

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Financial Report

Year Ended June 30, 2002

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INDEPENDENT AUDITOR'S REPORT

Vermilion Parish School Board
P. O. Drawer 520
Abbeville, Louisiana 70511

We have audited the accompanying general purpose financial statements of the Vermilion Parish School Board as of and for the year ended June 30, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Vermilion Parish School Board's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Vermilion Parish School Board, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 21, 2002 on our consideration of the Vermilion Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

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Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Vermilion Parish School Board, taken as a whole. The combining and individual fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Vermilion Parish School Board. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Vermilion Parish School Board.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
November 21, 2002

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

All Fund Types and Account Groups
Combined Balance Sheet
June 30, 2002

	Governmental Fund Types		
	General Fund	Special Revenue Funds	Debt Service Fund
ASSETS AND OTHER DEBITS			
Assets:			
Cash and cash equivalents	\$ 8,445,382	\$ 1,945,469	\$ 798,301
Investments	-	-	-
Receivables	750,930	2,391,038	-
Due from other funds	1,877,987	-	-
Inventories	139,927	89,592	-
Land, buildings, improvements, furniture and equipment	-	-	-
Other Debits:			
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-
	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 11,214,226</u>	<u>\$ 4,426,099</u>	<u>\$ 798,301</u>
LIABILITIES, EQUITY AND OTHER CREDITS			
Liabilities:			
Accounts, salaries and other payables	\$ 6,475,556	\$ 1,179,103	\$ -
Due to other funds	-	1,407,416	-
Intergovernmental payable	-	-	-
Deposits due others	-	-	-
Deferred revenue	30,177	214,873	8,165
Compensated absences payable	-	-	-
Certificates of indebtedness payable	-	-	-
Bonds payable	-	-	-
Total Liabilities	<u>6,505,733</u>	<u>2,801,392</u>	<u>8,165</u>
Equity and Other Credits:			
Investment in general fixed assets	-	-	-
Retained earnings:			
Reserved for insurance claims	-	-	-
Fund balances:			
Reserved for inventory	139,927	89,592	-
Reserved for capital outlay	400,000	-	-
Reserved for trust principal	-	-	-
Reserved for debt service	-	-	790,136
Unreserved-Undesignated	4,168,566	1,535,115	-
Total Equity and Other Credits	<u>4,708,493</u>	<u>1,624,707</u>	<u>790,136</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 11,214,226</u>	<u>\$ 4,426,099</u>	<u>\$ 798,301</u>

Capital Projects Fund	Proprietary Fund	Fiduciary Funds	Account Groups		Totals (Memorandum Only)	
	Internal Service Fund	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt	2002	2001
\$ 74,889	\$ 1,283,831	\$ 2,856,178	\$ -	\$ -	\$ 15,404,050	\$ 14,218,881
-	-	7,460,586	-	-	7,460,586	5,660,576
-	-	93,230	-	-	3,235,198	3,442,566
-	-	-	-	-	1,877,987	1,787,856
-	-	-	-	-	229,519	201,794
-	-	-	89,865,333	-	89,865,333	87,435,394
-	-	-	-	790,136	790,136	817,222
-	-	-	-	5,435,966	5,435,966	4,581,311
<u>\$ 74,889</u>	<u>\$ 1,283,831</u>	<u>\$10,409,994</u>	<u>\$89,865,333</u>	<u>\$6,226,102</u>	<u>\$ 124,298,775</u>	<u>\$ 118,145,600</u>
\$ 74,016	\$ 792,066	\$ 1,158,744	\$ -	\$ -	\$ 9,679,485	\$ 8,174,296
-	-	470,571	-	-	1,877,987	1,787,856
-	-	-	-	-	-	3,060
-	-	925,048	-	-	925,048	1,181,349
-	355,695	-	-	-	608,910	4,380
-	-	-	-	2,816,102	2,816,102	2,163,533
-	-	-	-	2,350,000	2,350,000	1,945,000
-	-	-	-	1,060,000	1,060,000	1,290,000
<u>74,016</u>	<u>1,147,761</u>	<u>2,554,363</u>	<u>-</u>	<u>6,226,102</u>	<u>19,317,532</u>	<u>16,549,474</u>
-	-	-	89,865,333	-	89,865,333	87,435,394
-	136,070	-	-	-	136,070	-
-	-	-	-	-	229,519	201,794
873	-	-	-	-	400,873	1,001,839
-	-	7,855,631	-	-	7,855,631	8,006,328
-	-	-	-	-	790,136	817,222
-	-	-	-	-	5,703,681	4,133,549
<u>873</u>	<u>136,070</u>	<u>7,855,631</u>	<u>89,865,333</u>	<u>-</u>	<u>104,981,243</u>	<u>101,596,126</u>
<u>\$ 74,889</u>	<u>\$ 1,283,831</u>	<u>\$10,409,994</u>	<u>\$89,865,333</u>	<u>\$6,226,102</u>	<u>\$ 124,298,775</u>	<u>\$ 118,145,600</u>

The accompanying notes constitute an integral part of this statement.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

