

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Release Date 11-24-04

FOR THE FISCAL YEAR
July 1, 2003 - June 30, 2004

The background of the entire page is a black and white musical score with various notes, rests, and staff lines. The score is oriented diagonally, running from the top-left towards the bottom-right. It features several staves with musical notation, including eighth and sixteenth notes, and some dynamic markings like 'p' and 'f'.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
July 1, 2003 - June 30, 2004

Prepared by the
Department of Business Operations
David Fernandez, Financial Manager

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2004

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ST. BERNARD PARISH SCHOOL BOARD

October 26, 2004

OFFICERS OF THE BOARD:

HUGH C. CRAFT, Ed.D.
PRESIDENT

SHARON A. HANZO
VICE-PRESIDENT

DORIS VOITIER
SUPERINTENDENT
SECRETARY-TREASURER

MEMBERS:

HERMAN J. BONNETTE, SR.

WILLIAM H. EGAN

LYNETTE R. DIFATTA

SHARON A. HANZO

JOSEPH V. LONG, SR.

HUGH C. CRAFT

DIANA B. DYSART

CLIFFORD M. ENGLANDE

STACY RILEY, SR.

RONALD J. NICOSIA

DONALD D. CAMPBELL

To the Members of the St. Bernard Parish School Board and the Citizens of St. Bernard Parish, Louisiana:

The Comprehensive Annual Financial Report of the St. Bernard Parish School Board (School Board) for the fiscal year ended June 30, 2004, is herewith submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Financial Manager, the Superintendent and the School Board. We believe the data presented is accurate in all material respects and is presented in a manner designed to fairly reflect the financial positions and results of operations of the various funds of the School Board. All disclosures necessary to gain maximum understanding of the School Board's financial activities have been included.

Comprehensive Annual Financial Report Sections

This Comprehensive Annual Financial Report (CAFR) consists of five sections: the *introductory section*, the *financial section*, the *statistical section*, the *single audit section* and *School Board performance measures*.

- The *introductory section* is the first major section of the CAFR. It introduces the reader to the CAFR and provides an overview of the annual report. It includes this letter of transmittal, a list of principal officials, an organizational chart, and awards for financial reporting that the School Board has received.
- The *financial section* consists of the independent auditor's report, management's discussion and analysis, the basic financial statements, required supplementary information and combining schedules. The basic financial statements include the government-wide financial statements, the fund financial statements and the notes to the financial statements.

- The *statistical section* includes comparative data over a ten-year period in addition to other demographic information. This information is prepared from both accounting and non-accounting sources for the purpose of reflecting financial trends and fiscal capacity of the School Board, as well as social and economic information.
- The *single audit section* includes auditor's opinions on their review of federal funds expenditures and the internal control environment governing those expenditures, the schedule of expenditures of financial awards and accompanying notes, and schedules of findings, questioned costs and audits performed by other organizations.
- The *School Board performance measures* sections includes schedules required by the Louisiana state legislature and Louisiana Legislative Auditor reflecting the school system's performance with regard to various state accountability measures. This includes data related to testing results, education and certification levels of teachers and class size characteristics.

Reporting Entity

The St. Bernard Parish School Board is a legally separate subdivision of the state of Louisiana created by the state to govern the public education system in the Parish of St. Bernard, Louisiana. *St. Bernard Parish is in the southeast corner of the state of Louisiana bordered by the City of New Orleans to the west, the Mississippi River to the south and the Gulf of Mexico to the east. The School Board consists of Consolidated School District No. 1 of the Parish of St. Bernard. The School Board is governed by an eleven member board, whose members are all elected by district and all serve concurrent four-year terms. The current School Board members were elected in a special election in April, 2003. Their terms started immediately following the election and will end on December 31, 2006.*

Although created as a political subdivision of the State, the School Board legally stands on its own, is fiscally independent and elects its own governing body which is accountable for the financial activities of the St. Bernard Parish School Board. Therefore, it is considered a primary government under the provisions of GASB Statement No. 14. The School Board has no component units nor is it a component unit of any other entity. All funds and activities of the St. Bernard Parish School Board are reported in this annual report.

The St. Bernard Parish School Board serves approximately 8,909 students, and offers a full range of educational services for students from pre-kindergarten through twelfth grade, including regular and special education services for the disabled, adult education, vocational education and alternative education programs, in addition to auxiliary services such as student transportation and food services. These services are provided through the School Board's Administrative Office and its fourteen school sites throughout the parish. To learn more about the St. Bernard Parish School Board, visit our web site at www.stbernard.k12.la.us.

Independent Audit

The School Board's financial statements have been audited by LaPorte, Sehrt, Romig and Hand, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the St. Bernard Parish School Board for the fiscal year ended June 30, 2004, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the School Board's financial statements for the fiscal year ended June 30, 2004, and that the statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the report.

The independent audit of the financial statements of the School Board are part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. This year the School Board met the requirements for having a single audit conducted in accordance with the Single Audit Act Amendment of 1996 and U.S. Office of Management and Budget Circular No. A-133, *Audits of States, Local Governments and Nonprofit Organizations*. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit Section of this report.

Internal Controls

The management of the School Board is responsible for establishing and maintaining a system of internal control. The objectives of a system of internal control are to provide reasonable, but not absolute, assurance that School Board policy, administrative and accounting procedures and grant administration procedures are fully implemented and are being adhered to. In addition, internal controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets.

All internal control evaluations occur within the above framework. We believe that the School Board's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. In addition, we believe the controls provide adequate assurance that federal programs are properly administered and accounted for.

Accounting System and Budgetary Control

An explanation of the School Board's accounting and budgetary policies are contained in the notes to the financial statements. Explained in detail are the basis of accounting, fund structure and other significant information regarding accounting and budgetary policies. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the general fund and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is

established at the fund level. Management is responsible for review of the budget and making adjustments as needed by prior authority granted from the School Board. All budget amendments must be presented to the School Board for approval.

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit and the Louisiana Assets Management Pool. Deposits in financial institutions are also collateralized by instruments issued by the United States Government or federal government agencies created by an act of Congress and insured by the Federal Deposit Insurance Corporation. The School Board earned interest revenue of \$144,539 for the year ended June 30, 2004. Interest was distributed as follows:

General Fund	\$ 95,114
Lunch Fund	2,264
Ad Valorem Tax Bond Sinking Fund	13,000
Capital Projects Fund	27,737
Other Governmental Funds	5,073
Internal Service Fund	<u>1,351</u>
	<u>\$ 144,539</u>

Risk Management

The School Board maintains a combination of self-insurance and excess coverage to manage its losses from property damage, theft and claims made by employees and third parties. The School Board maintained a self-insurance retention of \$25,000 per occurrence for auto and general liability claims during the 2004 fiscal year. The School Board maintains blanket coverage on property with a deductible of \$5,000,000. Claims incurred in excess of retention amounts are paid by the insurance carriers.

The School Board maintained educator's legal liability insurance with a self-insured retention of \$15,000 per occurrence during the 2004 fiscal year.

The School Board is self-insured for workers' compensation claims. All claims are handled by a third-party administrator retained by the School Board, and claims are funded by premiums paid by the general and lunch funds. Workers' compensation expenses are reflected in the Internal Service Fund. The School Board maintains an excess workers' compensation policy which covers claims which exceed \$300,000 per occurrence.

Economic Condition and Outlook

St. Bernard Parish is located in the extreme southeastern section of Louisiana bordering on the Mississippi River and extending eastward to the Gulf of Mexico. Population has not changed significantly over the past ten years. The Parish currently has a 6.7% unemployment rate as compared with a statewide rate of 6.6% and a national average of 6.0%. Latest per capita income figures show St. Bernard Parish at \$24,119 compared with \$26,100 for Louisiana and \$31,632 for the nation. From the perspective of the educational system, a school to career program has been developed in an effort to reduce the unemployment levels of newly graduated high school students.

St. Bernard Parish is continuing to diversify its industrial base so as to better utilize its natural resources. Key to this is the Mississippi River, its fishing estuaries and its growing port facilities. The Port of St. Bernard, located on the convergence of the three major maritime corridors of the Mississippi River, the Mississippi Gulf Outlet and the Gulf Intra-Coastal Waterway, has expanded its physical facilities in order to attract additional commercial development and to serve as a warehousing and distribution center. Operating both the Chalmette (the only deep-draft, calm water slip on the Mississippi River) and Arabi Terminals, the Port of St. Bernard currently has more than 45 tenants. The tenants occupy approximately 1.1 million square feet of building space and 346 thousand square feet of dock space at the Port. These tenants employ approximately 1,000 workers, an increase of 250% over the last five years. The tenants engage in a wide array of activities, including general cargo and bulk commodities transfer, bagging and storage; seafood handling; trucking and warehousing; manufacturing, fabrication and repair; boat building; push boat operators; electrical contractors; sewing operations; auto body work; screen printing; state offices; and marine container repairs.

The St. Bernard Parish Economic Development Commission (EDC) is continuing its five year strategic plan centering on the following focus areas of economic development: business retention and expansion; industrial recruitment; small business development; parish business advocacy; and workforce development.

In an effort to encourage investment and the creation of new jobs, the EDC has heavily promoted an awareness of the availability of business incentives to existing and prospective businesses. The Parish is in the construction phase of a new Super Wal-Mart. The addition of this business is expected to bring additional economic benefits to the region.

The economic future of St. Bernard Parish is bright. Unemployment rates remain stable and small businesses are thriving. The School Board continues to face many challenges. The instructional and capital needs of the district remain numerous, with needs increasing as we serve a greater and more diverse population of students. To address these issues citizen and educational groups are continuing to join together for the purpose of long range strategic planning.

Major Initiatives, Service Efforts and Accomplishments

The members of the School Board in cooperation with the community, the parents, the staff and students have worked tirelessly to ensure a quality system of public education for all students within St. Bernard Parish. To achieve that primary goal the following have been undertaken:

- 1) We are very proud of the fact that all of our schools have been accredited by the Southern Association of Colleges and Schools (SACS). In an effort to ensure continued accreditation, the School Board has renewed its commitment to provide funds for necessary personnel, textbooks, library books and equipment. For the 2005 school year, the district will begin the process of attaining district-wide accreditation. District-wide accreditation is a new concept and is available only to districts with all schools currently accredited on an individual basis.
- 2) The 2003-2004 school year saw the continuation of the School Board's Universal Preschool Program. A combination of federal, state and local funds helped make St. Bernard Parish one of two parishes in the State of Louisiana to offer

educational services, free of charge, to all 4 year old residents wishing to avail themselves of these services. The program was centered at the Arabi Preschool facility, with satellite classes at elementary schools in the eastern end of the parish. Programs contributing funding to this effort were the Headstart program, IDEA, the 8G Model Early Childhood program, federal TANF funds and the State of Louisiana's Education Excellence Fund. Costs in excess of the aforementioned funding were covered by the School Board's General Fund.

- 3) During the 2003-2004 school year, the district continued its alternative program for students who are 16 years of age or older who have difficulty passing the new LEAP 21/GEE 21 assessments. With the assistance of a state pass-through grant through the Temporary Assistance to Needy Families (TANF) program, the program offered classes to enhance the basic academic skills of students and to introduce them to workplace essential skills. Students in this program are working toward a GED and/or a parish skills certificate, and their educational programs are individualized through their Individual Career and Academic Plan (ICAP).
- 4) The school district accessed funds from the Carl D. Perkins Vocational Grant to bring work-like experiences to students in culinary arts, business and technology education. A major focus was helping students in the computer technology program obtain industry certifications which will assist them upon entering the workforce. Career major programs that dominated the district's vocational programs during the 2003-2004 school year and which were supported by Carl Perkins funds included: finance, marketing, construction, computer repair and culinary arts, health care and a certified nursing assistant program. All students enrolled in the certified nursing assistant program during the 2004 school year passed the State's certification test.
- 5) The "Hand and Hand" program continued in the elementary schools. "Hand and Hand" is a parish publication designed to foster cooperation between family and school. The booklet provides a link between the school and the home and gives parents a first-hand look at what students are required to know when taking the 4th grade LEAP 21 test.

"Hand and Hand" enlists parents in an effort to get students ready for LEAP. The booklet consists of weekly math and language arts exercises, which are assigned as homework. Parents are asked to work with the student in completing these activities to help ease test anxiety.

The "Hand and Hand" booklets are dispersed at scheduled meetings for parents of 4th grade students. These mandated information meetings offer an opportunity for parents to meet with administrators, counselors and 4th grade teachers to discuss exactly what LEAP means for their children and how parents can get involved in preparing their students for testing. To participate in this "Hand and Hand" program, parents must attend one of the meetings to receive the booklet, as well as tips on how to assist their children in preparing for the test. Participation in this school/home outreach program is enhanced by a parish-wide incentive program that rewards students and parents for completing assignments.

At the elementary and middle school levels, Project PASS provided tutoring for 4th and 8th grade students identified as being at-risk of failing LEAP 21. Retired teachers returned to active service when given the opportunity to work with groups of five or fewer children on LEAP skills in preparation for high stakes testing. The curriculum for this project was provided by the State Department of Education.

- 6) An alternative school, NOVA Academy, opened after the beginning of the 1996-1997 school year to provide instruction and supervision for middle and high school students who would have otherwise have been expelled. NOVA provides a program that is rehabilitative in nature, with the aim of having students successfully return to their district school campus. The faculty and staff work with many community agencies to provide family counseling, drug use monitoring and rehabilitation as needed to reach the students' goals for return to the district school.

- 7) Collaborative efforts among the St. Bernard Parish School Board, the St. Bernard Parish Sheriff's Office, the St. Bernard Parish Council and the 34th Judicial System resulted in two programs, one for middle school and one for high school, to keep suspended students under the supervision of the school system. The program is housed at the site of our alternative school, NOVA. The program will continue to serve all public middle and high schools in St. Bernard Parish.

Students who violate the parish code of conduct in a grievous way or who are habitually disruptive to the school program are assigned to the Suspension-on-Site (SOS) program in lieu of suspension out of school.

- 8) The 2003-2004 school year saw the implementation of Project Star at P.G.T. Beauregard Middle School. This program was funded jointly with monies provided by the 8G Student Enhancement Block Grant as well as a grant from the Baptist Community Ministries. The goal of Project Star is to help students who have failed two or more grade levels reach their age appropriate grade level. Effectively, this program allows the student to complete three years of middle school in two years. This is accomplished by extending the daily core curriculum instructional time by two hours and extending the school year by thirty days for the students enrolled in the program.

The program requires a commitment from both the students and their parents. Entering six grade students that are identified as eligible for the program are screened to determine their compatibility with the program. Upon enrolling in the program, each student must sign a contract agreeing to adhere to the rules of the program. The traditional nine-week grading period has been replaced with a six week grading period, each of which culminates with a mandatory parent-teacher conference. Also, tutors come in two days per week to provide individualized assistance in areas of assessed weakness or in LEAP 21 preparation.

After one year of implementation, all students enrolled in the program are well on their way to attaining eighth grade classification and are scheduled to take the LEAP 21 test in the Spring of 2005.

- 9) The 2003-2004 school year saw the second year of the implementation of block scheduling at the district's three high schools. This form of scheduling is a time-management program allowing students to take four 90-minute classes per semester rather than six traditional 55-minute classes all year long. This will enable students to earn 8 credits per year rather than the usual 6 credits. Teachers included more hands-on and interactive teaching methods in order to engage students during the extended class periods. The implementation of block scheduling allows an emphasis on academics at the 9th and 10th grades and features additional opportunities for career exploration at the 11th and 12th grade levels.

In the aftermath of implementation, the district has seen improved attendance by students, improved scores on standardized tests and student grade point averages reaching their highest levels in recent years. A survey conducted during the 2003-2004 school year indicated that 80% of parents, teachers and students felt that the implementation of block scheduling was a positive move for teaching and learning.

- 10) Project Achieve was continued at NOVA Academy during the 2003-2004 school year. This program, funded by a grant passed through the Louisiana Department of Health and Hospitals, attempts to reduce aggressive behaviors, stimulate academic achievement, provide intervention/prevention initiatives and alleviate recidivism through the implementation of a comprehensive three-tier prevention model. The goal of the program is to incorporate the Project Achieve curriculum along with the employment of a Behavioral Interventionist and the restructuring of the school environment in an attempt to create a positive school climate which will impact the entire community.
- 11) A new reading program was implemented at P.G.T. Beauregard Middle School during the 2003-2004 school year utilizing SRA Direct Instruction. The program involves teachers from all subject areas in an effort to reduce student teacher ratios. Each student is tested at the beginning of the year to identify those that are six months or more behind in reading level. Students that are at the appropriate reading level are provided with reading enrichment activities. The effect of this program is already being seen in improved test scores.
- 12) 2003-2004 saw the completion and occupation of the extension of Joseph J. Davies Elementary School to accommodate the School Board's growing preschool program. Other needed improvements that began during 2003-2004 were a much needed classroom/administration extension at N.P. Trist Middle School and needed roofing repairs to the gyms at Chalmette Middle School and W. Smith Elementary School. All of these projects are scheduled to be completed in 2004-2005.

Major Operational or Financial Concerns

The St. Bernard Parish Public School System enjoys a fine reputation throughout the metropolitan New Orleans area for the excellence of its educational offerings and the resulting achievements of its students. However, there are serious concerns which must be addressed in order to maintain the excellence of its programs.

Foremost among our concerns are increased costs to the district in two areas. First, in an effort to bolster the flagging Louisiana Group Benefits program, for the second year, group insurance premiums in the 2003-2004 fiscal year were increased by over one million dollars. A majority of the cost of the increased premiums were borne by the district. Comparable increases are expected for the 2004-2005 fiscal period. This increase in group insurance premiums, coupled with significant increases in employer contribution rates for both the Louisiana Teachers' Retirement System and the Louisiana School Employees Retirement System, will seriously impact the School Board 2004-2005 budget. Secondly, unfunded mandates with regard to the district's Special Education program continue to be a concern. The district continually receives mandates to provide increased services to our special education population unaccompanied by adequate funding to provide those services. Until the federal government commits to covering more than a minute portion of the excess costs created by these mandates, the district must continually use unrestricted funds to cover the cost differential.

Another area of concern is the lack of certified teachers in certain areas of critical need, primarily, Special Education, Mathematics and Science. The district continues to attempt to attract teachers with these certifications as well as assist current personnel in attaining certification in these areas.

Instructional accountability continues to be our major focus. The school district has continued with its plan to address implementation of instructional strategies which will increase student achievement. This initiative corresponds with the Louisiana State Accountability Plan which mandates higher standards and expectations for all students in Louisiana. The emphasis at the district level is on training teachers in instructional strategies, assessments and methodologies which will increase the levels of student achievement on state and local criterion- and norm-referenced tests. It is a district-wide commitment in staff development, test preparation and lesson planning programs. Through this initiative we intend to become more accountable to the community in our efforts to turn the St. Bernard Parish Public Schools into a premier school district in the State of Louisiana.

Financial Reporting Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the St. Bernard Parish School Board for its comprehensive annual financial report for the fiscal year ended June 30, 2004. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

The St. Bernard Parish School Board was also awarded a Certificate of Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ended June 30, 2003 by the Association of School Business Officials International (ASBO).

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

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

Acknowledgments

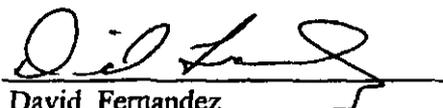
The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efforts and dedication of the entire business operations staff. We would like to express our sincere thanks and appreciation to each and every employee who contributed to the development of this report as well as the St. Bernard Parish Assessor and the employees of the Planning Commission of the St. Bernard Parish Government for their help in providing the statistical data.

Lastly, we would like to thank and applaud the members of the St. Bernard Parish School Board for their leadership in planning and conducting the financial operation of the school system in a dedicated and responsible manner.

Respectfully submitted,



Doris. Voitier
Superintendent



David Fernandez
Financial Manager

ST. BERNARD PARISH SCHOOL BOARD

PRINCIPAL OFFICIALS

SCHOOL BOARD MEMBERS

PRESIDENT

HUGH C. CRAFT, Ed.D.

VICE-PRESIDENT

SHARON A. HANZO

HERMAN J. BONNETTE, SR.

CLIFFORD M. ENGLANDE

DONALD D. CAMPBELL

JOSEPH V. LONG, SR.

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RONALD J. NICOSIA

DIANA B. DYSART

STACY RILEY, SR.

