General Fund	22.72	22.69	22.47		
Debt Service	<u>24.15</u>	<u>24.12</u>	<u>24.12</u>		
	<u>46.87 (2)</u>	<u>46.81 (3)</u>	<u>46.59 (4)</u>		
Recap of Tax Millage Per \$1,000 of Assessed Value					

Table 4

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Assessed Valuations

For fiscal years 1995-2004
(Unaudited)

<u>Fiscal Year</u>	<u>Number of Taxpayers</u>	<u>Value of Land</u>	<u>Value of Other Property</u>	<u>Amount of Homestead Exemption</u>	<u>Assessed value Taxable Property</u>
1995	48,065	\$ 18,959,568	\$ 172,676,580	\$ 53,583,374	\$ 138,052,774
1996	39,734	19,504,377	177,332,846	54,784,968	142,052,255
1997	39,203	20,303,993	180,155,195	55,833,412	144,625,776
1998	38,924	21,038,935	184,608,740	57,272,616	148,375,059
1999	38,924	21,790,320	185,335,562	58,864,202	148,261,680
2000	38,931	23,007,164	189,528,144	60,669,556	151,865,752
2001	42,447	23,843,894	198,599,230	62,950,401	159,492,723
2002	52,981	25,119,581	211,659,719	64,884,024	171,895,276
2003	51,675	25,698,735	213,311,804	66,995,819	172,014,720
2004	22696	26,291,242	216,130,028	67,444,625	174,976,645

Source: St. John the Baptist Parish Assessor's Office.

Table 5

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Assessed and Estimated Actual Value of
Taxable Property

For fiscal years 1995 - 2004
(Unaudited)

<u>Fiscal Year</u>	<u>Total Assessed Value</u>	<u>Estimated Assessment Ratio</u>	<u>Total Estimated Actual value</u>
1995	\$ 191,636,148	0.145	\$ 1,321,628,607
1996	196,837,223	0.145	1,357,498,090
1997	200,459,188	0.145	1,382,477,159
1998	205,647,675	0.145	1,418,259,828
1999	207,125,882	0.145	1,428,454,359
2000	212,535,308	0.145	1,465,760,745
2001	222,443,124	0.145	1,534,090,510
2002	236,779,300	0.145	1,632,960,690
2003	239,010,539	0.145	1,648,348,545
2004	242,421,270	0.145	1,671,870,828

Table 6

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Ratio of Net General Bonded Debt to Assessed Value
 and Net Bonded Debt Per Capita

For fiscal years 1995-2004
 (Unaudited)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Estimated population*	43,360	43,764	44,168	44,572	44,976	45,380	43,044	43,978	44,748	45,531
Assessed value of taxable property	\$138,052,774	\$142,052,255	\$144,625,776	\$148,375,059	\$148,261,680	\$151,865,752	\$159,492,723	\$171,895,276	\$172,014,720	\$174,976,645
Gross bonded debt	\$ 30,865,969 (2)	\$ 38,027,248	\$ 35,905,000	\$ 33,605,000	\$ 31,720,000	\$ 29,155,000	\$ 26,770,000	\$ 24,415,000	\$ 26,935,000	\$ 24,005,000
Less debt service funds	5,034,132 (1)	3,916,942	3,237,858	2,685,445	1,957,421	1,258,391	755,196	1,079,941	986,983	1,037,767
Net bonded debt	\$ 25,831,837	\$ 34,110,306	\$ 32,667,142	\$ 30,919,555	\$ 29,762,579	\$ 27,896,609	\$ 26,014,804	\$ 23,335,059	\$ 25,948,017	\$ 22,967,233
Ratio of net bonded debt to assessed value	18.71% (2)	24.01% (2)	22.59%	20.84%	20.07%	18.37%	16.31%	13.58%	15.08%	13.13%
Net bonded debt per capita	\$ 596 (2)	\$ 779	\$ 740	\$ 694	\$ 662	\$ 615	\$ 604	\$ 531	\$ 580	\$ 504

(1) Valuation of investment securities was changed in 1995.

(2) 1995 amount reflects restatement.

Table 7

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Value of Exempt Industrial Property Under
 10 Year Contracts ⁽¹⁾
 (Unaudited)

1994-2013

<u>Fiscal Year</u>	<u>Number of Applications</u>	<u>Amount</u>
1994-2004	9	17,408,011
1995-2005	10	17,314,961
1996-2006	8	26,801,016
1997-2007	20	47,427,014
1998-2008	11	33,282,755
1999-2009	8	51,325,437
2000-2010	13	37,000,000
2001-2011	16	298,452,533
2002-2012 *	13	858,074,992
2003-2013 *	11	17,827,252

Source: Louisiana Department of Economic Development.

(1) This table reflects the value of the exempt taxes granted to industrial business and when the contracts for the exemptions expire.

* As of the calander year ending.