All Governmental Fund Types

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2002

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)	
					2002	2001
Revenues:						
Local Sources:						
Taxes:						
Ad Valorem	\$ 799,297	\$ 6,357,210	\$ 242,060	\$ -	\$ 7,398,567	\$ 7,228,496
Sales and use	5,621,301	-	-	-	5,621,301	5,423,279
Other taxes	195,222	-	-	-	195,222	186,191
Rentals, leases and royalties	3,472,782	-	-	-	3,472,782	6,160,781
Tuition	34,250	-	-	-	34,250	31,650
Interest earnings	208,566	36,526	19,626	-	264,718	478,397
Food services	-	569,821	-	-	569,821	551,540
Other	612,224	108,369	-	146,301	866,894	1,840,200
State Sources:						
Unrestricted grants-in-aid	27,585,440	675,000	-	-	28,260,440	27,037,609
Restricted grants-in-aid	1,209,948	239,370	-	-	1,449,318	1,430,466
Federal Sources:						
Restricted grants-in-aid - subgrants	-	8,053,207	-	-	8,053,207	6,955,371
Other commodities	-	186,194	-	-	186,194	197,486
Total Revenues	<u>39,739,030</u>	<u>16,225,697</u>	<u>261,686</u>	<u>146,301</u>	<u>56,372,714</u>	<u>57,521,466</u>
Expenditures:						
Current:						
Instruction:						
Regular programs	20,343,856	1,035,299	-	-	21,379,155	20,043,214
Special education programs	5,426,021	970,135	-	-	6,396,156	6,167,898
Vocational education programs	1,549,906	141,312	-	-	1,691,218	1,670,611
Other instructional programs	117,809	38,592	-	-	156,401	148,410
Special programs	235,194	2,114,793	-	-	2,349,987	2,216,369
Adult and continuing education programs	2,466	207,063	-	-	209,529	181,317
Support Services:						
Pupil support services	1,486,831	612,860	-	-	2,099,691	1,924,392
Instructional staff services	2,048,580	1,319,587	-	-	3,368,167	3,197,594
General administration	1,189,646	216,693	8,006	-	1,414,345	1,395,182
School administration	2,813,466	-	-	-	2,813,466	2,750,323
Business services	422,263	-	-	-	422,263	408,230
Operation and maintenance of plant services	4,276,501	133,359	-	-	4,409,860	4,293,879
Student transportation services	2,557,491	366,747	-	-	2,924,238	2,904,900
Central services	347,455	4,358	-	-	351,813	345,964
Food service operations	1,654	3,187,373	-	-	3,189,027	3,057,319
Community service programs	13,230	-	-	-	13,230	12,228

(continued)

The accompanying notes constitute an integral part of this statement.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

All Governmental Fund Types

Combined Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
Year Ended June 30, 2002

	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)	
					2002	2001
Facility acquisition and construction	\$ 762,951	\$ 523,379	\$ -	\$ 1,292,267	\$ 2,578,597	\$ 1,680,268
Debt Service:						
Principal retirement	-	-	470,000	-	470,000	440,000
Interest and fiscal charges	-	-	164,538	-	164,538	186,155
Legal and technical fees	-	-	1,006	-	1,006	1,016
Total Expenditures	<u>43,595,320</u>	<u>10,871,550</u>	<u>643,550</u>	<u>1,292,267</u>	<u>56,402,687</u>	<u>53,025,269</u>
Excess (deficiency) of revenues over expenditures	<u>(3,856,290)</u>	<u>5,354,147</u>	<u>(381,864)</u>	<u>(1,145,966)</u>	<u>(29,973)</u>	<u>4,496,197</u>
Other financing sources (uses):						
Proceeds from certificates of indebtedness	-	-	-	645,000	645,000	-
Operating transfers in	4,585,724	-	354,778	-	4,940,502	5,039,713
Operating transfers out	<u>-</u>	<u>(4,585,724)</u>	<u>-</u>	<u>-</u>	<u>(4,585,724)</u>	<u>(6,901,133)</u>
Total Other Financing Sources (Uses)	<u>4,585,724</u>	<u>(4,585,724)</u>	<u>354,778</u>	<u>645,000</u>	<u>999,778</u>	<u>(1,861,420)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	729,434	768,423	(27,086)	(500,966)	969,805	2,634,777
Fund balances, beginning	<u>3,979,059</u>	<u>856,284</u>	<u>817,222</u>	<u>501,839</u>	<u>6,154,404</u>	<u>3,519,627</u>
Fund balances, ending	<u>\$ 4,708,493</u>	<u>\$ 1,624,707</u>	<u>\$ 790,136</u>	<u>\$ 873</u>	<u>\$ 7,124,209</u>	<u>\$ 6,154,404</u>

The accompanying notes constitute an integral part of this statement.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Governmental Fund Types
General And Special Revenue Funds

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Year Ended June 30, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Local sources:						
Taxes:						
Ad valorem	\$ 780,000	\$ 799,297	\$ 19,297	\$ 6,200,000	\$ 6,357,210	\$ 157,210
Sales and use	5,600,000	5,621,301	21,301	-	-	-
Other taxes	180,000	195,222	15,222	-	-	-
Rentals, leases and royalties	2,175,000	3,472,782	1,297,782	-	-	-
Tuition	32,000	34,250	2,250	-	-	-
Interest earnings	300,000	208,566	(91,434)	25,000	36,526	11,526
Food services	-	-	-	560,000	569,821	9,821
Other	569,000	612,224	43,224	123,375	108,369	(15,006)
State sources:						
Unrestricted grants-in-aid	27,583,580	27,585,440	1,860	675,000	675,000	-
Restricted grants-in-aid	1,225,039	1,209,948	(15,091)	248,995	239,370	(9,625)
Federal sources:						
Restricted grants-in-aid - subgrants	-	-	-	8,127,845	8,053,207	(74,638)
Other commodities	-	-	-	200,000	186,194	(13,806)
Total revenues	<u>38,444,619</u>	<u>39,739,030</u>	<u>1,294,411</u>	<u>16,160,215</u>	<u>16,225,697</u>	<u>65,482</u>
Expenditures:						
Current:						
Instruction:						
Regular programs	20,385,773	20,343,856	41,917	1,122,449	1,035,299	87,150
Special education programs	5,587,389	5,426,021	161,368	1,240,809	970,135	270,674
Vocational education programs	1,579,536	1,549,906	29,630	153,000	141,312	11,688
Other instructional programs	175,902	117,809	58,093	35,000	38,592	(3,592)
Special programs	244,965	235,194	9,771	2,347,593	2,114,793	232,800
Adult and continuing education programs	2,460	2,466	(6)	229,214	207,063	22,151