WILLIAM H. EGAN

ADMINISTRATIVE OFFICIALS

SUPERINTENDENT

DORIS VOITIER

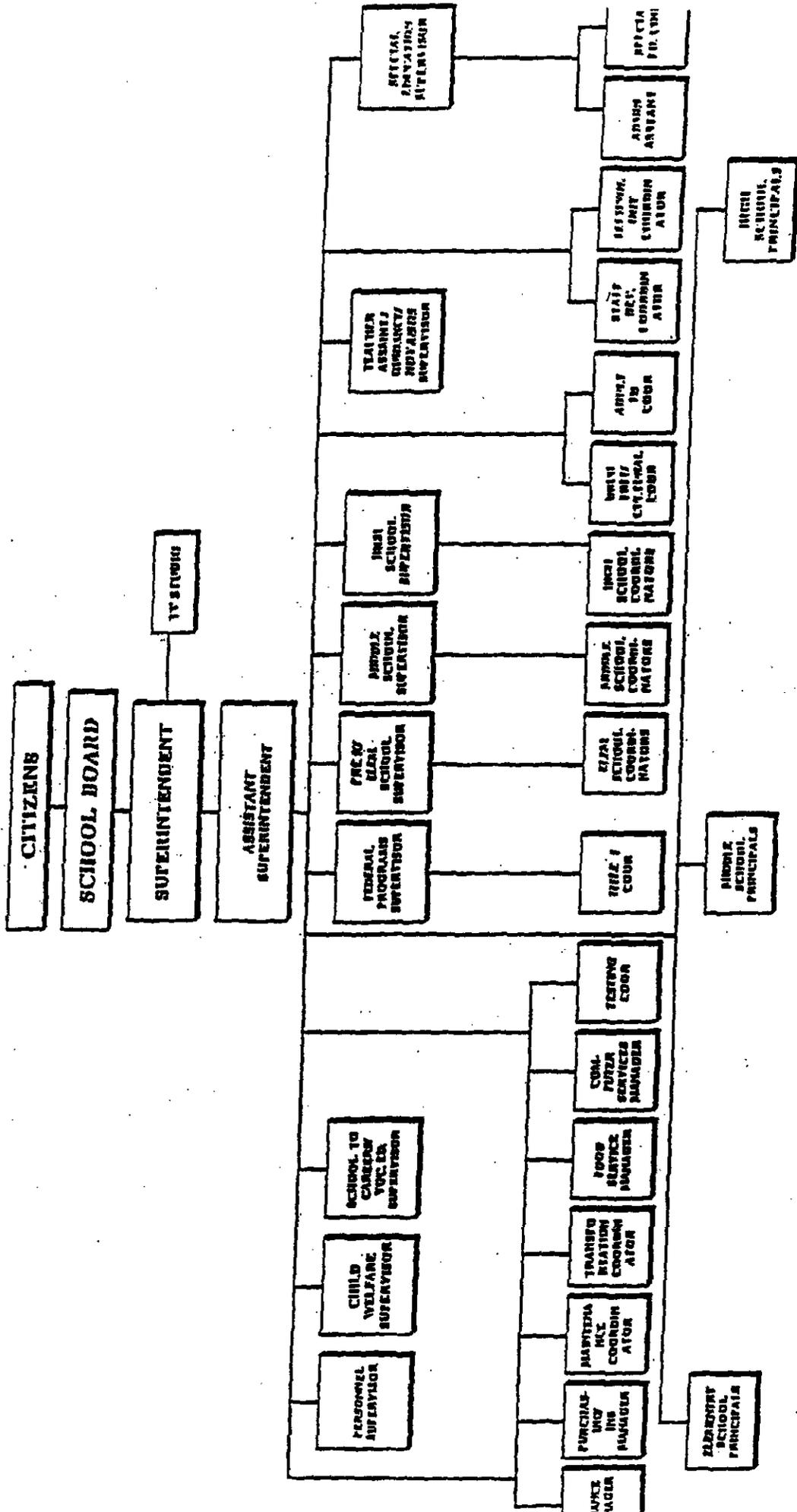
ASSOCIATE SUPERINTENDENT

BEVERLY LAWRASON

FINANCIAL MANAGER

DAVID FERNANDEZ

ORGANIZATIONAL CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

St. Bernard Parish
School Board, Louisiana

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

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



President

Executive Director

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL



This Certificate of Excellence in Financial Reporting is presented to

ST. BERNARD PARISH SCHOOL BOARD

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

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

William A. Hill
President

Gene H. Keller
Executive Director



To the Members of the
St. Bernard Parish School Board
Chalmette, Louisiana

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of St. Bernard Parish School Board (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. Bernard Parish School Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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 St. Bernard Parish School Board, as of June 30, 2004, and the respective changes in financial position and cash flows, 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 September 24, 2004, on our consideration of the St. Bernard Parish 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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Management's Discussion and Analysis and the other Required Supplementary Information as listed in the table of contents, are not a required part of the basic financial statements of St. Bernard Parish School Board but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion thereon.

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 introductory section, combining and individual nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



A Professional Accounting Corporation

September 24, 2004

ST. BERNARD PARISH SCHOOL BOARD

Chalmette, Louisiana

Management's Discussion and Analysis

June 30, 2004

We present readers of the St. Bernard Parish School Board's (School Board's) financial statements with this narrative overview and analysis of the financial activities of the St. Bernard Parish School Board for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

Key financial highlights for the 2003-2004 fiscal year include the following:

Statement of Net Assets - The assets of the School Board exceeded its liabilities at the close of the most recent fiscal year by \$31,214,078. Of this amount, \$5,015,258 (unrestricted net assets) may be used to meet the School Board's obligations to students and creditors.

Statement of Activities - The total net assets of the School Board increased by \$3,050,752 for the year ended June 30, 2004. This increase is attributable to several factors including the receipt of a portion of a settlement regarding prior year Minimum Foundation Program (MFP) funds owed to the School Board, coupled with an increase in capital assets and a corresponding decrease in the School Board's liability related to bonded debt.

Governmental Funds Balance Sheet - As of the close of the fiscal year, the School Board's governmental funds reported a combined ending fund balance of \$14,170,014, an increase of \$2,345,941 in comparison with the prior fiscal year. The majority of this fund balance is composed of approximately \$7.96 million for spending within the General Fund, \$2.28 million which is reserved for the payment of outstanding bond issues within the debt service funds and \$3.61 million which is held in the Capital Projects Funds to finance current and future construction projects.

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance - Total revenues for the year ended June 30, 2004 for the governmental funds of the School Board amounted to \$70,189,355. Approximately 81.2% of this amount is received from three major revenue sources: (1) \$29.7 million from Louisiana's Minimum Foundation Program, (2) \$12.1 million from local ad valorem taxes and (3) \$15.1 million from local sales and use taxes.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

General Fund Ending Fund Balance - At the end of the current fiscal year, the fund balance for the General Fund, a major fund, was \$7,962,260, or 14.9% of total General Fund expenditures for 2003-2004. Approximately \$0.9 million is reserved for encumbrances, \$2.4 million (designated) is set aside for future claims and contingencies and specific program expenditures and \$4.7 million (undesignated) is available for spending at the Board's discretion.

Capital Assets - Total capital assets (net of depreciation) were \$51,304,383, or 72.0% of total assets. The School Board uses these assets to provide educational services to children and adults; consequently, these assets are not available for future spending.

Long-Term Debt - The School Board's total debt decreased \$1,536,184 (4.3%) during the current fiscal year. The key factors are (1) \$1,480,000 decrease in bonded debt, (2) approximately \$56,000 decrease in liability for compensated absences.

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. The School Board's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

ST. BERNARD PARISH SCHOOL BOARD

Chalmette, Louisiana

Management's Discussion and Analysis

June 30, 2004

Government-wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of the School Board's finances, in a manner similar to that utilized by a private-sector business.

- The Statement of Net Assets presents information on all of the School Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the St. Bernard Parish School Board is improving or deteriorating.
- The Statement of Activities presents information showing how the School Board's assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the School Board can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- *Governmental funds* - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the School Board's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Lunch Fund, Education Excellence Preschool Fund, Ad Valorem Tax Bond Sinking Fund and Capital Projects Fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The School Board adopts an annual budget for its General Fund and each individual Special Revenue Fund. Budgetary comparison statements have been provided to demonstrate compliance with these budgetary requirements.

- *Proprietary funds* - The School Board has one internal service fund. An internal service fund is a type of proprietary fund which accumulates and allocates costs internally among the School Board's various functions. The School Board maintains an internal service fund to account for its self-insured workers' compensation program. This program accounts for claims incurred by employees injured while under the course and scope of their employment with the school system. Because the services provided in this fund benefit governmental, rather than business-type functions, they have been included as governmental activities in the government-wide financial statements.
- *Fiduciary funds* - Fiduciary funds are used to account for resources held for the benefit of parties outside of the School Board. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's own programs. The School Board maintains one fiduciary fund: the School Activity Agency Fund.

Notes to the basic financial statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School Board's compliance with budgets for its major funds. The combining statements for non-major governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the School Board, assets exceeded liabilities by \$31,214,078 at the close of the most recent fiscal year.

The largest portion of the School Board's net assets, totaling more than \$23.0 million, reflects its investment in capital assets (e.g. land, buildings, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide educational services to children and adults; consequently, these assets are not available for future spending. Although the School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

St. Bernard Parish School Board's Net Assets

	<u>2004</u>		<u>2003</u>	
	<u>Governmental</u>	<u>Percent</u>	<u>Governmental</u>	<u>Percent</u>
	<u>Activities</u>	<u>of Total</u>	<u>Activities</u>	<u>of Total</u>
Current and other assets	\$ 19,915,768	27.96%	\$ 17,560,407	25.30%
Capital assets	<u>51,304,383</u>	<u>72.04%</u>	<u>51,853,395</u>	<u>74.70%</u>
Total assets	<u>71,220,151</u>	<u>100.00%</u>	<u>69,413,802</u>	<u>100.00%</u>
Current and other liabilities	6,103,865	15.26%	6,105,152	14.70%
Long-term liabilities	<u>33,902,208</u>	<u>84.74%</u>	<u>35,438,392</u>	<u>85.30%</u>
Total liabilities	<u>40,006,073</u>	<u>100.00%</u>	<u>41,543,544</u>	<u>100.00%</u>
Net assets:				
Invested in capital assets, net of related debt	23,039,383	73.81%	22,108,395	79.33%
Restricted	3,159,437	10.12%	3,387,118	12.15%
Unrestricted	<u>5,015,258</u>	<u>16.07%</u>	<u>2,374,745</u>	<u>8.52%</u>
Total net assets	<u>\$ 31,214,078</u>	<u>100.00%</u>	<u>\$ 27,870,258</u>	<u>100.00%</u>

A portion of the School Board's net assets of \$3,159,437 are reported separately to show the legal constraints placed on these funds and to limit the School Board from using those funds for day-to-day operations. The remaining balance of unrestricted net assets totaling \$5,015,258 may be used to meet the School Board's ongoing obligations to citizens and creditors. Governmental activities increased the St. Bernard Parish School Board's net assets by \$3,253,080, which represents an 12% increase in net assets from the prior year. Key elements of the increase were as follows:

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

St. Bernard Parish School Board's Changes in Net Assets

	<u>Governmental</u> <u>Activities</u>	<u>Percent</u> <u>of Total</u>	<u>Governmental</u> <u>Activities</u>	<u>Percent</u> <u>of Total</u>
Revenues:				
Program Revenues:				
Charges for services	\$ 1,158,072	1.66%	\$ 1,224,135	1.81%
Operating grants and contributions	10,808,985	15.46%	9,840,188	11.99%
General Revenues:				
Ad valorem taxes	12,095,973	17.31%	11,422,975	16.90%
Sales and use taxes	15,130,078	21.65%	14,991,124	22.17%
State revenue sharing	335,734	.48%	345,061	0.51%
Grants and contributions not restricted to specific programs - MFP	29,757,151	42.58%	28,910,271	42.76%
Interest earnings	143,188	.20%	18,319	0.02%
Other general revenues	<u>461,420</u>	<u>.66%</u>	<u>857,245</u>	<u>3.84%</u>
Total Revenues	<u>69,890,538</u>	<u>100.00%</u>	<u>67,609,318</u>	<u>100.00%</u>
Expenses:				
Instruction:				
Regular programs	31,616,538	47.45%	30,117,122	46.87%
Special programs	7,950,908	11.93%	8,296,487	12.91%
Adult/continuing education programs	305,508	.46%	295,652	0.46%
Support Services:				
Pupil support services	3,281,629	4.92%	3,241,474	5.04%
Instructional staff support services	3,655,623	5.49%	3,306,126	5.15%
General administration	1,286,063	1.93%	1,336,057	2.08%
School administration	3,290,337	4.94%	3,144,029	4.89%
Business services	502,010	.75%	493,949	0.77%
Plant services	5,465,105	8.20%	5,148,549	8.01%
Student transportation services	3,474,556	5.21%	2,893,015	4.50%
Central services	619,718	.93%	473,240	0.74%
Community service programs	4,100	.01%	4,100	0.01%
Food service operations	3,674,309	5.51%	3,505,535	5.46%
Debt Service -				
interest on long-term obligations	<u>1,511,117</u>	<u>2.27%</u>	<u>1,998,264</u>	<u>3.11%</u>
Total Expenses	<u>66,637,521</u>	<u>100.00%</u>	<u>64,253,599</u>	<u>100.00%</u>
Increase in net assets	<u>3,253,082</u>		<u>\$ 3,355,719</u>	

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

Revenues by Source - Governmental Activities

- Grants and Contributions Not Restricted to Specific Programs** - The single largest source of revenue to the School Board is reported in the "Grants and Contributions Not Restricted to Specific Programs" and is received through the Minimum Foundation Program (MFP). The MFP is a distribution of approximately \$2.6 billion to 68 public school systems by the State of Louisiana for salaries and general operations. The State does not provide money for building schools or retiring debt. The distribution is based on a formula adopted by the Louisiana Board of Elementary and Secondary Education and approved by the Louisiana Legislature. The following chart presents the actual increases or decreases in MFP funds received by the School Board over the last three years.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Lunch Fund</u>	<u>Total MFP</u>	<u>Increase</u>	<u>%</u>
2001-2002	\$26,545,073	\$615,650	\$ 27,160,723	\$ 2,150,109	8.6%
2002-2003	28,294,621	615,650	28,910,271	1,749,548	6.4%
2003-2004	29,141,501	615,650	29,757,151	846,880	2.9%

In fiscal year 2003-2004, the School Board received \$29,757,151, or 42.4% of its total revenues, from the MFP. These revenues are deposited in the General Fund and the Lunch Fund only.

- Sales and Use Tax Revenues** - Sales and use tax revenues are the second largest source of revenues for the School Board. A 2% sales tax rate is levied upon the sale and consumption of goods and services within the parish for public education. The following chart lists sales and use tax revenues for the past three years.

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Non-Major Debt Service Funds</u>	<u>Total Collections</u>	<u>Increase</u>	<u>%</u>
2001-2002	\$14,161,674	\$625,460	\$14,787,134	\$1,550,596	11.7%
2002-2003	14,351,633	639,491	14,991,124	203,990	1.4%
2003-2004	14,496,034	634,044	15,130,078	138,954	0.9%

ST. BERNARD PARISH SCHOOL BOARD

Chalmette, Louisiana

Management's Discussion and Analysis

June 30, 2004

In fiscal year 2003-2004, the School Board deposited \$14,496,034 into the General Fund and \$634,044 into the Sales Tax Sinking Debt Service Fund. This represents 21.6% of the total revenues received.

- **Ad Valorem Tax Revenues** - Ad valorem tax revenues, also referred to as property tax revenues, are the third largest source of revenue for the School Board. Ad valorem collections are based upon the number of mills (levied annually by the School Board) and the taxable assessed value (established by the St. Bernard Parish Assessor), subject to the limitations approved by the voters and the Louisiana Legislature. The following chart lists ad valorem tax revenues for the last three years.

<u>Fiscal Year</u>	Ad Valorem		<u>Total Collections</u>	<u>Increase</u>	<u>%</u>
	<u>General Fund</u>	<u>Tax Bond Sinking Fund</u>			
2001-2002	\$7,518,586	\$2,742,306	\$10,260,892	\$ 676,644	7.1%
2002-2003	8,393,958	3,029,017	11,422,975	1,162,083	11.3%
2003-2004	9,228,387	2,867,586	12,095,973	672,998	5.9%

In fiscal year 2003-2004, the School Board deposited \$9,228,387 in ad valorem tax revenues into the General Fund and \$2,867,586 into the Ad Valorem Tax Bond Debt Service Sinking Fund. This represents 17.2% of total revenues received.

- **Operating Grants and Contributions** - Operating grants and contributions are the fourth largest source of revenues for the School Board. Federal grants represent approximately \$9.1 million, or 81.8% of total grants and contributions, while state grants represent approximately \$2.0 million, or 18.2% of total grants and contributions. These grants and contributions are specifically restricted to certain programs, and therefore, are netted against the costs of these programs to show a true net cost. The following chart shows operating grants and contributions by fund source for the last three years:

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Lunch Fund</u>	Non-Major	<u>Total</u>	<u>%</u>
			<u>Special Revenue Funds</u>		<u>Increase/ (Decrease)</u>
2001-2002	\$1,693,945	\$1,921,390	\$4,932,241	\$8,547,576	14.71%
2002-2003	1,892,635	2,070,854	5,876,699	9,840,188	15.12%
2003-2004	1,791,851	2,208,910	7,143,958	11,144,719	13.26%

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

In fiscal year 2003-2004, the School Board received an additional 13.26%, or \$1,304,531, in operating grants and contributions over the prior fiscal year.

Program Expenses and Revenues - Governmental Activities

Expenses are classified by function/program. The related revenues are comprised of specific charges for the services and operating grants and contributions received to offset the expenses for the specific program.

Expenses for regular programs, special programs and adult/continuing education programs are considered instructional services and relate to direct expenses of providing instruction to students. Instructional services for fiscal year 2003-2004 totaled more than \$39.9 million, or 59.5% of total expenses. The remaining expense functions are considered support services and relate to those functions that support the instructional services provided, such as administration, transportation, food services and plant services. Support services for fiscal year 2003-2004 totaled over \$25.3 million, or 37.6% of total expenses.

The remaining \$1,933,160, or 2.9% of total expenses, consists of interest expense on long-term obligations.

The program revenues for fiscal year 2003-2004 directly related to these expenses totaled \$11,967,057, which resulted in net program expenses of \$55,148,691. These net program expenses were funded by general revenues of the School Board.

Financial Analysis of Governmental Funds

As noted earlier, the St. Bernard Parish School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the School Board's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the School Board's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a School Board's net resources available for spending at the end of the fiscal year.

- As of the close of the current fiscal year, the School Board's governmental funds reported a combined ending fund balance of \$14,170,014, an increase of

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

\$2,345,941 in comparison with the prior fiscal year. This fund balance is comprised primarily of (1) \$7.96 million available for spending within the General Fund, (2) \$2.28 million reserved for the payment of outstanding bond issues within the Debt Service Funds and (3) \$3.61 million in the Capital Projects Funds for specific current and future construction projects.

- The General Fund is the chief operating fund of the School Board. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$7,081,774. The School Board has designated 33.8% of that fund balance for future claims and contingencies, equipment replacement and specific programs. The remaining 66.2% (undesignated) is available for spending at the Board's discretion.
- The Debt Service Funds have a total fund balance of \$2,284,969, all of which is reserved for the payment of outstanding debt.
- The Capital Projects Funds have total fund balances of \$3,609,254, all of which is designated for capital improvements.

General Fund Budgetary Highlights

The original budget for the School Board was adopted on July 22, 2003, and the final budget amendment was adopted on April 27, 2004. Differences between the original budget and the final amended budget of the General Fund are as follows:

Revenues

- Ad valorem tax revenues were estimated to grow 6.8% based on the 2003 assessment rolls, released after the adoption of the initial 2003-2004 General Fund budget. The budget was increased \$576,941 to reflect this growth.
- Utilizing the State Department of Education's initial estimate, MFP revenues were initially estimated at \$27,630,502. However, when the final appropriation was received in March 2004, the School Board had realized a net increase of 880,651, due primarily to an increase in student enrollment.

ST. BERNARD PARISH SCHOOL BOARD

Chalmette, Louisiana

Management's Discussion and Analysis

June 30, 2004

- Revenues from state grants for specific programs increased \$154,764 throughout the year as competitive state grants were awarded to the School Board.

Expenditures

- All functional areas of the budget for Instruction and Support Services were increased approximately \$1,195,131 due primarily to increased costs of employee benefits.
- Expenditures for state grants for specific programs were increased \$154,764 throughout the year as competitive state grants were awarded to the school system.

Excess (Deficiency) of revenues and other financing sources over (under) expenditures and other financing uses

- The original budget projected a deficit of \$1,616,790 which was later amended and projected to have a deficit of \$1,431,119. This decrease in the projected deficit was due primarily to an excess of increased projected revenues over projected increases in expenditures.

Capital Assets and Debt Administration

Capital Assets - The School Board's investment in capital assets as of June 30, 2004 amounts to \$51,304,383 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements and furniture and equipment. The following table shows the value of these assets at the end of the current and previous fiscal years:

**St. Bernard Parish School Board's Capital Assets
(net of depreciation)**

	<u>2004</u>	<u>2003</u>
Land	\$ 934,696	\$ 934,696
Buildings and Improvements	40,181,353	40,847,149
Furniture and Equipment	<u>10,188,334</u>	<u>10,071,550</u>
Total	<u>\$ 51,304,383</u>	<u>\$ 51,853,395</u>

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

Major capital asset events during the fiscal year included the following:

- Additions to capital assets included \$1,014,702 for furniture and equipment and \$1,115,991 for buildings and improvements. These additions were offset by equipment disposals of \$69,982 and depreciation of \$2,650,310 resulting in a net decrease in capital assets of \$549,012.

Long-Term Debt - At the end of the current fiscal year, the School Board had total bonded debt outstanding of \$28,265,000. Of this amount, \$24,905,000 comprises debt backed by the full faith and credit of the government. The following table summarizes bonds outstanding at June 30, 2004 and 2003:

St. Bernard Parish School Board's Outstanding Debt

	<u>2004</u>	<u>2003</u>
General obligation bonds	\$ 24,905,000	\$25,925,000
Sales tax bonds	<u>3,360,000</u>	<u>3,820,000</u>
Total	<u>\$ 28,265,000</u>	<u>\$ 29,745,000</u>

Long-term debt issues for fiscal year 2003-2004 include the following:

- Total outstanding debt decreased \$1,480,000 during the 2003-2004 fiscal year.
- Louisiana statutes limit the amount of general obligation debt the School Board may issue to 35% of the total assessed valuation. On June 30, 2004, the School Board had \$24,905,000 in outstanding general obligation debt, representing 6.7% of the total assessed valuation. The current debt limitation for the School Board is \$130,006,188.
- On February 18, 2004, the School Board defeased \$14,370,000 of the March 1, 1997 School Board General Obligation bonds maturing on or after March 1, 2008. As a result of this action, the School Board will realize an economic gain of \$807,734. Further details regarding this transaction are presented in Note 9 of the Notes to the Basic Financial Statements.

For additional information regarding capital assets and long-term debt, see the notes to the basic financial statements.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Management's Discussion and Analysis
June 30, 2004

Economic Factors and Next Year's Budgets and Rates

The following economic factors were considered in preparation of the fiscal year 2004-2005 budget:

- Beginning with the 2004-2005 Minimum Foundation Programs, the Louisiana Department of Education began using actual, prior-year enrollment figures rather than projected enrollment figures, in the Minimum Foundation calculations. The intent behind this practice was to give the local districts concrete allocations at the beginning of the funding period without the possibility of having allocations adjusted at mid-year. Consequently, the School Board will realize an increase of \$566,700 in MFP funding for the 2004-2005 fiscal year.
- Assessment year 2004 saw a reassessment of all properties in the State of Louisiana. Initial estimates show the taxable assessed value of properties in St. Bernard Parish increasing by \$13,594,638. Due to this increase in assessed values, the School Board expects to receive an additional \$455,693 in fiscal year 2004-2005. Upon receipt of the final assessment figures later this year, any adjustments deemed necessary will be made in the 2005 revised budget.
- No changes in economic factors are anticipated that will significantly affect sales and use tax collections, therefore, these revenues will be budgeted at 2003-2004 levels.
- The School Board is anticipating another significant increase in group insurance premiums for 2004-2005, estimated at approximately \$1.6 million. Also, Teachers' Retirement System employer contribution rates will increase from 13.8% to 15.5% and School Employees' Retirement System employer contribution rates will increase from 8.5% to 18.8% in 2004-2005, resulting in an increase of \$760,495 and \$219,498, respectively.

