

ST. MARTIN PARISH SCHOOL BOARD

St. Martinville, Louisiana

Financial Report

Year Ended June 30, 2010

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Mr. Richard Lavergne, Superintendent
and Members of the St. Martin Parish
School Board
St. Martinville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Martin Parish School Board (the School Board), as of and for the year ended June 30, 2010, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the St. Martin Parish School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Martin Parish School Board, as of June 30, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2010, on our consideration of the St. Martin Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedule of funding progress on pages 50 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Martin Parish School Board's financial statements as a whole. The other supplementary information on pages 54 through 80 including the schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedules required by state law are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

Breaux Bridge, Louisiana
December 14, 2010

BASIC FINANCIAL STATEMENTS

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Statement of Net Assets
June 30, 2010

	<u>Governmental Activities</u>
ASSETS	
Cash and interest-bearing deposits	\$ 8,261,981
Investments	52,458,400
Receivables, net	1,623,944
Due from other governmental agencies	2,055,314
Inventories	206,465
Prepaid items	495,638
Other current assets	257,317
Restricted assets:	
Cash and interest-bearing deposits	198,446
Capital assets, net	<u>44,641,789</u>
 TOTAL ASSETS	 <u>110,199,294</u>
LIABILITIES	
Salaries and payroll tax liabilities	5,802,461
Insurance claims payable	2,589,905
Other payables	1,109,165
Contracts payable	96,596
Retainage payable	70,274
Deferred revenue	355,172
Interest payable	566,031
Long-term liabilities:	
Due within one year	8,385,971
Due in more than one year	<u>44,930,391</u>
 TOTAL LIABILITIES	 <u>63,905,966</u>
NET ASSETS	
Invested in capital assets, net of related debt	21,583,314
Restricted for:	
Salaries and benefits	6,621,213
Inventory	206,465
Capital expenditures/incomplete contracts	1,773,593
Debt service	4,698,377
Unrestricted	<u>11,410,366</u>
 TOTAL NET ASSETS	 <u>\$ 46,293,328</u>

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Statement of Activities
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction:					
Regular education programs	\$ 29,472,485	\$ -	\$ 1,313,316	\$ -	\$ (28,159,169)
Special education programs	9,600,175	-	905,387	-	(8,694,788)
Vocational education programs	1,791,227	-	116,789	-	(1,674,438)
Other instructional programs	1,418,829	-	644,024	-	(774,805)
Special programs	5,020,012	-	4,524,430	-	(495,582)
Adult and continuing education programs	89,577	-	65,456	-	(24,121)
Support services:					
Pupil support services	4,716,511	-	2,378,072	-	(2,338,439)
Instructional staff support	4,374,359	-	1,350,176	-	(3,024,183)
General administration	1,567,903	-	230,730	-	(1,337,173)
School administration	4,130,490	-	-	-	(4,130,490)
Business services	1,061,877	-	11,541	-	(1,050,336)
Operation and maintenance of plant services	6,741,296	-	6,587	-	(6,734,709)
Student transportation services	6,006,432	-	32,724	-	(5,973,708)
Central services	968,754	-	75,663	-	(893,091)
Food services	5,583,887	401,496	2,853,873	-	(2,328,518)
Community service programs	304,811	-	239,775	-	(65,036)
Interest on long-term debt	1,562,014	-	-	-	(1,562,014)
Total governmental activities	<u>\$ 84,410,639</u>	<u>\$ 401,496</u>	<u>\$14,748,543</u>	<u>\$ -</u>	<u>\$ (69,260,600)</u>
Taxes:					
Property taxes, levied for general purposes					3,085,842
Property taxes, levied for debt service					4,870,239
Sales and use taxes					10,978,046
State revenue sharing					271,459
Grants and contributions not restricted to specific programs:					
State source - Minimum Foundation Program					44,043,388
State source - PIPS					110,127
Interest and investment earnings					512,742
Rents, leases and royalties					247,527
Miscellaneous					1,572,788
Total general revenues					<u>65,692,158</u>
Change in net assets					(3,568,442)
Net assets - July 1, 2009					<u>49,861,770</u>
Net assets - June 30, 2010					<u>\$ 46,293,328</u>

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

FUND FINANCIAL STATEMENTS (FFS)

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Balance Sheet - Governmental Funds
June 30, 2010

	Major Funds			All Other Non-Major Governmental Funds	Total Governmental Funds
	General Fund	State and Local Special Revenue Funds	Capital Projects Fund		
ASSETS					
Cash and interest-bearing deposits	\$ 4,663,450	\$ 1,557,961	\$ 591,318	\$ 1,336,956	\$ 8,149,685
Investments	23,371,635	3,979,466	20,271,795	3,415,214	51,038,110
Receivables -					
Accrued interest	82,041	-	-	-	82,041
Taxes receivable	-	1,082,137	-	-	1,082,137
Due from other funds	1,547,338	360,758	-	15,772	1,923,868
Due from other governmental agencies	278,261	438,742	-	1,338,311	2,055,314
Other receivables	389,531	1,649	-	68,586	459,766
Inventories, at cost	75,463	131,002	-	-	206,465
Prepaid expenses	495,638	-	-	-	495,638
Other current assets	30,168	-	227,149	-	257,317
Total assets	<u>\$ 30,933,525</u>	<u>\$ 7,551,715</u>	<u>\$ 21,090,262</u>	<u>\$ 6,174,839</u>	<u>\$ 65,750,341</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 745,566	\$ 15	\$ -	\$ -	\$ 745,581
Contracts payable	-	-	96,596	-	96,596
Retainage payable	-	-	70,274	-	70,274
Salaries and payroll taxes payable	5,802,461	-	-	-	5,802,461
Insurance claims payable	1,369,357	-	-	-	1,369,357
Due to other funds	-	438,742	224,089	1,338,311	2,001,142
Due to other governmental units	-	209,891	-	15,772	225,663
Other payables	137,921	-	-	-	137,921
Deferred revenue	81,941	150,852	-	122,379	355,172
Total liabilities	<u>8,137,246</u>	<u>799,500</u>	<u>390,959</u>	<u>1,476,462</u>	<u>10,804,167</u>
Fund Balances:					
Nonspendable	571,101	131,002	-	-	702,103
Restricted	3,734,312	6,621,213	20,699,303	4,698,377	35,753,205
Committed	15,003,262	-	-	-	15,003,262
Assigned	1,415,857	-	-	-	1,415,857
Unassigned	2,071,747	-	-	-	2,071,747
Total fund balances	<u>22,796,279</u>	<u>6,752,215</u>	<u>20,699,303</u>	<u>4,698,377</u>	<u>54,946,174</u>
Total liabilities and fund balances	<u>\$ 30,933,525</u>	<u>\$ 7,551,715</u>	<u>\$ 21,090,262</u>	<u>\$ 6,174,839</u>	<u>\$ 65,750,341</u>

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2010

Total fund balances for governmental funds at June 30, 2010			\$ 54,946,174
Cost of capital assets at June 30, 2010		\$ 84,343,326	
Less: Accumulated depreciation as of June 30, 2010:			
Buildings		(34,166,785)	
Movable property		<u>(5,534,752)</u>	44,641,789
Elimination of interfund assets and liabilities:			
Due from other funds		\$ 2,001,142	
Due to other funds		<u>(2,001,142)</u>	-
Long-term liabilities at June 30, 2010			
Bonds payable		\$ (42,310,000)	
Difference between refunded debt and its reacquisition price is accounted for as a deferred charge		540,676	
Accumulated amortization of deferred charge		(214,861)	
Compensated absences payable		(4,097,872)	
Net OPEB obligation payable		(7,234,305)	
Accrued interest payable		<u>(566,031)</u>	(53,882,393)
Assets and liabilities of Self - Insurance Internal Service Fund			<u>587,758</u>
Net assets at June 30, 2010			<u>\$ 46,293,328</u>