(continued)

The accompanying notes constitute an integral part of this statement.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Governmental Fund Types
General and Special Revenue Funds

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual (continued)
Year Ended June 30, 2002

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Support Services:						
Pupil support services	\$ 1,589,454	\$ 1,486,831	\$ 102,623	\$ 509,992	\$ 612,860	\$ (102,868)
Instructional staff services	2,102,768	2,048,580	54,188	1,368,475	1,319,587	48,888
General administration	1,162,108	1,189,646	(27,538)	206,000	216,693	(10,693)
School administration	2,846,316	2,813,466	32,850	-	-	-
Business services	436,830	422,263	14,567	-	-	-
Operation and maintenance of plant services	4,321,058	4,276,501	44,557	123,092	133,359	(10,267)
Student transportation services	2,519,641	2,557,491	(37,850)	343,140	366,747	(23,607)
Central services	347,267	347,455	(188)	-	4,358	(4,358)
Food service operations	1,712	1,654	58	3,192,736	3,187,373	5,363
Community service programs	20,000	13,230	6,770	-	-	-
Facility acquisition and construction	<u>1,119,484</u>	<u>762,951</u>	<u>356,533</u>	<u>1,100,000</u>	<u>523,379</u>	<u>576,621</u>
Total Expenditures	<u>44,442,663</u>	<u>43,595,320</u>	<u>847,343</u>	<u>11,971,500</u>	<u>10,871,550</u>	<u>1,099,950</u>
Excess (deficiency) of revenues over expenditures	<u>(5,998,044)</u>	<u>(3,856,290)</u>	<u>2,141,754</u>	<u>4,188,715</u>	<u>5,354,147</u>	<u>1,165,432</u>
Other financing sources (Uses):						
Operating transfers in	4,484,543	4,585,724	101,181	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,484,543)</u>	<u>(4,585,724)</u>	<u>(101,181)</u>
Total Other Financing Sources (Uses)	<u>4,484,543</u>	<u>4,585,724</u>	<u>101,181</u>	<u>(4,484,543)</u>	<u>(4,585,724)</u>	<u>(101,181)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,513,501)	729,434	2,242,935	(295,828)	768,423	1,064,251
Fund balances, beginning	<u>3,979,059</u>	<u>3,979,059</u>	<u>-</u>	<u>856,284</u>	<u>856,284</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,465,558</u>	<u>\$ 4,708,493</u>	<u>\$ 2,242,935</u>	<u>\$ 560,456</u>	<u>\$ 1,624,707</u>	<u>\$ 1,064,251</u>

The accompanying notes constitute an integral part of this statement.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Internal Service Fund

Statement of Revenues, Expenses and Changes in Fund Balance
Year Ended June 30, 2002

Operating revenues:	
Premiums	\$ 1,171,127
Operating expenses:	
Administration	108,361
Insurance	64,002
Claims	<u>863,424</u>
Total expenses	<u>1,035,787</u>
Operating Income	135,340
Other income:	
Interest	<u>730</u>
Net income	136,070
Retained earnings, beginning	<u>-</u>
Retained earnings, ending	<u>\$ 136,070</u>

The accompanying notes constitute an integral part of this statement.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Proprietary Fund
Internal Service Fund

Statement of Cash Flows
Year Ended June 30, 2002

Operating income	<u>\$ 135,340</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts payable	792,066
Increase in deferred revenue	<u>355,695</u>
Total adjustments	<u>1,147,761</u>
Net cash provided by operating activities	<u>1,283,101</u>
Cash flows from investing activities:	
Interest	<u>730</u>
Net cash provided by investing activities	<u>730</u>
Net increase in cash and cash equivalents	1,283,831
Cash and cash equivalents, beginning	<u>-</u>
Cash and cash equivalents, ending	<u>\$ 1,283,831</u>

The accompanying notes constitute an integral part of this statement.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Fiduciary Funds
Non-expendable Trust Fund

Comparative Statements of Revenues, Expenses and Changes in Fund Balance
Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating revenues:		
Investment income	\$ 229,726	\$ 368,031
Operating expenses:		
Administration	<u>25,645</u>	<u>21,906</u>
Operating income	<u>204,081</u>	<u>346,125</u>
Other financing sources (uses):		
Operating transfers in	-	2,180,703
Operating transfers out	<u>(354,778)</u>	<u>(319,283)</u>
Total other financial sources (uses)	<u>(354,778)</u>	<u>1,861,420</u>
Net income (loss)	(150,697)	2,207,545
Fund balance, beginning	<u>8,006,328</u>	<u>5,798,783</u>
Fund balance, ending	<u><u>\$7,855,631</u></u>	<u><u>\$8,006,328</u></u>

