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ST. MARTIN PARISH SCHOOL BOARD

St. Martinville, Louisiana

Financial Report

Year Ended June 30, 2004

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Release Date 1-19-05

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INDEPENDENT AUDITORS' REPORT

* A Professional Accounting Corporation

Ms. E. R. Valerie Haaga, Superintendent
and Members of the St. Martin Parish
School Board
St. Martinville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Martin 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 St. Martin Parish 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 the 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 and cash flows, where applicable, thereof 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 November 18, 2004 on our consideration of the School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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The budgetary information on pages 45 through 46 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Board has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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 other supplementary information on pages 48 through 72 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the schedules required by state law are presented for purposes of additional analysis, and are also not a required part of the financial statements of the School Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 18, 2004

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Statement of Net Assets
June 30, 2004

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 6,299,265
Investments	23,289,133
Receivables, net	253,847
Due from other governmental agencies	2,524,790
Inventories	169,208
Other current assets	36,031
Restricted assets:	
Cash and interest-bearing deposits	128,572
Capital assets, net	<u>42,879,382</u>
 TOTAL ASSETS	 <u>75,580,228</u>
LIABILITIES	
Salaries and payroll tax liabilities	6,332,578
Insurance claims payable	1,599,018
Other payables	2,089,085
Deferred revenue	541,729
Interest payable	504,339
Long-term liabilities:	
Due within one year	3,156,291
Due in more than one year	<u>33,101,280</u>
 TOTAL LIABILITIES	 <u>47,324,320</u>
NET ASSETS	
Invested in capital assets, net of related debt	9,679,836
Restricted for:	
Salaries and benefits	2,695,442
Workers' compensation	500,000
Inventory	169,208
Capital expenditures/incomplete contracts	5,025,312
Debt service	968,440
Unrestricted	<u>9,217,670</u>
 TOTAL NET ASSETS	 <u>\$ 28,255,908</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Statement of Activities
For the Year Ended June 30, 2004

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets Governmental Activities
Governmental activities:					
Instruction:					
Regular education programs	\$ 22,438,900	\$ -	\$ 714,406	\$ -	\$ (21,724,494)
Special education programs	6,756,147	-	554,119	-	(6,202,028)
Vocational education programs	1,254,538	-	138,112	-	(1,116,426)
Other instructional programs	1,048,087	-	612,777	-	(435,310)
Special programs	4,665,762	-	4,286,883	-	(378,879)
Adult and continuing education programs	235,470	-	230,993	-	(4,477)
Support services:					
Pupil support services	3,585,110	-	1,784,015	-	(1,801,095)
Instructional staff support	3,162,108	-	910,156	-	(2,251,952)
General administration	977,367	-	1,699	-	(975,668)
School administration	2,885,149	-	-	-	(2,885,149)
Business services	764,331	-	7,418	-	(756,913)
Operation and maintenance of plant services	5,503,108	-	46,615	-	(5,456,493)
Student transportation services	3,958,469	-	13,871	-	(3,944,598)
Central services	636,505	-	-	-	(636,505)
Food services	4,165,496	352,556	2,656,640	-	(1,156,300)
Community service programs	187,125	-	154,872	-	(32,253)
Interest on long-term debt	1,656,895	-	-	-	(1,656,895)
Total governmental activities	<u>\$ 63,880,567</u>	<u>\$ 352,556</u>	<u>\$12,112,576</u>	<u>\$ -</u>	<u>\$ (51,415,435)</u>
Taxes:					
Property taxes, levied for general purposes					1,797,700
Property taxes, levied for debt service					2,641,981
Sales and use taxes					7,913,762
State revenue sharing					271,054
Grants and contributions not restricted to specific programs:					
State source - Minimum Foundation Program					35,191,385
State source - PIPS					181,281
Interest and investment earnings					261,648
Rents, leases and royalties					459,678
Miscellaneous					<u>266,377</u>
Total general revenues					<u>48,984,866</u>
Change in net assets					(2,430,569)
Net assets - July 1, 2003, as restated					<u>30,686,477</u>
Net assets - June 30, 2004					<u>\$ 28,255,908</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Balance Sheet - Governmental Funds
June 30, 2004

	Major Funds				Total Governmental Funds
	General Fund	State and Local Special Revenue Funds	Capital Projects Funds	All Other Non- Major Governmental Funds	
ASSETS					
Cash and interest-bearing deposits	\$ 1,615,662	\$3,001,538	\$ 11,566	\$ 1,035,428	\$ 5,664,194
Investments	16,606,164	-	5,850,411	-	22,456,575
Receivables -					
Rents, leases, royalties	65,753	-	-	-	65,753
Accrued interest	9,952	-	-	13,600	23,552
Due from other funds	2,304,747	356,015	-	121,734	2,782,496
Due from other governmental agencies	51,184	527,530	-	1,946,076	2,524,790
Other receivables	157,699	6,843	-	-	164,542
Inventories, at cost	74,134	95,074	-	-	169,208
Other current assets	4,050	-	-	-	4,050
Total assets	<u>\$ 20,889,345</u>	<u>\$3,987,000</u>	<u>\$ 5,861,977</u>	<u>\$ 3,116,838</u>	<u>\$ 33,855,160</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 622,079	\$ 149,376	\$ -	\$ 217,677	\$ 989,132
Contracts payable	-	-	644,956	-	644,956
Retainage payable	-	-	191,655	-	191,655
Salaries and payroll taxes payable	6,332,578	-	-	-	6,332,578
Claims payable	191,414	-	-	-	191,414
Due to other funds	136,338	580,772	54	1,716,514	2,433,678
Due to other governmental units	-	263,342	-	-	263,342
Deferred revenue	49,734	277,788	-	214,207	541,729
Total liabilities	<u>7,332,143</u>	<u>1,271,278</u>	<u>836,665</u>	<u>2,148,398</u>	<u>11,588,484</u>
Fund balances-					
Reserved for -					
Other purposes	500,000	2,695,442	-	-	3,195,442
Capital expenditures	-	-	5,025,312	-	5,025,312
Debt retirement	-	-	-	968,440	968,440
Total fund balances reserved	<u>500,000</u>	<u>2,695,442</u>	<u>5,025,312</u>	<u>968,440</u>	<u>9,189,194</u>
Unreserved -					
Designated:					
General fund	843,266	-	-	-	843,266
Undesignated, reported in major funds	12,213,936	20,280	-	-	12,234,216
Total fund balances unreserved	<u>13,057,202</u>	<u>20,280</u>	<u>-</u>	<u>-</u>	<u>13,077,482</u>
Total fund balances	<u>13,557,202</u>	<u>2,715,722</u>	<u>5,025,312</u>	<u>968,440</u>	<u>22,266,676</u>
Total liabilities and fund balances	<u>\$ 20,889,345</u>	<u>\$3,987,000</u>	<u>\$ 5,861,977</u>	<u>\$ 3,116,838</u>	<u>\$ 33,855,160</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2004

Total fund balances for governmental funds at June 30, 2004		\$ 22,266,676
Cost of capital assets at June 30, 2004:	\$ 72,767,731	
Less: Accumulated depreciation as of June 30, 2004:		
Buildings	(25,723,840)	
Movable property	<u>(4,164,509)</u>	42,879,382
Elimination of interfund assets and liabilities		
Due from other funds	\$ 2,782,511	
Due to other funds	<u>(2,782,511)</u>	-
Long-term liabilities at June 30, 2004		
Bonds payable	\$ (33,199,546)	
Compensated absences payable	(3,058,025)	
Accrued interest payable	<u>(504,339)</u>	(36,761,910)
Assets and liabilities of Self - Insurance Internal Service Fund		<u>(128,240)</u>
Net assets at June 30, 2004		<u>\$ 28,255,908</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2004