Requests for Information

This financial report is designed to provide a general overview of the St. Bernard Parish School Board's finances for all those with an interest in the School Board's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Manager of the St. Bernard Parish School Board, 200 E. St. Bernard Hwy., Chalmette, Louisiana or by calling (504) 301-2000.

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ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Statement A

STATEMENT OF NET ASSETS
June 30, 2004

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS:	
Cash and cash equivalents	\$14,394,578
Receivables	5,196,432
Inventory	74,465
Other Assets	250,293
Capital assets:	
Land	934,696
Capital assets, net of depreciation	<u>50,369,687</u>
TOTAL ASSETS	<u>71,220,151</u>
LIABILITIES:	
Accounts, salaries and other payables	4,046,867
Deferred revenue	1,615,390
Interest payable	441,608
Long-term liabilities:	
Due within one year	2,702,847
Due in more than one year	<u>31,199,361</u>
TOTAL LIABILITIES	<u>40,006,073</u>
NET ASSETS:	
Invested in capital assets, net of related debt	23,039,383
Restricted for:	
Food Service Programs	188,249
Debt Service	2,284,969
Capital Projects	560,937
Scholarships	125,282
Unrestricted	<u>5,015,258</u>
TOTAL NET ASSETS	<u><u>\$31,214,078</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Statement B

STATEMENT OF ACTIVITIES
Governmental Activities
Fiscal Year Ended June 30, 2004

Functions/programs:	Expenses	Program revenues		Net (expenses) revenue and changes in net assets
		Charges for services	Operating grants and contributions	
Governmental Activities:				
Instructional Services:				
Regular programs	\$31,816,538	\$651,325	\$5,536,949	(\$25,428,264)
Special programs	7,950,908	-	409,240	(7,541,668)
Adult/continuing education	305,508	-	287,647	(17,861)
Support services:				
Pupil support services	3,281,629	-	978,724	(2,302,905)
Instructional staff support services	3,655,623	-	1,345,308	(2,310,315)
General administration	1,286,063	-	2,150	(1,283,913)
School administration	3,290,337	-	-	(3,290,337)
Business services	502,010	-	-	(502,010)
Plant services	5,465,105	-	1,977	(5,463,128)
Student transportation services	3,474,556	-	38,080	(3,436,476)
Central services	619,718	-	-	(619,718)
Community service programs	4,100	-	-	(4,100)
Food service operations	3,674,309	506,747	2,208,910	(958,652)
Debt service - interest on long-term obligations	1,511,117	-	-	(1,511,117)
Total governmental activities	<u>\$66,637,521</u>	<u>\$1,158,072</u>	<u>\$10,808,985</u>	<u>(54,670,464)</u>

General revenues:

Taxes:

Ad valorem taxes levied for general purposes	9,228,387
Ad valorem taxes levied for debt service purposes	2,867,586
Sales taxes levied for salaries, benefits and general purposes	15,130,078
State revenue sharing	335,734
Grants and contributions not restricted to specific programs - Minimum Foundation Program	29,757,151
Interest earnings	143,188
Other	461,420

Total general revenues 57,923,544

Changes in net assets 3,253,080

Net assets at beginning of year 27,960,998

Net assets at end of year \$31,214,078

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS
 Balance Sheet
 June 30, 2004

	GENERAL FUND	LUNCH FUND	EDUCATION EXCELLENCE FUND PRESCHOOL	AD VALOREM TAX BOND SINKING FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
ASSETS							
Cash and cash equivalents	\$7,279,174	\$122,044	\$1,147,961	\$1,400,146	\$2,660,258	\$1,361,311	\$14,170,894
Receivables	3,440,804	50,349	-	5,200	-	1,700,079	5,196,432
Interfund receivables	1,294,736	40,000	-	-	630,348	-	1,965,084
Inventory	-	74,465	-	-	-	-	74,465
Other assets	250,293	-	-	-	-	-	250,293
TOTAL ASSETS	\$12,265,007	\$286,858	\$1,147,961	\$1,405,346	\$3,490,606	\$3,061,390	\$21,657,168
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts, salaries and other payables	\$3,394,294	\$98,609	\$9,129	\$6,000	-	\$338,648	\$3,846,680
Interfund payables	730,348	-	-	-	-	1,294,736	2,025,084
Deferred revenues	178,105	-	1,138,832	-	-	298,453	1,615,390
Total Liabilities	4,302,747	98,609	1,147,961	6,000	-	1,931,837	7,487,154
Fund balances:							
Reserved	880,486	74,465	-	1,399,346	442,289	1,019,271	3,815,857
Unreserved:							
Designated	2,390,569	-	-	-	3,048,317	110,282	5,549,168
Undesignated	4,681,205	113,784	-	-	-	-	4,804,989
Total Fund Balances	7,962,260	188,249	-	1,399,346	3,490,606	1,129,553	14,170,014
TOTAL LIABILITIES AND FUND BALANCES	\$12,265,007	\$286,858	\$1,147,961	\$1,405,346	\$3,490,606	\$3,061,390	\$21,657,168

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

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

Total fund balances, governmental funds \$14,170,014

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	\$82,761,304	
Depreciation expense to date	<u>(31,456,921)</u>	51,304,383

Elimination of interfund assets and liabilities:

Interfund assets	(1,965,084)	
Interfund liabilities	<u>2,025,084</u>	60,000

Net assets of the internal service fund reported as proprietary fund type in the fund financial statements but included as governmental activities in the government-wide financial statements less interfund receivable eliminated in the consolidation into the governmental activities.

Total net assets	83,497	
Interfund assets	<u>(60,000)</u>	23,497

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Assets.

Balances at June 30, 2004 are:

Long-term liabilities:

Compensated absences payable	(5,637,208)	
Bonds payable	(28,265,000)	
Interest payable	<u>(441,608)</u>	<u>(34,343,816)</u>

Total Net Assets - Governmental Activities \$31,214,078

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2004

	GENERAL FUND	LUNCH FUND	EDUCATION EXCELLENCE FUND PRESCHOOL	AD VALOREM TAX BOND SINKING FUND	CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTALS
REVENUES							
Local sources:							
Ad valorem tax	\$9,228,387	-	-	\$2,867,586	-	-	\$12,095,973
Sales and use tax	14,496,034	-	-	-	-	\$634,044	15,130,078
Rentals, leases and royalties	250,298	-	-	-	-	-	250,298
Tuition	651,325	-	-	-	-	-	651,325
Food services income	-	\$506,747	-	-	-	-	506,747
Interest earnings	95,114	2,264	-	13,000	\$27,737	5,073	143,188
Other	474,876	-	-	-	-	35,000	509,876
State sources:							
Unrestricted grants-in-aid	29,141,501	615,650	-	-	-	-	29,757,151
Restricted grants-in-aid	1,731,056	-	\$104,407	-	-	194,729	2,030,192
Federal sources:							
Unrestricted-indirect cost recoveries	-	-	-	-	-	346,387	346,387
Restricted grants-in-aid:							
Direct	60,795	-	-	-	-	707,765	768,560
Subgrants	-	2,062,811	-	-	-	5,780,670	7,853,481
Other-Commodities	-	148,099	-	-	-	-	148,099
Total Revenues	56,129,386	3,333,571	104,407	2,880,586	27,737	7,713,668	70,189,356
EXPENDITURES							
Current:							
Instruction:							
Regular programs	26,399,590	-	104,407	-	-	3,782,128	30,286,125
Special programs	7,803,973	-	-	-	-	400,044	8,204,017
Adult and continuing education programs	143,530	-	-	-	-	166,253	309,783
Support Services:							
Student services	2,294,700	-	-	-	-	978,724	3,273,424
Instructional staff support	2,212,402	-	-	-	-	1,345,308	3,557,710
General administration	1,121,373	-	-	82,758	-	2,150	1,206,281
School administration	3,283,960	-	-	-	-	-	3,283,960
Business services	482,027	-	-	-	-	-	482,027
Plant services	5,435,994	-	-	-	-	1,977	5,437,971
Student transportation services	3,257,636	-	-	-	-	38,080	3,295,716
Central services	815,726	-	-	-	-	-	815,726
Community service programs	4,100	-	-	-	-	-	4,100
Food service programs	348,025	3,333,443	-	-	-	-	3,681,468
Facility acquisition and construction	-	-	-	-	893,424	121,358	1,014,782
Debt service:							
Principal retirement	-	-	-	1,225,917	-	460,000	1,685,917
Interest and bank charges	-	-	-	1,309,326	-	177,757	1,487,083
Other charges	-	-	-	3,774	-	695	4,469
Total Expenditures	53,413,036	3,333,443	104,407	2,621,775	893,424	7,454,474	67,820,559
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,716,350	128	-	258,811	(865,687)	259,194	2,368,796
OTHER FINANCING SOURCES (USES)							
Sale of equipment	2,305	-	-	-	-	-	2,305
Insurance proceeds from loss	21,848	-	-	-	-	-	21,848
Proceeds from refunding bond issue	-	-	-	14,370,000	-	-	14,370,000
Premium on refunding bond issue	-	-	-	1,124,034	-	-	1,124,034
Payment to escrow agent	-	-	-	(15,443,961)	-	-	(15,443,961)
Bond issuance costs	-	-	-	(42,748)	-	-	(42,748)
Transfers in	346,387	-	-	-	930,348	-	1,276,735
Transfers out	(984,681)	-	-	-	-	(346,387)	(1,331,068)
Total Other Financing Sources (Uses)	(614,141)	-	-	7,325	930,348	(346,387)	(22,855)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	2,102,209	128	-	266,136	64,661	(87,193)	2,345,941
FUND BALANCES AT BEGINNING OF YEAR	5,880,051	188,121	-	1,133,210	3,425,945	1,216,746	11,824,073
FUND BALANCES AT END OF YEAR	\$7,962,260	\$188,249	-	\$1,399,346	\$3,490,606	\$1,129,553	\$14,170,014

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

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

For the year ended June 30, 2004

Total net change in fund balances - governmental funds \$ 2,345,941

Amounts reported for governmental activities in the
Statement of Activities are different because:

Capital outlays are reported in governmental funds as
expenditures. However, in the Statement of Activities,
the cost of those assets is allocated over their
estimated useful lives as depreciation expense. The
amount by which depreciation expense exceeded
the cost of capital outlays in the current period is as follows:

Capital asset disposals (net)	(\$29,395)	
Capital outlay additions	2,130,693	
Depreciation expense	<u>(2,609,723)</u>	(549,012)

All revenues, expenses and changes in fund net assets
of the internal service fund are reported as proprietary fund
type in the fund financial statements, but included as
governmental activities in the government wide financial
statements.

Net loss (internal service fund)	(60,468)
----------------------------------	----------

The issuance of long-term debt provides current financial resources
of governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds.
Neither transaction, however, has an effect on net assets:

Repayment of bond principal	\$ 1,685,917	
Repayment of bond principal - refunding	14,164,083	
Receipt of bond proceed - refunding	<u>(14,370,000)</u>	1,480,000

In the statement of activities, certain operating expenses - compensated
absences (vacations and sick leave) - are measured by amounts earned
during the year. In the governmental funds, however, expenditures for
these items are measured by the amount of financial resources used
(essentially, the amounts actually paid). This year, vacation and
sick time used exceeded the amounts earned by \$56,184

56,184

Interest on long-term debt in the Statement of Activities differs
from the amount reported in the governmental funds due to
the fact that interest is recognized as an expenditure in the
funds when it is due, and thus requires the use of current financial
resources. In the Statement of Activities, however, interest expense
is recognized as the interest accrues, regardless of when it is due.

(19,565)

Change in net assets of governmental activities

\$3,253,080

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND
Workers' Compensation Fund
Statement of Net Assets
June 30, 2004

ASSETS

Cash and cash equivalents	\$223,684
Interfund receivable	<u>100,000</u>
TOTAL ASSETS	<u><u>\$323,684</u></u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts, salaries and other payables	200,187
Interfund payables	<u>\$40,000</u>
Total Liabilities	<u>240,187</u>
Net Assets	
Unrestricted	<u>83,497</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$323,684</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Statement H

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND
Workers' Compensation Fund
Statement of Revenues, Expenses and
Changes in Fund Net Assets
For the Year Ended June 30, 2004

OPERATING REVENUES

Billings to General Fund	\$595,667
Billings to Lunch Fund	113,000
	<hr/>
Total Operating Revenues	708,667

OPERATING EXPENSES

Claims	666,332
Claims administration and loss control	37,572
Excess insurance premiums	59,919
Surety bond	2,500
Other operating expenses	58,496
	<hr/>
Total Operating Expenses	824,819

OPERATING LOSS (116,152)

NON-OPERATING REVENUES

Interest earnings	1,351
	<hr/>

LOSS BEFORE OPERATING TRANSFER (114,801)

TRANSFER IN 54,333

CHANGE IN NET ASSETS (60,468)

NET ASSETS AT BEGINNING OF YEAR 143,965

NET ASSETS AT END OF YEAR \$83,497

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND
Workers' Compensation Fund
Statement of Cash Flows
For the Year Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from General Fund	\$495,667
Cash received from Lunch Fund	213,000
Cash paid to claimants	(643,045)
Cash paid for claims administration and loss control	(48,212)
Application fee and assessment paid	(32,825)
Salaries paid	(25,117)
Professional development expenses paid	(350)
Surety bond paid	(2,500)
Excess insurance premiums paid	(59,919)
Office expense paid	(204)
	<hr/>
Net cash used in operating activities	(103,505)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Transfers in	54,333
	<hr/>
Net cash provided by non-capital financing activities	54,333

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received	1,351
	<hr/>
Net cash provided by investing activities	1,351

NET DECREASE IN CASH AND CASH EQUIVALENTS	(47,821)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	271,505
	<hr/>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$223,684</u>

Reconciliation of Operating Loss to Net Cash Used by Operating Activities:

Operating Loss	(\$116,152)
Changes in Assets and Liabilities:	
(Increase) in interfund receivable	(40,000)
Decrease in accounts receivable	2,959
Increase in interfund payables	40,000
Increase in accounts payable	9,688
	<hr/>
Net Cash Used in Operating Activities	<u>(\$103,505)</u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

FIDUCIARY FUNDS
Statement of Fiduciary Net Assets
June 30, 2004

SCHOOL ACTIVITY
AGENCY FUND

ASSETS

Cash and cash equivalents	<u>\$683,878</u>
TOTAL ASSETS	<u><u>\$683,878</u></u>

LIABILITIES AND EQUITY

Liabilities:	
Deposits due others	<u>\$683,878</u>
TOTAL LIABILITIES	<u><u>\$683,878</u></u>

SEE ACCOMPANYING NOTES TO BASIC FINANCIAL STATEMENTS

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ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
June 30, 2004

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

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

The School Board operates 14 schools within the Parish with a total enrollment of 8,495 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. An alternative school has been established to serve students who have been expelled from the regular educational program or who have been placed in a more restrictive special education environment. In addition, the School Board provides transportation and school food services for the students.

B. REPORTING ENTITY

The basic criterion established by the Governmental Accounting Standards Board for including potential component units within the reporting entity is financial accountability. For financial reporting purposes, the School Board includes all funds and activities for which the School Board exercises financial accountability. Certain units of local government, over which the School Board exercises no financial accountability, such as the parish council, other independently elected parish officials, and municipalities within the parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statement separate from 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 basic financial statements.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
June 30, 2004

C. FUNDS

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain School Board functions or activities.

A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

Funds of the School Board are classified into the following categories: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds account for most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

1. General Fund - the primary operating fund of the School Board. This fund is used to account for all financial resources except those required to be accounted for in other funds.
2. Special Revenue Funds - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, or designated by the School Board to be accounted for separately..
3. Debt Service Funds - account for transactions relating to resources retained and used for the payment of principal, interest and related costs on long-term obligations.
4. Capital Projects Fund - accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.
5. Permanent Fund - accounts for financial resources that are legally restricted to the extent that only earnings generated, and not principal, may be used to support programs.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
June 30, 2004

Proprietary Fund Type - Internal Service Fund

Proprietary funds account for activities similar to those found in the private sector where the determination of net income is necessary or useful for sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. The School Board has one proprietary fund - the Workers' Compensation Internal Service Fund. This fund accounts for the financing of the School Board's self insurance program for workers' compensation.

Fiduciary Fund Type

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds include:

Agency Funds - account for assets held by the School Board on behalf of other funds and as an agent for the individual schools, school organizations and employees. These funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. Consequently, the agency fund has no measurement focus, but does use the accrual basis of accounting.

D. BASIS OF ACCOUNTING / MEASUREMENT FOCUS

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. 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.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
June 30, 2004

The *Statement of Net Assets and Statement of Activities* were prepared using the economic resources measurement focus and the accrual basis of accounting. 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*.

Internal Activities: The Workers' Compensation Internal Service Fund provides services to the Governmental Funds. Accordingly, the internal service fund activities were rolled up into the governmental activities. Pursuant to GASB 34, as much as possible, the internal activities have been eliminated in order to avoid the "grossing up" effect of a straight inclusion.

Program Revenues: Program revenues include 1) charges for services provided, 2) operating grants and contributions and 3) capital grants and contributions. Program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales and miscellaneous student fees. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of Indirect Expenses: The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those which are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expenses of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Other indirect expenses are not allocated.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they are measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectable within the current period or soon enough thereafter to pay liabilities of the current period. The School Board considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related

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fund liability is incurred, except for principal and interest payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgements which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available.

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Revenues from federal and state grants are accrued when the School Board has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School Board.

Ad valorem taxes are recorded in the year the taxes are levied, due and payable. Ad valorem taxes are assessed on a calendar year basis and finance the budget of the current fiscal year. The taxes become due on December 1st of each year, and become delinquent on December 31st. The taxes are generally collected in December, January and February of the fiscal year.

Food services income is recorded as operating revenue when collected. All food services income applicable to an accounting period is collected during that accounting period.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available.

Sales and use tax revenues are recorded in the accounting period in which they become measurable and available to finance expenditures of the fiscal period.

Substantially all other revenues are recorded when received.

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Expenditures

Salaries are recorded as expenditures when earned. Teachers' salaries are earned over a 9-month period but are paid over a 12-month period.

Purchases of various operating supplies, excluding inventory items in the School Lunch Fund which are recorded as expenditures when consumed, are recorded as expenditures in the accounting period in which they are purchased.

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.

Principal and interest on general long-term debt are recognized when due.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, the sale of fixed assets and proceeds of debt issued are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Major Funds

The School Board reports the following major governmental funds:

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

The Lunch Fund is a special revenue fund used to account for revenues and costs associated with providing nutritious meals to school children and employees.

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The Education Excellence Preschool Fund is a special revenue fund used to account for revenues from the State of Louisiana's Education Excellence Fund which was established to provide instructional enhancements for kindergarten through twelfth grade students, including early childhood education programs focused on enhancing the preparation of at-risk students for school.

The Ad Valorem Tax Bond Sinking Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, general obligation debt principal, interest and related costs.

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the School Board reports the following non-major funds:

Special revenue funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds - The debt service funds are used to account for the accumulation of resources for, and the payment of, debt principal, interest and related costs.

Capital projects funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Permanent Fund - Permanent funds are used to report resources that are legally restricted to the extent that only earnings generated, and not the principal, may be used to support programs. The School Board has one permanent fund, the Joseph Accardo Scholarship Fund.

Proprietary fund - Internal service fund - The Internal Service Fund is used to account for the School Board's workers' compensation self insurance program.

Fiduciary fund - School activity agency fund - The school activity agency fund is used to account for assets held by the School Board as an agent of other parties. The school activity agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

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Deferred Revenues

Deferred revenues arise when monies are received prior to the incurrence of qualifying expenditures. 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 revenue is recognized.

F. BUDGETS

The following summarizes the budget activities of the School Board:

Public notices	July 7, 2003
Completed and available for public inspection	July 7, 2003
Public hearings	July 22, 2003
Board adoption	July 22, 2003

The School Board legally adopts budgets for the General Fund and Special Revenue Funds. Formal budget integration is employed as a management control device. The School Board approves budgets at the fund level, which is the legal level, giving management the authority to transfer amounts among line items within any fund. When actual revenues within a fund fail to meet budgeted revenues by five percent or more and/or actual expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. There were no material budget amendments in 2003-2004.

The budgets are prepared on a basis which differs from generally accepted accounting principles in that the School Board's budget includes encumbered amounts. Accordingly, the budgetary basis expenditure data reflected in the Budgetary Comparison Schedule - General Fund (Exhibit 1) includes encumbrances and, thus, differs from the expenditure data reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Statement E) by the amount of encumbrances outstanding at year end. Unencumbered appropriations lapse at year-end.

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G. ENCUMBRANCES

Commitments relating to outstanding purchase orders and contracts for goods and services are recorded as encumbrances in order to reserve the applicable portion of the appropriation. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities but represent authority for expenditures in the subsequent year. Encumbered appropriations lapse at year end but are reappropriated in the subsequent fiscal year. As materials are subsequently received and contracts are executed, liabilities are recorded and the related encumbrances are liquidated.

H. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits and interest bearing demand deposits. Cash equivalents include amounts in time deposits, all of which are certificates of deposit. Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

For purposes of the Statement of Cash Flows, the School Board considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

I. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, short-term loans occur between individual funds. These short-term interfund loans are classified as interfund receivables/payables.

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J. INVENTORY

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

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost or, for assets purchased prior to January 1, 1980, estimated cost using catalog prices of the acquisition period. Approximately 94 percent of capital assets are valued at actual historical cost while the remaining 6 percent are valued at estimated historical cost. Donated assets are recorded as capital assets at their estimated fair market value at time of donation. The School Board maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Government-Wide Financial Statements, but are not reported in the Fund Financial Statements. Since surplus assets are sold for an immaterial amount when disposed of by the School Board, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method.