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2010

	Major Funds			All Other Non-Major Governmental Funds	Total Governmental Funds
	General Fund	State and Local Special Revenue Funds	Capital Projects Fund		
REVENUES					
Local sources -					
Ad valorem taxes	\$ 3,085,842	\$ -	\$ -	\$ 4,870,239	\$ 7,956,081
Sales taxes	-	10,978,046	-	-	10,978,046
Tuition	52,715	-	-	-	52,715
Transportation	25,019	-	-	-	25,019
Interest earnings	476,336	8,899	22,646	4,861	512,742
Rentals, leases, and royalties	247,527	-	-	-	247,527
Income from meals	-	401,496	-	-	401,496
Contributions and donations	6,650	-	-	-	6,650
Medicaid	532,973	-	-	-	532,973
Kid Med	73,157	-	-	-	73,157
E-rate reimbursements	271,485	-	-	-	271,485
Other miscellaneous revenues	64,398	2,404	320,008	31,856	418,666
State sources -					
Unrestricted grants-in-aid	43,977,148	66,240	-	-	44,043,388
Restricted grants-in-aid	167,743	2,107,031	-	-	2,274,774
Revenue in lieu of taxes	270,941	-	-	518	271,459
Other state revenues	19,843	-	-	-	19,843
Federal sources -					
Restricted grants-in-aid through the state	-	3,064,165	-	9,519,731	12,583,896
Value of USDA Commodities	-	172,280	-	-	172,280
Total revenues	<u>49,271,777</u>	<u>16,800,561</u>	<u>342,654</u>	<u>14,427,205</u>	<u>80,842,197</u>
EXPENDITURES					
Current:					
Instruction -					
Regular education programs	26,238,186	65,775	-	1,189,925	27,493,886
Special education programs	8,112,487	36,971	-	868,416	9,017,874
Vocational education programs	1,578,717	4,500	-	112,289	1,695,506
Other instructional programs	725,639	508,874	-	135,149	1,369,662
Special programs	494,366	950,629	-	3,307,714	4,752,709
Adult and continuing education programs	19,852	1,300	-	64,156	85,308
Support services -					
Pupil support services	2,310,610	494,535	-	1,682,791	4,487,936
Instructional staff services	2,739,635	39,337	-	1,310,839	4,089,811
General administration	1,090,779	228,910	-	182,116	1,501,805
School administration	3,834,767	-	-	-	3,834,767
Business services	991,884	164	-	11,377	1,003,425
Operation and maintenance of plant	6,745,341	-	73,222	6,587	6,825,150
Student transportation services	4,753,187	7,361	707,329	25,363	5,493,240
Central services	847,321	-	-	75,663	922,984
Food service	244,711	4,896,862	-	21,033	5,162,606
Community service programs	44,464	-	-	239,775	284,239
Construction Services	-	-	2,980,981	-	2,980,981
Debt service	27,273	-	-	3,544,181	3,571,454
Total expenditures	<u>60,799,219</u>	<u>7,235,218</u>	<u>3,761,532</u>	<u>12,777,374</u>	<u>84,573,343</u>
Excess (deficiency) of revenues over expenditures	(11,527,442)	9,565,343	(3,418,878)	1,649,831	(3,731,146)
Other financing sources (uses):					
Transfers in	12,486,748	1,145,760	-	81,817	13,714,325
Transfers out	(1,229,287)	(12,018,204)	-	(466,834)	(13,714,325)
Proceeds from bond issuance	-	-	19,900,000	-	19,900,000
Total other financing sources (uses)	<u>11,257,461</u>	<u>(10,872,444)</u>	<u>19,900,000</u>	<u>(385,017)</u>	<u>19,900,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(269,981)	(1,307,101)	16,481,122	1,264,814	16,168,854
FUND BALANCES, BEGINNING	<u>23,066,260</u>	<u>8,059,316</u>	<u>4,218,181</u>	<u>3,433,563</u>	<u>38,777,320</u>
FUND BALANCES, ENDING	<u>\$ 22,796,279</u>	<u>\$ 6,752,215</u>	<u>\$ 20,699,303</u>	<u>\$ 4,698,377</u>	<u>\$ 54,946,174</u>

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2010

Total net change in fund balances for the year ended June 30, 2010 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 16,168,854
Add: Facilities acquisition and construction costs which are considered expenditures on Statement	3,526,268
Less: Depreciation expense for year ended June 30, 2010	(1,897,963)
Add: Bond principal retirement considered as an expenditure on Statement	2,289,091
Add: Excess of compensated absences used over compensated absences earned	1,831
Less: Current year OPEB accrual	(3,517,407)
Less: Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis	(237,457)
Add: Net income of the Self - Insurance Internal Service Fund	62,050
Less: Amortization of deferred charge	(42,191)
Less: Loss on disposition of assets	(21,518)
Less: Proceeds of bonds considered as an other financing source on statement	<u>(19,900,000)</u>
Total change in net assets for the year ended June 30, 2010 per Statement of Activities	<u>\$ (3,568,442)</u>

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

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

Statement of Net Assets
June 30, 2010

ASSETS

Current Assets:

Cash and interest-bearing deposits	\$ 310,741
Investment	1,420,290
Due from other funds	<u>77,274</u>
Total assets	<u>\$ 1,808,305</u>

LIABILITIES

Current Liabilities:

Insurance claims payable	<u>\$ 1,220,547</u>
Total liabilities	1,220,547

NET ASSETS

Net assets:

Unrestricted	<u>587,758</u>
Total liabilities and net assets	<u>\$ 1,808,305</u>

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

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

Statement of Revenues, Expenses and Changes in Fund Net Assets
 For the Year Ended June 30, 2010

Operating Revenues:	
Charges for services -	
Employer contributions	\$ 1,222,553
Other recoveries	<u>3,498</u>
Total operating revenues	<u>1,226,051</u>
Operating Expenses:	
Contractual services	98,493
Premium payments	77,039
Claim payments	<u>990,993</u>
Total operating expenses	<u>1,166,525</u>
Operating income	59,526
Nonoperating Revenue:	
Interest earned	<u>2,524</u>
Net income	62,050
Net assets, beginning	<u>525,708</u>
Net assets, ending	<u>\$ 587,758</u>

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

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

Statement of Cash Flows
 For the Year ended June 30, 2010

Cash flows from operating activities:	
Receipts from other funds and employees	\$ 1,226,051
Payments to providers and employees	<u>(1,288,566)</u>
Net cash used by operating activities	(62,515)
Cash flows from investing activities:	
Interest on investments	2,524
Cash flows from noncapital financing activities:	
Transfer to other fund	<u>(3,608)</u>
Net decrease in cash and cash equivalents	(63,599)
Cash and cash equivalents, beginning of period	<u>1,794,630</u>
Cash and cash equivalents, end of period	<u>\$ 1,731,031</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 59,526
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in current assets and liabilities:	
Decrease in payables	<u>(122,041)</u>
Net cash used by operating activities	<u>\$ (62,515)</u>

(continued)

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

Statement of Cash Flows (Continued)
For the Year ended June 30, 2010

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

Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits	\$ 376,651
Investments, at cost	<u>1,417,979</u>
Total cash and cash equivalents	<u>1,794,630</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits	310,741
Investments, at cost	<u>1,420,290</u>
Total cash and cash equivalents	<u>1,731,031</u>
Net decrease	<u>\$ (63,599)</u>

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

ST. MARTIN PARISH SCHOOL BOARD
St.Martinville, Louisiana

Statement of Fiduciary Net Assets
June 30, 2010

	Agency Funds	Private Purpose Trust Fund	Total
ASSETS			
Cash and interest-bearing deposits	\$ 335,717	\$ 3,130	\$ 338,847
Investments	669,328	18,158	687,486
Receivables -			
Accrued interest	-	205	205
Other current assets	4,983	-	4,983
Total assets	1,010,028	21,493	1,031,521
LIABILITIES			
Due to other funds	18,754	-	18,754
Due to other governmental units	29,108	-	29,108
School activity funds payable	934,037	-	934,037
Deferred revenues	28,129	-	28,129
Total liabilities	1,010,028	-	1,010,028
NET ASSETS			
Reserved for specific purposes	\$ -	\$ 21,493	\$ 21,493

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Statement of Changes in Fiduciary Net Assets
Private Purpose Trust Fund
For the Year Ended June 30, 2010

ADDITIONS	
Interest earnings	\$ 414
Gifts and contributions	<u>1,800</u>
Total additions	<u>2,214</u>
DEDUCTIONS	
Benefits	<u>4,207</u>
Change in net assets	(1,993)
Net assets - beginning	<u>23,486</u>
Net assets - ending	<u>\$ 21,493</u>

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements

Introduction

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

The School Board operates seventeen schools within the parish. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

(1) Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

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

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

Fund Financial Statements (FFS)

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

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

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

The School Board reports the following major governmental funds:

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

The major special revenue fund is the State and Local Special Revenue Funds (which is comprised of the School Lunch Fund, LA-4, the Other State Grants Fund, the Health Centers Fund, and the two Sales Tax Funds). These funds account for revenues and expenditures related to certain state and local grant and entitlement programs as well as other legally restricted funds.