	Major Funds			All Other Non-Major Governmental Funds	Total Governmental Funds
	General Fund	State and Local Special Revenue Funds	Capital Projects Funds		
REVENUES					
Local sources -					
Ad valorem taxes	\$ 1,797,700	\$ -	\$ -	\$ 2,641,981	\$ 4,439,681
Sales taxes	-	7,913,762	-	-	7,913,762
Tuition	63,768	-	-	-	63,768
Interest earnings	174,434	4,130	75,523	7,563	261,650
Rentals, leases, and royalties	459,768	-	-	-	459,768
Income from meals	-	329,013	-	-	329,013
Income from extra sales	-	23,543	-	-	23,543
Contributions and donations	8,183	-	-	-	8,183
Medicaid	83,355	-	-	-	83,355
Kid Med	34,866	-	-	-	34,866
E-rate reimbursements	25,554	-	-	-	25,554
Other miscellaneous revenues	14,968	412	-	-	15,380
State sources -					
Unrestricted grants-in-aid	35,130,229	61,156	-	-	35,191,385
Restricted grants-in-aid	355,167	1,594,550	-	-	1,949,717
Revenue in lieu of taxes	271,054	-	-	-	271,054
Other state revenues	25,691	-	-	-	25,691
Federal sources -					
Restricted grants-in-aid direct	-	-	-	59,349	59,349
Restricted grants-in-aid through the state	-	2,471,058	-	7,638,151	10,109,209
Value of USDA Commodities	-	185,582	-	-	185,582
Total revenues	<u>38,444,737</u>	<u>12,583,206</u>	<u>75,523</u>	<u>10,347,044</u>	<u>61,450,510</u>
EXPENDITURES					
Current:					
Instruction -					
Regular education programs	20,902,249	346,054	-	204,466	21,452,769
Special education programs	5,910,082	38,649	-	515,470	6,464,201
Vocational education programs	1,068,573	-	-	138,112	1,206,685
Other instructional programs	405,778	546,311	-	66,466	1,018,555
Special programs	410,140	124,637	-	3,943,781	4,478,558
Adult and continuing education programs	4,185	20,602	-	202,077	226,864
Support services -					
Pupil support services	1,756,747	421,000	-	1,282,797	3,460,544
Instructional staff services	2,126,385	90,186	-	819,970	3,036,541
General administration	722,148	206,217	-	20,001	948,366
School administration	2,754,685	-	-	-	2,754,685
Business services	727,914	-	-	7,418	735,332
Operation and maintenance of plant	5,628,962	-	-	46,615	5,675,577
Student transportation services	3,729,207	7,111	-	6,760	3,743,078
Central services	614,695	-	-	-	614,695
Food service	-	3,947,037	-	-	3,947,037
Community service programs	21,206	-	-	154,872	176,078
Architect/Engineering Services	-	-	321,037	-	321,037
Construction Services	-	-	4,895,555	-	4,895,555
Building Improvements/Renovate/Remodel	-	-	365,128	-	365,128
Debt service	-	-	-	3,021,478	3,021,478
Total expenditures	<u>46,782,956</u>	<u>5,747,804</u>	<u>5,581,720</u>	<u>10,430,283</u>	<u>68,542,763</u>
Excess (deficiency) of revenues over expenditures	(8,338,219)	6,835,402	(5,506,197)	(83,239)	(7,092,253)
Other financing sources (uses):					
Other sources of funds	9,810,902	759,344	3,920,000	-	14,490,246
Other uses of funds	(1,261,376)	(8,251,968)	-	(306,997)	(9,820,341)
Total other financing sources (uses)	<u>8,549,526</u>	<u>(7,492,624)</u>	<u>3,920,000</u>	<u>(306,997)</u>	<u>4,669,905</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	211,307	(657,222)	(1,586,197)	(390,236)	(2,422,348)
FUND BALANCES, BEGINNING	<u>13,345,895</u>	<u>3,372,944</u>	<u>6,611,509</u>	<u>1,358,676</u>	<u>24,689,024</u>
FUND BALANCES, ENDING	<u>\$ 13,557,202</u>	<u>\$ 2,715,722</u>	<u>\$ 5,025,312</u>	<u>\$ 968,440</u>	<u>\$ 22,266,676</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2004

Total net change in fund balances for the year ended June 30, 2004 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (2,422,348)
Add: Facilities acquisition and construction costs which are considered as expenditures on Statement	5,979,119
Less: Depreciation expense for year ended June 30, 2004	(1,399,413)
Less: Loss on disposal of capital assets	(417)
Add: Bond principal retirement considered as an expenditure on Statement	1,464,092
Less: Excess of compensated absences earned over compensated absences used	(93,349)
Less: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	(19,508)
Less: Net loss of the Self - Insurance Internal Service Funds	(1,938,745)
Less: Bonds issued in fiscal year ended June 30, 2004	<u>(4,000,000)</u>
Total change in net assets for the year ended June 30, 2004 per Statement of Activities	<u>\$ (2,430,569)</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
St.Martinville, Louisiana
Proprietary Funds - Internal Service Funds

Combined Statement of Net Assets
June 30, 2004

ASSETS	
Current Assets:	
Cash and interest-bearing deposits	\$ 418,695
Investment	832,558
Other current assets	<u>31,981</u>
Total assets	<u>\$ 1,283,234</u>
LIABILITIES	
Current Liabilities:	
Claims payable	\$ 1,407,604
Due to other funds	<u>3,870</u>
Total liabilities	1,411,474
NET ASSETS	
Net assets:	
Unrestricted	<u>(128,240)</u>
Total liabilities and net assets	<u>\$ 1,283,234</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
 St. Martinville, Louisiana
 Proprietary Funds - Internal Service Funds

Combined Statement of Revenues, Expenditures and Changes in Fund Net Assets (Deficit)
 Year Ended June 30, 2004

Operating Revenues:	
Charges for services -	
Employer contributions	\$ 5,054,908
Employee contributions	2,993,517
Insurance recoveries	5,600
Other recoveries	<u>42,636</u>
Total operating revenues	<u>8,096,661</u>
Operating Expenses:	
Contractual services	324,295
Premium payments	748,833
Claim payments	<u>8,231,272</u>
Total operating expenses	<u>9,304,400</u>
Operating loss	(1,207,739)
Nonoperating revenue:	
Interest earned	<u>18,994</u>
Net loss	(1,188,745)
Other Financing Use:	
Transfer to other fund	(750,000)
Net assets, beginning	<u>1,810,505</u>
Net deficit, ending	<u>\$ (128,240)</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
 St. Martinville, Louisiana
 Proprietary Funds - Internal Service Funds

Combined Statement of Cash Flows
 Year ended June 30, 2004

Cash flows from operating activities:	
Receipts from customers	\$ 8,164,358
Payments to suppliers	<u>(9,122,255)</u>
Net cash used by operating activities	(957,897)
Cash flows from investing activities:	
Interest on investments	18,994
Cash flows from financing activities:	
Transfer to other fund	<u>(750,000)</u>
Net decrease in cash and cash equivalents	(1,688,903)
Cash and cash equivalents, beginning of period	<u>2,940,156</u>
Cash and cash equivalents, end of period	<u>\$ 1,251,253</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ (1,207,739)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Changes in current assets and liabilities:	
Decrease in accounts receivable	67,697
Increase in payables	<u>182,145</u>
Net cash used by operating activities	<u>\$ (957,897)</u>

(continued)

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana
Proprietary Funds - Internal Service Funds

Combined Statement of Cash Flows (Continued)
Year ended June 30, 2004

Reconciliation of cash and cash equivalents per statement
of cash flows to the balance sheet:

Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits	\$ 2,164,532
Investments, at cost	<u>775,624</u>
Total cash and cash equivalents	<u>2,940,156</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits	418,695
Investments, at cost	<u>832,558</u>
Total cash and cash equivalents	<u>1,251,253</u>
Net decrease	<u>\$ (1,688,903)</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
St.Martinville, Louisiana

Statement of Fiduciary Net Assets
June 30, 2004

	<u>Agency Funds</u>	<u>Private Purpose Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and interest-bearing deposits	\$2,338,780	\$ 39,526	\$2,378,306
Receivables -			
Accrued interest	583	205	788
Due from other funds	<u>15</u>	<u>-</u>	<u>15</u>
Total assets	<u>2,339,378</u>	<u>39,731</u>	<u>2,379,109</u>
LIABILITIES			
Accounts payable	423,835	-	423,835
Due to other funds	344,963	-	344,963
School activity funds payable	1,545,744	-	1,545,744
Due to other governmental units	<u>24,836</u>	<u>-</u>	<u>24,836</u>
Total liabilities	<u>2,339,378</u>	<u>-</u>	<u>2,339,378</u>
NET ASSETS			
Reserved for specific purposes	<u>\$ -</u>	<u>\$ 39,731</u>	<u>\$ 39,731</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
Year Ended June 30, 2004

ADDITIONS	
Interest earnings	\$ 679
Gifts and contributions	<u>8,843</u>
Total additions	<u>9,522</u>
DEDUCTIONS	
Benefits	<u>8,100</u>
Change in net assets	1,422
Net assets - beginning	<u>38,309</u>
Net assets - ending	<u>\$ 39,731</u>

The accompanying notes are an integral part of the basic financial statements.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements

Introduction

The St. Martin Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the children within St. Martin Parish. The School Board is authorized by LSA-R.S. 17:51 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 ten members who are elected from ten districts for terms of four years.

The School Board operates eighteen schools within the parish. 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.

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the St. Martin Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Although the School Board has the option to apply FASB pronouncements issued after that date, the School Board has chosen not to apply said pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed below.

A. Financial Reporting Entity

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

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

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and the statement of activities display information about the School Board, the primary government, as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. The School Board's internal service fund is a governmental activity. Internal service fund activity is eliminated to avoid "doubling up" of revenues and expenses. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Fund financial statements report detailed information about the School Board.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

The various funds of the School Board are classified into three categories: governmental, proprietary, and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the School Board or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The School Board reports the following major governmental funds:

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

The State and Local Special Revenue Funds, which include the School Lunch Fund, the Other State Grants Fund, the Health Centers Fund, and the two Sales Tax Funds, are considered to be a major fund. These funds account for revenues and expenditures related to certain state and local grant and entitlement programs as well as other legally restricted funds.

The Capital Projects Fund, which includes the 1996 Construction Fund and the 2002 Construction Fund, are considered to be a major fund. They are used to account for financial resources to be used for the acquisition or construction of major capital facilities as well as various school improvements.

Additionally, the School Board reports the following fund types:

Nonmajor Special Revenue Funds

The nonmajor special revenue fund types include the Federal Grant Funds (which is comprised of LA-4, IDEA and Preschool, and Other Federal Grants Funds) and the Federal Titles Funds (which is comprised of Title I and Carryover and No Child Left Behind Titles II through VI). These funds account for the revenues and expenditures related to certain federal, state and local grant and entitlement programs.

Debt Service Fund

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

Proprietary Funds -

Proprietary funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. The following is the School Board's proprietary fund type:

Internal Service Funds

The Internal Service Funds (proprietary fund type) are used to account for the accumulation of resources for and the payment of benefits by the School Board's group self-insurance and workers' compensation insurance programs.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues are derived from contributions made from the employer and employees. These revenues are planned to match: (1) expenses of insurance premiums in excess of self-insurance amounts; (2) actual claims and estimated liabilities for claims incurred but not yet reported at year-end, and (3) operating expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fiduciary Funds -

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the School Board. The funds accounted for in this category by the School Board are the agency funds. The agency funds are as follows:

School Activity Fund – accounts for monies generated by the individual schools and organizations within the schools of the parish as well as allocations made by the School Board to individual schools and selected organizations. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

Sales Tax Fund – accounts for the collection and distribution of all sales taxes levied in the parish of St. Martin.

Private-purpose trust funds – accounts for contributions from members of the St. Martin Parish School Board to encourage students of high academic standing and achievement to enter the education profession.

C. Measurement Focus/ Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

Measurement Focus

On the government-wide statement of net assets and the statement of activities, the governmental activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary (internal service) fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

Program revenues

Program revenues included in the Statement of Activities are derived directly from the program itself or 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.

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 is specifically allocated by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means being collectible within the current period or within 60 days after year-end. Expenditures (including facilities acquisition and construction) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (unrestricted grants-in-aid, which include state equalization and state revenue sharing) are recorded when available and measurable. Expenditure-driven federal and state grants, which are restricted as to the purpose of the expenditures, are recorded 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 in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the St. Martin Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits is recorded when earned.

Sales and use tax revenues are recorded in the month collected by the School Board.

Substantially all other revenues are recorded when received.

Expenditures

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

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

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

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

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Other Financing Sources (Uses)

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

Deferred Revenues

Deferred revenues arise when resources are received before the School Board has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures or when tuition is received in advance of the commencement of classes.

In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the Statement of Net Assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the School Board. For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less when purchased.

Investments

Under state law the School Board may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At June 30, 2004, all of the School Board's investments are in LAMP, which are stated at cost. See additional information in Note 4.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Interfund receivables and payables as well as due to and from other funds are eliminated in the Statement of Net Assets.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. The majority of this balance is comprised of federal and state grants.

Inventories

The cost of inventories is recorded as expenditures when consumed rather than when purchased. Reserves are established for an amount equal to the carrying value of inventories.

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

Capital Assets

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets for purposes of the government wide financial statements. For internal purposes, the Board maintains a threshold level of \$1,000.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful life using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20 - 40 years
Furniture and equipment	5 - 15 years

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as facilities acquisition and construction expenditures of the governmental fund upon acquisition.

The School Board does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Amounts expended for such items prior to June 30, 2003 were considered to be part of the cost of buildings and improvements. In the future, if such items are built or constructed, and appear to be material in cost compared to all capital assets, they will be capitalized and depreciated over their estimated useful lives as with all other depreciable capital assets.

Compensated Absences

All twelve month employees earn from ten to fifteen days of vacation leave each year, depending on their length of service with the School Board, which are not credited to the employee until the first day of the year subsequent to the year that vacation was earned. Newly hired employees earn vacation on a pro rata basis. An employee cannot accumulate more than two years of earned vacation. Any excess is lost. Employees are paid for unused vacation (subject to a two year limitation) at the time of resignation.

All twelve month employees earn from twelve to eighteen days of sick leave each year. Teachers and other nine month employees earn ten days of sick leave each year. Sick leave may be accumulated. Upon retirement or death unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers Retirement System, the total unused accumulated sick leave is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the twenty-five days paid, is used in the computation of retirement benefits as earned service. Upon resignation, all sick leave is forfeited.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

Sabbatical leave may be granted for medical reasons and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Due to its restrictive nature, sabbatical leave benefits are recorded as an expenditure in the period paid.

In the government-wide statements, amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt. No expenditure is reported for these amounts.