L. COMPENSATED ABSENCES

Sick Leave

Teachers accrue 10 to 14.5 days of sick leave each year, which may be accumulated without limitation. Other 9-month employees accrue 10 to 12 days of sick leave each year, which may be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay.

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Twelve month employees accrue from 12 to 18 days of sick leave each year, depending upon their length of service with the School Board. Upon retirement or death, unused accumulated leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay.

The amount of sick leave expenditure reported in the General Fund and the Lunch Fund for the fiscal year is the amount actually claimed by employees during that period. A liability of \$2,965,751 is accrued for salaries and related payments.

Vacation Leave

All 12-month employees are entitled to vacation leave which must be approved by the Superintendent. Employees earn from 5 to 20 days of vacation leave each year depending on their length of service. Vacation leave may be accumulated without limitation. Upon retirement, resignation or death, unused vacation leave up to 60 days earned prior to July 1, 1988 is paid to the employee or to the employee's estate at the employee's current rate of pay. The amount of vacation claimed during the fiscal year is the reported expenditure for that period in the General Fund and the Lunch Fund. A liability of \$640,637 has been accrued for vacation salaries and related payments. This liability represents accumulated vacation at June 30, 2004, none of which met the condition for accrual in the General Fund and thus will not be retired from expendable available financial resources.

Sabbatical Leave

Sabbatical leave may be granted for rest and recuperation or 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. Sabbatical leave benefits are recorded as expenditures in the period paid. Unused sabbatical leave may be carried forward to one or more periods subsequent to that in which it is earned, but no more than two semesters of leave may be accumulated. Sabbatical leave benefits are not paid upon retirement or termination. All sabbatical leaves must be approved by the School Board.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds when leave is actually taken.

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At June 30, 2004 the amount of salary related payments accumulated for sabbatical leave was \$2,030,820, none of which met the condition for accrual in the governmental funds and thus will not be retired from expendable available financial resources; hence, the entire amount is accrued and reported in the Statement of Net Assets.

M. LONG-TERM DEBT

Long-term debt expected to be financed from governmental funds are reported in the Statement of Net Assets. Expenditures for principal and interest payments for long-term debt are recognized in the governmental funds when due. Long-term debt expected to be financed from proprietary fund operations are accounted for in that fund.

N. FUND EQUITY

Reserves

Reserves represent those portions of fund equity which are not appropriable for expenditures or have not been legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

O. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used, are reported as transfers. All other interfund transfers are reported as transfers in or out.

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P. SALES AND USE TAX

A five percent local sales and use tax is levied and collected within St. Bernard Parish of which two percent is received by the School Board. The sales and use tax received by the School Board is pledged as security for the sales tax bonds. The amount received in excess of the debt service requirements on the sales tax bonds may be used for any other lawful purpose.

The tax is collected by the St. Bernard Parish Sheriff's Office, except those taxes levied on the sale of motor vehicles, which are collected by the State of Louisiana. The Sheriff's Office receives a commission of eight percent on the gross amount of one and one-half percent of the two percent sales tax collected for the School Board. The Sheriff's Office receives no commission in the collection of the additional one-half percent. The sales tax revenues reported in the accompanying financial statements are shown net of the sheriff's commission.

Q. AD VALOREM TAX

The ad valorem tax is due and becomes an enforceable lien on property on the first day of the month following the filing of the tax rolls by the assessor with the Louisiana Tax Commission (usually December 1). The tax is delinquent thirty days after the due date. The tax is levied based on property values determined by the St. Bernard Parish Assessor's Office. Land and improvements are assessed at 10 percent of fair market value and all other property is assessed at 15percent of fair market value. The tax is billed and collected by the St. Bernard Parish Sheriff's Office.

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

	<u>Authorized</u> <u>Millage</u>	<u>Levied</u> <u>Millage</u>	<u>Expiration</u> <u>Date</u>
Parishwide taxes:			
Constitutional	3.75	3.75	Constitutional
Operations & Maintenance	9.25	9.25	December 31, 2012
Operations & Maintenance	3.00	3.00	December 31, 2009
Operations & Maintenance	19.00	19.00	December 31, 2009
Bond and Interest	11.25	11.25	Various

R. 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 statements and the reported amounts of revenues, expenditures and expenses during the reported period. Actual results could differ from those estimates.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At June 30, 2004, the School Board has cash and cash equivalents (book balances) totaling \$14,394,578 as follows:

Interest bearing demand deposits	\$ 8,717,578
Time deposits	<u>5,677,000</u>
TOTAL	<u>\$14,394,578</u>

In accordance with Louisiana Statutes, the School Board maintains all deposits in financial institutions. At June 30, 2004, the School Board has collected bank balances of \$16,144,450. Of the bank balances, \$100,000 is covered by federal depository insurance. In compliance with state laws, the remaining balance of \$16,044,450 is secured by bank owned securities specifically pledged to the School Board and held by an independent custodian bank. Under the provisions of GASB Statement No. 3, this remaining balance is considered collateralized because the securities are held by the pledging institution or its agent. Louisiana Revised Statute 39:1229

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imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

The School Board's time certificates of deposit are considered cash equivalents.

3. RECEIVABLES

The receivables of \$5,196,432 at June 30, 2004, are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Lunch Fund</u>	<u>Ad Valorem Tax Bond Sinking Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes:					
Sales and Use	\$2,417,541	\$-	\$-	\$ 107,086	\$2,524,627
Ad Valorem	16,178	-	5,200	-	21,378
Grants:					
Federal	3,547	50,349	-	1,573,268	1,627,164
State	908,372	-	-	19,725	928,097
Other	<u>95,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,166</u>
TOTAL	<u>\$3,440,804</u>	<u>\$ 50,349</u>	<u>\$5,200</u>	<u>\$1,700,079</u>	<u>\$ 5,196,432</u>

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4. CAPITAL ASSETS

A summary of changes in general fixed assets follows:

	Balance July 1, <u>2003</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2004</u>
Land	\$ 934,696	\$-	\$-	\$ 934,696
Buildings and Improvements	66,394,968	1,014,702	-	67,409,670
Furniture and Equipment	<u>13,370,929</u>	<u>1,115,991</u>	<u>69,982</u>	<u>14,416,938</u>
Total	<u>80,700,593</u>	<u>2,130,693</u>	<u>69,982</u>	<u>82,761,304</u>
Less Accumulated Depreciation:				
Buildings and Improvements	25,547,819	1,680,498	-	27,228,317
Furniture and Equipment	<u>3,299,379</u>	<u>969,812</u>	<u>40,587</u>	<u>4,228,604</u>
Total	<u>28,847,198</u>	<u>2,650,310</u>	<u>40,587</u>	<u>31,456,921</u>
Capital Assets, net	<u>\$51,853,395</u>	<u>(\$ 519,617)</u>	<u>\$ 29,395</u>	<u>\$51,304,383</u>

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Straight-line depreciation is calculated based on the following estimated useful lives:

Buildings	25-45 years
Land Improvements	10-25 years
Building Improvements	20 years
Furniture and Equipment	5-15 years
Vehicles	5-8 years

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Depreciation expense of \$2,650,310 for the year ended June 30, 2004 was charged to the following governmental functions:

Instruction:	
Regular programs	\$ 2,107,076
Special programs	37,774
Adult and continuing education	5,752
Support Services:	
Student services	8,205
Instructional staff support	107,739
General administration	79,782
School administration	9,845
Business services	9,983
Plant services	27,762
Transportation services	195,523
Central services	3,992
Food services	<u>56,877</u>
Total	<u>\$ 2,650,310</u>

5. RETIREMENT PLANS

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

A. Teachers' Retirement System of Louisiana (TRSL)

Plan Description:

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

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established and amended by state statute. The TRSL issues a publicly available financial report that includes financial statements and required supplementary information of the TRSL. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Funding Policy:

Plan members are required to contribute 8.0% and 9.1% of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board is required to contribute at an actuarially determined rate. The 2003-2004 rate was 13.8% of annual covered payroll for both membership plans. Member contributions and employer contributions for the TRSL are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution to the TRSL, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board's contributions to the TRSL for the years ended June 30, 2004, 2003 and 2002, were \$3,971,259, \$3,738,940 and \$3,580,517, respectively, and equaled the required contribution for each year.

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description:

The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy:

Plan members are required to contribute 6.35% of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The 2003-2004 rate was 8.5% of annual covered payroll for members of the plan. Member contributions and employer contributions for the LSERS are established by state law and rates are

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established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations and by remittances from the School Board.

The School Board's contributions to the LSERS for the years ended June 30, 2004, 2003 and 2002 were \$241,752, \$0 and \$0, respectively, and equaled the required contribution for each year.

6. POST-RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The School Board provides certain continuing health care and life insurance benefits for its retired employees. In accordance with Louisiana Revised Statute Title 42 chapter 12, substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. A portion of the retiree premium is funded through mandated state contributions. The School Board has further elected to treat retirees in the same manner as active employees and provide a local contribution toward their premium. These benefits for retirees and similar benefits for active employees are provided through the State Employees Group Benefits Program, whose monthly premiums are paid jointly by the employee and the School Board. The School Board recognizes the cost of providing these benefits as an expenditure when the monthly premiums are due. For the year ended June 30, 2004 the cost of retiree benefits totaled \$3,398,331, of which \$3,118,354 was paid by the employer and \$279,977 was paid by the employee. Benefits are provided for approximately 535 retirees.

7. CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in Agency Fund deposits due others follows:

	School Activity Fund
Balance at July 1, 2003	\$ 596,286
Additions	2,792,944
Deductions	<u>(2,885,352)</u>
Balance at June 30, 2004	<u>\$683,878</u>

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8. ACCOUNTS, SALARIES AND OTHER PAYABLES

The payables of \$4,046,867 at June 30, 2004, are as follows:

	General Fund	Lunch Fund	Ad Valorem Tax Bond Sinking Fund	Other Governmental Funds	Workers' Compensation Internal Service Fund	Total
Salaries payable	\$1,917,986	\$ 48,979	\$ -	\$347,777	\$ -	\$2,314,742
Withholding payable	1,280,335	46,644	-	-	-	1,326,979
Accounts payable	<u>195,973</u>	<u>2,986</u>	<u>6,000</u>	<u>-</u>	<u>200,187</u>	<u>405,146</u>
TOTAL	<u>\$3,394,294</u>	<u>\$ 98,609</u>	<u>\$6,000</u>	<u>\$347,777</u>	<u>\$200,187</u>	<u>\$4,046,867</u>

9. CHANGES IN GENERAL LONG-TERM DEBT

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

	Bonded Debt	Compensated Absences	Total
Long-term Debt at July 1, 2003	\$ 29,745,000	\$ 5,693,392	\$ 35,438,392
Additions	14,370,000	671,363	15,041,363
Deductions	<u>(15,850,000)</u>	<u>(727,547)</u>	<u>(16,577,547)</u>
Long-term Debt at June 30, 2004	<u>\$28,265,000</u>	<u>\$ 5,637,208</u>	<u>\$ 33,902,208</u>

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

	Bonded Debt	Compensated Absences	Total
Current portion	\$ 1,975,000	\$ 727,847	\$ 2,702,847
Long-term portion	<u>26,290,000</u>	<u>4,909,361</u>	<u>31,199,361</u>
Total	<u>\$28,265,000</u>	<u>\$5,637,208</u>	<u>\$33,902,208</u>

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Bonded Debt

School Board bonds outstanding at June 30, 2004 in the amount of \$28,265,000 are general obligation and sales tax bonds with maturities from 2007 to 2018 and interest rates from 2.25 to 5.25 percent. The individual issues are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payments Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>	<u>Funding Source</u>
General Obligation:						
3/1/97	\$22,000,000	4.8-5.0%	3/1/07	\$ 298,380	\$ 2,975,000	Ad valorem
3/1/98	8,000,000	4.0-4.95%	3/1/18	2,633,730	6,640,000	Ad valorem
12/28/98	1,445,000	4.6%	3/1/10	154,560	920,000	Ad valorem
2/18/04	14,370,000	2.25-5.25%	3/1/17	5,739,546	14,370,000	Ad valorem
Sales Tax:						
11/1/97	5,220,000	4.4- 4.9%	5/1/10	<u>584,420</u>	<u>3,360,000</u>	Sales Tax
Total				<u>\$ 9,410,636</u>	<u>\$28,265,000</u>	

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the Parish and sales tax. At June 30, 2004, the School Board has accumulated \$2,284,969 in the Debt Service Funds for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2005	\$1,975,000	\$1,303,739	\$ 3,278,739
2006	2,070,000	1,191,154	3,261,154
2007	2,185,000	1,096,034	3,281,034
2008	2,285,000	994,169	3,279,169
2009	2,395,000	884,559	3,279,559
2010	2,510,000	796,154	3,306,154
2011	1,775,000	673,714	2,448,714
2012	1,840,000	613,264	2,453,264
2013	1,910,000	550,464	2,460,464
2014	1,995,000	477,864	2,472,864
2015	2,105,000	376,014	2,481,014
2016	2,220,000	267,720	2,487,720
2017	2,345,000	153,365	2,498,365
2018	655,000	32,422	687,422
Total	<u>\$28,265,000</u>	<u>\$ 9,410,636</u>	<u>\$37,675,636</u>

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
June 30, 2004

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term general obligation bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2004, the statutory limit is \$130,006,188 and outstanding general obligation bonded debt totals \$24,905,000.

In addition, the School Board is legally restricted from incurring long-term bonded debt secured by sales and use taxes in excess of 75 percent of the avails of the tax. The School Board was within this 75 percent limitation in 1997 when the sales tax bonds were issued.

On February 18, 2004, the School Board defeased \$14,370,000 of the March 1, 1997 School Board General Obligation Bonds maturing on or after March 1, 2008. For this defeasance an irrevocable trust was created. New debt was issued and used to purchase U.S. Government securities that were placed in the trust funds. The investment and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from the School Board's long term liabilities. The full, outstanding amount of the defeased issue (\$14,040,000) will be redeemed on March 1, 2007. As a result of the refunding, the economic gain to the School Board will be \$807,734.

10. OTHER INDIVIDUAL FUND DISCLOSURES

(A) Interfund Receivables/Payables (FFS Level Only)

The primary purpose of interfund receivables/payables are to (1) loan monies from the General Fund to individual federal funds to cover grant expenditures pending reimbursement from the respective granting agencies and (2) reflect operating transfers due from the General Fund to other funds. Individual fund balances due from/to other funds at June 30, 2004 are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Major Funds:		
General fund	\$1,294,736	\$ 730,348
Special revenue fund - Lunch Fund	40,000	-
Capital projects construction fund	630,348	-
Nonmajor Funds:		
Special revenue funds	-	1,292,153
Debt service funds	-	2,583
Internal service fund	<u>100,000</u>	<u>40,000</u>
Totals	<u>\$2,065,084</u>	<u>\$2,065,084</u>

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
June 30, 2004

(B) Transfers

Transfers between funds primarily serve two purposes: (1) transfer of indirect cost reimbursements from federal funds to the General Fund, and (2) transfer of operating monies from the General and Lunch Funds to the Internal Service and Capital Projects Funds. Individual fund interfund transfers for the year ended June 30, 2004 were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
Major Funds:		
General fund	\$ 346,387	\$ 984,681
Capital projects fund	930,348	-
Nonmajor Funds:		
Special revenue funds	-	346,387
Internal service fund	<u>54,333</u>	<u>-</u>
Totals	<u>\$1,331,068</u>	<u>\$1,331,068</u>

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
June 30, 2004

11. RESERVED AND UNRESERVED - DESIGNATED FUND BALANCES

The reserved and unreserved - designated components of fund balances consist of the following:

	<u>General Fund</u>	<u>Lunch Fund</u>	<u>Ad Valorem Tax Bond Sinking Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Reserved for:						
Encumbrances	\$880,486	\$-	\$-	\$ 442,289	\$118,648	\$1,441,423
Debt service	-	-	1,399,346	-	885,623	2,284,969
Inventory	-	74,465	-	-	-	74,465
Scholarships	-	-	-	-	15,000	15,000
Total Reserved	<u>880,486</u>	<u>74,465</u>	<u>1,399,346</u>	<u>442,289</u>	<u>1,019,271</u>	<u>3,815,857</u>
Unreserved -						
Designated for:						
Special Programs	68,708	-	-	-	-	68,708
Contribution	25,000	-	-	-	-	25,000
Contribution - Athletics	15,000	-	-	-	-	15,000
Self Insurance Retention	400,000	-	-	-	-	400,000
Self Insurance Retention - Property	1,000,000	-	-	-	-	1,000,000
Scholarships	-	-	-	-	110,282	110,282
Capital Projects	-	-	-	3,048,317	-	3,048,317
Telecommunications Services	482,525	-	-	-	-	482,525
Media Services	399,336	-	-	-	-	399,336
Total Unreserved - Designated	<u>2,390,569</u>	<u>-</u>	<u>-</u>	<u>3,048,317</u>	<u>-</u>	<u>5,549,168</u>
Undesignated	<u>4,691,205</u>	<u>113,784</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,804,989</u>
TOTAL FUND BALANCE	<u>\$7,962,260</u>	<u>\$188,249</u>	<u>\$1,399,346</u>	<u>\$3,490,606</u>	<u>\$1,129,553</u>	<u>\$14,170,014</u>

The nature and purpose of the reserves and designations of fund balance are as follows:

Reserved for Encumbrances

This reserve was established for outstanding purchase orders that the School Board intends to honor.

Reserved for Debt Service

This reserve represents the amounts reserved for payment of principal and interest maturing in future years on bonded debt.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
June 30, 2004

Reserved for Inventory

This reserve was established for food inventories in the School Lunch Fund which will be used in the future fiscal period.

Designated for Special Programs

This represents the unexpended portion of unrestricted monies received by the School Board and designated for Special Programs.

Designated for Self Insurance Retention

This represents a designation by the School Board to cover the cost of the deductible on a single claim of the Liability Insurance policy.

Designated for Self Insurance Retention - Property

This represents a designation by the School Board to cover the cost of the deductible on its Property Insurance policy.

Designated for Contribution

This represents a designation of funds received as a contribution to the School Board. These funds will be used for a yet to be determined future project.

Designated for Contribution - Athletics

This represents a designation of funds received as a contribution for the benefit of the Chalmette High School Athletics Program.

Designated for Media Services

This represents a designation of funds received from Bell South Interactive Media to provide additional media services for the School Board.

Designated for Telecommunications Services

This represents a designation of funds received from the School and Libraries Corporation E-Rate program to fund telecommunications service and improvements for the School Board.

Designated for Capital Projects

This represents unreserved funds in the Capital Projects Funds that are designated for construction and renovation projects.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
 June 30, 2004

12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For those funds for which a budget-to-actual comparison was made, actual expenditures exceeded budgeted expenditures on a line item basis as follows:

	Expenditures		Unfavorable
	Budget	Actual	Variance
Lunch Fund:			
Food Service Program	\$3,221,137	\$3,333,443	(\$112,306)

Additional food expenditures for increased meals served accounted for the excess of expenditures over appropriations in the Lunch Fund. These expenditures were offset by additional revenues gained from USDA reimbursement for the increased meals.

13. COMMITMENTS AND CONTINGENCIES

A. Claims and Judgements

At June 30, 2004, the School Board is involved in several lawsuits. In the opinion of legal counsel for the School Board, the potential claims against the School Board not covered by insurance would not materially affect the financial statements.