The accompanying notes constitute an integral part of this statement.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Fiduciary Funds
Non-expendable Trust Fund

Comparative Statements of Cash Flows
Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Operating income	\$ 204,081	\$ 346,125
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in fair value of investments	(20,570)	58,086
(Increase) decrease in receivables	(20,653)	(13,212)
Increase (decrease) in accounts payable	<u>(108)</u>	<u>1,529</u>
Total adjustments	<u>(41,331)</u>	<u>46,403</u>
Net cash provided by operating activities	<u>162,750</u>	<u>392,528</u>
Cash flows from investing activities:		
Proceeds from sale/redemption of investments	1,913,672	556,685
Purchase of investments	<u>(3,693,112)</u>	<u>(909,007)</u>
Net cash used by investing activities	<u>(1,779,440)</u>	<u>(352,322)</u>
Cash flows from non-capital financing activities:		
Transfers from general fund	-	2,180,703
Transfers to debt service fund	<u>(354,778)</u>	<u>(319,283)</u>
Net cash provided (used) by non-capital financing activities	<u>(354,778)</u>	<u>1,861,420</u>
Net increase (decrease) in cash and cash equivalents	(1,971,468)	1,901,626
Cash and cash equivalents, beginning	<u>2,279,638</u>	<u>378,012</u>
Cash and cash equivalents, ending	<u>\$ 308,170</u>	<u>\$ 2,279,638</u>

The accompanying notes constitute an integral part of this statement.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

Introduction:

The Vermilion Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Vermilion Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of 8 members who are elected from 8 districts for terms of 4 years.

The School Board operates 20 schools within the parish with a total enrollment of 8,689 pupils for the 2001-2002 school year. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accounting and reporting policies of the Vermilion Parish School Board have been prepared in conformity with generally accepted accounting principles as applied to governmental units. Such accounting and reporting procedures also conform to the guides set forth in the industry audit guide, Audits of State and Local Governmental Units, the Louisiana Government Audit Guide and the interpretations of the National Council on Governmental Accounting (NCCA). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing accounting and financial reporting principles.

Reporting Entity

For financial reporting purposes, the School Board includes all funds, account groups, activities, et cetera, 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 disbursements of funds, and because of the scope of public service provided by the School Board, the School Board is a separate governmental reporting entity.

Fund Accounting

The School Board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management in segregating transactions relating to certain government functions or activities.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Fund Types

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

General Fund

The general fund is the general operating fund of the School Board. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

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

Debt Service Fund

The debt service fund is used to account for transactions related to resources retained and used for the payment of interest and principal on those long-term obligations recorded in the general long-term debt account group.

Capital Projects Fund

The capital projects fund is used to account for transactions related to the acquisition or construction of general fixed assets.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund Types

Proprietary funds which includes enterprise and internal service funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties or to other departments or agencies of the government.

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, ARB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the School Board will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Fiduciary Fund Type

Non-Expendable Trust Fund

The non-expendable trust fund is used to account for investments of the Vermilion Parish Education Public Trust. This fund was created to establish a principal reserve from surplus revenues. The trust principal is not to be used for expenditures and trust income is restricted to capital outlay needs of the Vermilion Parish School System.

Agency Funds

Agency funds account for assets held by the School Board as an agent for schools and school organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Account Groups

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not “funds”.

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased.

No depreciation has been provided on general fixed assets. All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Approximately 90% of fixed assets is valued at actual cost, while the remaining 10% is valued at estimated cost.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities are accounted for in the Debt Service Fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The governmental funds use the following practices in recording revenues and expenditures:

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants 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 on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales and use taxes are recorded in the month collected by the School Board. Interest on investments is recorded on the accrual basis.

Substantially all other revenues are recorded when received.

Expenditures

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

Operating supplies are recorded as expenditures in the accounting period the obligations are incurred.

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

Commitments under construction contracts are recorded as expenditures when earned by the contractor. Construction in progress is capitalized during the construction phase of the project based on engineer's estimates of the percentage of completed construction in relation to the contract price.

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

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

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The non-expendable trust fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred (flow of economic resources measurement focus).

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Budgets

The School Board adopts budgets for the General Fund and all Special Revenue Funds for each fiscal year. The following summarizes the budget activities of the School Board for the year ended June 30, 2002:

Completed and available for public inspection	August 2, 2001
Public notices	August 2, 2001
Public hearings	August 15, 2001
Board adoption	August 15, 2001

Budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year end. Encumbrances are not recognized within the accounting records for budgetary control purposes. Formal budget integration (within the accounting records) is employed as a management control device.

Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

Encumbrance Accounting

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is not employed by the School Board.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Investments

Trust fund investments are stated at fair value in accordance with GASB-31. Fair value is defined as the amount at which a financial instrument could be exchanged in a current asset transaction between willing parties. Fair value was determined based on quoted market prices.

Short Term Interfund Receivables/Payables

Short term interfund loans receivable and payable are classified as “due from other funds” or “due to other funds” on the balance sheet.

Inventories

Inventory consists of the following:

General Fund – instructional supplies maintained in the central warehouse for use of all schools and janitorial and electrical supplies maintained in the central warehouse for the use of all departments and schools.