At June 30, 2004, employees of the School Board have accumulated and vested \$3,058,025 of compensated absence benefits payable. Salary related payments are not accrued since this amount is deemed to be insignificant.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Since the School Board's only Proprietary Fund is the Self-Insurance Internal Service Fund, which has no long-term debt, all School Board long-term debt is used in governmental fund operations.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of general obligation bonds.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources net of the applicable premium or discount and payment of principal and interest reported as expenditures. For fund financial reporting, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

Fund balance reserved for other purposes is comprised of the following:

	General Fund	State and Local Special Revenue Funds	Total
Workers' compensation internal service fund	\$ 500,000	\$ -	\$ 500,000
Salaries and operating expenses (1965 sales tax issue)	-	1,558,062	1,558,062
Salaries and benefits (1990 sales tax issue)	-	1,042,306	1,042,306
Inventory	-	95,074	95,074
	\$ 500,000	\$ 2,695,442	\$ 3,195,442

Fund balance designated is comprised of the following:

Group health internal service fund	\$ 750,000
Health centers	93,266
	\$ 843,266

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

E. Budget Practices

The School Board adopted budgets for the General Fund and the Special Revenue Funds. Budgets are prepared on a modified accrual basis of accounting. All appropriations lapse at year end, and any encumbrances outstanding are included in the next year's budget. Formal budget accounts are integrated into the accounting system as a management control device.

The superintendent of schools and the chief financial officer are authorized to transfer amounts between budgeted line items within any fund. However, any unfavorable variances of revenues or expenditures of five percent or more within a fund must be presented to the School Board for Board action to amend fund budgets. Budgeted amounts included in the accompanying financial statements include the original adopted budgets and all subsequent amendments.

F. Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed by the School Board as an extension of formal budgetary integration in the funds.

G. Revenue Restrictions

The School Board has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Sales taxes	See Note 11
Ad valorem taxes	See Note 5

The School Board uses unrestricted resources only when restricted resources are fully depleted.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(2) Correction of an Error

At June 30, 2003, a liability was accrued at the government-wide level for the extended leave portion of compensated absences. The amount accrued was \$7,990,953 of which approximately \$800,000 pertained to fiscal year ended June 30, 2003. However, extended leave does not meet the criteria for accrual. Therefore, a restatement of net assets at June 30, 2003 is necessary. The error had no effect on current operations.

Net assets at June 30, 2003	\$ 22,695,524
Restatement	<u>7,990,953</u>
Net assets at June 30, 2003, as restated	<u>\$ 30,686,477</u>

(3) Cash and Interest-Bearing Deposits

At June 30, 2004, the School Board has cash and cash equivalents totaling \$8,461,195 as follows:

	Governmental Funds	Fiduciary Funds	Total
Demand deposits	\$ 2,760	\$ 8,347	\$ 11,107
Interest-bearing deposits	6,080,129	2,369,959	8,450,088
Amounts owed to governmental funds	<u>344,948</u>	<u>(344,948)</u>	<u>-</u>
Total	<u>\$ 6,427,837</u>	<u>\$ 2,033,358</u>	<u>\$ 8,461,195</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The following is a summary of deposit balances (bank balances) at June 30, 2004, and the related federal insurance and pledged securities:

Bank balances	\$ <u>9,269,862</u>
Federal insurance	300,319
Pledged securities (category 3)	<u>8,969,543</u>
Total federal insurance and pledged securities	<u>\$ 9,269,862</u>

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the School Board's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

(4) Investment

The School Board can invest in direct debt securities of the United States unless law expressly prohibits such an investment. The School Board's investments are categorized to give an indication of the level of risk assumed by it at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School Board or its agent in the School Board's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the School Board's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the School Board's name.

Investments consist of amounts on deposit with the Louisiana Asset Management Pool (LAMP). An investment in the amount of \$23,289,133 at June 30, 2004 is deposited in LAMP, a local government investment pool. In accordance with GASB Codification Section I50.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. 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 in accordance with LSA-R.S. 33:2955. 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.

Effective August 1, 2001, LAMP's investment guidelines were amended to permit the investment in government-only money market funds. In its 2001 Regular Session, the Louisiana Legislature (Senate Bill No, 512, Act 701) enacted LSA-R.S. 33:2955 (a) (1) (h) which allows all municipalities, parishes, school boards, and any other political subdivisions of the State to invest in "Investment grade (A-1/P-1) commercial paper of domestic United States corporations." Effective October 1, 2001, LAMP's investment guidelines were amended to allow the limited investment in A-1 or A-1+ commercial paper.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

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. The fair value is determined on a weekly basis by LAMP and the value of the position in the pool is the same as the value of pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At June 30, 2004 the School Board's investment, at cost, is \$23,289,133. The amortized cost of this investment at June 30, 2004 is \$23,284,476. Because cost approximates amortized cost, the carrying value was not adjusted.

(5) Ad Valorem Taxes

The following is a summary of authorized and levied ad valorem taxes:

	Millages	
	2004	2003
Parishwide taxes:		
Constitutional	3.14	3.14
Special school-		
Maintenance	10.02	10.02
Operation and maintenance	1.98	1.98
School bonds	24.00	24.00

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2004, taxes were levied by the School Board in July and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

The taxes are based on assessed value determined by the Tax Assessor of St. Martin Parish and are collected by the Sheriff. The taxes are remitted to the School Board net of deductions for Pension Fund contributions.

The School Board received ad valorem taxes that were paid under protest. It is possible that these taxes (or a portion thereof) will have to be returned to the taxpayer. The amount received of \$128,572 is reflected as a restricted asset. The estimated amount that may have to be refunded is \$128,572 and is reflected as deferred revenue on the balance sheet at June 30, 2004.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(6) Receivables

Receivables at June 30, 2004 of \$253,847 consisted of the following:

Pension contribution funded by ad valorem taxes	\$ 141,660
Rents, royalties, and leases	65,753
Accrued interest	23,552
Other	<u>22,882</u>
	<u>\$ 253,847</u>

(7) Due from Other Governmental Agencies

Due from other governmental agencies of \$2,524,790 consisted primarily of amounts due from the State of Louisiana Department of Education for various appropriations and reimbursements.

(8) Capital Assets

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

	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Capital assets not being depreciated:				
Land	\$ 767,647	\$ -	\$ -	\$ 767,647
Construction in progress	12,216,701	5,581,718	-	17,798,419
Other capital assets:				
Building and improvements	47,405,188	-	-	47,405,188
Furniture and equipment	<u>7,046,435</u>	<u>397,401</u>	<u>(647,359)</u>	<u>6,796,477</u>
Total	<u>67,435,971</u>	<u>5,979,119</u>	<u>(647,359)</u>	<u>72,767,731</u>
Less accumulated depreciation:				
Buildings and improvements	24,843,924	879,916	-	25,723,840
Furniture and equipment	<u>4,291,954</u>	<u>519,497</u>	<u>(646,942)</u>	<u>4,164,509</u>
Total	<u>29,135,878</u>	<u>1,399,413</u>	<u>(646,942)</u>	<u>29,888,349</u>
Net capital assets	<u>\$ 38,300,093</u>	<u>\$ 4,579,706</u>	<u>\$ (417)</u>	<u>\$ 42,879,382</u>

At June 30, 2004, construction in progress of \$17,798,419 consists of costs incurred to date on the construction of a new junior high school and various other school improvement projects.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 500,858
Special education programs	150,920
Vocational education programs	28,173
Other instructional	23,780
Special programs	104,561
Adult and continuing ed	5,297
Pupil support services	80,794
Instructional staff support services	70,894
General administration	22,142
School administration	64,314
Business services	17,168
Operation and maintenance of plant services	132,508
Student transportation services	87,390
Central services	14,351
Food services	92,152
Community services	4,111
Total depreciation expense	<u>\$ 1,399,413</u>

(9) Other Payables

At June 30, 2004, a breakdown of other payables of \$2,089,085 was as follows:

Accounts	\$ 989,132
Contracts	644,956
Retainages	191,655
Other liabilities	263,342
	<u>\$ 2,089,085</u>

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(10) Changes in General Long-Term Liabilities

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

	<u>Absences</u>	<u>Debt</u>	<u>Total</u>
Obilgations payable at July 1, 2003	\$ 10,955,631	\$30,663,638	\$41,619,269
Additions	1,690,547	4,000,000	5,690,547
Deductions	(1,597,200)	(1,464,092)	(3,061,292)
Restatement (see Note 2)	(7,990,953)	-	(7,990,953)
Obilgations payable at June 30, 2004	<u>\$ 3,058,025</u>	<u>\$33,199,546</u>	<u>\$36,257,571</u>

Compensated Absences

Compensated absences payable consists of the portion of accumulated sick leave and vacation leave of the governmental funds that is not expected to require current resources. The General Fund and Special Revenue Funds have historically been used to pay compensated absences (when applicable).