B. Federal Programs

The School Board participates in a number of federally financed grant programs. Although the grant programs have been audited in accordance with the Single Audit Act through June 30, 2004, these programs are subject to compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. However, the School Board expects such amounts, if any, to be immaterial.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to the Basic Financial Statements
 June 30, 2004

C. Risk Management

The School Board established a limited risk management program for workers' compensation in 1989-90. Premiums are paid into the Internal Service Fund by the General and Special Revenue School Lunch Funds and are available to pay claims, claim reserves and administrative costs of the program. During fiscal year 2003-2004, a total of \$703,904 was expended for benefits and administrative costs. An excess coverage insurance policy covers individual claims in excess of \$300,000 per occurrence. The cost of this policy and the accompanying surety bond required by the State of Louisiana totaled \$62,419 for the 2003-2004 fiscal year. Incurred but not reported claims of \$200,187 have been accrued as a liability based primarily upon an actuary's estimate. This liability is included in accounts, salaries and other payables on Exhibit 1. Changes in the Fund's claims liability amount in fiscal years 2003 and 2004 were:

	Beginning of Fiscal Year <u>Liability</u>	Claims and Changes in <u>Estimates</u>	Claims <u>Payments</u>	Balance at Fiscal <u>Year-End</u>
2002-2003	\$150,484	\$511,945	\$471,930	\$ 190,499
2003-2004	190,499	652,733	643,045	200,187

The School Board purchases conventional insurance for all other risks of loss including property, flood, fleet, liability and errors and omissions. Settled claims have not exceeded coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from the prior year.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Exhibit 1

GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL (ADJUSTED TO BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Local sources:				
Ad valorem tax	\$8,533,904	\$9,110,845	\$9,228,387	\$117,542
Sales and use tax	14,000,000	14,000,000	14,496,034	496,034
Rentals, leases and royalties	191,600	228,939	250,298	21,359
Tuition	652,000	665,725	651,325	(14,400)
Interest earnings	84,000	79,500	95,114	15,614
Other	404,325	458,615	474,876	18,261
State sources:				
Unrestricted grants-in-aid	27,830,502	28,511,153	29,141,501	630,348
Restricted grants-in-aid	1,814,002	1,768,786	1,731,056	(37,710)
Federal sources:				
Restricted grants-in-aid:				
Direct	55,000	60,204	60,795	591
Total Revenues	53,165,333	54,881,747	56,129,386	1,247,639
EXPENDITURES				
Current:				
Instruction:				
Regular programs	27,637,682	27,832,959	28,953,018	879,941
Special programs	8,232,180	8,158,873	7,805,059	353,814
Adult and continuing education programs	199,802	213,946	143,530	70,416
Support Services:				
Student services	2,333,715	2,400,207	2,288,135	102,072
Instructional staff support	2,088,315	2,309,878	2,214,445	95,433
General administration	1,085,418	1,148,882	1,122,598	24,284
School administration	3,328,135	3,370,581	3,283,960	86,601
Business services	532,120	539,022	492,027	46,995
Plant services	5,311,472	5,740,493	5,732,557	7,936
Student transportation services	3,271,255	3,439,897	3,274,065	165,832
Central services	417,889	634,960	622,003	12,957
Community service programs	4,100	4,100	4,100	-
Food service programs	420,240	420,240	348,025	72,215
Total Expenditures	54,882,123	56,212,018	54,293,522	1,918,496
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,696,790)	(1,330,271)	1,835,864	3,166,135
OTHER FINANCING SOURCES (USES)				
Sale of equipment	5,000	2,304	2,305	1
Insurance proceeds from loss	-	21,848	21,848	-
Transfers in	275,000	275,000	346,387	71,387
Transfers out	(200,000)	(400,000)	(984,681)	(584,681)
Total Other Financing Sources (Uses)	80,000	(100,848)	(614,141)	(513,293)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	(1,616,790)	(1,431,119)	1,221,723	2,652,842
ENCUMBRANCES OUTSTANDING AT YEAR END	-	-	880,486	880,486
FUND BALANCE AT BEGINNING OF YEAR	5,860,051	5,860,051	5,860,051	-
FUND BALANCE AT END OF YEAR	\$4,243,261	\$4,428,932	\$7,962,260	\$3,533,328

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

Exhibit 2

LUNCH FUND
 Budgetary Comparison Schedule
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL (ADJUSTED TO BUDGETARY BASIS)	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Local sources:				
Food service income	\$509,500	\$509,500	\$506,747	(\$2,753)
Interest earnings	2,500	2,500	2,264	(236)
State sources:				
Unrestricted grants-in-aid	615,650	615,650	615,650	-
Federal sources:				
Restricted grants-in-aid:				
Subgrants	1,922,000	1,922,000	2,062,811	140,811
Other - Commodities	178,000	178,000	146,099	(31,901)
Total Revenues	3,227,650	3,227,650	3,333,571	105,921
EXPENDITURES				
Current:				
Support Services:				
Food service programs	3,221,137	3,221,137	3,333,443	(112,306)
Total Expenditures	3,221,137	3,221,137	3,333,443	(112,306)
EXCESS OF REVENUES OVER EXPENDITURES	6,513	6,513	128	(6,385)
FUND BALANCE AT BEGINNING OF YEAR	188,121	188,121	188,121	-
FUND BALANCE AT END OF YEAR	\$194,634	\$194,634	\$188,249	(\$6,385)

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EDUCATION EXCELLENCE FUND PRESCHOOL
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
State sources:				
Restricted grants-in-aid	\$104,407	\$104,407	\$104,407	-
Total Revenues	104,407	104,407	104,407	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	104,407	104,407	104,407	-
Total Expenditures	104,407	104,407	104,407	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Notes to Budgetary Comparison Schedules
June 30, 2004

Budget and Budgetary Accounting

The St. Bernard Parish School Board utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) *In July, the Superintendent submits to the School Board proposed annual appropriated budgets for the General Fund and Special Revenue Funds for the fiscal year commencing July 1. A public hearing is held to obtain taxpayer comments. Prior to September 15, the School Board legally enacts the budget through adoption. The only legal requirement is that the School Board adopts a balanced budget; that is, total budgeted revenues and other financing sources (including fund balance) must equal or exceed total budgeted expenditures and other financing uses. The budget is revised periodically throughout the year, when deemed appropriate, but a balanced budget is always approved.*
- (2) *Appropriations in the General Fund and Special Revenue Funds lapse at the end of the fiscal year whereas encumbered appropriations are carried forward to the following year. Budgeted amounts are as originally adopted or as amended by the School Board.*
- (3) *Formal budget integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. All budgets are operational at the department level. The Superintendent is authorized to transfer budget amounts between line item activity and between any functions of an individual fund. The effects of budget revisions passed during the year for the General Fund were to increase net revenues by \$1.7 million for additional ad valorem and sales tax revenues as well as additional state grants and to increase expenditures by \$1.3 million for costs related to employee benefits, utilities and expenditures related to new state grants. The effects of budget revisions passed during the year for all other funds were insignificant to the budgets as originally approved.*
- (4) *The budgets are prepared on a basis which differs from generally accepted accounting principles in that the School Board's budget includes encumbered amounts. Accordingly, the budgetary basis expenditure data reflected in the Budgetary Comparison Schedule (Exhibit 1) includes encumbrances and, thus, differs from the expenditure data reflected in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Statement E) by the amount of the encumbrances outstanding at year end. Unencumbered appropriations lapse at year end.*

Excess of Expenditures Over Budget

For the year ended June 30, 2004, the actual expenditures in the following funds exceeded budgeted appropriations:

Lunch Fund	\$ 112,306
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NON-MAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet - By Fund Type
 June 30, 2004

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUND	TOTALS
ASSETS					
Cash and cash equivalents	\$338,261	\$781,120	\$118,648	\$125,282	\$1,361,311
Receivables	1,592,993	107,086	-	-	1,700,079
TOTAL ASSETS	\$1,929,254	\$888,206	\$118,648	\$125,282	\$3,061,390
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	\$338,648	-	-	-	\$338,648
Interfund payables	1,292,153	\$2,583	-	-	1,294,736
Deferred revenues	298,453	-	-	-	298,453
Total Liabilities	1,929,254	2,583	-	-	1,931,837
Fund balances:					
Reserved	-	885,623	118,648	15,000	1,019,271
Unreserved - designated	-	-	-	110,282	110,282
Total Fund Balances	-	885,623	118,648	125,282	1,129,553
TOTAL LIABILITIES AND FUND BALANCES	\$1,929,254	\$888,206	\$118,648	\$125,282	\$3,061,390

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances - By Fund Type
For the Year Ended June 30, 2004

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUND	TOTALS
REVENUES					
Local sources:					
Sales and use tax	-	\$634,044	-	-	\$634,044
Interest earnings	-	2,980	\$1,051	\$1,042	5,073
Contributions	-	-	-	35,000	35,000
State sources:					
Restricted grants-in-aid	\$194,729	-	-	-	194,729
Federal sources:					
Unrestricted-indirect cost recoveries	346,387	-	-	-	346,387
Restricted grants-in-aid:					
Direct	707,765	-	-	-	707,765
Subgrants	5,790,670	-	-	-	5,790,670
Total Revenues	7,039,551	637,024	1,051	36,042	7,713,668
EXPENDITURES					
Current:					
Instruction:					
Regular programs	3,760,628	-	-	1,500	3,762,128
Special programs	400,044	-	-	-	400,044
Adult and continuing education programs	166,253	-	-	-	166,253
Support Services:					
Student services	978,724	-	-	-	978,724
Instructional staff support	1,345,308	-	-	-	1,345,308
General administration	2,150	-	-	-	2,150
Plant services	1,977	-	-	-	1,977
Student transportation services	38,080	-	-	-	38,080
Facility acquisition and construction	-	-	121,358	-	121,358
Debt service:					
Principal retirement	-	460,000	-	-	460,000
Interest and bank charges	-	177,757	-	-	177,757
Other charges	-	695	-	-	695
Total Expenditures	6,693,164	638,452	121,358	1,500	7,454,474
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	346,387	(1,428)	(120,307)	34,542	259,194
OTHER FINANCING USES					
Transfers out	(346,387)	-	-	-	(346,387)
Total Other Financing Uses	(346,387)	-	-	-	(346,387)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	-	(1,428)	(120,307)	34,542	(87,193)
FUND BALANCES AT BEGINNING OF YEAR	-	887,051	238,955	90,740	1,216,746
FUND BALANCES AT END OF YEAR	-	\$885,623	\$118,648	\$125,282	\$1,129,553

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

NON-MAJOR SPECIAL REVENUE FUNDS

IMPROVING AMERICA'S SCHOOLS ACT FUNDS

Title I of Public Law 100-297, the Improving America's Schools Act (IASA), is a program for educationally deprived school children residing in areas having high concentrations of children from low-income families. Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

Title II of Public Law 100-297, the Improving America's Schools Act, is a federally financed program designed to strengthen the skills of teachers in mathematics, science, foreign languages and computer learning.

Title IV of Public Law 100-297, the Improving America's Schools Act, establishes programs of drug abuse education and prevention coordinated with related community efforts and resources.

Title V of Public Law 100-297, the Improving America's Schools Act, is a program by which the federal government provides block grant funds to the school system based on a per pupil allocation for audio-visual materials, equipment and library resources.

BAPTIST COMMUNITY MINISTRIES - PROJECT STAR

Project Star, funded in part by the Baptist Community Ministries, is a program to improve the academic performance of overage middle school students so that they are able to transition back to their home school at the age-appropriate grade level or move on to high school.

ECONOMIC OPPORTUNITY ACT FUND - HEADSTART

Headstart is a federally financed program designed to benefit economically disadvantaged pre-school age children. Medical, dental, mental health and social services as well as adult education and literacy programs are provided for Headstart students, their parents and their families.

SPECIAL EDUCATION FUNDS

Public Law 102-119 is a federally financed program of free education in the least restrictive environment for children with exceptionalities. The Pre-School Intervention Program serves pre-school children with disabilities.

STARTING POINTS

Authorized in Public Law 104-193, the Starting Points program was established to serve at-risk four year old children in a full day preschool program. Services may also include before and after school care for program participants and their siblings based on family need.

STATE EXTENDED SCHOOL YEAR PROGRAM FUND

The State Extended School Year Program is a state funded program to provide a summer program for the more severely handicapped children whose educational development would be hampered by regression that cannot be compensated for in the regular school year.

8G MODEL EARLY CHILDHOOD DEVELOPMENT PROGRAM FUND

The Early Childhood Development Program is a program that includes children who are at high risk of being insufficiently ready for the regular school program and who have not been identified as eligible for special education services.

WORKFORCE INVESTMENT ACT FUND

The Workforce Investment Act Fund accounts for federal funds allocated to programs which provide basic education, job training and employment skills to economically disadvantaged students or those who face significant employment barriers.

VOCATIONAL EDUCATION FUND

The Vocational Education Fund accounts for Carl D. Perkins Vocational and Applied Technology Education federal funds allocated for business education, guidance and counseling.

ADULT EDUCATION FUND

The Adult Education Fund accounts for federal funds allocated to programs serving undereducated individuals sixteen years of age and above whose goal is to achieve a general equivalency diploma.

LAPIP FUND

The LaPIP fund accounts for federal funds allocated through the Louisiana Department of Health and Hospitals to implement the Project Achieve program at Nova Academy. Project Achieve is an innovative school reform and school effectiveness program, designed to help schools, communities and families develop, strengthen and solidify their youth's resilience, protective factors and self-management skills.

TANF PRE-GED PROGRAM FUND

Authorized by Public Law 104-193, the Pre-GED Options/Skills Program is comprised of a comprehensive counseling and guidance component, a pre-GED academic component, a workplace readiness component and a skills instruction component for students who are at-risk of dropping out of high school. The purpose of the Pre-GED program is to give these students an

avenue for achieving academically and for ultimately earning recognized credentials that will make it possible for them to exit high school and enter postsecondary education and/or enter the work force.

PRIMARY DRUG PREVENTION GRANT

The Primary Drug Prevention Program, working in conjunction with the Drug Free Schools Program, offered supplementary educational programs for students in the elementary and middle schools. These included afternoon and weekend programs, educational field trips, and a supplement to the School Board's existing Summer Discovery Festival. The main focus of these programs were drug awareness and prevention and character development training.

21ST CENTURY COMMUNITY LEARNING CENTERS GRANT

The 21st Century Community Learning Centers Grant is used to provide opportunities for academic enrichment, as well as recreation, enhancement of social skills, parent education and other enhancements for children in grades pre-K through 12 and their families in community centers located predominately at Title I schools.

EDUCATIONAL TECHNOLOGY STATE GRANT

The Educational Technology State Grant is used to develop, adapt or expand existing and new applications of technology to support school reform efforts, fund projects to improve student learning and support professional development and administrative support, and acquire connectivity linkages, resources and services to include the acquisition of hardware and software.

TANF EARLY CHILDHOOD DEVELOPMENT FUND

Authorized by Public Law 104-193, The Early Childhood Development Program provides universal high quality early education and care services to four year old children. Services are provided at no cost to children considered to be at-risk or achieving later academic success.

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

NON-MAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2004

	IMPROVING AMERICA'S SCHOOLS ACT				BAPTIST COMMUNITY MINISTRIES PROJECT STAR
	TITLE I	TITLE II	TITLE IV	TITLE V	
ASSETS					
Cash and cash equivalents	\$52,677	\$15,972	\$2,101	\$13,706	\$10,671
Receivables	298,409	225,056	11,206	5,514	-
TOTAL ASSETS	\$351,086	\$241,028	\$13,307	\$19,220	\$10,671
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts, salaries and other payables	\$102,928	\$52,029	\$3,354	-	-
Interfund payables	248,158	188,999	9,953	\$19,220	-
Deferred revenue	-	-	-	-	\$10,671
Total Liabilities	351,086	241,028	13,307	19,220	10,671
Fund Balance:					
Unreserved- undesignated	-	-	-	-	-
Total Fund Balance	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	\$351,086	\$241,028	\$13,307	\$19,220	\$10,671

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EXHIBIT 6
continued

ECONOMIC OPPORTUNITY ACT: HEADSTART	SPECIAL EDUCATION PUBLIC LAW 102-119		STARTING POINTS	STATE EXTENDED SCHOOL YEAR PROGRAM	8G MODEL EARLY CHILDHOOD DEVELOPMENT PROGRAM
	FLOW THRU	PRESCHOOL			
\$380	\$60,277	\$2,424	\$19,475	\$275	\$25,541
121,875	124,785	15,721	-	19,725	-
<u>\$122,255</u>	<u>\$185,062</u>	<u>\$18,145</u>	<u>\$19,475</u>	<u>\$20,000</u>	<u>\$25,541</u>
\$59,674	\$20,719	\$631	\$6,075	-	\$11,541
62,581	164,343	17,514	13,400	\$20,000	14,000
-	-	-	-	-	-
122,255	185,062	18,145	19,475	20,000	25,541
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$122,255</u>	<u>\$185,062</u>	<u>\$18,145</u>	<u>\$19,475</u>	<u>\$20,000</u>	<u>\$25,541</u>

ST. BERNARD PARISH SCHOOL BOARD

NON-MAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2004

	WORKFORCE INVESTMENT ACT	VOCATIONAL EDUCATION	ADULT EDUCATION	LAPIP	TANF PRE-GED PROGRAM
ASSETS					
Cash and cash equivalents	-	\$9,225	\$7,323	\$8,235	\$35,753
Receivables	-	29,060	41,543	30,431	-
TOTAL ASSETS	-	\$38,285	\$48,866	\$38,666	\$35,753
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts, salaries and other payables	-	-	\$16,639	\$5,484	-
Interfund payables	-	\$38,285	32,227	33,182	-
Deferred revenue	-	-	-	-	\$35,753
Total Liabilities	-	38,285	48,866	38,666	35,753
Fund balance:					
Unreserved- undesignated	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCE	-	\$38,285	\$48,866	\$38,666	\$35,753

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

EXHIBIT 6
concluded

<u>PRIMARY DRUG PREVENTION</u>	<u>21ST CENTURY COMMUNITY LEARNING CENTERS</u>	<u>EDUCATIONAL TECHNOLOGY STATE GRANTS</u>	<u>TANF EARLY CHILDHOOD DEVELOPMENT</u>	<u>TOTALS</u>
\$624	\$65,804	\$4,931	\$867	\$336,261
47,376	88,483	415	533,394	1,592,993
<u>\$48,000</u>	<u>\$154,287</u>	<u>\$5,346</u>	<u>\$534,261</u>	<u>\$1,929,254</u>
-	\$6,812	-	\$52,762	\$338,648
\$48,000	147,475	\$5,346	229,470	1,292,153
-	-	-	252,029	298,453
<u>48,000</u>	<u>154,287</u>	<u>5,346</u>	<u>534,261</u>	<u>1,929,254</u>
-	-	-	-	-
-	-	-	-	-
<u>\$48,000</u>	<u>\$154,287</u>	<u>\$5,346</u>	<u>\$534,261</u>	<u>\$1,929,254</u>

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

NON-MAJOR SPECIAL REVENUE FUNDS
 Combining Schedule of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended June 30, 2004

	IMPROVING AMERICA'S SCHOOLS ACT				BAPTIST COMMUNITY MINISTRIES PROJECT STAR
	TITLE I	TITLE II	TITLE IV	TITLE V	
REVENUES					
State Sources:					
Restricted grants-in-aid	-	-	-	-	\$64,329
Federal Sources:					
Unrestricted- indirect cost recoveries	\$120,269	\$43,489	\$1,265	\$3,220	-
Restricted grants-in-aid:					
Direct	-	-	-	-	-
Subgrants	1,766,572	647,377	66,008	48,860	-
Total Revenues	1,886,841	690,866	67,273	52,080	64,329
EXPENDITURES					
Current:					
Instruction:					
Regular programs	1,267,438	539,065	-	24,533	64,329
Special programs	-	-	-	-	-
Adult and continuing education programs	-	-	-	-	-
Support Services:					
Student services	-	-	66,008	-	-
Instructional staff support	498,177	108,312	-	22,647	-
General administration	900	-	-	-	-
Plant services	57	-	-	-	-
Student transportation services	-	-	-	1,680	-
Total Expenditures	1,766,572	647,377	66,008	48,860	64,329
EXCESS OF REVENUES OVER EXPENDITURES	120,269	43,489	1,265	3,220	-
OTHER FINANCING USES:					
Transfers out	(120,269)	(43,489)	(1,265)	(3,220)	-
Total Other Financing Uses	(120,269)	(43,489)	(1,265)	(3,220)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-	-
FUND BALANCES AT BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCES AT END OF YEAR	-	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

ECONOMIC OPPORTUNITY ACT: HEADSTART	SPECIAL EDUCATION		STARTING POINTS	STATE EXTENDED SCHOOL YEAR PROGRAM	8G MODEL EARLY CHILDHOOD DEVELOPMENT PROGRAM	WORKFORCE INVESTMENT ACT
	PUBLIC LAW 102-119 FLOW THRU	PRESCHOOL				
-	-	-	-	\$38,709	\$88,191	-
\$46,581	\$93,110	\$6,895	-	-	-	-
707,765	-	-	-	-	-	-
-	1,347,262	94,217	\$55,171	-	-	\$2,489
<u>754,346</u>	<u>1,440,372</u>	<u>100,912</u>	<u>55,171</u>	<u>38,709</u>	<u>88,191</u>	<u>2,489</u>
453,022	-	-	55,171	-	88,191	2,489
-	342,363	27,156	-	30,525	-	-
-	-	-	-	-	-	-
103,141	630,713	4,681	-	1,755	-	-
146,303	366,005	61,976	-	-	-	-
750	500	-	-	-	-	-
-	-	-	-	1,920	-	-
4,549	7,681	404	-	4,509	-	-
<u>707,765</u>	<u>1,347,262</u>	<u>94,217</u>	<u>55,171</u>	<u>38,709</u>	<u>88,191</u>	<u>2,489</u>
<u>46,581</u>	<u>93,110</u>	<u>6,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(46,581)</u>	<u>(93,110)</u>	<u>(6,895)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(46,581)</u>	<u>(93,110)</u>	<u>(6,895)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

ST. BERNARD PARISH SCHOOL BOARD

NON-MAJOR SPECIAL REVENUE FUNDS
 Combining Schedule of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended June 30, 2004

	VOCATIONAL EDUCATION	ADULT EDUCATION	LAPIP	TANF PRE-GED PROGRAM	PRIMARY DRUG PREVENTION
REVENUES					
State Sources:					
Restricted grants-in-aid	\$3,500	-	-	-	-
Federal Sources:					
Unrestricted- indirect cost recoveries	-	\$6,767	\$6,182	-	-
Restricted grants-in aid:					
Direct	-	-	-	-	-
Subgrants	129,795	166,253	93,801	\$106,890	86,711
Total Revenues	133,295	173,020	99,983	106,890	86,711
EXPENDITURES					
Current:					
Instruction:					
Regular programs	129,795	-	-	106,890	-
Special programs	-	-	-	-	-
Adult and continuing education programs	-	166,253	-	-	-
Support Services:					
Student services	-	-	85,715	-	86,711
Instructional staff support	-	-	8,086	-	-
General administration	-	-	-	-	-
Plant services	-	-	-	-	-
Student transportation services	3,500	-	-	-	-
Total Expenditures	133,295	166,253	93,801	106,890	86,711
EXCESS OF REVENUES OVER EXPENDITURES	-	6,767	6,182	-	-
OTHER FINANCING USES:					
Transfers out	-	(6,767)	(6,182)	-	-
Total Other Financing Uses	-	(6,767)	(6,182)	-	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-	-
FUND BALANCES AT BEGINNING OF YEAR	-	-	-	-	-
FUND BALANCES AT END OF YEAR	-	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