The Capital Projects Fund, which includes the 1996 Construction Fund, the 2002 Construction Fund, the 2006 Construction Fund, the 2009 Construction Fund, the 2010 Construction Fund, the 2011 Construction Fund, and the Transportation Fund, is also considered to be a major fund. They are used to account for financial resources to be used for the acquisition or construction of major capital facilities as well as various school improvements.

Additionally, the School Board reports the following fund types:

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

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

Proprietary Funds -

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

Internal Service Funds

The Internal Service Fund (proprietary fund type) is used to account for the accumulation of resources for and the payment of benefits by the School Board's workers' compensation insurance program.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Fiduciary Funds -

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

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

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

Region IV Fund – accounts for the activity of the State Department of Education’s Region IV.

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

C. Measurement Focus/ Basis of Accounting

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

Measurement Focus

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Basis of Accounting

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

Program revenues

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

Allocation of indirect expenses

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions, but are reported separately in the Statement of Activities. Depreciation expense is specifically allocated by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities. Interest costs are not capitalized.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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

Revenues

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

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed in November, by the Parish Assessor, based on the assessed value and become due on December 31 of each year. The taxes become delinquent on January 1. An enforceable lien attaches to the property as of January 1. The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected but not received by the St. Martin Parish Tax Collector's Office. Such amounts are measurable and available to finance current operations.

Interest income on time deposits is recorded when earned.

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

Substantially all other revenues are recorded when received.

Expenditures

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

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

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

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

Other Financing Sources (Uses)

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

Deferred Revenues

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

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

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Investments

Under state law the School Board may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The School Board may invest in United States bonds, treasury notes and bills, government backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At June 30, 2010, the School Board's investments in LAMP are stated at market value. See additional information in Note 3.

Interfund receivables and payables

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

Receivables

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

Inventories

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

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Capital Assets

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

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation. The School Board maintains a threshold level of \$5,000 or more for capitalizing capital assets for purposes of the government wide financial statements. For internal purposes, the Board maintains a threshold level of \$1,000.

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

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

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

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

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

Compensated Absences

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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

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

In the government-wide statements, amounts of vested or accumulated sick leave that are not expected to be liquidated with expendable available financial resources are recorded as long-term debt.

At June 30, 2010, employees of the School Board have accumulated and vested \$4,097,872 of compensated absence benefits payable. Salary related payments are not accrued since this amount is deemed to be insignificant.

Long-term debt

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

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

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Equity Classifications

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

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as follows. Proprietary fund equity is classified the same as in the government-wide statements.

The School Board adopted GASB Statement 54 in the year ended June 30, 2009. As such, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the School Board members. The Board is the highest level of decision-making authority for the School Board office. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Board members.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the School Board’s adopted policy, only Board members or the Board’s finance committee may assign amounts for specific purposes.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Unassigned – all other spendable amounts.

As of June 30, 2010, fund balances are composed of the following:

	General Fund	State and Local Special Revenue Funds	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventories	\$ 75,463	\$ 131,002	\$ -	\$ -	\$ 206,465
Prepaid items	495,638	-	-	-	495,638
Restricted:					
Debt retirement	-	-	-	4,698,377	4,698,377
Capital expenditures	-	-	20,699,303	-	20,699,303
Other purposes	3,734,312	6,621,213	-	-	10,355,525
Committed:					
Economic stabilization	15,003,262	-	-	-	15,003,262
Assigned:					
Health centers	665,857	-	-	-	665,857
Group health	750,000	-	-	-	750,000
Unassigned:	<u>2,071,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,071,747</u>
Total fund balances	<u>\$22,796,279</u>	<u>\$ 6,752,215</u>	<u>\$20,699,303</u>	<u>\$ 4,698,377</u>	<u>\$54,946,174</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School Board considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the School Board considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Board members or the finance committee has provided otherwise in its commitment or assignment actions.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

In fiscal year 2009 the School Board members established a stabilization policy. Under this policy, a portion of the fund balance of the General Fund is committed for stabilization arrangements, such as might be needed in emergency situations. The policy states that, at fiscal year end, an amount approximately equal to 25 percent of the total General Fund expenditures is committed for use in covering Board declared emergencies, including natural disasters. At June 30, 2010, \$15,003,262 of the fund balance for the General Fund was reported as committed for economic stabilization.

E. Budget Practices

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

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

F. Revenue Restrictions

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

<u>Revenue Source</u>	<u>Legal Restrictions on Use</u>
Sales and use taxes	See Note 10
Ad valorem taxes	See Note 4

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

G. Use of Estimates

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2010, the School Board has cash and cash equivalents (book balances) totaling \$8,780,520 as follows:

	Governmental Funds	Fiduciary Funds	Total
Demand deposits	\$ 2,549	\$ 2,221	\$ 4,770
Interest-bearing deposits	8,439,124	336,626	8,775,750
Amounts owed to governmental funds	18,754	(18,754)	-
Total	\$ 8,460,427	\$ 320,093	\$ 8,780,520

These deposits are stated at cost, which approximates market. Custodial credit risk is the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. The School Board's policy, by state law, is that all deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2010 are secured as follows:

Bank balances	\$ 8,914,219
At June 30, 2010 the deposits are secured as follows:	
Insured	\$ 501,454
Uninsured and collateral held by pledging bank not in School Board's name	8,412,765
Total	\$ 8,914,219

(3) Investments

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Investments consist of amounts on deposit with the Louisiana Asset Management Pool (LAMP), Morgan Keegan and Company, Inc., and certificates of deposit with local banks. The certificates of deposit are in the amount of \$591,183. An investment in the amount of \$38,951,363 at June 30, 2010 is deposited in LAMP, a local government investment pool, of which \$687,486 is attributable to the fiduciary fund, which is not presented in the statement of net assets. In accordance with GASB Codification Section I50.165, the investment in LAMP is not categorized into the three risk categories provided by GASB Codification Section I50.164 because the investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R.S. 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities.

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

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

At June 30, 2010, the School Board's investment, at cost, is \$38,950,245. The amortized cost of this investment at June 30, 2010 was also \$38,950,245. The market value of this investment at June 30, 2010 was \$38,951,363.

An investment in the amount of \$13,603,340 at June 30, 2010 is deposited into Morgan Keegan and Company, Inc. This investment is composed of government securities which are fully guaranteed as to payment by the United States government. Because of the safety of this investment, this investment takes exception to state law requiring security of federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

As of June 30, 2010, the investments in Morgan Keegan and Company, Inc. were comprised of the following.

<u>Investment</u>	<u>Maturities</u>	<u>Fair Values</u>
Federal Home Loan Bank	02/10/15 - 06/28/17	\$ 6,531,510
Fannie Mae	07/06/10 - 01/26/20	2,002,443
Federal Farm Credit Bank	04/08/16 - 06/15/18	<u>5,069,387</u>
Total		<u>\$13,603,340</u>

The School Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(4) Ad Valorem Taxes

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

	<u>Millages</u>	
	<u>2010</u>	<u>2009</u>
Parishwide taxes:		
Constitutional	2.61	2.61
Special school-		
Maintenance	8.32	8.32
Operation and maintenance	1.65	1.65
School bonds	21.50	21.50

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the fiscal year ended June 30, 2010, taxes were levied by the School Board in July and were billed to taxpayers by the Assessor in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year.

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

The School Board received ad valorem taxes that were paid under protest. It is possible that these taxes (or a portion thereof) will have to be returned to the taxpayer. The amount received of \$198,446 is reflected as a restricted asset. The estimated amount that may have to be refunded is \$198,446 and is reflected as deferred revenue on the balance sheet at June 30, 2010.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(5) Receivables

Receivables at June 30, 2010 of \$1,623,944 consisted of the following:

Accrued interest	\$ 82,041
Specific stop loss receivables	10,215
Rebates	201,732
Sales taxes	1,082,137
Other	247,819
	<u>\$1,623,944</u>

(6) Due from Other Governmental Agencies

Due from other governmental agencies of \$2,055,314 consisted primarily of amounts due from the State of Louisiana Department of Education for various appropriations and reimbursements.