Table 8

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Parishwide Property Tax Millage
(Per \$1,000 of Assessed Value)

For fiscal years 1995 - 2004
(Unaudited)

Taxing District	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
School constitutional	\$ 3.88	\$ 3.88	\$ 3.87	\$ 3.87	\$ 3.87	\$ 3.87	\$ 3.83	\$ 3.87	\$ 3.87	\$ 3.87
School maintenance	4.80	4.80	4.79	4.57	4.57	4.57	4.52	4.57	4.57	4.57
School construction and improvements	-	-	-	-	-	-	-	-	-	-
Salaries and health care	14.04	14.04	14.03	14.03	14.03	14.03	13.88	14.03	14.03	14.03
School general obligation bonds	24.15	24.15	24.12	24.12	24.12	24.12	23.87	24.12	24.12	24.12
Parishwide	4.25	4.24	4.25	4.24	4.24	4.24	4.20	4.20	4.20	4.20
Parish general obligation bonds	13.50	12.50	13.00	12.80	15.30	16.00	16.00	16.00	16.00	16.00
Street lights	5.00	5.00	4.99	4.99	4.99	4.99	4.94	4.94	4.94	4.94
Courthouse/jail	1.04	1.04	1.04	1.04	1.04	1.04	1.03	1.03	1.03	1.03
Library	7.31	7.31	7.30	9.99	9.99	9.99	9.90	9.90	9.90	9.90
Public health unit	1.07	1.00	1.00	1.00	1.00	1.00	0.99	0.99	0.99	0.99
Public improvement bonds	-	0.50	-	-	-	-	-	-	-	-
Public land and buildings	-	-	-	-	-	-	-	-	-	-
Parishwide sewerage	-	-	-	-	-	-	-	-	-	-
Mosquito abatement district	0.50	0.50	0.50	0.50	0.50	0.50	0.49	0.49	0.49	0.49
Public building bonds	-	-	-	-	-	-	-	-	-	-
Assessment district	3.26	3.26	3.26	3.26	3.26	3.26	3.23	3.23	3.23	3.23
Law enforcement	32.16	32.16	32.16	32.16	33.16	33.16	32.81	33.16	33.16	33.16
ARC construction general obligation bonds	0.50	0.50	-	-	-	-	-	-	-	-
Juvenile detention center	1.00	1.00	1.00	1.00	1.01	1.01	1.00	1.00	1.00	1.00
ARC maintenance	0.50	-	0.50	0.50	0.50	0.50	0.49	0.49	0.49	0.49
Senior Citizen Center	1.00	1.00	1.00	1.00	1.00	1.00	0.99	0.99	0.99	0.99
LFC Levee Waterworks District #2	4.36	4.36	4.29	3.29	3.29	3.29	3.23	3.74	4.17	4.17
Pontch. Levee Waterworks District #3	3.89	3.89	3.82	3.82	3.82	3.82	-	-	3.74	3.74
Sew. District #1/Fire District #2	1.25	2.25	2.00	-	-	-	-	-	-	-
Total	\$ 127.46	\$ 127.38	\$ 126.92	\$ 126.18	\$ 129.69	\$ 130.39	\$ 125.40	\$ 126.75	\$ 130.92	\$ 131.43

Source: St. John The Baptist Parish Assessor's Office

Table 9

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Legal Debt Margin

For fiscal years 1995-2004
(Unaudited)

<u>Fiscal Year</u>	<u>Total Assessed Value</u>	<u>Legal Debt Limit</u>	<u>Indebtedness (1)</u>	<u>Legal Debt Margin</u>
1995	\$ 191,636,148	\$ 67,072,652	\$ 33,492,248	\$ 33,580,404
1996	196,837,223	68,893,028	38,170,645	30,722,383
1997	200,459,188	70,160,716	35,905,000	34,255,716
1998	205,647,675	71,976,686	33,605,000	38,371,686
1999	207,125,882	72,494,059	31,720,000	40,774,059
2000	212,535,308	74,387,358	29,155,000	45,232,358
2001	222,443,124	77,855,093	26,770,000	51,085,093
2002	236,779,300	82,872,755	24,415,000	58,457,755
2003	239,010,539	83,653,689	26,935,000	56,718,688
2004	242,421,270	84,847,445	24,005,000	24,005,000

Table 10

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Ratio of Annual Debt Service for
General Bonded Debt to Total Expenditures

For fiscal years 1995 - 2004
(Unaudited)

<u>Fiscal Year</u>	<u>Debt Service Expenditures</u>	<u>Total Expenditures</u>	<u>Ratio</u>
1995	\$ 3,820,862	\$ 48,767,858	0.078
1996	5,855,216	43,590,972	0.134
1997	4,367,088	39,406,904	0.111
1998	4,438,334	42,967,340	0.103
1999	4,446,044	45,365,008	0.098
2000	4,568,495	48,720,188	0.094
2001	4,418,515	51,934,320	0.085
2002	4,071,645	56,339,877	0.072
2003	4,637,655	60,857,615	0.076
2004	4,540,801	59,906,722	0.076

* Includes \$9,470,000 of General Obligation Bonds called on February 1, 1994 and April 1, 1994.