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

Bonded Debt

School Board bonds outstanding at June 30, 2004 consist of parishwide general obligation school bonds and qualified zone academy bonds as follows:

Date of Issue	Original Issue	Interest Rates	Final Payment Date	Interest to Maturity	Principal Outstanding
Parishwide general obligation school bonds August 1, 1996	\$ 5,000,000	5.15 - 8.00	3/01/16	\$1,368,042	\$ 3,670,000
Parishwide general obligation school bonds March 1, 1997	8,000,000	5.00 - 8.00	3/01/17	2,539,505	6,530,000
Parishwide general obligation school bonds March 1, 1998	10,000,000	4.90 - 5.00	3/01/18	\$3,335,421	8,520,000
Parishwide general obligation school bonds March 1, 2000	2,000,000	4.55 - 5.85	3/01/20	983,731	1,805,000
Qualified zone academy bonds February 1, 2002	1,500,000	-	11/01/15	-	1,254,546
Parishwide general obligation school bonds July 1, 2002	8,000,000	4.125 - 5.125	07/01/22	3,842,512	7,525,000
Parishwide general obligation school bonds July 1, 2003	4,000,000	3.00 - 4.00	03/01/23	1,595,244	3,895,000

All principal and interest requirements on the parishwide general obligation school bonds are funded in accordance with Louisiana law by an annual ad valorem tax levy on taxable property within the parish. At June 30, 2004, the School Board has accumulated \$968,440 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2005	1,559,091	1,513,016	3,072,107
2006	1,634,091	1,435,160	3,069,251
2007	1,719,091	1,359,195	3,078,286
2008	1,814,091	1,281,416	3,095,507
2009	1,904,091	1,199,464	3,103,555
2010-2014	11,145,455	4,636,706	15,782,161
2015-2019	10,318,636	1,940,978	12,259,614
2020-2023	3,105,000	298,519	3,403,519
	<u>\$33,199,546</u>	<u>\$13,664,454</u>	<u>\$46,864,000</u>

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(11) Sales and Use Taxes

The School Board is authorized and has levied the following sales and use taxes:

1. March 20, 1965 (1%)

After paying collection and administration costs, the tax is to be used for salaries of teachers and for the expenses of operating schools, including payment of other personnel in addition to teachers.

2. December 1, 1990 (1%)

The tax is to be used for the payment of all debt service requirements on all outstanding bonds payable from the pledge of said tax, with the remainder to be used for the purpose of paying salaries and related benefits for professional and paraprofessional employees on a seven to five ratio.

(12) Pension Plan

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

A. Louisiana Teachers' Retirement System of Louisiana - Regular

Plan members are required to contribute 8.0 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 13.8 percent of the total annual covered salary. The School Board's total contributions to the system for the years ended June 30, 2004, 2003 and 2002 were \$4,239,914, \$3,874,754, and \$3,639,730, respectively, equal to the required contribution for each year.

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

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

Plan members are required to contribute 9.1 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 13.8 percent of the total annual covered salary. The School Board's total contributions to the system for the years ended June 30, 2004, 2003, and 2002 were \$40,118, \$39,261, and \$38,787, respectively, equal to the required contribution for each year.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

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

C. Louisiana Teachers' Retirement System of Louisiana--Optional

Plan members are required to contribute 8.0 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 13.8 percent of the total annual covered salary. There were no participants for the year ended June 30, 2004. The School Board's total contributions to the system for the years ended June 30, 2004, 2003, and 2002 were \$6,703, \$0, and \$0, respectively, equal to the required contribution for each year.

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

D. Parochial Employees' Retirement System

Plan members are required to contribute 9.5 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 9.75 percent of the total covered salary. The School Board's total contributions to the system for the years ended June 30, 2004, 2003 and 2002 were \$1,053, \$615, and \$513 each year, equal to the required contribution for each year.

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

E. Louisiana State Employees' Retirement System

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 15.8 percent of the total annual covered salary. The School Board's total contributions to the system for the years ended June 30, 2004, 2003, and 2002 were \$11,442, \$7,314, and \$12,130, respectively, equal to the required contributions for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Louisiana State Employees' Retirement System, P.O. Box 44213, Baton Rouge, Louisiana 70804-4213.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(13) Changes in Agency Deposits Due Others

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

	School Activity Fund	Sales Tax Fund	Total
Balance at July 1, 2003	\$ 1,137,812	\$ -	\$ 1,137,812
Additions	2,148,364	13,882,375	16,030,739
Reductions	<u>(1,740,432)</u>	<u>(13,882,375)</u>	<u>(15,622,807)</u>
Balance at June 30, 2004	<u>\$ 1,545,744</u>	<u>\$ -</u>	<u>\$ 1,545,744</u>

(14) Risk Management

The School Board is exposed to risks of loss in the areas of health care, workers' compensation, general and auto liability and property hazards. Health care and workers' compensation risks are handled through a self-insurance plan as described below. The other risks are handled by purchasing commercial insurance. There have been no significant reductions in these insurance coverages during the current fiscal year, nor have settlements exceeded insurance coverage for the current or prior fiscal years.

A. Workers' Compensation

The School Board has established a limited risk management program for workers' compensation. The School Board hired Cost Management Services, Inc. as administrator for this program. During fiscal year 2004, a total of \$531,394 was incurred in benefits and administrative costs. The School Board purchases commercial insurance for individual claims in excess of \$200,000. Incurred but not paid claims have been accrued as a liability in the Workers Compensation Fund.

B. Group Self-Insurance

The School Board also established a limited risk management program for group hospitalization insurance. This plan provides employee health benefits up to a \$1,000,000 lifetime maximum with an annual \$10,000 restoration. The School Board purchases commercial insurance for individual claims in excess of \$100,000. During the fiscal year ended June 30, 2004, all claims that exceeded the commercial coverage were applied to the aggregate deductible of \$250,000.

The General and Special Revenue Funds of the School Board participate in the program and make payments to the Self-Insurance Fund based on amounts needed to pay prior and current year claims. The claims liability of \$1,100,000 reported in the fund at June 30, 2004, is based on the loss that is probable at the date of the financial statements and the amount of the loss that can be reasonably estimated. The School Board currently does not discount its claims liabilities.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

C. Reconciliation of Claims Liabilities

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

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
Workers' compensation:				
2001-2002	445,614	488,507	484,364	449,757
2002-2003	449,757	249,854	379,114	320,497
2003-2004	320,497	443,191	456,084	307,604
Group hospitalization:				
2001-2002	1,635,925	6,980,945	7,316,870	1,300,000
2002-2003	1,300,000	5,407,065	5,807,065	900,000
2003-2004	900,000	5,792,762	7,792,762	1,100,000

Claims payable of \$307,604 for workers' compensation at June 30, 2004 was obtained from information provided by the third party administrator.