Special Revenue – School Lunch/Breakfast Fund – 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 of the School Lunch Special Revenue Fund are recorded as revenues when received. All inventories are recorded as expenses when consumed. All purchased inventory items are valued at actual cost (first-in, first-out), and commodities are assigned values based on information provided by the United States Department of Agriculture.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

All 12-month employees earn from 12 to 18 days of vacation leave each year, depending on their length of service with the School Board. Employees may accumulate unlimited amounts of vacation leave, but may only use 18 consecutive days if approved by the superintendent. Upon resignation, all unused vacation leave is forfeited.

All employees earn from 10 to 13 days of sick leave each year, depending on the number of months of the school year they are employed by the School Board. Sick leave may be accumulated. Upon death or retirement, unused accumulated sick leave of up to 25 days is paid to employees (or heirs) at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers Retirement system and for sick leave earned under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service. Employees are not compensated for unused sick leave upon resignation. However, employees who resign from Vermilion Parish School Board and begin employment in another district may transfer unused sick leave to the new district. In cases of layoffs and callbacks, employees are credited with unused sick leave balances at the time they are reinstated to service.

Act 1341 of 1999 changed the extended sick leave (gayle pay) regulations for public school employees. The Act provides that if teachers and school bus operators have no remaining sick leave, they are allowed up to 90 days extended sick leave in a six year period. During these 90 days, the employee is paid 65% of their pay at the time that the leave begins.

Act 1342 of 1999 changed the sabbatical leave regulations. The Act allows both sabbatical medical leave and professional and cultural development sabbatical for teachers. It provides for two sabbatical semesters immediately following twelve or more consecutive semesters of consecutive service or one semester immediately following six semesters of consecutive service. Sabbatical medical leave may be granted if the teacher's regular sick leave balance is twenty-five days or less at the beginning of the sabbatical. No more than 5% of the work force can be on sabbatical at the same time. During sabbatical, the employee is paid 65% of their pay at the time the leave begins.

The cost of current leave privileges is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity

Reserves represent those portions of fund equity not appropriated for expenditure or are legally segregated for specific future use.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Capitalization of Interest Expense

It is the policy of the School Board to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. No interest was capitalized during the current year.

Sales and Use Taxes

The School Board is authorized to collect within the parish a one percent sales and use tax. The proceeds of the tax are dedicated to supplement salaries of teachers and/or the expenditures of operating the schools, including salaries of other personnel.

Effective March 1, 1992, the Vermilion Parish School Board was appointed the central sales tax collecting agency for all taxing bodies within Vermilion Parish. The following is a summary of taxes that the School Board has the responsibility of collecting:

<u>Taxing Body</u>	<u>Rate</u>
Vermilion Parish Policy Jury	1.50%
Vermilion Parish Sheriff	.25%
City of Gueydan	1.00%
City of Kaplan	1.00%
City of Abbeville	1.25%
Town of Erath	1.00%
Town of Delcambre	1.00%
Village of Maurice	1.50%
Vermilion Parish Tourist Commission	2.00%
Vermilion Parish School Board	1.00%
Hospital Service District #1	1.00%

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cost of collecting the taxes is divided among all of the taxing bodies based upon their respective sales and use tax in relation to the combined total. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

Memorandum Only – Total Columns

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

NOTE 2 AD VALOREM TAXES

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

	Year Ended June 30, 2002	
	Authorized Millage	Levied Millage
Parishwide Taxes:		
Constitutional	4.40	4.40
Maintenance and improvement	10.00	10.00
Salaries and benefits	25.00	25.00
Bond and interest	1.33	1.33
	40.73	40.73

NOTE 3 CASH AND CASH EQUIVALENTS

As reflected on page 4, at June 30, 2002 the Vermilion Parish School Board has cash and cash equivalents (book balances) totaling \$15,404,050 as follows:

Demand deposits	\$ 3,142
Interest bearing demand deposits	14,969,133
Time deposits	100,159
Money market and savings accounts	329,939
Petty cash	1,677
Total	\$15,404,050

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent 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, 2002 are secured as follows:

Bank Balances - Cash	\$ 17,988,535
Federal Deposit Insurance	<u>1,002,698</u>
Balance Uninsured	16,985,837
Pledged Securities (Category 3)	<u>19,595,339</u>
Excess federal deposit insurance and pledged securities	<u><u>\$ 2,609,502</u></u>

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

NOTE 4 INVESTMENTS

As reflected on page 4, at June 30, 2002, the Vermilion Parish School Board has investments (book balances) totaling \$7,460,586, which is comprised of the following:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Trust Fund -			
U. S. Treasury bonds and notes	Various	Various	\$ 1,032,198
FNMA obligations	Various	Various	640,259
GNMA obligations	Various	Various	860,203
Other government debt obligations	Various	Various	914,934
Other non-government debt obligations	Various	Various	2,334,726
Equity securities	N/A	N/A	<u>1,678,266</u>
Total investments			<u><u>\$ 7,460,586</u></u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 5 RECEIVABLES

	General Fund	Special Revenue Funds	Debt Service Fund	Trust Fund	Total
Grants:					
Federal	\$ -	\$ 2,220,120	\$ -	\$ -	\$ 2,220,120
State	581,199	106,466	-	-	687,665
Accounts	169,731	64,452	-	-	234,183
Accrued interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,230</u>	<u>93,230</u>
Total	<u>\$ 750,930</u>	<u>\$ 2,391,038</u>	<u>\$ -</u>	<u>\$ 93,230</u>	<u>\$ 3,235,198</u>

NOTE 6 FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 2002 follows:

	Balance June 30, 2001	Additions	Deletions	Balance June 30, 2002
Land	\$ 1,298,737	\$ 247,050	\$ -	\$ 1,545,787
Buildings & improvements	69,099,140	1,721,603	-	70,820,743
Furniture, fixtures, vehicles and equipment	16,718,860	1,019,035	239,092	17,498,803
Construction in progress	318,657	-	318,657	-
	<u>\$ 87,435,394</u>	<u>\$ 2,987,688</u>	<u>\$ 557,749</u>	<u>\$ 89,865,333</u>

NOTE 7 PENSION PLAN

Eligible employees of the Vermilion Parish School Board participate in one of four 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:

Louisiana Teachers' Retirement System of Louisiana – Regular

Plan members are required to contribute 8.0 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 13.1 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2002, 2001 and 2000 were \$3,848,242, \$3,995,309 and \$4,154,146, respectively, equal to the required contribution for each year.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 7 PENSION PLAN (CONTINUED)

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

Louisiana Teachers' Retirement System of Louisiana – Plan A

Plan members are required to contribute 9.1 percent of their annual covered salary to the system while the School Board is required to contribute the statutory rate of 13.1 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2002, 2001 and 2000 were \$26,017, \$32,965, and \$39,884 respectively, equal to the required contribution for each year.

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

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 7.75 percent of the total annual covered salary. The School Board's contributions to the system for the years ended June 30, 2002, 2001 and 2000 were \$1,488 for each year respectively, equal to the required contribution for each year.

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

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 was not required to make any employer contributions for the years ended June 30, 2002, 2001 and 2000.

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

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 8 POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Vermilion Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach retirement eligibility while working for the School Board. These benefits for the retirees and similar benefits for the active employees are provided through an insurance company, whose monthly premiums are paid jointly by the employee and the School Board. The School Board recognizes the cost of providing these benefits (the board's portion of premiums) as an expenditure when the monthly premiums are due, which was \$3,461,222 for the year ended June 30, 2002. Included in these totals are the cost of retiree benefits for the year ended June 30, 2002, which totaled \$955,353.

NOTE 9 ACCOUNTS, SALARIES AND OTHER PAYABLES

Payables at June 30, 2002 consist of the following:

	General Fund	Special Revenue Funds	Capital Projects Fund	Internal Service Fund	Trust & Agency Fund	Total
Salaries and benefits payable	\$ 5,860,732	\$ 907,445	\$ -	\$ 78,660	\$ -	\$ 6,846,837
Accounts payable	446,704	271,658	-	-	1,158,744	1,877,106
Workers comp and health claims payable	168,120	-	-	713,406	-	881,526
Retainage payable	-	-	74,016	-	-	74,016
Total	<u>\$6,475,556</u>	<u>\$1,179,103</u>	<u>\$74,016</u>	<u>\$792,066</u>	<u>\$1,158,744</u>	<u>\$9,679,485</u>

Prior to July 1, 1999 the Vermilion Parish School Board was partially self-insured for worker's compensation claims. Under this program the School Board maintained a self-insured retention per occurrence of \$200,000 with excess insurance coverage, and a third party administrator to handle claims. The unpaid probable cost of active claims incurred while self-insured is estimated to be \$168,120 and is reported in the General Fund as a liability.

NOTE 10 DEFERRED REVENUE

Recognition of revenue from ad valorem tax collections has been deferred in instances where the School Board has been advised by the tax collecting authority that certain amounts have been paid in protest. Recognition of revenue from minor federal and state grant advances has been deferred to the next fiscal year to allow proper matching of revenues and expenditures.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 11 CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in agency fund deposits due others for the year ended June 30, 2002 follows:

	<u>School Activity Fund</u>	<u>Sales Tax Fund</u>	<u>Total</u>
Balance, June 30, 2001	\$ 842,584	\$ 338,765	\$ 1,181,349
Additions	3,104,646	19,892,718	22,997,364
Deductions	<u>(3,061,573)</u>	<u>(20,192,092)</u>	<u>(23,253,665)</u>
Balance, June 30, 2002	<u>\$ 885,657</u>	<u>\$ 39,391</u>	<u>\$ 925,048</u>

NOTE 12 LONG-TERM DEBT

The following is a summary of general long-term debt transactions of the Vermilion Parish School Board for the year ended June 30, 2002:

	<u>Compensated Absences</u>	<u>Certificates of Indebtedness</u>	<u>General Obligation Bonds</u>	<u>Total</u>
Long-Term Debt Payable - June 30, 2001	\$ 2,163,533	\$ 1,945,000	\$ 1,290,000	\$ 5,398,533
Additions	652,569	645,000	-	1,297,569
Deductions	<u>-</u>	<u>(240,000)</u>	<u>(230,000)</u>	<u>(470,000)</u>
Long-Term Debt Payable - June 30, 2002	<u>\$ 2,816,102</u>	<u>\$ 2,350,000</u>	<u>\$ 1,060,000</u>	<u>\$ 6,226,102</u>

Compensated Absences

Compensated absences payable consists of the portion of accumulated sick leave of the governmental funds that is not expected to require current resources. The liability for compensated absences is computed only at the end of each fiscal year; therefore, the increase of \$652,569 for fiscal year 2002, is the net of leave benefits accrued and paid during those years.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 12 LONG-TERM DEBT (CONTINUED)

Certificates of Indebtedness

On February 1, 1997, the School Board issued \$600,000 Certificates of Indebtedness, Series 1997. These certificates specify interest rates varying from 4.60% to 5.30% with maturities from 1998 to 2007. At June 30, 2002, principal outstanding is \$340,000 and interest to maturity is \$55,250. Principal and interest payable in the next fiscal year are \$60,000 and \$17,697, respectively.