Table 11

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Computation of Direct and Overlapping Bonded Debt-
 General Obligation Bonds
 (Unaudited)

June 30, 2004

<u>Jurisdiction</u>	<u>Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to Government *</u>	<u>Amount Applicable to Government</u>
Direct:			
St. John the Baptist Parish School Board	\$ 24,005,000	100%	\$ 24,005,000
Overlapping:			
St. John the Baptist Parish	<u>25,455,000</u>	100%	<u>25,455,000</u>
	<u>\$ 49,460,000</u>		<u>\$ 49,460,000</u>

* All property within St. John the Baptist Parish must bear the debt of the St. John the Baptist Parish School Board; therefore, all other reporting entities within the Parish fall under the Board's jurisdiction. The computation of the amount of debt applicable to the Board, within the context that such debt will be serviced through levies upon the same properties which the Board taxes, is determined by applying the above percentages to the net amount of debt outstanding.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Property Value, Construction and Bank Deposits

For fiscal years 1995-2004
(Unaudited)

<u>Fiscal Year</u>	<u>Property Value*</u>	<u>Construction - Estimated Value</u>	<u>St. John the Baptist Commercial Bank Deposits</u>
1995	\$ 191,636,148	\$ 39,204,517	\$ 235,800,000 (1)
1996	196,837,223	31,640,972	250,557,000 (1)
1997	200,459,188	54,230,718	237,351,000 (1)
1998	205,647,675	74,089,971	249,530,000 (1)
1999	207,125,882	53,992,289	265,469,000 (1)
2000	212,535,308	64,127,840	281,048,000 (1)
2001	222,443,124	344,970,394	283,241,000 (1)(2)
2002	236,779,300	926,831,150	283,608,000 (1)(2)
2003	239,010,539	891,228,892	Not available (1)(2)
2004	242,421,270	52,118,341	Not available (1)(2)

* Total assessed value

(1) Source: Federal Deposit Insurance Corporation (FDIC)

(2) During this year, two of the largest industrial companies in the Parish had substantial renovations.

Table 13

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Principal Property Taxpayers

June 30, 2004
(Unaudited)

Taxpayer	<u>2003 Assessed Valuation</u>	<u>2003 Percentage of Assessed Valuation</u>
Marathon Oil Company	\$ 65,778,265	27.13%
E. I. Dupont DeNemours & Co.	8,929,199	3.68%
Entergy Louisiana, Inc.	4,273,840	1.76%
Dupont Dow	4,078,821	1.68%
Nalco Chemical Co.	3,998,901	1.65%
Louisiana Machinery Co., Inc.	3,486,795	1.44%
Bayou Steel Corp.	3,204,862	1.32%
Pinnacle Polymers Company	3,195,501	1.32%
Reserve Telephone	2,836,320	1.17%
Hibernia National Bank	<u>2,560,943</u>	<u>1.06%</u>
	<u>\$102,343,447</u>	<u>42.22%</u>

Table 14

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Average Daily Attendance and Membership

For fiscal years 1995-2004
(Unaudited)

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Percentage of Attendance</u>	<u>Percentage of Absence</u>
1994-1995	6,973	6,663	95.60%	4.40%
1995-1996	6,937	6,444	92.90%	7.10%
1996-1997	6,818	6,368	93.40%	6.60%
1997-1998	6,746	6,414	95.08%	4.92%
1998-1999	6,545	6,150	93.96%	6.04%
1999-2000	6,495	6,093	93.81%	6.19%
2000-2001	6,493	6,096	93.96%	6.04%
2001-2002	6,396	6,002	93.84%	6.16%
2002-2003	6,360	5,920	93.08%	6.92%
2003-2004	6,418	6,027	93.91%	6.09%

Source: Annual Financial and Statistical Report

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Demographic Statistics

For fiscal years 1995-2004
(Unaudited)

<u>Fiscal Year</u>	<u>Unemployment Rate (4)</u>	<u>Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Public School Enrollment</u>	<u>Public High School Graduates</u>	<u>Percentage of Graduating Seniors Going on to College</u>	<u>Expenditures Per Student (3)</u>	<u>Pupil/Teacher Ratio</u>
1995	10.40%	40,806 *	\$ 15,136	7,089	271	28.41%	\$ 4,801	16.33:1
1996	10.80%	43,764	17,299	7,043	241	35.27%	4,840	15.27:1
1997	9.50%	44,168	18,016	6,915	299	32.10%	4,983	14.81:1
1998	7.10%	42,260	19,553	6,765	293	31.93%	5,841	15.03:1
1999	7.00%	44,976	20,480	6,698	331	21.45%	5,929	15.22:1
2000	9.20%	45,380	21,242	6,646	311	27.97%	6,303	15.42:1
2001	6.60%	43,044	- **	6,563	348	45.87%	6,661	14.75:1
2002	6.90%	43,978	- **	6,310	327	29.66%	7,885	13.84:1
2003	8.90%	44,748	- **	6,400	310	30.00%	8,302	14.01:1
2004	4.20%	45,531	- **	6,449	301	25.00%	8,289	12.57:1

(1) Source: South Central Planning and Development Commission

(2) Source: Survey of Current Business

(3) General and Special Revenue Fund Expenditures

(4) Source: Department of Labor, reflects unemployment rate for parish

* St. John Public Library for the years 1995 and thereafter

** No data available

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Reserve, Louisiana

Schedule of Insurance Coverage

June 30, 2004
(Unaudited)

<u>Type of Insurance</u>	<u>Amount of Coverage</u>	<u>Policy Period</u>	
		<u>From</u>	<u>To</u>
Property (1)	\$ 92,337,592	9/8/2003	9/8/2004
General liability (2)	1,000,000	9/8/2003	9/8/2004
Fleet liability (3)	1,000,000	9/8/2003	9/8/2004
Buses physical damage (4)	included in fleet	9/8/2003	9/8/2004
EDP (5)	included in property	9/8/2003	9/8/2004
Superintendent Bond (6)	250,000	9/8/2003	9/8/2004
Employee Bonds (6)	200,000	9/8/2003	9/8/2004
Errors and omissions (7)	1,000,000	9/8/2003	9/8/2004
Boiler/machinery (8)	15,000,000	9/8/2003	9/8/2004
Worker's compensation (9)	statutory- aggregate limit-	1,000,000 200,000	9/8/2003 9/8/2004