Exhibit 7
concluded

<u>21ST CENTURY COMMUNITY LEARNING CENTERS</u>	<u>EDUCATIONAL TECHNOLOGY STATE GRANTS</u>	<u>TANF EARLY CHILDHOOD DEVELOPMENT</u>	<u>TOTALS</u>
-	-	-	\$194,729
\$16,475	\$2,334	-	346,387
-	-	-	707,765
249,957	30,911	\$898,396	5,790,670
<hr/>	<hr/>	<hr/>	<hr/>
266,432	33,245	898,396	7,039,551
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131,309	-	898,396	3,760,628
-	-	-	400,044
-	-	-	166,253
-	-	-	978,724
102,891	30,911	-	1,345,308
-	-	-	2,150
-	-	-	1,977
15,757	-	-	38,080
<hr/>	<hr/>	<hr/>	<hr/>
249,957	30,911	898,396	6,693,164
<hr/>	<hr/>	<hr/>	<hr/>
16,475	2,334	-	346,387
<hr/>	<hr/>	<hr/>	<hr/>
(16,475)	(2,334)	-	(346,387)
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(16,475)	(2,334)	-	(346,387)
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NON-MAJOR SPECIAL REVENUE FUND
 TITLE I
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$120,269	\$120,269	\$120,269	-
Restricted grants-in-aid:				
Subgrants	1,766,572	1,766,572	1,766,572	-
Total Revenues	1,886,841	1,886,841	1,886,841	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	1,267,438	1,267,438	1,267,438	-
Support Services:				
Instructional staff support	498,177	498,177	498,177	-
General administration	900	900	900	-
Plant services	57	57	57	-
Total Expenditures	1,766,572	1,766,572	1,766,572	-
EXCESS OF REVENUES OVER EXPENDITURES	120,269	120,269	120,269	-
OTHER FINANCING USES:				
Transfer out	(120,269)	(120,269)	(120,269)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 TITLE II
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$43,489	\$43,489	\$43,489	-
Restricted grants-in-aid:				
Subgrants	647,377	647,377	647,377	-
Total Revenues	690,866	690,866	690,866	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	539,065	539,065	539,065	-
Support Services:				
Instructional staff support	108,312	108,312	108,312	-
Total Expenditures	647,377	647,377	647,377	-
EXCESS OF REVENUES OVER EXPENDITURES	43,489	43,489	43,489	-
OTHER FINANCING USES:				
Transfer out	(43,489)	(43,489)	(43,489)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 TITLE IV
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$1,265	\$1,265	\$1,265	-
Restricted grants-in-aid:				
Subgrants	66,008	66,008	66,008	-
Total Revenues	67,273	67,273	67,273	-
EXPENDITURES				
Current:				
Support Services:				
Student services	66,008	66,008	66,008	-
Total Expenditures	66,008	66,008	66,008	-
EXCESS OF REVENUES OVER EXPENDITURES	1,265	1,265	1,265	-
OTHER FINANCING USES:				
Transfer out	(1,265)	(1,265)	(1,265)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 TITLE V
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$3,220	\$3,220	\$3,220	-
Restricted grants-in-aid:				
Subgrants	48,860	48,860	48,860	-
Total Revenues	52,080	52,080	52,080	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	24,533	24,533	24,533	-
Support Services:				
Instructional staff support	22,647	22,647	22,647	-
Student transportation services	1,680	1,680	1,680	-
Total Expenditures	48,860	48,860	48,860	-
EXCESS OF REVENUES OVER EXPENDITURES	3,220	3,220	3,220	-
OTHER FINANCING USES:				
Transfer out	(3,220)	(3,220)	(3,220)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 BAPTIST COMMUNITY MINISTRIES PROJECT STAR
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
State sources:				
Restricted grants-in-aid	\$64,329	\$64,329	\$64,329	-
Total Revenues	64,329	64,329	64,329	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	64,329	64,329	64,329	-
Total Expenditures	64,329	64,329	64,329	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
OTHER FINANCING USES:				
Transfer out	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 ECONOMIC OPPORTUNITY ACT: HEADSTART
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$46,581	\$46,581	\$46,581	-
Restricted grants-in-aid:				
Direct	707,765	901,265	707,765	(\$193,500)
Total Revenues	754,346	947,846	754,346	(193,500)
EXPENDITURES				
Current:				
Instruction:				
Regular programs	453,022	453,022	453,022	-
Support Services:				
Student Services	103,141	103,141	103,141	-
Instructional staff support	146,303	146,303	146,303	-
General administration	750	750	750	-
Student transportation services	4,549	198,049	4,549	193,500
Total Expenditures	707,765	901,265	707,765	193,500
EXCESS OF REVENUES OVER EXPENDITURES	46,581	46,581	46,581	-
OTHER FINANCING USES:				
Transfer out	(46,581)	(46,581)	(46,581)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 PUBLIC LAW 102-119 FLOW THRU
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$93,110	\$93,110	\$93,110	-
Restricted grants-in-aid:				
Subgrants	1,347,262	1,347,262	1,347,262	-
Total Revenues	1,440,372	1,440,372	1,440,372	-
EXPENDITURES				
Current:				
Instruction:				
Special programs	342,363	342,363	342,363	-
Support Services:				
Student Services	630,713	630,713	630,713	-
Instructional staff support	366,005	366,005	366,005	-
General administration	500	500	500	-
Student transportation services	7,681	7,681	7,681	-
Total Expenditures	1,347,262	1,347,262	1,347,262	-
EXCESS OF REVENUES OVER EXPENDITURES	93,110	93,110	93,110	-
OTHER FINANCING USES:				
Transfer out	(93,110)	(93,110)	(93,110)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 PUBLIC LAW 102-119 PRESCHOOL
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$6,695	\$6,695	\$6,695	-
Restricted grants-in-aid:				
Subgrants	94,217	94,217	94,217	-
Total Revenues	100,912	100,912	100,912	-
EXPENDITURES				
Current:				
Instruction:				
Special programs	27,156	27,156	27,156	-
Support Services:				
Student Services	4,681	4,681	4,681	-
Instructional staff support	61,976	61,976	61,976	-
Student transportation services	404	404	404	-
Total Expenditures	94,217	94,217	94,217	-
EXCESS OF REVENUES OVER EXPENDITURES	6,695	6,695	6,695	-
OTHER FINANCING USES:				
Transfer out	(6,695)	(6,695)	(6,695)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 STARTING POINTS
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Restricted grants-in-aid:				
Subgrants	\$55,171	\$55,171	\$55,171	-
Total Revenues	55,171	55,171	55,171	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	55,171	55,171	55,171	-
Total Expenditures	55,171	55,171	55,171	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 STATE EXTENDED SCHOOL YEAR PROGRAM
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
State sources:				
Restricted grants-in-aid	\$38,709	\$38,709	\$38,709	-
Total Revenues	38,709	38,709	38,709	-
EXPENDITURES				
Current:				
Instruction:				
Special programs	30,525	30,525	30,525	-
Support Services:				
Student services	1,755	1,755	1,755	-
Plant services	1,920	1,920	1,920	-
Student transportation services	4,509	4,509	4,509	-
Total Expenditures	38,709	38,709	38,709	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 8G MODEL EARLY CHILDHOOD DEVELOPMENT PROGRAM
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
State sources:				
Restricted grants-in-aid	\$88,191	\$88,191	\$88,191	-
Total Revenues	88,191	88,191	88,191	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	88,191	88,191	88,191	-
Total Expenditures	88,191	88,191	88,191	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 WORKFORCE INVESTMENT ACT
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Restricted grants-in-aid:				
Subgrant	\$2,489	\$2,489	\$2,489	-
Total Revenues	2,489	2,489	2,489	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	2,489	2,489	2,489	-
Total Expenditures	2,489	2,489	2,489	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 VOCATIONAL EDUCATION
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
State sources:				
Restricted grants-in-aid	\$3,500	\$3,500	\$3,500	-
Federal sources:				
Restricted grants-in-aid:				
Subgrant	129,923	129,923	129,795	(\$128)
Total Revenues	133,423	133,423	133,295	(128)
EXPENDITURES				
Current:				
Instruction:				
Regular programs	129,923	129,923	129,795	128
Support Services:				
Student transportation services	3,500	3,500	3,500	-
Total Expenditures	133,423	133,423	133,295	128
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 ADULT EDUCATION
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$6,767	\$6,767	\$6,767	-
Restricted grants-in-aid:				
Subgrant	166,253	166,253	166,253	-
Total Revenues	173,020	173,020	173,020	-
EXPENDITURES				
Current:				
Instruction:				
Adult and continuing education	166,253	166,253	166,253	-
Total Expenditures	166,253	166,253	166,253	-
EXCESS OF REVENUES OVER EXPENDITURES	6,767	6,767	6,767	-
OTHER FINANCING USES:				
Transfer out	(6,767)	(6,767)	(6,767)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 LAPIP
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$6,183	\$6,183	\$6,182	(\$1)
Restricted grants-in-aid:				
Subgrant	93,816	93,816	93,801	(15)
Total Revenues	99,999	99,999	99,983	(16)
EXPENDITURES				
Current:				
Support Services:				
Student services	85,730	85,730	85,715	15
Instructional staff support	8,086	8,086	8,086	-
Total Expenditures	93,816	93,816	93,801	15
EXCESS OF REVENUES OVER EXPENDITURES	6,183	6,183	6,182	(1)
OTHER FINANCING USES:				
Transfer out	(6,183)	(6,183)	(6,182)	1
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	(\$1)

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 TANF PRE-GED PROGRAM
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Restricted grants-in-aid:				
Subgrant	\$106,890	\$106,890	\$106,890	-
Total Revenues	106,890	106,890	106,890	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	106,890	106,890	106,890	-
Total Expenditures	106,890	106,890	106,890	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

**NON-MAJOR SPECIAL REVENUE FUND
 PRIMARY DRUG PREVENTION**
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Restricted grants-in-aid:				
Subgrant	\$86,711	\$86,711	\$86,711	-
Total Revenues	<u>86,711</u>	<u>86,711</u>	<u>86,711</u>	<u>-</u>
EXPENDITURES				
Current:				
Support Services:				
Student services	86,711	86,711	86,711	-
Total Expenditures	<u>86,711</u>	<u>86,711</u>	<u>86,711</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 21ST CENTURY COMMUNITY LEARNING CENTERS
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$16,475	\$16,475	\$16,475	-
Restricted grants-in-aid:				
Subgrant	249,957	249,957	249,957	-
Total Revenues	266,432	266,432	266,432	-
EXPENDITURES				
Current:				
Instruction				
Regular programs	131,309	131,309	131,309	
Support Services:				
Instructional staff services	102,891	102,891	102,891	
Student transportation services	15,757	15,757	15,757	-
Total Expenditures	249,957	249,957	249,957	-
EXCESS OF REVENUES OVER EXPENDITURES	16,475	16,475	16,475	-
OTHER FINANCING USES:				
Transfer out	(16,475)	(16,475)	(16,475)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 EDUCATIONAL TECHNOLOGY STATE GRANTS
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Unrestricted indirect cost recoveries	\$2,334	\$2,334	\$2,334	-
Restricted grants-in-aid:				
Subgrant	30,911	30,911	30,911	-
Total Revenues	33,245	33,245	33,245	-
EXPENDITURES				
Current:				
Support Services:				
Instructional staff support	30,911	30,911	30,911	-
Total Expenditures	30,911	30,911	30,911	-
EXCESS OF REVENUES OVER EXPENDITURES	2,334	2,334	2,334	-
OTHER FINANCING USES:				
Transfer out	(2,334)	(2,334)	(2,334)	-
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR SPECIAL REVENUE FUND
 TANF EARLY CHILDHOOD DEVELOPMENT
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2004

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET		
REVENUES				
Federal sources:				
Restricted grants-in-aid:				
Subgrant	\$898,396	\$898,396	\$898,396	-
Total Revenues	898,396	898,396	898,396	-
EXPENDITURES				
Current:				
Instruction:				
Regular programs	898,396	898,396	898,396	-
Total Expenditures	898,396	898,396	898,396	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	-	-	-	-
FUND BALANCE AT END OF YEAR	-	-	-	-

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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NON-MAJOR DEBT SERVICE FUNDS

SALES TAX BOND SINKING FUND - 1990

The Sales Tax Bond Sinking Fund accounts for that portion of sales and use taxes required to meet the debt service requirements on the 1990 sales tax bonds. Monthly deposits out of the proceeds of the sales and use taxes are required to be made into this fund in an amount that will equal one-sixth of the interest falling due on the next interest payment date and one-twelfth of the principal falling due on the next principal payment date.

SALES TAX BOND RESERVE FUND - 1990

The Sales Tax Bond Reserve - 1990 Fund accounts for that portion of the sales and use taxes that are set aside as a reserve to pay principal and interest on the sales tax bonds payable from the bond fund for which there would otherwise be default. The maximum amount required to be accumulated in this fund at June 30, 2004 is \$671,360.

NON-MAJOR DEBT SERVICE FUNDS
 Combining Balance Sheet
 June 30, 2004

	SALES TAX BOND - 1990		TOTALS
	SINKING	RESERVE	
<u>ASSETS</u>			
Cash and cash equivalents	\$107,177	\$673,943	\$781,120
Receivables	107,086	-	107,086
TOTAL ASSETS	\$214,263	\$673,943	\$888,206
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Interfund payables	-	\$2,583	\$2,583
Total Liabilities	-	2,583	2,583
Fund Balance:			
Reserved for debt service	\$214,263	671,360	885,623
TOTAL LIABILITIES AND FUND BALANCE	\$214,263	\$673,943	\$888,206

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR DEBT SERVICE FUNDS
 Combining Schedule of Revenues, Expenditures
 and Changes in Fund Balances
 For the Year Ended June 30, 2004

	SALES TAX BOND - 1990		TOTALS
	SINKING	RESERVE	
REVENUES			
Local Sources:			
Sales and use tax	\$634,044	-	\$634,044
Interest earnings	2,980	-	2,980
Total Revenues	637,024	-	637,024
EXPENDITURES			
Current:			
Debt service:			
Principal retirement	460,000	-	460,000
Interest	177,757	-	177,757
Bank charges	695	-	695
Total Expenditures	638,452	-	638,452
EXCESS OF REVENUES OVER EXPENDITURES	(1,428)	-	(1,428)
FUND BALANCES AT BEGINNING OF YEAR	215,691	\$671,360	887,051
FUND BALANCES AT END OF YEAR	\$214,263	\$671,360	\$885,623

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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NON-MAJOR CAPITAL PROJECTS FUNDS

The Non-Major Capital Projects Funds are used to account for the district-wide improvement and construction of public school facilities. Financing has been provided by the proceeds from the sale of general obligation bonds. The School Board maintains the following Non-Major Capital Projects Funds:

1998 AD VALOREM TAX BOND CONSTRUCTION FUND

The 1998 Ad Valorem Tax Bond Construction Fund is used to account for monies derived from the School Board's \$8 million 1998 general obligation bond issue for the purpose of constructing and renovating schools.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

Exhibit 30

NON-MAJOR CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 2004

1998
AD VALOREM
TAX BOND
CONSTRUCTION
FUND

ASSETS

Cash and cash equivalents	\$118,648
	<hr/>
TOTAL ASSETS	<u>\$118,648</u>

FUND BALANCE

Fund Balance:	
Reserved for encumbrances	<u>\$118,648</u>
Total Fund Balance	<u>118,648</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$118,648</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR CAPITAL PROJECTS FUNDS
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2004

1998
AD VALOREM
TAX BOND
CONSTRUCTION
FUND

REVENUES

Local Sources:

Interest earnings	<u>\$1,051</u>
<i>Total Revenues</i>	<u>1,051</u>

EXPENDITURES

Facility acquisition and construction:

Improvement or remodeling of existing buildings	118,058
Architects, engineers and legal fees	3,300

<i>Total Expenditures</i>	<u>121,358</u>
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DEFICIENCY OF REVENUES OVER EXPENDITURES	(120,307)
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FUND BALANCES AT BEGINNING OF YEAR	<u>238,955</u>
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FUND BALANCES AT END OF YEAR	<u><u>\$118,648</u></u>
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SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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NON-MAJOR PERMANENT FUND

The Non-Major Permanent Fund is used to report resources that are legally restricted to the extent that only earnings generated, and not in principal, may be used to support programs.

THE JOSEPH ACCARDO SCHOLARSHIP FUND

The Joseph Accardo Scholarship Fund accounts for a \$15,000 donation received from the widow of Joseph Accardo in March, 1970. The principal remains intact, and the earnings from investment of the principal are used for an annual scholarship. The most deserving student from a public high school in St. Bernard Parish, chosen on a rotating basis, is awarded the scholarship.

NON-MAJOR PERMANENT FUND
Combining Balance Sheet
June 30, 2004

JOSEPH
ACCARDO
SCHOLARSHIP
FUND

ASSETS

Cash and cash equivalents \$125,282

TOTAL ASSETS \$125,282

FUND BALANCE

Fund Balance:

Reserved for scholarships 15,000
Unreserved - designated 110,282

Total Fund Balance 125,282

TOTAL LIABILITIES AND FUND BALANCE \$125,282

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

NON-MAJOR PERMANENT FUND
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances
For the Year Ended June 30, 2004

JOSEPH
ACCARDO
SCHOLARSHIP
FUND

REVENUES

Local Sources:

Interest earnings \$1,042
Contributions 35,000

Total Revenues 36,042

EXPENDITURES

Instruction:

Regular programs 1,500

Total Expenditures 1,500

EXCESS OF REVENUES
OVER EXPENDITURES

34,542

FUND BALANCES AT BEGINNING OF YEAR

90,740

FUND BALANCES AT END OF YEAR

\$125,282

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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FIDUCIARY FUNDS

School Activity Agency Fund

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

TRUST AND AGENCY FUNDS
SCHOOL ACTIVITY AGENCY FUND
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2004

<u>ASSETS</u>	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2004</u>
Cash and cash equivalents	<u>\$596,286</u>	<u>\$2,972,944</u>	<u>\$2,885,352</u>	<u>\$683,878</u>
TOTAL ASSETS	<u>\$596,286</u>	<u>\$2,972,944</u>	<u>\$2,885,352</u>	<u>\$683,878</u>
 <u>LIABILITIES</u>				
Deposits due others	<u>\$596,286</u>	<u>\$2,972,944</u>	<u>\$2,885,352</u>	<u>\$683,878</u>
TOTAL LIABILITIES	<u>\$596,286</u>	<u>\$2,972,944</u>	<u>\$2,885,352</u>	<u>\$683,878</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SCHOOL ACTIVITY AGENCY FUND
 Schedule of Changes in Deposit Balances - By School
 For the Year Ended June 30, 2004

SCHOOL	BALANCE JULY 1, 2003	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2004
Arabi Elementary	\$55,783	\$155,600	\$156,121	\$55,262
W. Smith Elementary	5,556	48,686	44,789	\$9,453
Chalmette Middle	51,243	318,131	297,477	71,897
Chalmette High	44,533	254,066	281,031	17,568
Chalmette High- Athletic	9,858	232,469	196,925	45,402
Joseph Davies Elementary	74,656	170,128	163,700	81,084
Andrew Jackson High	52,410	722,431	708,345	66,496
Sebastien Roy Elementary	21,820	69,297	54,993	36,124
N.P. Trist Middle	84,335	252,990	232,446	104,879
P.G.T. Beauregard Middle	50,580	199,292	184,930	64,942
J.F. Gauthier Elementary	7,838	101,095	85,397	23,536
Lacoste Elementary	2,271	73,852	72,525	3,598
Nova Academy	664	7,585	8,081	168
C.F. Rowley Elementary	14,938	91,310	105,990	258
St. Bernard High	119,801	276,012	292,602	103,211
TOTAL	<u>\$596,286</u>	<u>\$2,972,944</u>	<u>\$2,885,352</u>	<u>\$683,878</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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CAPITAL ASSETS INFORMATION

The Capital Assets schedule records the fixed assets of the School Board which are used in governmental fund-type operations.

SCHEDULE OF CAPITAL ASSETS
By Source
June 30, 2004

Capital assets:	
Land	\$934,696
Buildings and Improvements	67,409,670
Furniture and Equipment	14,416,938
Total Capital Assets	<u>\$82,761,304</u>

Capital Assets From:	
General Fund	\$11,336,290
Special Revenue Funds	4,015,344
Capital Project Funds	67,409,670
Total Investment in Capital Assets	<u>\$82,761,304</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SCHEDULE OF CAPITAL ASSETS

By Function

June 30, 2004

Function	Land	Buildings and Improvements	Furniture and Equipment	Total
Instruction:				
Regular	\$810,646	\$64,911,799	\$3,770,531	\$69,492,976
Special	68,750	155,700	3,582,768	3,807,218
Support Services:				
Student Services	-	-	146,842	146,842
Instructional Staff Support	-	-	842,343	842,343
General Administration	5,000	2,127,471	147,804	2,280,275
School Administration	-	-	314,830	314,830
Business Services	50,000	206,200	400,114	656,314
Plant Services	-	-	289,600	289,600
Student Transportation	300	8,500	3,067,424	3,076,224
Central Services	-	-	333,715	333,715
Food Services	-	-	1,520,967	1,520,967
Total	<u>\$934,696</u>	<u>\$67,409,670</u>	<u>\$14,416,938</u>	<u>\$82,761,304</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SCHEDULE OF CHANGES IN CAPITAL ASSETS
 By Function
 For the Year Ended June 30, 2004

<u>Function</u>	<u>Capital Assets June 30, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>Capital Assets June 30, 2004</u>
Instruction:				
Regular	\$67,753,146	\$1,766,859	\$27,029	\$69,492,976
Special	3,517,851	290,225	658	3,807,218
Support Services:				
Student Services	146,842	-	-	146,842
Instructional Staff Support	836,866	5,477	-	842,343
General Administration	2,280,275	-	-	2,280,275
School Administration	311,362	3,468	-	314,830
Business Services	656,314	-	-	656,314
Plant Services	288,972	628	-	289,600
Student Transportation	3,118,519	-	42,295	3,076,224
Central Services	333,715	-	-	333,715
Food Services	1,456,931	64,036	-	1,520,967
Total	<u>\$80,700,593</u>	<u>\$2,130,693</u>	<u>\$69,982</u>	<u>\$82,761,304</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

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ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

General School System Expenditures by Function
 and Other Financing Uses - Governmental Fund Types
 1995-2004
 (Unaudited)

<u>Function</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Regular Instructional Programs	\$17,827,232	\$18,062,595	\$19,024,418	\$20,678,972
Special Instructional Programs	7,409,708	7,522,459	7,978,736	8,270,235
Adult and Community College Programs	121,940	115,002	113,534	130,785
Student Support Services	1,784,667	1,864,144	1,945,266	2,041,654
Instructional Staff Support Services	2,112,740	2,119,115	2,257,964	2,690,554
General Administration Services	981,755	805,716	823,182	808,161
School Administration Services	2,403,555	2,412,101	2,531,972	2,665,583
Business Services	340,833	354,743	354,486	317,465
Plant Services	3,700,964	3,826,352	4,041,785	4,105,170
Student Transportation Services	2,533,182	2,544,227	2,500,931	2,589,942
Central Services	307,605	355,102	330,793	335,359
Food Services	2,972,110	2,993,409	2,982,065	2,975,433
Community Services	2,100	2,100	2,100	2,100
Facility Acquisition and Construction	213,115	250,225	251,226	4,512,586
Debt Service	922,520	891,842	852,880	7,478,505
Total Expenditures	43,634,026	44,119,132	45,991,338	59,602,504
Other Financing Uses	94,220	786,234	248,253	95,128
Total Expenditures and Other Financing Uses	<u>\$43,728,246</u>	<u>\$44,905,366</u>	<u>\$46,239,591</u>	<u>\$59,697,632</u>