On February 1, 1998, the School Board issued \$1,500,000 Certificates of Indebtedness, Series 1998. These certificates specify interest rates varying from 4.65% to 4.90% with maturities from 1999 to 2008. At June 30, 2002 principal outstanding is \$990,000 and interest to maturity is \$176,110. Principal and interest payable in the next fiscal year are \$145,000 and \$48,050, respectively.

On February 1, 1999, the School Board issued \$500,000 Certificates of Indebtedness, Series 1999. These certificates specify interest rates varying from 4.40% to 4.60% with maturities from 2002 to 2009. At June 30, 2002 principal outstanding is \$375,000 and interest to maturity is \$71,495. Principal and interest payable in the next fiscal year are \$45,000 and \$16,975, respectively.

On February 1, 2002, the School Board issued \$645,000 Certificates of Indebtedness Series 2002. These certificates specify an interest rate of 4.625% with maturities from 2003 to 2012. At June 30, 2002, principal outstanding is \$645,000 and interest to maturity is \$176,675. Principal and interest payable in the next fiscal year are \$50,000 and \$29,831 respectively.

General Obligation Bonds

On March 1, 1993, the School Board issued \$2,295,000 General Obligation Bonds. These bonds specify interest rates from 3.35% to 5.70% with maturities from 1994 to 2006. At June 30, 2002, principal outstanding is \$1,060,000 and interest to maturity is \$152,580. Principal and interest payable in the next year are \$240,000 and \$58,420, respectively.

All principal and interest requirements for bonds are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. Principal and interest requirements for certificates of indebtedness are funded by transfers of trust fund earnings on investments. At June 30, 2002, the school board has accumulated \$790,136 in debt service funds for future debt requirement. The bonds and certificates are due as following:

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 12 LONG-TERM DEBT (CONTINUED)

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2003	\$ 540,000	\$ 170,973	\$ 710,973
2004	575,000	143,919	718,919
2005	610,000	114,833	724,833
2006	645,000	83,238	728,238
2007	370,000	49,539	419,539
2008	310,000	31,466	341,466
2009	130,000	16,635	146,635
2010	75,000	10,638	85,638
2011	75,000	7,169	82,169
2012	80,000	3,700	83,700
Total	<u>\$ 3,410,000</u>	<u>\$ 632,110</u>	<u>\$ 4,042,110</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2002, the statutory limit is \$88,784,829 and outstanding bonded debt totals \$3,410,000.

NOTE 13 INTERFUND ASSET/LIABILITIES

Individual balances of interfund receivables/payables at June 30, 2002 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Title I Fund	\$ 390,208
General Fund	Title II Fund	7,841
General Fund	Title IV Fund	3,796
General Fund	Title VI Fund	52,538
General Fund	Education Excellence Fund	42,313
General Fund	IDEA Fund	103,544
General Fund	Special Federal Revenue Fund	711,591
General Fund	Preschool Flow-Through Fund	4,431
General Fund	Federal Adult Education Fund	58,823
General Fund	School Lunch/Breakfast Fund	45
General Fund	Region IV Fund	18,195
General Fund	TASC Fund	12,260
General Fund	TANF Fund	1,831
General Fund	Sales Tax Fund	470,571
Total		<u>\$ 1,877,987</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 14 EXCESS OIL AND GAS REVENUE POLICY

The Vermilion Parish School Board has adopted a policy on excess oil and gas royalty revenues whereby mineral revenues over \$6,250,000 will be reserved in the following manner:

- A) 50% of the amount over \$6,250,000 is to be placed in the Vermilion Parish Education Public Trust.
- B) 50% of the amount over \$6,250,000 is to be used for employee salary supplements.

For the year ended June 30, 2002 oil and gas royalty revenues did not exceed the \$6,250,000 threshold, therefore no contributions were required to be made to the trust.

NOTE 15 NON-EXPENDABLE TRUST FUND

On June 11, 1996, pursuant to Louisiana Revised Statute LSA-R.S. 17:81(m), the Vermilion Parish School Board established the Vermilion Parish Education Public Trust (a non-expendable trust fund). Trust principal is derived from surplus revenues and may not be used for expenditures. Income from the investment of fund principal is restricted to meeting the capital outlay needs of the Vermilion Parish School System.

The trust fund is administered by a board of trustees which consists of individuals who occupy the following positions:

- (1) The President of the Vermilion Parish School Board
- (2) The Vice-President of the Vermilion Parish School Board
- (3) The Superintendent of the Vermilion Parish School System
- (4) The Chief Financial Officer of the Vermilion Parish School System
- (5) The President of the Vermilion Association of Educators
- (6) The Legal Advisor for the Vermilion Parish School Board

All members of the Board of Trustees have voting rights except for the Legal Advisor.

The trustees duties include regular review and evaluation of investment policies to achieve the goals of maintaining a high quality investment portfolio which maximizes income within acceptable levels of risk.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 15 NON-EXPENDABLE TRUST FUND (CONTINUED)

The trustees of the Vermilion Parish Education Public Trust believe that the following asset mixes will produce a pattern of returns over time that will conform to the desired return requirements, risk tolerance and liquidity:

<u>Asset Class</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Intermediate Fixed Income	60%	75%	85%
Equities	15%	25%	35%

Cash equivalents may be held in lieu of equities or intermediate fixed income at the discretion of the investment advisor.