Details of Coverage:

- (1) This is a package policy for property insurance for buildings, grounds, and contents subject to a \$100,000 per occurrence deductible.
- (2) Comprehensive general/fleet liability subject to a \$250,000 deductible per occurrence deductible
- (3) Comprehensive automobile liability covers owned, hired, and non-owned vehicles subject to same deductibles described above.
- (4) Blanket physical damage property insurance on buses subject to same deductibles described above.
- (5) Data processing equipment property insurance subject to same deductibles described above.
- (6) The Superintendent is bonded with a \$250,000 per occurrence limit subject to no deductible, and all other employees are bonded with a \$200,000 per occurrence limit subject to no deductible.
- (7) School Board legal liability with a \$5,000 per loss deductible. All employees are covered.
- (8) Blanket property insurance coverage on boilers, machinery and fixed pressure vessels with a \$5,000 per loss deductible.
- (9) The St. John the Baptist School Board is a member of a self-insurance workers' compensation pool. Excess insurance is purchased and covers all losses in excess of \$200,000 per individual loss with an aggregate limit of \$1,000,000 per policy period.

SCHEDULES REQUIRED BY STATE LAW

(R.S. 24:514 - PERFORMANCE AND STATISTICAL DATA)

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

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

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures,
- Total General Fund Equipment Expenditures,
- Total Local Taxation Revenue,
- Total Local Earnings on Investment in Real Property,
- Total State Revenue in Lieu of Taxes,
- Nonpublic Textbook Revenue, and

- Nonpublic Transportation Revenue.

No exceptions were noted.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals and Full-time Classroom Teachers” to the combined total number of full-time classroom teachers per this schedule and to School Board supporting payroll records as of October 1, 2003.

No exceptions were noted.

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

No exceptions were noted.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2003 and as reported on the schedule. We traced a random sample of 25 teachers to the employee’s personnel file and determined that the employee’s education level was properly classified on the schedule.

No exceptions were noted.

Number and Type of Public Schools (Schedule 3)

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

No exceptions were noted.

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

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2003 and as reported on the schedule and traced the same sample used in procedure 4 to the employee’s personnel file and determined that the employee’s experience was properly classified on the schedule.

No exceptions were noted.

Public Staff Data (Schedule 5)

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

No exceptions were noted.

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

The School Board's computer system calculated the average salaries but the School Board was unable to provide the detail information supporting this calculation. Therefore, this procedure was not performed.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2003 roll books for those classes and determined that the class was properly classified on the schedule.

No exceptions were noted.

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

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

No exceptions were noted.

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

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

No exceptions were noted.

The IOWA Test (Schedule 9)

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

No exceptions were noted.

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

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

Rebowe & Company

Metairie, Louisiana
October 15, 2004

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2004

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 18,329,266	
Other Instructional Staff Activities	63,145	
Employee Benefits	6,366,129	
Purchased Professional and Technical Services	35,737	
Instructional Materials and Supplies	1,094,304	
Instructional Equipment	80,966	
Total Teacher and Student Interaction Activities	<u>25,969,547</u>	\$ 25,969,547

Other Instructional Activities

-

Pupil Support Activities

2,155,778

Less: Equipment for Pupil Support Activities

-

Net Pupil Support Activities

2,155,778

Instructional Staff Services

889,589

Less: Equipment for Instructional Staff Services

3,725

Net Instructional Staff Services

885,864

Total General Fund Instructional Expenditures

\$ 29,011,189

Total General Fund Equipment Expenditures

\$ 84,691

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 647,214
Renewable Ad Valorem Tax	3,110,655
Debt Service Ad Valorem Tax	4,033,794
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	5,773,367
Sales and Use Taxes	5,077,791
Total Local Taxation Revenue	<u>\$ 18,642,821</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	800
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	<u>\$ 800</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 63,840
Revenue Sharing - Other Taxes	132,628
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	14,244
Total State Revenue in Lieu of Taxes	<u>\$ 210,712</u>

Nonpublic Textbook Revenue

\$ 103,563

Nonpublic Transportation Revenue

\$ 124,773

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Education Levels of Public School Staff
As of October 1, 2003

Schedule 2

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	3	0.66%	-	0.00%	-	0.00%	-	NA
Bachelor's Degree	322	70.31%	38	92.68%	-	0.00%	-	NA
Master's Degree	99	21.62%	3	7.32%	19	70.37%	-	NA
Master's Degree + 30	33	7.21%	-	0.00%	7	25.93%	-	NA
Specialist in Education	1	0.22%	-	0.00%	-	0.00%	-	NA
Ph. D. or Ed. D.	-	0.00%	-	0.00%	1	3.70%	-	NA
Total	458		41		27		-	

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Number and Type of Public Schools
For the Year Ended June 30, 2004

Schedule 3

Type	Number
Elementary	7
Middle/Jr. High	1
Secondary	2
Combination	1
Total	11

Note: Schools opened or closed during the fiscal year are included in this schedule.