Claims payable for group hospitalization of \$1,100,000 at June 30, 2004 was determined as follows:

1. Claims incurred prior to June 30, 2004 and paid in July and August of 2004	\$ 881,539
2. Claims incurred prior to June 30, 2004 and unpaid at August 31, 2004	177,765
3. Provision for claims incurred but not reported	<u>40,696</u>
Total claims payable	<u>\$1,100,000</u>

The provision for claims incurred but not reported of \$40,696 was calculated utilizing historical information.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(15) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2004 follows:

Paulma Johnson	\$ 9,600
Floyd Knott	9,600
Barbara Latiolais	9,600
Rodney Ledoux	9,600
Richard Potier	10,800
Frederic Stelly	9,600
Anthony Wiltz	9,600
James Blanchard	9,600
Mark Hebert	9,600
Steve Fuselier	9,600
	<hr/>
	\$ 97,200

(16) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2004, the School Board is involved in several lawsuits. In the opinion of management and legal counsel for the School Board, resolution of these lawsuits will not involve any material liability (after meeting the insurance deductible of \$50,000 per occurrence) to the School Board in excess of insurance coverage. Total liability for lawsuits as well as other claims accrued at June 30, 2004 is \$191,414 and is included in insurance claims payable on the statement of net assets.

B. Grant Audit

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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.

C. Commitments

The School Board has construction commitments with respect to unfinished projects of approximately \$1,600,000.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

D. MFP Funding

The School Board inadvertently understated sales tax revenues in the past years. The impact that this understatement of revenues is estimated to have on MFP funding is a reduction in revenue of approximately \$260,000. This was recorded as a liability in the 1965 Sales Tax Fund at June 30, 2003 and is still a liability at June 30, 2004. The liability is expected to be funded in fiscal year ended June 30, 2005.

(17) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2004 are as follows:

	Receivables	Payables
Major funds:		
General Fund	\$ 2,304,747	\$ 136,338
Capital Projects Funds	-	54
State and Local Special Revenue Funds	356,015	580,772
Total major funds	2,660,762	717,164
Nonmajor governmental funds	121,734	1,716,514
Fiduciary type funds	15	344,963
Internal service funds	-	3,870
Total	\$ 2,782,511	\$ 2,782,511

The amounts shown are primarily for reimbursements owed for expenditures paid by one fund on behalf of another fund. All balances should be repaid within one year.

B. Transfers consisted of the following at June 30, 2004:

	Transfers In	Transfers Out
Major funds:		
General Fund	\$ 9,501,968	\$ 1,259,344
State and Local Special Revenue Funds	759,344	8,251,968
Nonmajor funds	-	750,000
Total	\$10,261,312	\$10,261,312

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Financial Statements (Continued)

(18) Net Deficit

The Group Health Internal Service Fund of the School Board has a net deficit at June 30, 2004 of \$336,647. The General Fund will fund this deficit. The General Fund has designated \$750,000 of its fund balance to the group health internal service fund.

(19) Subsequent Event

In October of 2004, the School Board issued general obligation series 2004 bonds in the amount of \$3,455,000 for the purpose of refunding \$3,225,000 of outstanding general obligation, series 1996 bonds. The refunding reduced the interest rate from the range of 5.15% to 8% to the range of 3% to 3.75%.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana
General Fund

Budgetary Comparison Schedule
Year Ended June 30, 2004

	Budget		Actual	Variance - Final budget vs. Actual
	Original	Final		Positive (Negative)
Revenues:				
Local sources -				
Ad valorem taxes	\$ 1,771,213	\$ 1,868,487	\$ 1,797,700	\$ (70,787)
Tuition	57,700	54,600	63,768	9,168
Interest earnings	230,000	166,000	174,434	8,434
Rentals, leases, and royalties	525,000	476,000	459,768	(16,232)
Other	145,000	150,571	166,926	16,355
State sources -				
Unrestricted grants-in-aid	35,370,987	35,191,384	35,130,229	(61,155)
Restricted grants-in-aid	590,134	348,986	355,167	6,181
Revenue in lieu of taxes	-	270,699	271,054	355
Other state revenues	-	-	25,691	25,691
Total revenues	<u>38,690,034</u>	<u>38,526,727</u>	<u>38,444,737</u>	<u>(81,990)</u>
Expenditures:				
Instruction -				
Regular education programs	20,729,660	20,945,366	20,902,249	43,117
Special education programs	6,130,046	6,270,687	5,910,082	360,605
Vocational education programs	1,902,239	1,030,011	1,068,573	(38,562)
Other instructional programs	-	372,740	405,778	(33,038)
Special programs	-	45,962	410,140	(364,178)
Adult and continuing education programs	-	4,348	4,185	163
Support services -				
Pupil support services	1,643,779	1,721,845	1,756,747	(34,902)
Instructional staff services	1,786,072	2,092,995	2,126,385	(33,390)
General administration	646,404	649,141	722,148	(73,007)
School administration	2,665,431	2,728,635	2,754,685	(26,050)
Business services	797,407	714,142	727,914	(13,772)
Operation and maintenance of plant	5,881,113	5,408,755	5,628,962	(220,207)
Student transportation services	3,444,813	3,642,053	3,729,207	(87,154)
Central services	756,325	544,774	614,695	(69,921)
Community service programs	17,000	21,960	21,206	754
Total expenditures	<u>46,400,289</u>	<u>46,193,414</u>	<u>46,782,956</u>	<u>(589,542)</u>
Excess (deficiency) of revenues over expenditures	(7,710,255)	(7,666,687)	(8,338,219)	(671,532)
Other financing sources (uses):				
Operating transfers in	8,556,987	9,917,289	9,810,902	(106,387)
Operating transfers out	(759,344)	(1,259,344)	(1,261,376)	(2,032)
Total other financing sources	<u>7,797,643</u>	<u>8,657,945</u>	<u>8,549,526</u>	<u>(108,419)</u>
Excess of revenues and other sources over expenditures	87,388	991,258	211,307	(779,951)
Fund balance, beginning	<u>13,345,895</u>	<u>13,345,895</u>	<u>13,345,895</u>	<u>-</u>
Fund balance, ending	<u>\$ 13,433,283</u>	<u>\$ 14,337,153</u>	<u>\$ 13,557,202</u>	<u>\$ (779,951)</u>

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana
State and Local Special Revenue Funds

Budgetary Comparison Schedule
Year Ended June 30, 2004

	Budget		Actual	Variance - Final budget vs. Actual
	Original	Final		Positive (Negative)
Revenues:				
Local sources -				
Sales taxes	\$ 8,535,042	\$ 7,783,095	\$ 7,913,762	\$ 130,667
Interest earnings	38,607	4,452	4,130	(322)
Other	358,150	343,200	352,968	9,768
State sources -				
Unrestricted grants-in-aid	61,156	61,200	61,156	(44)
Restricted grants-in-aid	1,375,535	1,602,653	1,594,550	(8,103)
Federal sources -				
Restricted grants-in-aid	2,346,700	2,408,500	2,471,058	62,558
Value of USDA Commodities	193,300	205,800	185,582	(20,218)
Total revenues	<u>12,908,490</u>	<u>12,408,900</u>	<u>12,583,206</u>	<u>174,306</u>
Expenditures:				
Instruction -				
Regular education programs	339,458	988,295	346,054	642,241
Special education programs	17,323	38,649	38,649	-
Other instructional programs	427,094	-	546,311	(546,311)
Special programs	95,313	125,737	124,637	1,100
Adult and continuing education programs	56,247	20,602	20,602	-
Support services -				
Pupil support services	410,100	415,100	421,000	(5,900)
Instructional staff services	30,000	8,270	90,186	(81,916)
General administration	430,414	179,280	206,217	(26,937)
Student transportation services	-	-	7,111	(7,111)
Food service	3,890,000	3,946,200	3,947,037	(837)
Total expenditures	<u>5,695,949</u>	<u>5,722,133</u>	<u>5,747,804</u>	<u>(25,671)</u>
Excess of revenues over expenditures	7,212,541	6,686,767	6,835,402	148,635
Other financing sources (uses):				
Operating transfers in	759,344	759,344	759,344	-
Operating transfers out	(8,198,490)	(8,326,215)	(8,251,968)	74,247
Total other financing uses	<u>(7,439,146)</u>	<u>(7,566,871)</u>	<u>(7,492,624)</u>	<u>74,247</u>
Excess of revenues and other sources over expenditures and other uses	(226,605)	(880,104)	(657,222)	222,882
Fund balance, beginning	<u>3,372,944</u>	<u>3,372,944</u>	<u>3,372,944</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,146,339</u>	<u>\$ 2,492,840</u>	<u>\$ 2,715,722</u>	<u>\$ 222,882</u>

OTHER SUPPLEMENTARY INFORMATION

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

Ms. E. R. Valerie Haaga, Superintendent
and Members of the St. Martin Parish
School Board
St. Martinville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Martin Parish 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 November 18, 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.