(7) Capital Assets

Capital assets balances and activity for the year ended June 30, 2010 is as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated:				
Land	\$ 823,255	\$ -	\$ -	\$ 823,255
Construction in progress	141,437	1,074,290	(141,437)	1,074,290
Other capital assets:				
Buildings and improvements	72,666,832	1,530,379	-	74,197,211
Furniture and equipment	<u>7,354,711</u>	<u>1,063,036</u>	<u>(169,177)</u>	<u>8,248,570</u>
Total	<u>80,986,235</u>	<u>3,667,705</u>	<u>(310,614)</u>	<u>84,343,326</u>
Less accumulated depreciation:				
Buildings and improvements	32,641,167	1,525,618	-	34,166,785
Furniture and equipment	<u>5,310,066</u>	<u>372,345</u>	<u>(147,659)</u>	<u>5,534,752</u>
Total	<u>37,951,233</u>	<u>1,897,963</u>	<u>(147,659)</u>	<u>39,701,537</u>
Net capital assets	<u>\$43,035,002</u>	<u>\$ 1,769,742</u>	<u>\$ (162,955)</u>	<u>\$44,641,789</u>

At June 30, 2010, construction in progress of \$1,074,290 consists of costs incurred to date on multiple school improvement projects.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

Regular education programs	\$	668,826
Special education programs		219,372
Vocational education programs		41,245
Other instructional programs		33,319
Special programs		115,616
Adult and continuing education programs		2,075
Pupil support services		109,175
Instructional staff support		99,490
General administration		36,534
School administration		93,286
Business services		24,410
Operation and maintenance of plant services		166,031
Student transportation services		133,630
Central services		22,453
Food services		125,587
Community services programs		<u>6,914</u>
Total depreciation expense	\$	<u>1,897,963</u>

(8) Other Payables

At June 30, 2010, a breakdown of other payables of \$1,109,165 was as follows:

Accounts	\$	745,581
Other liabilities		<u>363,584</u>
	\$	<u>1,109,165</u>

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(9) Changes in General Long-Term Liabilities

The following is a summary of the changes in general long-term debt for the year ended June 30, 2010:

	<u>Compensated Absences</u>	<u>Bonded Debt</u>	<u>Total</u>
Obligations payable at July 1, 2009	\$ 4,099,703	\$24,331,085	\$28,430,788
Additions	2,583,803	19,900,000	22,483,803
Add: amortization	-	42,191	42,191
Reductions	<u>(2,585,634)</u>	<u>(2,289,091)</u>	<u>(4,874,725)</u>
Obligations payable at June 30, 2010	<u>\$ 4,097,872</u>	<u>\$41,984,185</u>	<u>\$46,082,057</u>

Compensated Absences

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Bonded Debt

School Board bonds outstanding at June 30, 2010 consist of parishwide general obligation school bonds and qualified zone academy bonds as follows:

Date of Issue	Original Issue	Interest Rates	Final Payment Date	Interest to Maturity	Principal Outstanding
Qualified zone academy bonds February 1, 2002	1,500,000	-	11/01/15	-	600,000
Parishwide general obligation school bonds July 1, 2002	8,000,000	4.125 - 5.125	03/01/22	1,931,053	5,765,000
Parishwide general obligation school bonds July 1, 2003	4,000,000	3.00 - 4.00	03/01/23	847,711	3,020,000
Parishwide general obligation school refunding bonds; October 1, 2004	3,455,000	3.00 - 3.75	03/01/16	285,368	2,180,000
Parishwide general obligation school refunding bonds; March 1, 2005	5,490,000	3.00 - 4.50	03/01/17	723,233	4,025,000
Parishwide general obligation school refunding bonds; March 1, 2006	8,080,000	4.00 - 5.00	03/01/20	1,438,200	6,940,000
General obligation school bonds; July 1, 2009	10,000,000	4.00 - 6.00	03/01/29	4,813,648	9,780,000
General obligation school bonds; March 1, 2010	10,000,000	4.00 - 6.00	03/01/30	4,758,494	10,000,000

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

All principal and interest requirements on the parishwide general obligation school bonds are funded in accordance with Louisiana law by an annual ad valorem tax levy on taxable property within the parish. At June 30, 2010, the School Board has accumulated \$4,752,171 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>Amortization</u>	<u>Interest Payments</u>	<u>Total</u>
2011	\$ 2,774,091	\$ (42,191)	\$ 1,698,094	\$ 4,429,994
2012	2,894,091	(42,191)	1,595,713	4,447,613
2013	3,034,091	(42,191)	1,489,923	4,481,823
2014	3,169,091	(42,191)	1,375,583	4,502,483
2015	3,324,091	(42,191)	1,254,878	4,536,778
2016-2020	13,009,545	(114,860)	4,384,924	17,279,609
2021-2025	7,710,000	-	2,219,914	9,929,914
2026-2030	6,395,000	-	778,678	7,173,678
	<u>\$ 42,310,000</u>	<u>\$ (325,815)</u>	<u>\$ 14,797,707</u>	<u>\$ 56,781,892</u>

(10) Sales and Use Taxes

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

1. March 20, 1965 (1%)

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

2. July 21, 1990 (1%)

The tax is to be used for the payment of all debt service requirements on all outstanding bonds payable from the pledge of said tax, with the remainder to be used for the purpose of paying salaries and related benefits for professional and paraprofessional employees on a seven to five ratio. There are currently no bonds outstanding for which this tax is pledged.

(11) Pension Plan

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

A. Louisiana Teachers' Retirement System of Louisiana - Regular

Plan members are required to contribute 8.0 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 15.5 percent of the total annual covered salary. The School Board's total contributions to the system for the years ended June 30, 2010, 2009 and 2008 were \$6,200,886, \$6,036,051, and \$6,030,489, respectively, equal to the required contribution for each year.

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

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

Plan members are required to contribute 9.1 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 15.5 percent of the total annual covered salary. The School Board's total contributions to the system for the years ended June 30, 2010, 2009, and 2008 were \$25,993, \$38,843, and \$50,737, respectively, equal to the required contribution for each year.

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

C. Louisiana Teachers' Retirement System of Louisiana—Optional

Plan members are required to contribute 8.0 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 15.5 percent of the total annual covered salary. The School Board's total contributions to the system for the years ended June 30, 2010, 2009, and 2008 were \$11,081, \$10,905, and \$11,591, respectively, equal to the required contribution for each year.

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

D. Parochial Employees' Retirement System

Plan members are required to contribute 9.5 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 12.25 percent (through December 2009) and 15.75 percent (beginning January 2010) of the total covered salary. The School Board's total contributions to the system for the years ended June 30, 2010, 2009 and 2008 were \$1,344, \$1,200, and \$1,248, respectively, equal to the required contribution for each year.

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

E. Louisiana State Employees' Retirement System

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 18.6 percent of the total annual covered salary. The School Board's total contributions to the system for the years ended June 30, 2010, 2009, and 2008 were \$17,891, \$17,125, and \$17,647, respectively, equal to the required contributions for each year.

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

F. Louisiana School Employees' Retirement System

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 17.6 percent of the total annual covered salary. The School Board's total contributions to the system for the years ended June 30, 2010, 2009, and 2008 were \$782,297, \$809,230 and \$772,894, respectively, equal to the required contributions for each year.

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(12) Changes in Agency Deposits Due Others

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

	School Activity Fund	Sales Tax Fund	Total
Balance at July 1, 2009	\$ 963,835	\$ -	\$ 963,835
Additions	1,694,329	20,624,061	22,318,390
Reductions	<u>(1,724,127)</u>	<u>(20,624,061)</u>	<u>(22,348,188)</u>
Balance at June 30, 2010	<u>\$ 934,037</u>	<u>\$ -</u>	<u>\$ 934,037</u>

(13) Risk Management

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

A. Workers' Compensation

The School Board has established a limited risk management program for workers' compensation. The School Board hired Apple Adjusters, Inc. as administrator for this program. During fiscal year 2010, a total of \$1,166,525 was incurred in benefits and administrative costs. The School Board purchases commercial insurance for individual claims in excess of \$350,000. Incurred but not paid claims have been accrued as a liability in the Workers Compensation Fund (internal service fund).

B. Group Self-Insurance

The School Board also established a limited risk management program for group hospitalization insurance. This plan provides employee health benefits up to a \$1,000,000 lifetime maximum with an annual \$10,000 restoration. The School Board purchases commercial insurance for individual claims in excess of \$175,000.