Disclosure: We only tested schools which offered a curriculum higher than Kindergarten and did not exceed the twelfth grade level.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2003

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	4	1	10	0	0	0	0	15
Principals	1	2	9	0	0	0	0	12
Classroom Teachers	129	89	94	34	40	18	95	499
Total	134	92	113	34	40	18	95	526

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Public School Staff Data
For the Year Ended June 30, 2004

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$ 37,802.97	*
Average Classroom Teachers' Salary Excluding Extra Compensation	\$ 37,394.39	*
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	470.10	*

* Not available

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation.

Disclosure: Information was obtained from the Data Verification Report for the 2003-2004 school year.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Class Size Characteristics
As of October 1, 2003

School Type	Class Size Range											
	1 - 20		21 - 26		27 - 33		34+					
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	30.5	130	54	230	15.5	66	0	0				
Elementary Activity Classes	23.2	13	57.1	32	16.1	9	3.6	2				
Middle/Jr. High	75.4	49	4.6	3	20	13	0	0				
Middle/Jr. High Activity Classes	63.6	7	18.2	2	18.2	2	0	0				
High	35.8	160	32.4	145	31.8	142	0	0				
High Activity Classes	42	21	14	7	24	12	20	10				
Combination	100	18	0	0	0	0	0	0				
Combination Activity Classes	100	1	0	0	0	0	0	0				

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

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2004

Schedule 7

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	12	2%	6	1%	8	2%	9	2%	13	3%	5	1%
Proficient	83	15%	63	14%	46	9%	46	8%	45	10%	28	6%
Basic	230	43%	187	42%	194	40%	209	39%	198	45%	154	32%
Approaching Basic	119	22%	106	24%	158	32%	141	26%	96	22%	158	32%
Unsatisfactory	96	18%	79	18%	81	17%	137	25%	90	20%	143	29%
Total	540		441		487		542		442		488	

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	0	0%	2	0%	0	0%	2	0%	1	0%	1	0%
Proficient	31	6%	19	4%	29	7%	24	5%	9	2%	16	4%
Basic	127	25%	102	24%	108	27%	189	38%	129	30%	138	35%
Approaching Basic	194	39%	157	37%	145	37%	170	34%	150	35%	112	29%
Unsatisfactory	148	30%	147	34%	111	28%	113	23%	138	32%	123	32%
Total	500		427		393		498		427		390	

* Not available

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2004

Schedule 8

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	1	0%	2	1%	0	0%	5	1%	9	2%	5	1%
Proficient	30	7%	19	5%	21	5%	19	4%	34	9%	14	3%
Basic	125	30%	150	39%	129	30%	136	30%	125	32%	124	26%
Approaching Basic	102	25%	104	27%	132	30%	92	20%	74	19%	89	19%
Unsatisfactory	156	38%	113	29%	153	35%	209	45%	150	38%	248	52%
Total	414		388		435		461		392		480	

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2001	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	0	0%	1	0%	1	0%	0	0%	0	0%	0	0%
Proficient	17	5%	16	5%	15	4%	10	3%	9	3%	11	3%
Basic	92	26%	86	27%	87	25%	151	42%	120	36%	128	36%
Approaching Basic	103	29%	97	30%	106	30%	95	26%	99	31%	109	31%
Unsatisfactory	147	41%	123	38%	146	41%	103	29%	100	30%	106	30%
Total	359		323		355		359		328		354	

* Not available

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD

Schedule 9

The IOWA Tests

For the Year Ended June 30, 2004

	Composite		
	2004	2003	2002
Test of Basic Skills (ITBS)			
Grade 3	50	48	39
Grade 5	51	46	40
Grade 6	40	38	41
Grade 7	45	37	36
Tests of Educational Development (ITED)			
Grade 9	42	41	41

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same or better than 72 percent of the students in the norm group.

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
Reserve, Louisiana**

**INDEPENDENT AUDITOR'S REPORTS
AND INFORMATION REQUIRED BY THE
SINGLE AUDIT ACT AMENDMENTS OF 1996
AND
*GOVERNMENT AUDITING STANDARDS***

For the Year Ended June 30, 2004

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REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

CONSULTANTS

A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **St. John the Baptist Parish School Board** (the "School Board"), as of and for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated October 15, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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 opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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, which we have reported to management of the School Board in a separate letter dated October 15, 2004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 04-1. We also noted certain immaterial instances of noncompliance that we have reported to management of the School Board in a separate letter dated October 15, 2004.

This report is intended solely for the information and use of the Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Reboue & Company

October 15, 2004

REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

Compliance

We have audited the compliance of **St. John the Baptist 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, 2004. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the 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 auditing standards generally accepted in the United States of America; 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 of 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, 2004. However, the results of our auditing procedures disclosed one instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 04-2.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the 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 the 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 caused by error or fraud 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of and for the year ended June 30, 2004, and have issued our report thereon dated October 15, 2004. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Reboue & Company

October 15, 2004

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2004**

	<u>Pass-Through Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture: Passed-through Louisiana Department of Agriculture and Forestry - Food Distribution	-	10.550	\$ 71,644
Passed-through Louisiana Department of Education: National Breakfast Program *	-	10.553	524,110
National School Lunch Program (Sections II & IV) *	-	10.555	<u>1,662,002</u>
Total United States Department of Agriculture			<u>2,257,756</u>
United States Department of Health and Human Services: Direct Program – Administration for Children, Youth and Families – Head Start *	-	93.600	1,242,938
Passed-through Louisiana Department of Education: Prevention Health Services – Medicaid	-	N/A	58,647
Passed-through Louisiana Department of Family Support: Starting Points Preschool Program	0438-48	93.558	<u>61,205</u>
Total United States Department of Health and Human Services			<u>1,362,790</u>