Compliance

As part of obtaining reasonable assurance about whether the St. Martin Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings, questioned costs, and management's corrective action plan as item 04-1.

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Internal Control Over Financial Reporting

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

This report is intended solely for the information and use of management, others within the organization, Board Members, 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 18, 2004

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

Ms. E. R. Valerie Haaga, Superintendent
and Members of the St. Martin Parish
School Board
St. Martinville, Louisiana

Compliance

We have audited the compliance of the St. Martin Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2004. The St. Martin Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings, questioned costs and management's corrective action plan. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Martin Parish School Board's management. Our responsibility is to express an opinion on the St. Martin Parish 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 major federal programs occurred. An audit includes examining, on a test basis, evidence about the St. Martin Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the St. Martin Parish School Board's compliance with those requirements.

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In our opinion, the St. Martin Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the St. Martin Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the St. Martin Parish School Board's internal control over compliance with requirements that could have a direct and material effect on major federal programs 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 that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, Board Members, 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.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 18, 2004

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2004

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. Martin 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. The major programs are identified with an asterisk (*) on the schedule.

(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.

(3) Relationship to Fund Financial Statements

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

From federal sources:

Special Revenue Funds	<u>\$10,354,140</u>
-----------------------	---------------------

(4) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program Name	Pass-through Identifying Number 2003	Pass-through Identifying Number 2004	CFDA Number	Revenue Recognized	Expenditures
<u>United States Department of Agriculture:</u>					
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	-	-	10.550	\$ 185,582	\$ 185,582
Passed through Louisiana Department of Education - National School Lunch Program	-	-	10.555	2,471,060	2,471,060
Total United States Department of Agriculture				<u>2,656,642</u>	<u>2,656,642</u>
<u>United States Department of Education:</u>					
Passed through Louisiana Department of Education - Adult Education - Basic Grant	0344-50	0444-50	84.002	63,756	63,756
Vocational Education - Carl Perkins	0302-50	0402-50	84.048	138,802	138,802
Comprehensive School Reform Demonstration Program	01-T2-50-C	03-T7-50-C	84.332	117,181	117,181
Strategies to Empower People - STEP Program (TANF)	-	2804EP-50	93.558	11,334	11,334
Title I Grants to Local Education Agencies*	03-T1-50	04-T1-50	84.010	2,659,829	2,659,829
Eisenhower Professional Development State Grants - Title II	03-50-50	04-50-50	84.367	713,555	713,555
English Language Acquisition, Language Enhancement, and Academic Achievement Program for Limited English Proficient Children - Title II	-	2804-60 50	84.365	13,277	13,277
Enhancing Education Through Technology	-	280449-50	84.318	79,376	79,376
Special Education - IDEA - Part B*	03-B1-50	28-04-B1-50	84.027	1,735,891	1,735,891
Special Education Pre-School Grants*	03-P1-50	28-04-P1-50	84.173	69,829	69,829
Safe and Drug-Free Schools and Communities - State Grants	03-70-50	04-70-50	84.186	53,810	53,810
Title V - Innovative Education Program Strategies	03-80-50	04-80-50	84.298	56,541	56,541
Safe and Drug-Free Schools and Communities - State -Greatest Needs	02-79-50	04-70-50	84.186	90,452	90,452

(continued)

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2004

Federal Grantor/Pass-Through Grantor/Program Name	Pass-through Identifying Number 2003	Pass-through Identifying Number 2004	CFDA Number	Revenue Recognized	Expenditures
Starting Points Program	0338-50	-	93.558	65,239	65,239
Even Start- State Educational Agencies	03-F1-50	04-F1-50	84.213	266,627	266,627
School Tech Region IV	-	0446-57	84.318X	8,299	8,299
Direct from Department of Education:					
Project ELICIT	-	-	84.293B	59,349	59,349
Elementary School Foreign Language Incentive Program	-	-	84.293	356	356
Total United States Department of Education				<u>6,203,503</u>	<u>6,203,503</u>
<u>United States Department of Health and Human Services:</u>					
Passed through Louisiana Department of Education -					
Temporary Assistance for Needy Families - Pre GED/Skills Option	0336-50	280436 50	93.558	117,301	117,301
TANF - Adult & Family Lit	03LG-50	-	93.558	21,142	21,142
TANF - LA 4	0315-50	-	93.558	1,249,568	1,249,568
Passed through State Department of Health and Hospitals -					
Department of Social Services Project Independence: GED	-	-	93.561	105,984	105,984
Total United States Department of Health and Human Services				<u>1,493,995</u>	<u>1,493,995</u>
Total				<u>\$ 10,354,140</u>	<u>\$ 10,354,140</u>

*Denotes major federal program.

-Numbers are not readily accessible.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan
Year Ended June 30, 2004

Part I: Summary of Auditor's Results:

1. An unqualified report was issued on the financial statements.
2. A reportable condition in internal control was not disclosed by the audit of the financial statements.
3. Material noncompliance was not disclosed.
4. No reportable conditions in internal control over the major programs were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major programs were:
U.S. Department of Education: Title I Grants to Local Education Agencies
U.S. Department of Education: Special Education – IDEA – Part B
U.S. Department of Education: Special Education – Pre-School Grants
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$310,624.
9. The auditee did qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

04-1 Noncompliance with Louisiana Revised Statute 17:181

Finding:

The School Board did not comply with Louisiana Revised Statute 17:181. This statute requires school boards to spend not less than fifty dollars (\$50) per student enrolled in a vocational agriculture, agribusiness, or agriscience (agriculture) program for providing instructional materials and supplies. The School Board spent approximately \$49 per student.

(continued)

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan (Continued)
Year Ended June 30, 2004

Management's Corrective Action Plan:

Ms. Gail Dalcourt, Supervisor of Regular Education Elementary 7-12, took over monitoring this function during the year. Her records, based on approved purchase orders, reflect that she spent slightly more money than was actually spent. The purchase orders were executed and completed at prices better than had been approved by Ms. Dalcourt. She was not aware of that funds spent amounted to \$49 per student rather than \$50 per student. In the future, Ms. Dalcourt will supplement her records of approved expenditures with historical payments. She will continue closely monitoring this program.

Part III: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no findings at June 30, 2004.

Part IV: Management Letter Items:

There were no management letter items at June 30, 2004.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2004

Section I: Findings which are required to be reported in accordance with generally accepted governmental auditing standards:

03-1 Noncompliance with Fiscal Agency Management Laws

Finding:

The School Board's deposits at one financial institution were not adequately secured at June 30, 2003. The amount of unsecured deposits was approximately \$72,000.

Status:

Resolved.