The self-insurance activity is reported in the General Fund. Both the General and Special Revenue Funds of the School Board participate in the program and make contributions based on amounts needed to pay prior and current year claims. The claims liability of \$1,100,000 reported in the general fund at June 30, 2010, is based on the loss that is probable at the date of the financial statements and the amount of the

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

loss that can be reasonably estimated. The School Board currently does not discount its claims liabilities.

C. Reconciliation of Claims Liabilities

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

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Benefit Payments and Claims	Balance at Fiscal Year-End
Workers' compensation:				
2007-2008	1,049,507	1,397,582	1,003,669	1,443,420
2008-2009	1,443,420	703,756	804,588	1,342,588
2009-2010	1,342,588	850,823	972,864	1,220,547
Group hospitalization:				
2007-2008	995,000	9,241,654	9,256,654	980,000
2008-2009	980,000	8,450,175	8,450,175	980,000
2009-2010	980,000	10,424,139	10,304,139	1,100,000

Claims payable of \$1,220,547 for workers' compensation at June 30, 2010 was obtained from information provided by the third party administrator.

Claims payable for group hospitalization of \$1,100,000 at June 30, 2010 was determined as follows:

1. Claims incurred on or prior to June 30, 2010 and paid between July 1, and September 30, 2010	\$ 999,346
2. Provision for claims incurred but not reported	<u>100,654</u>
Total claims payable	<u>\$1,100,000</u>

The provision for claims incurred but not reported of \$100,654 was calculated utilizing historical information.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(14) Compensation of Board Members

A detail of the compensation paid to individual board members for the year ended June 30, 2010 follows:

Wanda Babin	\$ 9,600
James Blanchard	9,600
Aaron Flegeance	10,200
Steve Fuselier	9,600
Mark Hebert	10,200
Floyd Knott	9,600
Barbara Latiolais	9,600
Rodney Ledoux	9,600
Richard Potier	9,600
Frederic Stelly	9,600
	<u>97,200</u>
	<u>\$ 97,200</u>

(15) Commitments and Contingencies

A. Contingent Liabilities

At June 30, 2010, the School Board is involved in several lawsuits. In the opinion of management and/or legal counsel for the School Board, resolution of these lawsuits will not involve any material liability (after meeting the insurance deductible of \$25,000 per occurrence) to the School Board in excess of insurance coverage. Total liability for lawsuits as well as other claims accrued at June 30, 2010 is \$269,357 and is included in insurance claims payable on the statement of net assets.

B. Grant Audit

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

C. Potential Misappropriation of Funds

In May 2008, the School Board learned of a situation involving excessive amounts of fuel purchases. Upon inquiry and internal investigation, the involved employee resigned. However, the employee did admit to using the fuel card for personal reasons. The amount in question is approximately \$17,000. A receivable has not been recorded. Information has been submitted to both the District Attorney's office as well as the Sheriff's office. The outcome of this external investigations is uncertain at this time.

(16) Interfund Transactions

A. Interfund receivables and payables, by fund, at June 30, 2010 are as follows:

	Receivables	Payables
Major funds:		
General Fund	\$ 1,547,338	\$ -
State and Local Special Revenue Funds	360,758	438,742
Capital Projects Funds	-	224,089
Total major funds	1,908,096	662,831
Nonmajor governmental funds	15,772	1,338,311
Internal service funds	77,274	-
Total	\$ 2,001,142	\$ 2,001,142

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

B. Transfers consisted of the following at June 30, 2010:

	Transfers In	Transfers Out
Major funds:		
General Fund	\$12,486,748	\$ 1,229,287
State and Local Special Revenue Funds	1,145,760	12,018,204
Nonmajor governmental funds	81,817	466,834
Total	\$13,714,325	\$13,714,325

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

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

(17) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The School Board recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the School Board's future cash flows. Because the School Board adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description: In accordance with the Employer Health and Welfare Benefit Plan established in November 1986, the School Board provides certain continuing health care and life insurance benefits for its retired employees. The plan is a single-employer defined benefit health care plan administered by the School Board. The School Board has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy: The monthly premiums of these benefits for retirees and similar benefits for active employees are paid jointly by the employee (approximately 36%) and the School Board (approximately 64%). The School Board recognizes the cost of providing these benefits (the School Board's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost: The School Board's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The School Board utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the School Board's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the district's net OPEB obligation:

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

Annual required contribution	\$6,710,509
Interest on net OPEB obligation	1,487
Adjustment to annual required contribution	<u>(126,152)</u>
Annual OPEB cost (expense)	6,585,844
Contributions made	<u>(3,068,437)</u>
Increase in net OPEB obligation	3,517,407
Net OPEB obligation - beginning of year	<u>3,716,898</u>
Net OPEB obligation - end of year	<u>\$7,234,305</u>

The School Board's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	N/A	N/A	N/A
6/30/2009	\$6,585,844	43.6%	\$ 3,716,898
6/30/2010	\$6,585,844	46.6%	\$ 3,517,407

Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the School Board has elected to implement prospectively. Therefore, all prior year comparative data is not available. In future years, three-year trend information will be presented.

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2010, was as follows:

Actuarial accrued liability (AAL)	\$78,206,272
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$78,206,272</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	41,583,590
UAAL as a percentage of covered payroll	188.1%

ST. MARTIN PARISH SCHOOL BOARD
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Notes to Basic Financial Statements (Continued)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the School Board's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Because 2009 was the year of implementation of GASB Statement No. 45 and the School Board elected to apply the statement prospectively, only two years are presented in the schedule at this time. In future years, required trend data will be presented.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4.0% per annum, compounded annually.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

2. Retirement Rates

<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Age</u>	<u>Male</u>	<u>Female</u>
38	2.0%	2.0%	57	25.0%	25.0%
39	4.0%	4.0%	58	36.5%	36.5%
40	4.0%	4.0%	59	28.0%	28.0%
41	3.0%	3.0%	60	28.0%	28.0%
42	3.0%	3.0%	61	28.0%	28.0%
43	3.0%	3.0%	62	28.0%	28.0%
44	3.0%	3.0%	63	33.0%	33.0%
45	3.0%	3.0%	64	33.0%	33.0%
46	3.0%	3.0%	65	33.0%	33.0%
47	3.0%	3.0%	66	40.0%	40.0%
48	3.0%	3.0%	67	34.0%	34.0%
49	2.8%	2.8%	68	34.0%	34.0%
50	2.8%	2.8%	69	34.0%	34.0%
51	3.0%	3.0%	70	34.0%	34.0%
52	3.5%	3.5%	71	34.0%	34.0%
53	5.0%	5.0%	72	50.0%	50.0%
54	7.5%	7.5%	73	99.0%	99.0%
55	20.0%	20.0%	74	99.0%	99.0%
56	23.0%	23.0%	75	100.0%	100.0%

3. 60% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement.
4. 75% of members electing coverage are assumed to also elect coverage for a spouse.
5. The inflation rate is 2.5%.
6. The initial trend rate used in the calculations was 8.9% (pre-medicare) and 7.4% (post-medicare). The ultimate trend rate is 4.5% (pre and post-medicare). The time period between the initial rate and the ultimate rate is 68 years.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Basic Financial Statements (Continued)

(18) Subsequent Events

On April 14, 2009, the School Board authorized General Obligation School Bonds in the amount of \$30,000,000. The purpose of the bonds is to acquire and/or improve lands for building sites and playgrounds, if necessary, including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting, and/or improving school buildings and other school related facilities within and for the School Board and acquiring the necessary equipment and furnishings therefore, title to which shall be public. The first two emissions of \$10,000,000 each in general obligation bonds have been issued as of June 30, 2010; the third emission of \$10,000,000 has not yet been issued at June 30, 2010.