(Continued)

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2004**

	<u>Pass-Through Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
United States Department of Education: Passed-through Louisiana Department of of Education:			
Adult Education (ABE):			
2003 ABE Basic	0444-48	84.002A	\$ 51,209
2003 ABE Corrections	0444-48	84.002A	<u>15,666</u>
			<u>66,875</u>
Improving America's Schools Act - Title I:			
2002 Title I Carryover	02-T1-48C	84.010A	78,351
2003 Title I	03-T1-48	84.010A	439,708
2003 Title I Carryover	03-T1-48C	84.010A	213,490
2004 Title I	04-T1-48	84.010A	<u>1,209,261</u>
			<u>1,940,810</u>
Special Education:			
IDEA Part B	04-B1-48	84.027	1,148,403
Preschool	04-P1-48	84.173	<u>136,215</u>
			<u>1,284,618</u>
Vocational Education:			
Carl Perkins	0402-48	84.048	114,828
Workforce Investment Act	STJOHN 14-03-00	17.225	47,649
2003 Pre-GED/Skills Option Program – TANF	280436-48	93.558	<u>30,415</u>
			<u>192,892</u>

(Continued)

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2004**

	<u>Pass-Through Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Title II – Part A Teacher Quality			
2002 Title II Carryover	02-50-48C	84.281A	\$ 14,248
2003 Title II	03-50-48	84.281A	25,164
2003 Title II Carryover	28-50-48C	84.281A	151,596
2004 Title II	04-50-48	84.367A	<u>252,673</u>
			<u>443,681</u>
Title III – Student Influx 2004	03-S3-48	84.365A	3,469
Title III – Student Influx 2004	04-S3-48	84.365A	6,428
Enhancing Education through Technology - Title II Part D	0449-4	84.318X	38,268
Enhancing Education through Technology Title II Part D	0349-48	84.318X	<u>22,471</u>
			<u>70,636</u>
Title IV - Drug-Free Schools and Communities 2003 - Carryover	03-70-48C	84.186A	15,950
Title IV - Drug-Free Schools and Communities 2004	04-70-48	84.186A	<u>32,107</u>
			<u>48,057</u>
Title V – Innovative Education Program Strategies 2003	03-80-48	84.298.A	3,522
Title V – Innovative Education Program Strategies 2004	04-80-48	84.298.A	<u>57,009</u>
			<u>60,531</u>
Title VI Class Size Reduction	02-01-48C	84.340A	<u>33,181</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2004**

	<u>Pass-Through Number</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Passed-through St. Charles Parish School Board Small Learning Communities	-	-	<u>\$ 27,926</u>
Total United States Department of Education			<u>4,169,207</u>
Total Expenditures of Federal Awards			<u>\$7,789,753</u>

* - Major Program

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
RESERVE, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2004**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. John the Baptist Parish School Board (the "School Board"). The School Board reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2004. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed-through other government agencies.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2004. The value of noncash assistance is the fair value of the noncash items used during the year. Any received but unused commodities are reflected as deferred revenue until used.

NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal financial assistance revenues are reported in the School Board's basic financial statements as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
From federal sources	<u>\$2,348,248</u>	<u>\$5,441,505</u>	<u>\$7,906,040</u>

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SUMMARY OF AUDITOR'S RESULTS AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2004**

A. SUMMARY OF AUDITORS' RESULTS

1. The Auditor's report expresses an unqualified opinion on the basic financial statements of the St. John the Baptist Parish School Board (the "School Board").
2. No reportable conditions in internal control over financial reporting relating to the audit of the basic financial statements are reported in the *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
3. One instance of noncompliance material to the basic financial statements of the School Board is reported in the *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
4. No reportable conditions in internal control relating to the audit of major federal award programs are reported in the *Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133*.
5. The Auditor's report on compliance for the major federal award programs for the School Board expresses an unqualified opinion.
6. The Auditor's reports disclosed one finding that is required to be reported under Section 510(a) of OMB Circular A-133.
7. A management letter dated October 15, 2004 was issued for the year ended June 30, 2004.
8. The programs tested as major programs include:

	<u>CFDA No.</u>
Head Start	93:600
School Breakfast	10:553
National School Lunch	10:555
9. The threshold for distinguishing between type A and type B programs was \$500,000.
10. The School Board was determined to be a low-risk auditee.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SUMMARY OF AUDITORS' RESULTS AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2004**

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

Finding 04-1 SCHOOL ACCOUNT RECORDS (REPEAT FINDING)

Criteria:

Louisiana Revised Statute 17:414 states that Principals must review and sign reconciled bank statements.

Effect:

The Principals are not in compliance with Louisiana Revised Statute 17:414.

Cause:

The Principals are not reviewing and signing the reconciled bank statements.

Recommendation

We recommend that the School Board emphasize the need for Principals to review the bank statements and bank reconciliations and sign the reconciled bank statement.

Response:

See Management's Corrective Action Plan for their response.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

Finding 04-2 TIME DOCUMENTATION (REPEAT FINDING)

Criteria:

In accordance with OMB Circular A-87, Attachment B paragraph 11.h.3, an employee whose compensation is funded solely from a single cost objective must furnish semi-annual certifications that they have been engaged solely in activities supported by the applicable source.