03-2 Noncompliance with Louisiana Revised Statute 17:181

Finding:

The School Board did not comply with Louisiana Revised Statute 17:181. This statute requires school boards to spend not less than fifty dollars (\$50) per student enrolled in a vocational agriculture, agribusiness, or agriscience (agriculture) program for providing instructional materials and supplies. The School Board spent approximately \$35 per student.

Status:

Unresolved. See item 04-1.

03-3 Noncompliance with Louisiana Local Government Budget Act

Finding:

Louisiana Revised Statutes (LSA-R.S.) 39:1301-1314, known as the Local Government Budget Act, requires that the budget be amended when total actual expenditures plus projected expenditures exceed the budgeted expenditures by five percent or more. The Educational Consolidation and Improvement Act Special Revenue Fund had a variance of approximately 7.2%. The final amended budget inadvertently did not include carryover funds from the previous grant year. The School Board had approximately \$340,000 of carryover funds that were not reflected in the final amended budget for year ended June 30, 2003. If the final amended budget had included the total available amount, the School Board would have been in compliance with the Budget Act.

Status:

Resolved.

(continued)

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Summary Schedule of Prior Audit Findings (Continued)
Year Ended June 30, 2004

Section II: Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no findings reported at June 30, 2003.

Section III: Management Letter Items:

There were no management letter items at June 30, 2003.

SCHEDULES REQUIRED BY STATE LAW
(R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)

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**AGREED-UPON PROCEDURES REPORT
ON SCHOOL BOARD PERFORMANCE MEASURES**

* A Professional Accounting Corporation

Ms. E. R. Valerie Haaga, Superintendent
and Members of the St. Martin Parish
School Board
St. Martinville, Louisiana

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

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

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

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

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

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- Nonpublic Transportation Revenue.

There were no exceptions 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” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1st.

There were no exceptions noted.

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

There were no exceptions noted.

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

There were no exceptions 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.

There were no exceptions 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 and as reported on the schedule and traced the same sample used in procedure 4 to the individual’s personnel file and determined if the individual’s experience was properly classified on the schedule.

There were no exceptions 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 individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

There were no exceptions noted.

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

There were no exceptions noted.

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 traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedule.

There were no exceptions 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 scores reported in the schedule by St. Martin Parish School Board.

There were no exceptions 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 St. Martin Parish School Board.

There were no exceptions noted.

The Iowa Tests (Schedule 9)

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

There were no exceptions 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 use of management of St. Martin Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
November 18, 2004

Schedule 1

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2004

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 18,815,249	
Other Instructional Staff Activities	2,295,773	
Employee Benefits	5,804,960	
Purchased Professional and Technical Services	186,258	
Instructional Materials and Supplies	1,353,060	
Instructional Equipment	15,638	
Total Teacher and Student Interaction Activities		28,470,938

Other Instructional Activities		230,064
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Pupil Support Activities	1,756,749	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		1,756,749

Instructional Staff Services	2,126,385	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		2,126,385

Total General Fund Instructional Expenditures		<u>\$ 32,584,136</u>
---	--	----------------------

Total General Fund Equipment Expenditures		<u>\$ 375,152</u>
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Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 343,460	
Renewable Ad Valorem Tax	1,317,050	
Debt Service Ad Valorem Tax	2,641,981	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	137,190	
Sales and Use Taxes	7,913,762	
Total Local Taxation Revenue		<u>\$ 12,353,443</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 459,768	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property		<u>\$ 459,768</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 65,778	
Revenue Sharing - Other Taxes	165,376	
Revenue Sharing - Excess Portion	39,900	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		<u>\$ 271,054</u>

Nonpublic Textbook Revenue	\$ 36,347	
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Nonpublic Transportation Revenue	\$ 127,539	
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Schedule 2

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Education Levels of Public School Staff
As of October 1, 2003

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	1	0%	0	0%	0	0%	0	0%
Bachelor's Degree	464	77%	10	91%	2	7%	0	0%
Master's Degree	98	16%	1	9%	14	47%	0	0%
Master's Degree + 30	35	6%	0	0%	13	43%	0	0%
Specialist in Education	2	0%	0	0%	1	3%	0	0%
Ph. D. or Ed. D.	2	0%	0	0%	0	0%	0	0%
Total	602	100%	11	100%	30	100%	0	0%

Schedule 3

**ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana**

**Number and Type of Public Schools
For the Year Ended June 30, 2004**

Type	Number
Elementary	10
Middle/Jr. High	4
Secondary	3
Combination	1
Total	18

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

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	0	0	1	1	4	0	6	12
Principals	0	0	1	2	1	4	10	18
Classroom Teachers	100	54	162	71	57	45	124	613
Total	100	54	164	74	62	49	140	643

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

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	36,707	36,707
Average Classroom Teachers' Salary Excluding Extra Compensation	36,440	36,440
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	613	613

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

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	
Elementary	61.4%	215		31.7%	111		6.9%	24		0.0%	-	
Elementary Activity Classes	16.3%	16		22.4%	22		44.9%	44		16.3%	16	
Middle/Jr. High	29.8%	77		33.7%	87		36.4%	94		0.0%	-	
Middle/Jr. High Activity Classes	24.1%	13		16.7%	9		37.0%	20		22.2%	12	
High	25.2%	164		36.5%	237		38.3%	249		0.0%	-	
High Activity Classes	16.2%	12		17.6%	13		33.8%	25		32.4%	24	
Combination	0.0%	-		0.0%	-		100.0%	1		0.0%	-	
Combination Activity Classes	0.0%	-		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. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2004

District Achievement Level	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%	3	0%	17	2%	6	1%	11	2%	6	1%
Mastery	96	14%	55	8%	80	11%	73	11%	69	10%	50	7%
Basic	236	34%	302	44%	216	31%	263	38%	268	39%	226	32%
Approaching Basic	173	25%	196	29%	251	36%	174	25%	185	27%	205	29%
Unsatisfactory	170	25%	124	18%	133	19%	171	25%	147	22%	209	30%
Total	687		680		697		687		680		696	

District Achievement Level	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	2	0%	0	0%	4	1%	0	0%	0	0%	4	1%
Mastery	78	12%	79	12%	87	13%	39	6%	28	4%	33	5%
Basic	200	32%	208	32%	219	33%	243	39%	285	43%	283	42%
Approaching Basic	191	31%	247	37%	226	34%	188	30%	214	32%	203	30%
Unsatisfactory	154	25%	126	19%	137	20%	155	25%	133	20%	150	22%
Total	625		660		673		625		660		673	

Schedule 8

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2004

District Achievement Level	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	4	1%	1	0%	3	1%	42	7%	27	5%	27	5%
Mastery	96	17%	25	4%	65	12%	67	12%	65	11%	62	11%
Basic	210	37%	226	39%	222	41%	188	33%	234	40%	181	31%
Approaching Basic	119	21%	163	28%	116	21%	105	19%	97	16%	94	16%
Unsatisfactory	134	24%	163	28%	142	26%	160	28%	165	28%	219	38%
Total	563		578		548		562		588		583	

District Achievement Level	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	6	1%	3	1%	14	3%	1	0%	1	0%	7	1%
Mastery	58	12%	43	9%	51	10%	27	6%	36	8%	27	5%
Basic	181	37%	183	40%	161	31%	248	51%	205	45%	206	39%
Approaching Basic	139	28%	118	26%	136	26%	121	25%	118	26%	115	22%
Unsatisfactory	104	21%	108	24%	163	31%	88	18%	97	21%	169	32%
Total	488		455		525		485		457		524	

Schedule 9

**ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana**

**The IOWA Tests
For the Year Ended June 30, 2004**

	Composite		
	2004	2003	2002
Test of Basic Skills (ITBS)			
Grade 3	59	55	54
Grade 5	49	45	44
Grade 6	39	39	46
Grade 7	44	42	44
Tests of Educational Development (ITED)			
Grade 9	43	39	42