Subsequent events have been evaluated through December 14, 2010, the date of the financial statement issuance.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Budget		Actual	Variance - Final budget vs. Actual
	Original	Final		Positive (Negative)
Revenues:				
Local sources -				
Ad valorem taxes	\$ 3,009,990	\$ 3,022,587	\$ 3,085,842	\$ 63,255
Tuition	44,000	44,000	52,715	8,715
Transportation	11,400	11,400	25,019	13,619
Interest earnings	750,000	450,000	476,336	26,336
Rentals, leases, and royalties	412,000	260,000	247,527	(12,473)
Other	1,136,800	1,136,800	948,663	(188,137)
State sources -				
Unrestricted grants-in-aid	45,321,244	43,977,148	43,977,148	-
Restricted grants-in-aid	245,162	243,989	167,743	(76,246)
Revenue in lieu of taxes	296,500	296,500	270,941	(25,559)
Other state revenues	22,000	22,000	19,843	(2,157)
Total revenues	<u>51,249,096</u>	<u>49,464,424</u>	<u>49,271,777</u>	<u>(192,647)</u>
Expenditures:				
Instruction -				
Regular education programs	28,563,104	27,405,016	26,238,186	1,166,830
Special education programs	7,729,258	7,724,258	8,112,487	(388,229)
Vocational education programs	1,612,969	1,604,052	1,578,717	25,335
Other instructional programs	884,277	888,687	725,639	163,048
Special programs	1,055,110	905,630	494,366	411,264
Adult and continuing education programs	32,844	32,844	19,852	12,992
Support services -				
Pupil support services	2,505,299	2,491,299	2,310,610	180,689
Instructional staff services	3,094,169	3,094,169	2,739,635	354,534
General administration	1,317,876	1,267,876	1,090,779	177,097
School administration	3,951,075	3,952,875	3,834,767	118,108
Business services	1,295,206	1,299,946	991,884	308,062
Operation and maintenance of plant	7,525,865	7,587,833	6,745,341	842,492
Student transportation services	5,097,400	5,099,349	4,753,187	346,162
Central services	947,263	897,523	847,321	50,202
Food service programs	272,195	272,195	244,711	27,484
Community service programs	38,031	38,031	44,464	(6,433)
Debt service	-	-	27,273	(27,273)
Total expenditures	<u>65,921,941</u>	<u>64,561,583</u>	<u>60,799,219</u>	<u>3,762,364</u>
Deficiency of revenues over expenditures	(14,672,845)	(15,097,159)	(11,527,442)	3,569,717
Other financing sources (uses):				
Operating transfers in	15,414,494	15,443,665	12,486,748	(2,956,917)
Operating transfers out	(1,260,949)	(1,260,851)	(1,229,287)	31,564
Total other financing sources	<u>14,153,545</u>	<u>14,182,814</u>	<u>11,257,461</u>	<u>(2,925,353)</u>
Deficiency of revenues and other sources over expenditures	(519,300)	(914,345)	(269,981)	644,364
Fund balance, beginning	<u>23,066,260</u>	<u>23,066,260</u>	<u>23,066,260</u>	<u>-</u>
Fund balance, ending	<u>\$ 22,546,960</u>	<u>\$ 22,151,915</u>	<u>\$ 22,796,279</u>	<u>\$ 644,364</u>

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

Budgetary Comparison Schedule
For the Year Ended June 30, 2010

	Budget		Actual	Variance - Final budget vs. Actual
	Original	Final		Positive (Negative)
Revenues:				
Local sources -				
Sales taxes	\$ 10,336,574	\$ 10,336,574	\$ 10,978,046	\$ 641,472
Interest earnings	60,986	60,986	8,899	(52,087)
Other	398,877	2,415	403,900	401,485
State sources -				
Unrestricted grants-in-aid	62,000	62,000	66,240	4,240
Restricted grants-in-aid	2,757,788	2,122,895	2,107,031	(15,864)
Federal sources -				
Restricted grants-in-aid through the state	2,681,000	2,681,000	3,064,165	383,165
Value of USDA Commodities	259,000	259,000	172,280	(86,720)
Total revenues	<u>16,556,225</u>	<u>15,524,870</u>	<u>16,800,561</u>	<u>1,275,691</u>
Expenditures:				
Instruction -				
Regular education programs	37,250	65,799	65,775	24
Special education programs	36,475	38,156	36,971	1,185
Vocational education programs	-	-	4,500	(4,500)
Other instructional programs	616,341	515,369	508,874	6,495
Special programs	1,453,326	964,856	950,629	14,227
Adult and continuing education programs	16,001	1,315	1,300	15
Support services -				
Pupil support services	497,031	494,535	494,535	-
Instructional staff services	106,195	39,552	39,337	215
General administration	220,050	220,050	228,910	(8,860)
School administration	200	-	-	-
Business services	625	165	164	1
Student transportation services	6,721	5,563	7,361	(1,798)
Central services	500	-	-	-
Food service	4,932,000	4,932,000	4,896,862	35,138
Total expenditures	<u>7,922,715</u>	<u>7,277,360</u>	<u>7,235,218</u>	<u>42,142</u>
Excess of revenues over expenditures	8,633,510	8,247,510	9,565,343	1,317,833
Other financing sources (uses):				
Operating transfers in	1,150,000	1,150,000	1,145,760	(4,240)
Operating transfers out	(14,806,614)	(12,157,423)	(12,018,204)	139,219
Total other financing uses	<u>(13,656,614)</u>	<u>(11,007,423)</u>	<u>(10,872,444)</u>	<u>134,979</u>
Deficiency of revenues and other sources over expenditures and other uses	(5,023,104)	(2,759,913)	(1,307,101)	1,452,812
Fund balance, beginning	<u>8,059,316</u>	<u>8,059,316</u>	<u>8,059,316</u>	<u>-</u>
Fund balance, ending	<u>\$ 3,036,212</u>	<u>\$ 5,299,403</u>	<u>\$ 6,752,215</u>	<u>\$ 1,452,812</u>

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Schedule of Funding Progress
For the Year Ended June 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2008	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2009	N/A	78,206,272	78,206,272	0.0%	38,540,236	202.9%
July 1, 2010	-	78,206,272	78,206,272	0.0%	41,583,590	188.1%

OTHER SUPPLEMENTARY INFORMATION

**INTERNAL CONTROL
COMPLIANCE
AND
OTHER INFORMATION**

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

Mr. Richard Lavergne, Superintendent
and Members of the St. Martin Parish
School Board
St. Martinville, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Martin Parish School Board, as of and for the year ended June 30, 2010, which collectively comprise the St. Martin Parish School Board's basic financial statements and have issued our report thereon dated December 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the St. Martin Parish School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Martin Parish School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. Martin Parish School Board's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, others within the entity, Board Members, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Breaux Bridge, Louisiana
December 14, 2010

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Richard Lavergne, Superintendent
and Members of the St. Martin Parish
School Board
St. Martinville, Louisiana

Compliance

We have audited the compliance of the St. Martin Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. The St. Martin Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings, questioned costs, and management's corrective action plan. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the St. Martin Parish School Board's management. Our responsibility is to express an opinion on the St. Martin Parish School Board's compliance based on our audit.

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

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In our opinion, the St. Martin Parish School Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the St. Martin Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the St. Martin Parish School Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Martin Parish School Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, Board Members, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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

Breaux Bridge, Louisiana
December 14, 2010

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the St. Martin Parish School Board (the School Board). The School Board reporting entity is defined in Note 1 to the basic financial statements for the year ended June 30, 2010. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies. The major programs are identified with an asterisk (*) on the schedule.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements for the year ended June 30, 2010.

(3) Relationship to Fund Financial Statements

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

From federal sources:

Special Revenue Funds	<u>\$12,756,176</u>
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(4) Relationship to Federal Financial Reports

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Name	Pass-through Identifying Number 2009	Pass-through Identifying Number 2010	CFDA Number	Revenue Recognized	Expenditures
<u>United States Department of Agriculture:</u>					
Passed through Louisiana Department of Agriculture and Forestry - Food Donation	-	-	10.555	\$ 172,280	\$ 172,280
ARRA - Child Nutrition Discretionary Grants Limited Availability	-	-	10.579	21,033	21,033
Passed through Louisiana Department of Education - National School Lunch Program	-	-	10.555	3,064,165	3,064,165
Total United States Department of Agriculture				<u>3,257,478</u>	<u>3,257,478</u>
<u>United States Department of Education:</u>					
Passed through Louisiana Department of Education - Adult Education - Basic Grants to States	28-09-44-50	28-10-44-24	84.002	64,156	64,156
Career and Technical Education - Basic Grants to States - Carl Perkins	28-09-02-50	28-10-02-50	84.048	122,528	122,528
Hurricane Educator Assistance Program	28-08-HE-50	28-08-HE-50	84.938	83,137	83,137
Title I Grants to Local Educational Agencies*	09-TI-50	28-10-TI-50	84.010	2,858,938	2,858,938
ARRA - Title I Grants to Local Educational Agencies*	-	28-09-AI-50	84.389	614,268	614,268
Improving Teacher Quality State Grants - Title II	09-50-50	28-10-50-50	84.367	713,862	713,862
Education Technology State Grants - Enhancing Education Through Technology	28-09-49-50	28-10-49-50	84.318	36,129	36,129
Special Education - Grants to States - IDEA*	28-09-B1-50	28-10-B1-50	84.027	1,879,582	1,879,582
ARRA - Special Education - Grants to States - IDEA*	-	28-09-AI-50	84.391	841,525	841,525
Special Education Pre-School Grants*	28-09-PI-50	28-10-PI-50	84.173	68,919	68,919
ARRA - Special Education Pre-School Grants*	-	28-09-AP-50	84.392	68,910	68,910
Safe and Drug-Free Schools and Communities - State Grants	09-70-50	28-10-70-50	84.186	60,077	60,077
ARRA - Education Technology State Grants, Recovery Act	-	28-09-59-50	84.386	43,442	43,442
English Language Acquisition Grants - Title III	28-09-60-50	28-10-60-50	84.365	17,944	17,944
School Improvement Grants	-	28-09-TC-50	84.377	146,706	146,706