In accordance with OMB Circular A-87, Attachment B paragraph 11.h.4, an employee paid in part from a single cost objective, and in part with funds from other revenue sources, must maintain time and effort distribution records documenting the portion of time and effort dedicated to (1) the single cost objective, and (2) each program or other cost objective supported by the other revenue sources.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SUMMARY OF AUDITORS' RESULTS AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
For the Year Ended June 30, 2004

Effect:

As noted in our previous year, the School Board's Title I and Special Education IDEA B programs were not in compliance with the criteria referred to above.

During the current fiscal year, the Business Department created a program that flags federal employees. The certifications were sent out to supervisors and a checklist is generated to track the return of the certification form. The Special Education program returned the form to the Business Department and is in compliance with the requirement. However, no other federal program is in compliance with the requirement.

Cause:

Grant documentation does not mention a specific requirement for furnishing certifications or maintaining time and effort records.

Recommendation:

We recommend that the respective supervisors increase their efforts to comply with this regulation by returning the forms referred to above to the Business Department as well as including a copy of these documents in the respective employee's personnel file. Both the certificate and personnel activity report should be used by all employees whose compensation is funded by federal programs.

Response:

See Management's Corrective Action Plan for their response.

ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2004

SECTION I FINDINGS RELATED TO FINANCIAL STATEMENT AUDIT

Finding 03-1: SCHOOL ACCOUNT RECORDS (REPEAT FINDING) Unresolved. See finding 04-1

SECTION II FINDINGS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

Finding 03-2: TIME DOCUMENTATION Unresolved. See finding 04-2

SECTION III OBSERVATIONS REPORTED IN THE MANAGEMENT LETTER

OBSERVATION 03-1: TRAVEL EXPENSES Unresolved. See Observation 04-1

OBSERVATION 03-2: FIXED ASSETS Unresolved. See Observation 04-2

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2004**

Finding 04-1 – School Account Records

Recommendation:

We recommend that the School Board emphasize the need for Principals to review the bank statements and bank reconciliations and sign the reconciled bank statement.

Corrective Action:

The management of the School Board concurs with the recommendation and will communicate the requirement to all of the Principals.

Implementation Date:

January 31, 2005

Contact:

Felix K. Boughton, CPA, Director of Finance (985) 536-1106

Finding 04-2 - Time Documentation

Recommendation:

We recommend that the School Board create a certificate and personnel activity report to maintain documentation of employee time and effort. Both the certificate and personnel activity report should be used by all employees whose compensation is funded by federal programs.

Corrective Action:

The Finance Director has corresponded with the respective program directors, providing guidance on maintaining time and effort distribution records documenting the portion of time and effort dedicated to (1) the single cost objective, and (2) each program or other cost objective supported by the other revenue sources. The School Board will continue to emphasize the need to comply with these documentation requirements. Certificates will be furnished semi-annually to all employees whose compensation is funded solely from a single cost objective.

Implementation Date:

January 31, 2005

Contact:

Herbert Smith, Title I Director (985) 536-1106
Diane Brown, Special Education Director (985) 652-7583
Josie Clement, Head Start Director (985) 536-1106

**ST. JOHN THE BAPTIST PARISH
SCHOOL BOARD
RESERVE, LOUISIANA**

MEMORANDUM OF ADVISORY COMMENTS

For the Year Ending June 30, 2004

Contact: Felix Boughton
Executive Director of Finance
(985) 536-1106

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REBOWE & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS
A PROFESSIONAL CORPORATION

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October 15, 2004

Members of the
St. John the Baptist Parish School Board
Reserve, Louisiana

We have audited the basic financial statements of the St. John the Baptist Parish School Board (the "School Board") for the year ended June 30, 2004 and have issued our report thereon dated October 15, 2004. As part of our audit, we considered the School Board's internal control over financial reporting in order to determine the nature, timing and extent of our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal control and operating efficiency. The memorandum that accompanies this letter summarizes our observations and recommendations regarding these matters. We previously reported on the School Board's internal control in a separately issued report entitled *Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* dated October 15, 2004. This letter does not affect our report dated October 15, 2004 on the financial statements of the School Board.

We will review the status of these matters during our next audit engagement. We have discussed our recommendations with management of the School Board and have included their Corrective Action Plan. We will be pleased to discuss these recommendations with you in further detail at your convenience, perform any additional analysis of these matters, or assist you in implementing our recommendations.

Sincerely,

Rebowe & Company

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
OBSERVATIONS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN
June 30, 2004**

OBSERVATION 04-1: TRAVEL EXPENSES (REPEAT FINDING)

We reviewed travel expenses incurred by the Superintendent and Board Members for the fiscal year ending June 30, 2004. We observed no improprieties and travel expenses appeared reasonable. Further, the accounting procedures for travel expenses appear adequate to monitor compliance with the State of Louisiana general travel regulations. However, we observed that expenditures incurred on the School Board Member's credit cards in excess of the allowable amounts permitted by the travel regulations are not reimbursed to the School Board on a timely basis. Some of these unpaid invoices are over six months old.