TABLE 1

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<u>\$21,531,824</u>	<u>\$22,166,803</u>	<u>\$22,791,411</u>	<u>\$27,027,871</u>	<u>\$28,994,862</u>	<u>\$30,266,125</u>
8,839,883	9,144,729	9,202,407	7,699,919	8,301,505	8,204,017
185,017	146,450	182,701	223,015	293,298	309,783
2,220,291	2,317,143	2,814,568	3,090,721	3,237,051	3,273,424
2,820,207	3,157,589	3,142,597	3,138,555	3,289,429	3,557,710
827,583	885,434	1,007,440	1,131,200	1,258,179	1,206,281
2,750,447	2,523,565	2,810,702	2,920,792	3,137,505	3,283,960
340,849	338,114	410,091	459,587	478,572	492,027
4,185,154	4,373,251	4,525,590	4,737,998	5,156,520	5,437,971
2,519,635	2,516,778	2,628,602	2,713,313	2,935,308	3,295,716
668,071	373,138	383,660	373,375	401,253	615,726
2,952,409	3,061,872	3,078,932	3,254,460	3,487,876	3,681,468
3,681	4,100	4,100	4,100	4,100	4,100
11,807,276	7,744,858	5,425,400	2,311,639	2,186,396	1,014,782
<u>4,695,303</u>	<u>3,395,819</u>	<u>3,416,010</u>	<u>3,384,254</u>	<u>3,369,036</u>	<u>3,177,469</u>
66,347,630	62,149,643	61,824,211	62,470,799	66,530,890	67,820,559
<u>115,908</u>	<u>84,029</u>	<u>527,681</u>	<u>770,250</u>	<u>1,762,261</u>	<u>16,817,777</u>
<u><u>\$66,463,538</u></u>	<u><u>\$62,233,672</u></u>	<u><u>\$62,351,892</u></u>	<u><u>\$63,241,049</u></u>	<u><u>\$68,293,151</u></u>	<u><u>\$84,638,336</u></u>

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

General School System Revenue by Source and
 Other Financing Sources - Governmental Fund Types
 1995-2004
 (Unaudited)

GOVERNMENTAL FUND TYPES REVENUES BY SOURCE

Year Ended June 30	LOCAL SOURCES						
	Ad Valorem Taxes	Sales Taxes	Royalties and Leases	Tuition	Food Services	Interest Earnings	Other
1995	\$2,377,977	\$10,542,099	\$154,006	\$450,378	\$435,418	\$255,576	\$328,088
1996	2,482,885	11,559,779	119,186	474,107	429,542	311,131	316,286
1997	2,812,836	11,668,222	300,041	493,804	396,898	654,119	435,398
1998	5,286,517	11,834,237	125,236	528,882	453,005	1,449,519	386,725
1999	5,455,771	12,521,722	177,620	550,576	446,657	1,510,623	515,402
2000	5,813,013	12,872,108	171,456	559,257	449,173	1,325,885	458,426
2001	9,584,248	13,236,538	179,470	559,099	434,924	511,382	748,010
2002	10,260,892	14,787,134	213,887	532,130	433,071	330,619	887,588
2003	11,422,975	14,991,124	225,017	711,197	512,938	155,805	565,161
2004	12,095,973	15,130,078	250,298	651,325	506,747	143,188	509,876

GENERAL FUND REVENUE BY SOURCE

Year Ended June 30	LOCAL SOURCES						
	Ad Valorem Taxes	Sales Taxes	Royalties and Leases	Tuition	Food Services	Interest Earnings	Other
1995	\$2,174,139	\$9,880,966	\$154,006	\$450,378	-	\$222,380	\$328,088
1996	2,264,527	10,905,752	119,186	474,107	-	276,010	316,286
1997	2,613,543	11,018,144	300,041	493,804	-	220,843	435,398
1998	2,820,095	11,219,015	125,236	528,882	-	244,515	386,725
1999	2,815,882	11,910,586	177,620	550,576	-	195,486	365,402
2000	3,070,366	12,264,364	171,456	559,257	-	180,307	458,426
2001	6,952,270	12,634,924	179,470	559,099	-	175,612	748,010
2002	7,518,586	13,563,039	213,887	532,130	-	165,238	712,588
2003	8,393,958	14,351,833	225,017	711,197	-	97,396	565,161
2004	9,228,387	14,496,034	250,298	651,325	-	95,114	474,876

TABLE 2

STATE SOURCES							Total Revenues and Other Financing Sources	
Equalization	Contribution to Teacher's Retirement	Revenue Sharing	Professional Improvement Program	Other	Federal Sources	Total		
\$22,178,848	\$64,121	\$335,551	\$476,963	\$1,350,788	\$4,940,449	\$43,890,262	\$113,859	\$44,004,121
22,833,586	59,483	325,214	449,539	689,424	4,854,350	44,684,312	786,685	45,470,997
23,127,555	52,981	330,998	424,379	663,327	4,921,766	46,282,324	22,118,308	68,400,632
23,803,548	48,331	370,662	374,179	1,510,274	5,113,941	51,285,056	13,318,553	64,603,609
25,005,600	44,085	362,737	337,383	1,830,399	5,326,520	54,085,095	1,878,358	55,963,453
24,294,008	36,853	362,737	332,266	1,246,586	6,471,573	54,193,339	84,029	54,277,368
25,131,932	30,506	355,911	295,579	1,218,412	6,098,525	58,384,536	450,537	58,835,073
27,160,723	30,531	346,225	240,481	1,425,186	6,775,403	63,423,870	670,370	64,094,240
28,910,271	20,396	345,061	249,556	1,367,160	8,131,555	67,808,216	1,763,363	69,571,579
29,757,151	24,294	335,734	231,785	1,438,379	9,114,527	70,189,355	16,794,922	86,984,277

STATE SOURCES							Total Revenues and Other Financing Sources	
Equalization	Contribution to Teacher's Retirement	Revenue Sharing	Professional Improvement Program	Other	Federal Sources	Total		
\$21,563,198	\$64,121	\$335,551	\$476,963	\$1,221,542	\$39,201	\$36,910,533	\$73,112	\$36,983,645
22,017,936	59,483	325,214	449,539	594,992	30,392	37,833,424	84,820	37,918,044
22,498,726	52,981	330,998	424,379	576,000	42,072	39,006,929	89,452	39,096,381
23,187,898	48,331	370,662	374,179	1,279,312	43,017	40,627,867	98,553	40,726,420
24,389,950	44,085	362,737	337,383	1,461,990	244,346	42,856,043	433,358	43,289,401
23,678,358	36,853	362,737	332,266	906,688	760,156	42,781,234	84,029	42,865,263
24,494,750	30,506	355,911	295,579	916,045	39,470	47,381,646	200,537	47,582,183
26,545,073	30,531	346,225	240,481	1,021,486	55,222	50,944,486	270,370	51,214,856
28,294,621	20,396	345,061	249,556	1,118,716	67,443	54,460,155	352,668	54,812,823
29,141,501	24,294	335,734	231,785	1,139,243	60,795	56,129,386	370,540	56,499,926

Property Tax Levies and Collections
1995-2004
(Unaudited)

YEAR ENDED JUNE 30	TAX MILLAGE	1	ASSESSED VALUE OF TAXABLE MILLAGE	TAXES LEVIED (1)	TAXES COLLECTED	TAXES NOT COLLECTED(2)
1995	17.50	1	\$136,574,764	\$2,365,583	\$2,377,977	\$7,616
1996	17.40	2	142,003,374	2,466,394	2,462,685	3,709
1997	17.22	3	163,257,521	2,808,825	2,812,838	-
1998	30.00	4	178,594,025	5,294,615	5,286,517	8,098
1999	31.00	5	181,848,921	5,635,382	5,455,771	179,611 (3)
2000	29.25	6	190,477,363	5,571,463	5,613,013	31,270 (4)
2001	48.25	7	201,496,382	9,618,432	9,584,248	32,184
2002	48.23	8	210,743,798	10,164,173	10,260,892	-
2003	48.09	9	240,198,418	11,545,383	11,412,471	132,922 (5)
2004	46.25	10	259,314,264	12,259,849	12,096,973	163,876 (5)

Recap of Tax Millage per \$1,000 of assessed value

General Fund	16.00	16.00	16.00	16.00	16.00	16.00	35.00	35.00	35.00	35.00
Debt Service	1.50	1.40	1.22	14.00	15.00	13.25	13.25	13.23	13.09	11.25
Total	<u>17.50</u> ¹	<u>17.40</u> ²	<u>17.22</u> ³	<u>30.00</u> ⁴	<u>31.00</u> ⁵	<u>29.25</u> ⁶	<u>48.25</u> ⁷	<u>48.23</u> ⁸	<u>48.09</u> ⁹	<u>46.25</u> ¹⁰

- (1) Figures provided by the St. Bernard Parish Assessor's Office. Some of the assessed properties are exempted from this tax millage. But since these exempt properties are not identifiable by the School Board their values remain in the Taxable Assessed amount.
- (2) Uncollected taxes are not expected to be collected, therefore they are not reflected in the accounting records as receivables.
- (3) A state-wide protest was filed by a large landowner with regard to their assessment. The taxes related to this protest were deposited in escrow with the state, however, as of this date a determination on this matter had not been made.
- (4) Taxes held in protest from the previous year, in the amount of \$72,820 were released during the 1999-2000 fiscal year.
- (5) Taxes not collected consists of taxes owed by a large corporation that is currently filing for bankruptcy as well as taxes under protest.

Source: St. Bernard Parish Assessor's Office

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ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

Assessed and Estimated Actual Value of Taxable Property
 1995-2004
 (Unaudited)

YEAR ENDED JUNE 30	LAND AND IMPROVEMENTS (1)		OTHER PROPERTY (2)	
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE
1995	\$148,869,678	\$1,488,696,780	\$89,261,944	\$532,454,667
1996	151,091,984	1,510,919,840	93,092,473	557,412,753
1997	154,338,115	1,543,381,150	112,065,201	682,755,607
1998	157,708,736	1,577,087,360	122,694,287	755,071,993
1999	161,848,154	1,618,481,540	125,285,722	767,462,627
2000	167,844,293	1,678,442,930	129,274,897	793,553,127
2001	177,316,839	1,773,168,390	133,379,760	818,951,726
2002	180,204,693	1,802,046,930	140,965,112	869,172,270
2003	186,715,064	1,867,150,640	164,770,363	987,798,367
2004	192,470,245	1,924,702,450	178,976,006	1,052,800,035

- (1) Land and Improvements are assessed at 10% of estimated actual value.
- (2) Public Service Properties are assessed at 25% of estimated actual value.
 All other properties are assessed at 15% of estimated actual value.
- (3) A Homestead Exemption is allowed for up to \$7,500 of the assessed value of the taxpayer's principal residence.
- (4) Assessed value and estimated actual value increased due to a property reassessment which occurred during the 1996-97 fiscal year.

Source: St Bernard Parish Assessor's Office

TABLE 4

<u>EXEMPTIONS (3)</u>	<u>TOTAL</u>		<u>RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE</u>
<u>LAND AND IMPROVEMENTS</u>	<u>ASSESSED VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	
\$101,556,828	\$136,574,794	\$2,021,151,447	6.76%
102,181,083	142,003,374	2,068,332,593	6.87%
103,145,795	163,257,521	2,226,136,757	7.33%
103,808,998	176,594,025	2,332,159,353	7.57%
105,284,955	181,848,921	2,385,944,167	7.62%
106,641,807	190,477,383	2,471,996,057	7.71%
109,200,217	201,496,382	2,592,120,116	7.77%
110,426,007	210,743,798	2,671,219,200	7.89%
111,287,009	240,198,418	2,854,949,007	8.41%
112,131,987	259,314,264	2,977,502,485	8.71%

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

Property Tax Rates - All Direct and Overlapping Governments
 (per \$1,000 of assessed value)
 1995-2004
 (Unaudited)

<u>TAX YEAR</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
<u>TAXING DISTRICT</u>				
<u>Parishwide</u>				
School District	17.50	17.40	17.22	30.00
Parish Government:				
Health District	0.66	0.66	0.66	0.66
Public Library	3.94	3.94	3.94	3.94
Road Lighting	1.29	1.29	1.29	1.29
Parish Maintenance	2.60	2.60	2.60	2.60
Public Improvement Bonds	5.50	5.50	3.50	3.50
Recreation Department	2.30	2.30	2.30	2.30
Garbage District	3.24	3.24	3.24	3.24
Road District	3.24	3.24	3.24	3.24
Council on Aging	-	-	-	-
Total Parish Government	<u>22.77</u>	<u>22.77</u>	<u>20.77</u>	<u>20.77</u>
Assessment District	1.92	1.92	1.92	1.92
Lake Borgne Basin Levee District	12.82	15.62	15.02	15.02
Law Enforcement District	9.40	9.40	10.68	10.68
Port Harbor and Terminal Authority	3.25	3.25	3.22	3.22
Total Parishwide	<u><u>67.66</u></u>	<u><u>70.36</u></u>	<u><u>68.83</u></u>	<u><u>81.61</u></u>
<u>Special Non-Parishwide Districts</u>				
Fire District #1	7.88	7.88	7.88	7.88
Fire District #2	8.51	8.51	8.51	8.51
Sewerage District #1	11.61	9.69	6.08	5.00
Sewerage District #2	8.30	8.27	6.79	3.75
Water District #1	6.24	5.05	4.82	0.15

Source: St. Bernard Parish Assessor's Office

TABLE 5

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
31.00	29.25	48.25	48.23	48.09	46.25
0.66	0.66	0.66	0.66	0.66	0.66
3.94	3.94	3.94	3.94	3.94	3.94
1.29	1.29	1.29	1.29	1.29	1.29
2.60	2.60	2.93	2.93	2.93	2.93
3.50	3.00	3.00	2.50	2.50	2.25
2.30	2.30	2.30	2.30	2.30	2.30
3.24	3.24	3.24	3.24	3.24	3.24
3.24	3.24	3.24	3.24	3.24	3.24
1.00	1.00	1.00	1.00	1.00	1.00
<u>21.77</u>	<u>21.27</u>	<u>21.60</u>	<u>21.10</u>	<u>21.10</u>	<u>20.85</u>
1.92	1.92	1.92	1.92	1.92	1.92
14.47	14.12	14.07	14.07	14.57	13.32
10.68	10.68	10.68	15.68	15.68	15.68
3.22	3.22	3.66	3.66	3.66	3.66
<u>83.06</u>	<u>80.46</u>	<u>100.18</u>	<u>104.66</u>	<u>105.02</u>	<u>101.68</u>
7.88	7.88	7.88	7.88	7.88	7.88
8.51	8.51	8.51	8.51	8.51	8.51
5.00	4.50	4.50	4.50	-	-
3.75	3.25	3.25	2.25	1.00	0.75
-	-	-	-	-	-

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ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

TABLE 6

Principal Property Taxpayers
 June 30, 2004
 (Unaudited)

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>2004 ASSESSED VALUATION</u>	<u>2004 PERCENTAGE OF ASSESSED VALUATION</u>
(1) Chalmette Refining	Oil and Gas	\$50,305,997	13.54%
(2) Murphy Oil	Oil and Gas	33,202,929	8.94%
(3) Colonial Pipeline Co.	Oil and Gas	17,003,190	4.58%
(4) American Sugar / Domino	Sugar Refinery	7,997,483	2.15%
(5) Bellsouth	Telephone Utility	6,912,891	1.86%
(6) Entergy Louisiana, Inc.	Electric Utility	6,716,010	1.81%
(7) Shell	Oil and Gas	5,475,860	1.47%
(8) Hibernia National Bank	Financial Services	4,866,514	1.31%
(9) Southern Natural Gas	Gas Utility	4,289,720	1.15%
(10) First National Bank of Commerce	Financial Services	3,607,725	0.97%
Totals		<u>\$140,378,319</u>	<u>37.78%</u>

Source: St. Bernard Parish Assessor's Office

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

Ratio of Net General Obligation Bonded Debt to Assessed Value
 and Net General Obligation Bonded Debt Per Capita
 1995-2004
 (Unaudited)

<u>YEAR ENDED JUNE 30</u>	<u>ESTIMATED POPULATION</u>	(1)	<u>NUMBER OF STUDENTS</u>	<u>ASSESSED VALUE OF TAXABLE PROPERTY</u> (2)	<u>GROSS BONDED DEBT</u>
1995	67,369		9,402	\$136,574,794	\$1,740,000
1996	67,679		9,452	142,003,374	1,675,000
1997	67,447		9,187	163,257,521	23,605,000 *
1998	66,927		9,008	176,594,024	31,385,000 **
1999	67,264		8,875	181,848,921	30,635,000
2000	66,903		8,648	190,477,383	29,550,000
2001	67,229		8,447	201,496,382	28,405,000
2002	66,473		8,412	210,743,798	27,200,000
2003	66,486		8,383	240,198,418	25,925,000
2004	66,113		8,495	259,314,264	24,905,000

* In March of 1997, the St. Bernard Parish School Board issued \$22,000,000 of general obligation bonds to build new schools and renovate existing buildings

** In March of 1998, the St. Bernard Parish School Board issued \$8,000,000 of general obligation bonds to build new schools and renovate existing buildings

(1) Source: Louisiana Technical University

(2) Source: St. Bernard Parish Assessor's Office

TABLE 7

<u>DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>	<u>NET BONDED DEBT PER STUDENT</u>
\$195,223	\$1,544,777	1.13%	\$23	\$164
208,727	1,466,273	1.03%	22	155
261,796	23,343,204	14.30%	346	2,541
1,085,707	30,299,293	17.16%	453	3,364
1,152,904	29,482,096	16.21%	438	3,322
944,462	28,605,538	15.02%	428	3,308
839,040	27,565,960	13.68%	410	3,263
839,522	26,360,478	12.51%	397	3,134
1,133,210	24,791,790	10.32%	373	2,957
1,399,346	23,505,654	9.06%	356	2,767

Sales Tax Bond Coverage
 1995-2004
 (Unaudited)

YEAR ENDED JUNE 30	SALES TAX REVENUE	DEBT SERVICE REQUIREMENTS			COVERAGE
		PRINCIPAL	INTEREST	TOTAL	
1995	\$10,542,099	\$210,000	\$462,023	\$672,023	15.7
1996	11,559,779	225,000	441,022	666,022	17.4
1997	11,668,222	245,000	418,523	663,523	17.6
1998	11,834,237	290,000	374,670	664,670	17.8
1999	12,521,722	345,000	274,812	619,812	20.2
2000	12,872,106	365,000	240,533	605,533	21.3
2001	13,236,538	395,000	230,628	625,628	21.2
2002	14,787,134	415,000	214,315	629,315	23.5
2003	14,991,124	440,000	196,677	636,677	23.5
2004	15,130,078	460,000	177,757	637,757	23.7

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ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

Ratio of Net Sales Tax Bonded Debt to Total Sales
 and Net Sales Tax Bonded Debt Per Capita
 1995-2004
 (Unaudited)

<u>YEAR ENDED JUNE 30</u>	<u>ESTIMATED POPULATION (1)</u>	<u>NUMBER OF STUDENTS</u>	<u>TOTAL SALES</u>	<u>GROSS BONDED DEBT (2)</u>
1995	67,369	9,402	\$560,749,947	\$6,100,000
1996	67,679	9,452	614,881,862	5,875,000
1997	67,447	9,187	620,650,106	5,630,000
1998	66,927	9,008	629,480,691	5,780,000
1999	67,264	8,875	666,040,043	5,435,000
2000	66,903	8,648	684,686,489	5,070,000
2001	67,229	8,447	704,071,170	4,675,000
2002	66,473	8,412	786,549,681	4,260,000
2003	66,486	8,383	814,735,000	3,820,000
2004	66,113	8,495	822,286,848	3,360,000

(1) Source: Louisiana Technical University

(2) Source: St. Bernard Parish Sheriff's Office - Tax Collector

TABLE 9

<u>LESS DEBT SERVICE FUNDS</u>	<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO TOTAL SALES</u>	<u>NET BONDED DEBT PER CAPITA</u>	<u>NET BONDED DEBT PER STUDENT</u>
\$922,894	\$5,177,106	0.923%	\$77	\$551
921,250	4,953,750	0.806%	73	524
918,258	4,711,742	0.759%	70	513
877,372	4,902,628	0.779%	73	544
877,988	4,557,012	0.684%	68	513
889,352	4,180,648	0.611%	62	483
879,974	3,795,026	0.539%	56	449
881,279	3,378,721	0.430%	51	402
887,051	2,932,949	0.360%	44	350
885,623	2,474,377	0.301%	37	291

Computation of Legal Debt Margin
June 30, 2004
(Unaudited)

Assessed Valuation:		
Taxable Assessed Value		\$259,314,264
Add: Exempt Property (Homestead Exemptions)		112,131,987
Total Assessed Value		<u>\$371,446,251</u>
Legal Debt Margin:		
Debt Limitation - 35% of Total Assessed Value		\$130,006,188
Debt Applicable to Limitation:		
Total General Obligation Bonded Debt	\$24,905,000	
Less: Amount Available for Repayment of General Obligation Bonds	<u>1,399,346</u>	
Total General Obligation Debt Applicable to Limitation		<u>23,505,654</u>
Legal Debt Margin		<u>\$106,500,534</u>

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

TABLE 11

Computation of Direct and Underlying Bonded Debt
 General Obligation Bonds
 June 30, 2004
 (Unaudited)

Jurisdiction	General Obligation Bonded Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government	Total Assessed Valuation of Property Applicable to Bonded Debt (1)
Direct:				
St. Bernard Parish School Board	\$24,905,000	100%	\$24,905,000	\$371,446,251
Underlying:				
Parish of St. Bernard	2,795,000	100%	2,795,000	371,446,251
Lake Borgne Basin Levee District	3,005,000	100%	3,005,000	371,446,251
St. Bernard Port, Harbor & Terminal District	3,625,000	100%	3,625,000	371,446,251
St. Bernard Sewerage District No. 2	170,000	100%	170,000	371,446,251
Total Underlying Debt	<u>9,595,000</u>		<u>9,595,000</u>	
Total	<u>\$34,500,000</u>		<u>\$34,500,000</u>	

(1) Taxable assessed value of property subject to School Board's assessment - \$259,314,264

Source: Respective Government Entities

Ratio of Annual Debt Service Expenditures for General
 Obligation Bonded Debt to Total Expenditures -
 All Governmental Fund Types
 1995-2004
 (Unaudited)

<u>YEAR ENDED JUNE 30</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GOVERNMENTAL FUNDS EXPENDITURES</u>	<u>RATIO OF DEBT SERVICE TO GOVERNMENTAL FUNDS EXPENDITURES</u>
1995	\$275,000	\$591,820	\$866,820	\$43,634,026	2.0%
1996	290,000	564,570	854,570	44,119,132	1.9%
1997	315,000	535,570	850,570	45,991,338	1.8%
1998	5,290,000	2,184,477	7,474,477	59,602,504	12.5% *
1999	2,540,000	2,071,784	4,611,784	66,347,630	7.0% **
2000	1,085,000	1,622,990	2,707,990	62,149,643	4.4%
2001	1,145,000	1,565,961	2,710,961	61,824,211	4.4%
2002	1,205,000	1,471,501	2,676,501	62,470,799	4.3%
2003	1,275,000	1,377,021	2,652,021	66,530,890	4.0%
2004	1,225,917	1,309,326	2,535,243	67,820,559	3.7% ***

* A \$5,220,000 refunding issue was sold with the proceeds being used to liquidate previously issued debt.
 ** A \$1,445,000 refunding issue was sold with the proceeds being used to liquidate previously issued debt.
 *** A \$14,370,000 refunding issue was sold with the proceeds being used to liquidate previously issued debt.