(continued)

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2010

Federal Grantor/Pass-Through Grantor/Program Name	Pass-through Identifying Number 2009	Pass-through Identifying Number 2010	CFDA Number	Revenue Recognized	Expenditures
ARRA - Education for Homeless Children and Youth, Recovery Act	-	28-09-H2-50	84.387	11,662	11,662
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act*	-	28-10-AS-50	84.394	1,387,854	1,387,854
Total United States Department of Education				<u>9,019,639</u>	<u>9,019,639</u>
<u>United States Department of Health and Human Services:</u>					
Passed through Louisiana Department of Education - Temporary Assistance for Needy Families - STEP*	28-09-EP-49	28-10-36-50	93.558	479,059	479,059
Total United States Department of Health and Human Services				<u>479,059</u>	<u>479,059</u>
Total				<u>\$ 12,756,176</u>	<u>\$ 12,756,176</u>

*Denotes major federal program.

-Numbers are not readily accessible.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Schedule of Findings, Questioned Costs and
Management's Corrective Action Plan
For the Year Ended June 30, 2010

Part I: Summary of Auditor's Results:

1. An unqualified report was issued on the financial statements.
2. No significant deficiencies were disclosed by the audit of the financial statements.
3. Material noncompliance was not disclosed.
4. No significant deficiencies in internal control over the major programs were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major programs were:
U.S. Department of Education: Special Education Cluster (IDEA)
U.S. Department of Education: Title I, Part A Cluster
U.S. Department of Education: State Fiscal Stabilization Fund (SFSF)
U.S. Department of Health and Human Services: Temporary Assistance for Needy Families
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$382,685.
9. The auditee qualified as a low-risk auditee under Section 530 of Circular A-133.

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

There are no findings at June 30, 2010.

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

There are no findings at June 30, 2010.

Part IV: Management Letter Items:

There are no management letter items at June 30, 2010.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2010

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

There were no findings at June 30, 2009.

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

There were no findings at June 30, 2009.

Section III: Management Letter Items:

There were no management letter items at June 30, 2009.

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

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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AGREED-UPON PROCEDURES REPORT ON SCHOOL BOARD PERFORMANCE MEASURES

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Mr. Richard Lavergne, Superintendent
and Members of the St. Martin Parish
School Board
St. Martinville, Louisiana

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

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

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

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property

- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

There were no exceptions noted.

Education Levels of Public School Staff (Schedule 2)

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

There were no exceptions noted.

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

There were no exceptions noted.

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

There were no exceptions noted.

Number and Type of Public Schools (Schedule 3)

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

There were no exceptions noted.

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

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

There were no exceptions noted.

Public School Staff Data: Average Salaries (Schedule 5)

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

There were no exceptions noted.

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

There were no exceptions noted.

Class Size Characteristics (Schedule 6)

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

There were no exceptions noted.

Louisiana Educational Assessment Program (LEAP) (Schedule 7)

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

There were no exceptions noted.

Graduation Exit Examination (GEE) (Schedule 8)

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

There were no exceptions noted.

iLEAP 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. Martin Parish School Board.

There were no exceptions noted.

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

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

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

Breaux Bridge, Louisiana
December 14, 2010

Schedule 1

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2010**

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 23,794,789	
Other Instructional Staff Activities	2,922,826	
Instructional Staff Employee Benefits	8,285,466	
Purchased Professional and Technical Services	292,561	
Instructional Materials and Supplies	1,482,737	
Instructional Equipment	<u>33,843</u>	
Total Teacher and Student Interaction Activities		36,812,222
Other Instructional Activities		273,718
Pupil Support Activities	2,278,512	
Less: Equipment for Pupil Support Activities	<u>-0-</u>	
Net Pupil Support Activities		2,278,512
Instructional Staff Services	2,680,943	
Less: Equipment for Instructional Staff Services	<u>-0-</u>	
Net Instructional Staff Services		2,680,943
School Administration	3,753,160	
Less: Equipment for School Administration	<u>(18,659)</u>	
Net School Administration		3,734,501
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$ 45,779,896</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$ 116,368</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$ 590,438	
Renewable Ad Valorem Tax	2,259,565	
Debt Service Ad Valorem Tax	4,863,191	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	235,838	
Sales and Use Taxes	<u>10,978,046</u>	
Total Local Taxation Revenue		<u>\$ 18,927,078</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property	\$ 247,527	
Earnings from Other Real Property	<u>-0-</u>	
Total Local Earnings on Investment in Real Property		<u>\$ 247,527</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$ 69,586	
Revenue Sharing - Other Taxes	175,138	
Revenue Sharing - Excess Portion	25,914	
Other Revenue in Lieu of Taxes	<u>303</u>	
Total State Revenue in Lieu of Taxes		<u>\$ 270,941</u>
Nonpublic Textbook Revenue		<u>\$ 30,582</u>
Nonpublic Transportation Revenue		<u>\$ 27,034</u>

Schedule 2

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Education Levels of Public School Staff
As of October 1, 2009

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%	0	0%	0	0%	0	0%
Bachelor's Degree	425	83%	16	100%	1	3%	0	0%
Master's Degree	67	13%	0	0%	17	57%	0	0%
Master's Degree + 30	20	4%	0	0%	12	40%	0	0%
Specialist in Education	1	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
Total	513	100%	16	100%	30	100%	0	0%

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2010

Type	Number
Elementary	9
Middle/Jr. High	4
Secondary	3
Combination	1
Total	17

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

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers
As of October 1, 2009

	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	0	6	3	2	3	14
Principals	0	0	0	2	4	4	6	16
Classroom Teachers	50	52	140	69	64	49	105	529
Total	50	52	140	77	71	55	114	559

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Public School Staff Data
For the Year Ended June 30, 2010

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	49,043	49,583
Average Classroom Teachers' Salary Excluding Extra Compensation	48,813	49,347
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	506	442

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Class Size Characteristics
As of October 1, 2009

School Type	Class Size Range											
	1 - 20			21 - 26			27 - 33			34+		
	Percent	Number		Percent	Number		Percent	Number		Percent	Number	
Elementary	30.9%	421		56.5%	769		12.6%	171		0.0%	0	
Elementary Activity Classes	32.4%	56		39.3%	68		23.1%	40		5.2%	9	
Middle/Jr. High	49.1%	266		34.9%	189		14.9%	81		1.1%	6	
Middle/Jr. High Activity Classes	70.1%	89		15.7%	20		11.8%	15		2.4%	3	
High	51.9%	476		25.2%	232		22.5%	207		0.4%	4	
High Activity Classes	94.8%	241		2.8%	7		2.0%	5		0.4%	1	
Combination	100.0%	8		0.0%	0		0.0%	0		0.0%	0	
Combination Activity Classes	100.0%	2		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.