RECOMMENDATION

The School Board should implement a procedure that will ensure that the business purpose is consistently documented on all travel expenses. Allowable travel expenses incurred in excess of the amounts allowed in the travel regulations and personal travel expenses, charged to the credit card should be paid to the School Board timely after the transaction occurs. Further, all unpaid amounts should be paid promptly by the respective School Board members.

CORRECTIVE ACTION PLAN

Implementation Date – January 31, 2005

Person Responsible – Felix Boughton, Executive Director of Finance, (985) 536-1106.

Action Planned - We concur with the observation and recommendation. We will notify School Board members to pay any unpaid invoices and to timely repay any future amounts. Further, we will implement a new procedure, whereby, the business purpose of all travel and entertainment expenses will be documented.

OBSERVATION 04-2: FIXED ASSETS (REPEAT FINDING)

We observed several instances in which the Principal/Site Administrator did not report fixed asset deletions and/or transfers in a timely manner. Further, we observed several instances where fixed asset inventory tags were provided but the asset was not tagged, thus making it difficult to match the fixed asset accounting records to the fixed asset. During the fiscal year, school site personnel were given online access to the fixed asset inventory system. This access is limited to transferring assets from room to room. It should be noted that none of the noted exceptions exceeded the School Board's capitalization threshold. Therefore, these exceptions have no impact on the financial statements.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
OBSERVATIONS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN (CONTINUED)
June 30, 2004**

RECOMMENDATION

We recommend that management re-emphasize the need for school personnel to report deletions and/or transfers and apply inventory tags timely. The online access to the fixed asset inventory system should simplify the process of recording transfers from room to room.

CORRECTIVE ACTION PLAN

Implementation Date: January 31, 2005

Person Responsible: Felix Boughton, Executive Director of Finance, (985) 536-1106

Action Planned – We concur and will re-emphasize the need to maintain an updated fixed assets listing.

OBSERVATION 04-3: CONTROLS OVER STUDENT ACTIVITY FUNDS

Approximately \$8,500 was stolen from West St. John High after its October 31, 2003 football game. The money was placed in the vault after the game. The money was reported missing the following Monday and a police report was filed. The Student Activity Fund Accounting Manual (the “Manual”) requires that cash be deposited daily.

RECOMMENDATION

Had the cash been deposited in the bank’s night deposit box after the football game, in accordance with the Manual, the risk of theft would have been reduced significantly. We recommend that the School Board reemphasize the need to follow the procedures established in the Manual.

CORRECTIVE ACTION PLAN

Implementation Date: January 31, 2005

Person Responsible: Felix Boughton, Executive Director of Finance, (985) 536-1106

Action Planned – We concur and will re-emphasize the need to follow the procedures listed in the Student Activity Fund Accounting Manual.

OBSERVATION 04-4: GASB STATEMENT NO. 40

Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3* is effective for the fiscal year ending June 30, 2005. This Statement addresses deposit and investment risks related to credit risks,

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
OBSERVATIONS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN (CONTINUED)
June 30, 2004**

concentration of credit risks and interest rate risks. The Statement requires the following financial statement disclosures:

- Investments that have fair values that are highly sensitive to changes in interest rates.
- Deposit and investment policies related to the risks identified.
- Eliminates the disclosures generally referred to as Category 1 and 2 deposits and investments and focuses on Category 3 investments, deposits and investment securities that are uninsured or uncollateralized and not in the government's name.
- Modifies the level-of-detail disclosure requirements of Statement 3.

RECOMMENDATION

Management should become familiar with this new accounting standard so that it can plan to properly implement it.

CORRECTIVE ACTION PLAN

Implementation Date: June 30, 2005

Person Responsible: Felix Boughton, Executive Director of Finance, (985) 536-1106

Action Planned – We concur and will implement the new accounting standard for the fiscal year ending June 30, 2005.

OBSERVATION 04-5: GASB STATEMENT NO. 45

In June 2004, the Governmental Auditing Standards Board (GASB) issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*. This Statement generally requires state and local governmental employers to account and report the annual cost of other post employment benefits (OPEB) based on actuarially determined amounts.

Financial statements generally do not report the financial statement effects of OPEB until the promised benefits are paid. As a result, this Statement improves financial reporting by requiring accrual-basis measurement and recognition of OPEB cost (expense) over a period of time that approximates the employees' years of service and provides information about actuarial accrued liabilities associated with OPEB and status of funding the plan.

Based on an actuarial valuation, any net OPEB obligations should be reported as liabilities in the government-wide financial statements. Similarly, net OPEB obligations associated with proprietary or fiduciary funds from which contributions are made should be reported as liabilities in the financial statements of those funds.

**ST. JOHN THE BAPTIST PARISH SCHOOL BOARD
OBSERVATIONS, RECOMMENDATIONS, AND
CORRECTIVE ACTION PLAN (CONTINUED)
June 30, 2004**

In addition to recording a liability in the financial statements, there are also disclosure requirements regarding the plans in which the employer participates, funding policies, the actuarial valuation process, and the extent to which the plan has been funded.

The School Board will be required to comply with this new accounting standard for its fiscal year ending June 30, 2009.

RECOMMENDATION

The School Board should become familiar with this new accounting standard so that it can implement it by its effective date.

CORRECTIVE ACTION PLAN

Implementation Date: June 30, 2009

Person Responsible: Felix Boughton, Executive Director of Finance, (985) 536-1106

Action Planned – We concur and will plan to implement the new statement for the fiscal year ending June 30, 2009.