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ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

Demographic Statistics
 1995-2004
 (Unaudited)

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>PER CAPITA INCOME (2)</u>	<u>PUBLIC SCHOOL ENROLLMENT (3)</u>	<u>PUBLIC HIGH SCHOOL GRADUATES (4)</u>
1995	67,369	\$16,137	9,402	508
1996	67,679	17,721	9,452	513
1997	67,447	18,359	9,187	502
1998	66,927	19,113	9,008	537
1999	67,264	20,900	8,875	444
2000	66,903	21,239	8,648	560
2001	67,229	21,214	8,447	480
2002	66,473	20,523	8,412	492
2003	66,486	24,119	8,383	429
2004	66,113	*	8,495	*

* Information not yet available

(1) Estimated population as of December 31 of Fiscal Year.

(2) Source: Bureau of Labor Statistics, Survey of Current Business.

(3) Source: Louisiana Annual Financial and Statistical Report.

TABLE 13

<u>PERCENT OF GRADUATING SENIORS GOING ON TO COLLEGE</u> (4)	<u>EXPENDITURES PER STUDENT</u> (4)	<u>PUPIL/TEACHER RATIO</u> (4)	<u>MEAN SALARY OF ALL FULL-TIME TEACHERS</u> (4)	<u>CLASSROOM TEACHER/SCHOOL ADMINISTRATOR RATIO</u> (4)
69.49%	\$4,380	16.32 : 1	\$26,017	16.46 : 1
70.05%	4,409	15.63 : 1	25,955	16.63 : 1
70.16%	4,757	15.59 : 1	28,038	16.39 : 1
69.52%	5,156	15.13 : 1	29,878	21.59 : 1
56.46%	5,465	15.34 : 1	31,492	21.67 : 1
52.90%	5,710	14.22 : 1	31,334	21.71 : 1
53.00%	6,090	14.12 : 1	34,251	21.82 : 1
53.60%	6,500	14.02 : 1	34,413	21.95 : 1
54.00%	6,860	14.07 : 1	36,257	22.05 : 1
*	*	*	*	*

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

Property Value, Construction and Bank Deposits
 1995-2004
 (Unaudited)

YEAR ENDED JUNE 30	ASSESSED PROPERTY VALUE (1)			
	LAND AND IMPROVEMENTS	OTHER PROPERTY	EXEMPTIONS	TOTAL
1995	\$148,869,678	\$89,261,944	\$101,556,828	\$136,574,794
1996	151,091,984	93,092,473	102,181,083	142,003,374
1997	154,338,115	112,065,201	103,145,795	163,257,521
1998	157,708,736	122,694,287	103,808,998	176,594,025
1999	161,848,154	125,285,722	105,284,955	181,848,921
2000	167,844,293	129,274,897	106,641,807	190,477,383
2001	177,316,839	133,379,760	109,200,217	201,496,382
2002	180,204,693	140,965,112	110,426,007	210,743,798
2003	186,715,064	164,770,363	111,287,009	240,198,418
2004	192,470,245	178,976,006	112,131,987	259,314,264

* Beginning January, 1996, the St. Bernard Parish Planning Commission was no longer required to maintain statistics with regard to non-residential construction.

- (1) Source: St. Bernard Parish School Board
- (2) Source: St. Bernard Parish Planning Commission
- (3) Source: Hibernia National Bank
 Bank One
 Regions Bank

TABLE 14

RESIDENTIAL CONSTRUCTION (2)		NON-RESIDENTIAL CONSTRUCTION (2)		COMMERCIAL BANK DEPOSITS (3)
NUMBER OF UNITS	VALUE	NUMBER OF UNITS	VALUE	
186	\$12,381,914	90	\$2,668,867	\$485,212,000
179	9,264,604	40	1,762,639	571,589,000
203	9,797,890	*	*	629,667,934
179	9,463,935	*	*	637,452,375
161	9,468,365	*	*	651,872,313
136	8,231,623	*	*	647,824,895
128	6,625,465	*	*	652,489,492
164	9,969,943	*	*	665,167,927
96	6,825,995	*	*	661,962,437
122	10,218,482	*	*	657,823,549

Miscellaneous Statistics
 For the period ended June 30, 2004
 (Unaudited)

Year of Incorporation:	1877
Form of Government:	School Board
Area of Parish:	2,386 Square Miles
Regular School Days:	177
Population:	66,113

Number of Schools

Elementary	7
Middle	3
High	4
	<u>14</u>

Enrollment

Elementary	3,974
Middle	1,983
High	2,538
	<u>8,495</u>

<u>DEGREE</u>	<u>NUMBER OF TEACHERS</u>	<u>PERCENTAGE OF TOTAL</u>
Bachelor's Degree	423	65.99%
Master's Degree	168	26.21%
Master's Degree + 30	46	7.18%
Doctorate	4	0.62%
	<u>641</u>	<u>100.00%</u>

<u>YEARS OF EXPERIENCE</u>	<u>NUMBER OF TEACHERS</u>	<u>PERCENTAGE OF TOTAL</u>
0 - 4	127	19.81%
5 - 9	170	26.52%
10 - 14	75	11.70%
15 - 19	68	10.61%
20 - 24	61	9.52%
25 and Over	140	21.84%
	<u>641</u>	<u>100.00%</u>

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

TABLE 16

Schedule of Compensation Paid to Board Members
 For the Year Ended June 30, 2004
 With Comparative Totals for the Year Ended June 30, 2003
 (Unaudited)

	<u>2004</u>	<u>2003</u>
Herman J. Bonnette, Sr.	\$7,200	\$7,200
Donald D. Campbell	7,200	7,200
Hugh C. Craft (from 1/2004)	7,500	7,200
Lynette Difatta	7,200	7,200
Diana B. Dysart - President (through 12/2003)	7,500	7,500
William H. Egan	7,200	7,200
Clifford M. Englande	7,200	7,200
Sharon A. Hanzo	7,200	7,200
Joseph V. Long	7,200	7,200
Ronald J. Nicosia - President	7,200	7,500
Stacy Riley, Sr. (Term began 4/15/2003)	7,200	1,500
Max L. Shaneyfelt (Term ended 4/15/2003)	-	5,700
	<u>\$79,800</u>	<u>\$79,800</u>

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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***

To the Members of the
St. Bernard Parish School Board
Chalmette, Louisiana

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of St. Bernard Parish School Board, as of and for the year ended June 30, 2004, which collectively comprise the St. Bernard Parish School Board's basic financial statements and have issued our report thereon dated September 24, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements 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. Bernard 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

110 VETERANS MEMORIAL BOULEVARD, SUITE 200, METAIRIE, LA 70005-4958 • 504.835.5522 • FAX 504.835.5535
5100 VILLAGE WALK, SUITE 202, COVINGTON, LA 70433-4012 • 985.892.5850 • FAX 985.892.5956
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RSM McGladrey Network
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This report is intended solely for the information and use of the St. Bernard Parish School Board, the State of Louisiana, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Schute, Schut, Craig & Neal

A Professional Accounting Corporation

September 24, 2004



LAPORTE SEHRT
ROMIG HAND
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Members of the
St. Bernard Parish School Board
Chalmette, Louisiana

Compliance

We have audited the compliance of the St. Bernard 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. Bernard Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Bernard Parish School Board's management. Our responsibility is to express an opinion on the St. Bernard 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 could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Bernard 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. Bernard Parish School Board's compliance with those requirements.

In our opinion, the St. Bernard 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.

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Internal Control Over Compliance

The management of the St. Bernard 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. Bernard Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to the 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 that we consider to be material weaknesses.

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



A Professional Accounting Corporation

September 24, 2004

ST. BERNARD PARISH SCHOOL BOARD
 Chalmette, Louisiana

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

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM NAME	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTORS' AWARD NUMBER	EXPENDITURES
United States Department of Agriculture:			
Passed through Louisiana Department of Agriculture and Forestry:			
Food Distribution Program	10.550	N/A	\$148,100
Passed through Louisiana Department of Education:			
School Breakfast Program	10.553	N/A	545,288
National School Lunch Program	10.555	N/A	1,443,290
Summer Feeding Program	10.559	N/A	74,234
			<u>2,208,910</u>
Total United States Department of Agriculture			
United States Department of Health and Human Services:			
Direct Program:			
2004 Headstart	13.600	06CHO392/13	754,346
Passed through Louisiana Department of Education:			
Temporary Assistance to Needy Families:			
2004 Starting Points Preschool Program	93.558	0438-44	55,171
2003 Pre-Ged Skills/Option Program	93.558	0338-44	72,111
2004 Pre-Ged Skills/Option Program	93.558	0438-44	34,779
2003 Early Childhood Development	93.558	28-03-35-44	235,734
2004 Early Childhood Development	93.558	28-04-35-44	662,682
			<u>1,060,457</u>
Passed Through Louisiana Department of Health and Hospitals:			
2004 Primary Prevention Grant	93.959.BG	N/A	88,711
2004 LAPIP Nova Partnership	93.959	010255	99,983
			<u>188,694</u>
Total United States Department of Health and Human Services			
			<u>2,001,497</u>
United States Department of Labor:			
Passed through Louisiana Department of Labor:			
Passed Through Plaquemines, St Bernard St Tammany Parishes Consortium:			
2003 WIA - Summer School	17.250	190030	2,489
Total passed through Louisiana Department of Labor			
			<u>2,489</u>
Total United States Department of Labor			
			<u>2,489</u>
United States Department of Defense:			
2002 Department of the Air Force - JROTC	12.998	N/A	60,795
Total United States Department of Defense			
			<u>60,795</u>
United States Department of Education:			
Passed through Louisiana Department of Education:			
2004 After School Learning Center	84.287C	03-CC-44	288,280
2004 After School Learning Center Supplemental	84.287C	03-CC-44S	172
2003 Adult Education - Basic Grant	84.002	0344-44	14,416
2003 Adult Education - Carryover	84.002	0344-44C	8,804
2004 Adult Education - Basic Grant	84.002	0444-44	141,420
2003 Adult Education - Supplemental	84.002	0444-44S	7,380
			<u>439,452</u>
Educationally Deprived Children:			
2003 Title I	84.010	03-T1-44	350,337
2004 Title I	84.010	04-T1-44	1,536,504
			<u>1,886,841</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT AND
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.

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

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM NAME	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTORS' AWARD NUMBER	EXPENDITURES
Handicapped School Programs:			
2003 Flow-Through	84.027A	03-B1-44	587,311
2003 Flow-Through Carryover	84.027A	03-B1-44 C/O	114,735
2004 Flow-Through	84.027A	04-B1-44	710,039
2004 Idea Supplemental	84.027A	04-B1-44	16,367
2004 Idea Set Aside	84.027A	04-B1-44	11,920
2003 Preschool Incentive	84.173A	03-P1-44	22,016
2004 Preschool Incentive	84.173A	04-P1-44	40,735
2003 Project P.A.T.	84.173A	03-P2-44	10,418
2004 Project P.A.T.	84.173A	04-P2-44	27,743
			<u>1,541,284</u>
Innovative Education Program Strategies:			
2004 IASA Title V	84-298A	04-80-44	52,080
			<u>52,080</u>
Strengthening The Skills of Teachers:			
2003 IASA Title II	84.184	03-50-44	76,340
2003 IASA Title II Carryover	84.184	03-50-44 C/O	44,473
2004 IASA Title II	84.184	04-50-44	570,053
			<u>690,866</u>
Drug Free Schools and Communities:			
2003 IASA Title IV	84.186A	03-70-44	18,679
2004 IASA Title IV	84.186A	04-70-44	48,594
			<u>67,273</u>
Vocational Education:			
Title II A:			
2004 Basic Grant	84.048	0402-44	129,795
			<u>129,795</u>
Technology Improvement:			
2003 Educational Technology State Grants	84.318X	0349-44	27,843
2004 Educational Technology State Grants	84.318X	0449-44	5,602
			<u>33,245</u>
Total United States Department of Education			<u>4,840,836</u>
Total Federal Financial Assistance			<u>\$9,114,527</u>

SEE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT AND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.

ST. BERNARD PARISH SCHOOL BOARD
Chalmette, Louisiana

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

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the St. Bernard Parish 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 awards received directly from federal agencies are included on the schedule as well as federal awards passed through other government agencies. The major federal programs of the School Board include the School Breakfast Program, the National School Lunch Program, the Headstart grant and the 21st Century Community Learning Centers grant .

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the St. Bernard Parish School Board's basic financial statements for the year ended June 30, 2004.

3. Relationship to General Purpose Financial Statements

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

From Federal Sources

General Fund	\$ 60,795
Special Revenue Funds	<u>9,053,732</u>
Total	<u>\$9,114,527</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.

5. USDA Commodities

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received.

**ST. BERNARD PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2004**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the St. Bernard Parish School Board.
2. No reportable conditions were noted during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the St. Bernard Parish School Board were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs of the School Board were disclosed in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the St. Bernard Parish School Board expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for the St. Bernard Parish School Board are reported in Part C. of this Schedule.
7. The programs tested as major programs included:

<u>PROGRAM</u>	<u>CFDA No.</u>
School Breakfast Program	10.553
National School Lunch Program	10.555
Headstart	13.600
21 st Century Community Learning Centers	84.287C

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The School Board was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

**ST. BERNARD PARISH SCHOOL BOARD
AUDITS PERFORMED BY OTHER ORGANIZATIONS
For the Year Ended June 30, 2003**

None



**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

To the Members of the
St. Bernard Parish School Board
Chalmette, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of St. Bernard Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of St. Bernard Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. 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 are as follows:

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

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

No differences were noted.

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Education Levels of Public School Staff (Schedule 2)

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

No differences were noted.

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

No differences were noted.

4. We obtained a list of principals, assistant principals, and full-time teachers 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 determine if the individual's education level was properly classified on the schedule.

No differences were noted.

Number and Type of Public Schools (Schedule 3)

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

No differences were noted.

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

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

No differences were noted.

Public Staff Data (Schedule 5)

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

No differences were noted.

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

No differences were 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 then traced a random sample of 10 classes to the October 1st roll books for those classes and determined if the class was properly classified on the schedules.

No differences were noted.

Louisiana Educational assessment program (LEAP) for the 21st Century (Schedule 7)

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

No differences were noted.

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

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

No differences were noted.

The Iowa Tests (Schedule 9)

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

No differences were noted.

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

This report is intended solely for the use of management of St. Bernard 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.

Salute, Audit, Service, Honor

A Professional Accounting Corporation

September 24, 2004

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Schedule LA-1

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
2003-2004

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	20,989,989
Other Instructional Staff Activities	2,981,926
Employee Benefits	8,155,788
Purchased Professional and Technical Services	259,255
Instructional Materials and Supplies	1,592,737
Instructional Equipment	<u>367,399</u>
Total Teacher and Student Interaction Activities	34,347,094

Other Instructional Activities

Pupil Support Activities

Less: Equipment for Pupil Support Activities	2,294,700
Net Pupil Support Activities	<u>0</u>

2,294,700

Instructional Staff Service

Less: Equipment for Instructional Staff Services	2,212,402
Net Instructional Staff Services	<u>0</u>

2,212,402

Total General Fund Instructional Expenditures

38,854,196

Total General Fund Equipment Expenditures:

367,399

Schedule LA-1 Continued

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources
2002-2003

<u>Certain Local Revenue Sources</u>	
Local Taxation Revenue:	
Constitutional Ad Valorem Taxes	955,849
Renewable Ad Valorem Tax	7,965,412
Debt Service Ad Valorem Tax	2,867,586
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	307,126
Sales and Use Taxes	15,130,079
Total Local Taxation Revenue	<u>27,226,052</u>
Local Earnings on Investment in Real Property:	
Earnings from 16th Section Property	35,342
Earnings from Other Real Property	0
Total Local Earnings on Investment in Real Property	<u>35,342</u>
State Revenue in Lieu of Taxes:	
Revenue Sharing-Constitutional Tax	96,846
Revenue Sharing-Other Taxes	238,888
Revenue Sharing-Excess Portion	0
Other Revenue in Lieu of Taxes	0
Total State Revenue in Lieu of Taxes	<u>335,734</u>
Nonpublic Textbook Revenue	<u>68,888</u>
Nonpublic Transportation Revenue	<u>101,109</u>

SCHEDULE LA-2

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	0	0	2	0	0	0	0	0
Bachelor's Degree	400	62	51	8	0	0	0	0
Master's Degree	145	23	0	0	23	66	0	0
Master's Degree +30	40	6	0	0	12	34	0	0
Specialist in Education	0	0	0	0	0	0	0	0
Ph. D. or Ed. D.	3	1	0	0	0	0	0	0
TOTAL	588	92	53	8	35	100	0	0

SCHEDULE LA-3

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

Type	Number
Elementary	7
Middle/Jr. High	3
Secondary	4
Combination	0
Total	14

SCHEDULE LA-4

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	7	6	0	7	21
Principals	0	0	0	0	3	2	9	14
Classroom Teachers	72	55	170	75	68	61	140	641
Total	72	55	171	82	77	63	156	676

Schedule LA-5

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	35,650.18	35,638.07
Average Classroom Teachers' Salary Excluding Extra Compensation	35,413.43	35,400.21
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	641	638

Class Size Characteristics As of October 1, 2003

School Type	Class Size Range											
	1-20			21-26			27-33			34+		
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	50.2	153	46.6	142	3.2	10	0	0	0	0	0	0
Elementary Activity Classes	26.5	27	36.3	37	31.3	32	5.9	6	0	0	0	0
Middle/Jr. High	29	137	36.8	174	34.2	162	0	0	0	0	0	0
Middle/Jr. High Activity Classes	16.5	15	8.8	8	36.3	33	38.4	35	0	0	0	0
High	42.7	334	30.6	240	26.7	209	0	0	0	0	0	0
High Activity Classes	38.7	29	12	9	24	18	25.3	19	0	0	0	0
Combination	0	0	0	0	0	0	0	0	0	0	0	0
Combination Activity Classes	0	0	0	0	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.

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SCHEDULE LA-7

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

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4	18	3	4	1	24	4	22	3	26	4	24	4
Advanced	133	20	113	17	108	16	137	21	124	18	112	17
Proficient	289	44	342	50	299	44	285	43	323	48	327	48
Basic	145	22	164	24	181	27	138	21	141	21	128	19
Approaching Basic	74	11	55	8	58	9	77	12	63	9	79	12
Unsatisfactory	659	100	678	100	670	100	659	100	677	100	670	100
Total												

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4	6	1	5	1	12	2	7	1	10	1	6	1
Advanced	81	12	64	9	87	13	71	11	73	11	42	6
Proficient	337	51	299	44	329	49	350	53	355	53	323	48
Basic	180	28	270	40	180	27	142	22	178	26	188	28
Approaching Basic	54	8	38	6	62	9	88	13	60	9	113	17
Unsatisfactory	658	100	676	100	670	100	658	100	676	100	672	100
Total												

SCHEDULE LA-7 Continued

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8	9	2	2	0	5	1	6	1	23	3	5	1
Advanced	94	14	104	16	96	16	46	7	23	3	23	4
Proficient	266	40	265	42	230	38	379	56	323	49	313	48
Basic	225	34	207	33	245	39	139	21	178	27	201	31
Approaching Basic	67	10	58	9	37	6	101	15	119	18	103	16
Unsatisfactory	661	100	636	100	613	100	671	100	666	100	645	100
Total												

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8	8	1	2	0	5	1	3	0	1	0	4	1
Advanced	137	21	82	13	118	19	97	15	43	7	46	8
Proficient	261	41	225	36	244	40	288	45	282	45	313	51
Basic	158	25	234	37	171	28	174	27	196	31	159	26
Approaching Basic	80	12	88	14	72	12	82	13	109	17	84	14
Unsatisfactory	644	100	631	100	610	100	644	100	631	100	606	100
Total												

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

District Achievement Level Results	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10	11	2	5	1	11	2	51	9	46	8	54	10
Advanced	107	19	67	12	94	18	108	19	94	17	77	14
Proficient	264	46	263	47	248	48	253	44	260	46	230	42
Basic	128	22	130	24	104	20	76	13	79	14	80	15
Approaching Basic	63	11	86	16	65	12	84	15	82	15	103	19
Unsatisfactory	573	100	551	100	522	100	572	100	561	100	544	100
Total												

District Achievement Level Results	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11	16	3	20	4	17	4	3	1	9	2	3	1
Advanced	91	19	97	21	126	26	47	10	59	13	62	13
Proficient	221	46	211	45	184	38	278	58	255	54	266	56
Basic	105	22	97	21	86	18	104	21	94	20	93	19
Approaching Basic	48	10	44	9	65	14	49	10	52	11	54	11
Unsatisfactory	481	100	469	100	478	100	481	100	469	100	478	100
Total												

The Iowa Tests for the Year Ended June 30, 2004

	Composite		
	2004	2003	2002
<u>Test of Basic Skills (ITBS)</u>			
Grade 3	58	55	47
Grade 5	59	58	52
Grade 6	40	43	51
Grade 7	52	55	47
<u>Tests of Educational Development (ITED)</u>			
Grade 9	48	48	50

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