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2010

District Achievement Level	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	24	3%	9	1%	8	1%	33	4%	17	3%	25	4%
Mastery	87	12%	105	16%	131	20%	123	17%	65	10%	124	19%
Basic	301	41%	331	51%	305	46%	337	46%	335	51%	311	47%
Approaching Basic	194	26%	139	21%	144	22%	141	19%	148	23%	139	21%
Unsatisfactory	131	18%	69	11%	73	11%	104	14%	88	13%	62	9%
Total	737		653		661		738		653		661	

District Achievement Level	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	21	3%	25	4%	4	1%	8	1%	8	1%	2	0%
Mastery	92	12%	82	13%	78	12%	72	10%	60	9%	71	11%
Basic	322	44%	303	46%	306	46%	369	50%	320	49%	303	46%
Approaching Basic	213	29%	175	27%	200	30%	166	23%	146	22%	174	26%
Unsatisfactory	89	12%	68	10%	72	11%	122	17%	119	18%	110	17%
Total	737		653		660		737		653		660	

District Achievement Level	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	8	1%	0	0%	1	0%	19	3%	17	3%	6	1%
Mastery	68	11%	52	8%	49	8%	25	4%	24	4%	13	2%
Basic	234	38%	288	47%	247	40%	279	46%	288	47%	292	48%
Approaching Basic	223	36%	215	35%	238	39%	160	26%	147	24%	192	31%
Unsatisfactory	78	13%	60	10%	77	13%	124	20%	137	22%	109	18%
Total	611		615		612		607		613		612	

District Achievement Level	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	3	0%	8	1%	4	1%	1	0%	2	0%	0	0%
Mastery	53	9%	44	7%	71	12%	33	5%	25	4%	31	5%
Basic	216	35%	219	36%	210	34%	228	37%	263	43%	214	35%
Approaching Basic	213	35%	222	36%	190	31%	186	30%	180	29%	211	34%
Unsatisfactory	128	21%	120	20%	137	22%	164	27%	142	23%	156	25%
Total	613		613		612		612		612		612	

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

The Graduation Exit Exam for the 21st Century
For the Year Ended June 30, 2010

District Achievement Level	English Language Arts						Mathematics					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	4	1%	0	0%	1	0%	45	9%	32	7%	56	11%
Mastery	68	14%	36	8%	55	11%	83	17%	57	12%	95	18%
Basic	244	50%	243	51%	244	47%	237	49%	260	55%	210	40%
Approaching Basic	121	25%	150	31%	137	26%	73	15%	98	21%	72	14%
Unsatisfactory	49	10%	50	10%	84	16%	48	10%	30	6%	88	17%
Total	486		479		521		486		477		521	

District Achievement Level	Science						Social Studies					
	2010		2009		2008		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	6	1%	13	3%	3	1%	0	0%	4	1%	0	0%
Mastery	66	15%	83	17%	51	11%	20	5%	30	6%	28	6%
Basic	188	43%	184	39%	187	40%	248	56%	260	55%	258	55%
Approaching Basic	125	28%	126	26%	138	30%	113	26%	96	20%	103	22%
Unsatisfactory	57	13%	71	15%	88	19%	61	14%	87	18%	79	17%
Total	442		477		467		442		477		468	

ST. MARTIN PARISH SCHOOL BOARD
 St. Martinville, Louisiana

The Integrated Louisiana Educational Assessment Programs Tests (continued)
 For the Year Ended June 30, 2010

/LEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	20	3%	58	9%	22	4%	17	3%
Mastery	85	14%	103	17%	66	11%	89	14%
Basic	319	52%	298	49%	300	49%	307	50%
Approaching Basic	137	22%	101	16%	169	28%	133	22%
Unsatisfactory	53	9%	54	9%	57	9%	68	11%
Total	614		614		614		614	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	15	3%	21	4%	14	2%	6	1%
Mastery	55	10%	70	12%	52	9%	61	11%
Basic	244	42%	256	44%	214	37%	258	45%
Approaching Basic	168	29%	126	22%	184	32%	139	24%
Unsatisfactory	93	16%	103	18%	111	19%	111	19%
Total	575		576		575		575	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	11	2%	21	3%	6	1%	3	0%
Mastery	48	8%	46	8%	44	7%	31	5%
Basic	276	45%	287	47%	241	40%	239	39%
Approaching Basic	179	29%	129	21%	226	37%	182	30%
Unsatisfactory	96	16%	127	21%	93	15%	155	25%
Total	610		610		610		610	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	9	1%	6	1%	3	0%	1	0%
Mastery	55	9%	22	4%	29	5%	22	4%
Basic	242	40%	227	38%	203	33%	217	36%
Approaching Basic	199	33%	163	27%	235	39%	176	29%
Unsatisfactory	102	17%	187	31%	136	22%	190	31%
Total	607		605		606		606	

District Achievement Level Results	English Language Arts		Mathematics	
	2008		2008	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	1	0%	9	2%
Mastery	30	5%	26	5%
Basic	277	50%	283	51%
Approaching Basic	193	35%	134	24%
Unsatisfactory	49	9%	98	18%
Total	550		550	

(Continued)

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

The Integrated Louisiana Educational Assessment Programs Tests (continued)
For the Year Ended June 30, 2010

/LEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	28	4%	85	13%	29	4%	12	2%
Mastery	159	24%	168	25%	144	21%	174	26%
Basic	333	49%	285	42%	279	42%	312	46%
Approaching Basic	104	16%	86	13%	169	25%	127	19%
Unsatisfactory	49	7%	49	7%	51	8%	46	7%
Total	673		673		672		671	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	7	1%	21	4%	6	1%	5	1%
Mastery	62	11%	60	10%	70	12%	38	7%
Basic	267	46%	284	49%	233	40%	293	51%
Approaching Basic	162	28%	112	19%	184	32%	137	23%
Unsatisfactory	81	14%	102	18%	85	15%	105	18%
Total	579		579		578		578	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	11	2%	28	5%	10	2%	13	2%
Mastery	77	13%	68	12%	56	9%	35	6%
Basic	301	51%	316	53%	261	44%	244	41%
Approaching Basic	145	25%	94	16%	194	33%	175	30%
Unsatisfactory	56	9%	84	14%	69	12%	123	21%
Total	590		590		590		590	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	15	2%	23	4%	7	1%	5	1%
Mastery	63	10%	37	6%	54	9%	46	8%
Basic	241	40%	260	43%	208	34%	236	39%
Approaching Basic	192	32%	153	25%	208	34%	214	35%
Unsatisfactory	98	16%	137	22%	132	22%	107	17%
Total	609		610		609		608	

District Achievement Level Results	English Language Arts		Mathematics	
	2009		2009	
	Number	Percent	Number	Percent
Grade 9				
Advanced	2	0%	15	3%
Mastery	45	8%	47	8%
Basic	302	53%	288	51%
Approaching Basic	173	31%	139	24%
Unsatisfactory	47	8%	79	14%
Total	569		568	

(Continued)

ST. MARTIN PARISH SCHOOL BOARD
St. Martinville, Louisiana

The Integrated Louisiana Educational Assessment Programs Tests (continued)
For the Year Ended June 30, 2010

/LEAP Tests

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	19	3%	67	11%	24	4%	19	3%
Mastery	162	27%	158	26%	114	19%	114	19%
Basic	284	47%	255	42%	289	48%	296	49%
Approaching Basic	94	15%	83	14%	150	25%	128	21%
Unsatisfactory	48	8%	44	7%	30	5%	50	8%
Total	607		607		607		607	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	10	2%	29	5%	8	1%	12	2%
Mastery	64	12%	60	11%	48	9%	39	7%
Basic	211	39%	260	48%	227	42%	244	45%
Approaching Basic	191	35%	113	21%	188	35%	144	27%
Unsatisfactory	65	12%	79	15%	70	13%	100	19%
Total	541		541		541		539	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	17	3%	17	3%	8	1%	22	4%
Mastery	86	14%	68	11%	84	14%	52	9%
Basic	333	56%	347	58%	257	43%	268	45%
Approaching Basic	119	20%	100	17%	184	31%	178	30%
Unsatisfactory	42	7%	66	11%	64	11%	76	13%
Total	597		598		597		596	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	24	4%	27	5%	9	2%	2	0%
Mastery	70	12%	43	8%	52	9%	33	6%
Basic	254	45%	277	49%	234	41%	286	50%
Approaching Basic	178	31%	134	24%	189	33%	160	28%
Unsatisfactory	43	8%	88	15%	85	15%	88	15%
Total	569		569		569		569	

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
Students	Number	Percent	Number	Percent
Grade 9				
Advanced	2	0%	15	2%
Mastery	45	8%	51	8%
Basic	311	52%	298	50%
Approaching Basic	197	33%	128	21%
Unsatisfactory	45	8%	109	18%
Total	600		601	