NOTE 16 SELF-INSURED GROUP HEALTH INSURANCE PROGRAM

On April 25, 2002, the School Board began a partially self-insured group health insurance program. A separate internal service fund was created to accumulate funds designated for the payment of health care claims, insurance and associated costs of school system employees, retirees and their covered dependants. The School Board has procured specific-loss insurance with a self-insured retention of \$125,000 per individual and aggregate-loss insurance with an attachment point of approximately \$5,563,000 based on projected enrollment of 1369 subscribers.

The liability for unpaid claims of \$713,406 as of June 30, 2002 was determined based on reports obtained from the third party administrator regarding claims incurred prior to June 30, 2002 paid out during the subsequent four month period ending October 30, 2002, and includes a \$41,115 provision for claims incurred but not reported.

NOTE 17 COMMITMENTS AND CONTINGENCIES

Intergovernmental Agreement

On January 19, 2000 the Vermilion Parish School Board negotiated an intergovernmental agreement with the Iberia Parish School Board to establish certain parameters for calculating annual payments that the Vermilion Parish School Board shall remit to the Iberia Parish School Board for Vermilion Parish resident students attending Iberia Parish Schools. This agreement is effective for a twenty year period ending June 30, 2020 but is subject to renegotiation every five years.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Notes to Financial Statements

NOTE 17 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction Commitments

The Vermilion Parish School Board has committed to a construction project as of June 30, 2002. Details of this commitment is as follows:

<u>Project</u>	<u>Contract Price</u>	<u>Percent Complete</u>	<u>Remaining Commitment</u>
Parking Lot Improvements at Various Schools	<u>\$ 370,156</u>	0%	<u>\$ 370,156</u>

Litigation

There are several lawsuits presently pending against the Vermilion Parish School Board. The School Board's legal counsel is of the opinion that any unfavorable outcome in these cases would not materially affect the financial statements.

Judgments

An unfavorable judgment for approximately \$90,000 was rendered against the School Board. The School Board has not budgeted for payment of this judgment and the financial statements do not include any provision for liability related to this judgment. While state law prohibits the seizure of any property of the School Board in order to enforce such a judgment, interest continues to accrue on the amount of the judgment.

Grant Audits

The School Board receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by these agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of School Board management, such disallowances, if any, will not be significant to the financial statements.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

VERMILION PARISH SCHOOL BOARD

Abbeville, Louisiana

Special Revenue Funds

1998 AD VALOREM TAX FUND – In January, 1998 Vermilion Parish voters approved a 25.00 mills ad valorem tax dedicated solely for the purpose of increasing the salaries and benefits of school employees to a level comparable with surrounding parishes.

1996 AD VALOREM TAX FUND – In April, 1996 Vermilion parish voters approved a rededication of a 10.00 mills ad valorem tax. The proposition provided that 3.00 mills be used for acquiring and maintaining equipment and supplies for educational and instructional services including library books and textbooks, 5.00 mills for maintaining and improving public school buildings including roof replacement, and heating and air conditioning systems, and 2.00 mills for acquiring and maintaining school buses.

IMPROVING AMERICA’S SCHOOLS ACT –

TITLE I of the Improving America’s Schools Act (IASA) is a program for economically and educationally deprived school children that is federally financed, state administered, and locally operated by the School Board. Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

TITLE II of the Improving America’s Schools Act (IASA) is a program by which the federal government provides funds to the School Board for projects that are designed to improve the skills of teachers in the areas of mathematics, science and computer learning, and to increase the accessibility of such instruction to all students.

TITLE IV of the Improving America’s Schools Act (IASA) is a program by which the federal government provides funds to the School Board for the Drug Free Schools program.

TITLE VI of the Improving America’s Schools Act (IASA) is a program by which the federal government provides funds to the School Board for an after-school tutorial homework assistance program and staff development. This fund also accounts for revenues and expenditures of the Class Size Reduction Program, a new federal program designed to help local elementary schools reduce class size by hiring additional highly qualified teachers.

EDUCATION EXCELLENCE FUND – The Education Excellence Fund accounts for restricted revenues derived from the state’s tobacco settlement. Expenditures from this fund are restricted to instructional enhancements for pre-kindergarten to twelfth grade students.

INDIVIDUALS WITH DISABILITIES EDUCATION ACT FUND – The IDEA Fund is a federally financed program of free education in the least restricted environment to children with exceptionalities.

SPECIAL FEDERAL REVENUE FUND – This Special Fund is used to account for federal grants such as Technology Literacy Challenge Grants, Carl Perkins Vocational Education Grants, Jobs Training Partnership Act Grants and other grants which are not accounted for in other special revenue funds.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Special Revenue Funds (Continued)

PRESCHOOL FLOW-THROUGH FUND – Preschool Flow-Through is a program by which the federal government provides funds to the School Board for providing a free appropriate public education to preschool-age handicapped children.

FEDERAL AND STATE ADULT EDUCATION FUNDS – The Federal and State Adult Education Funds are programs for the education of adults who have not received a high school education. These programs are federally and state financed, state administered, and locally operated by the School Board.

SCHOOL LUNCH/BREAKFAST FUND – The School Lunch/Breakfast Fund is a program that provides nourishing morning and noon meals for students in all grades. This fund is supplemented by both federal and state funds that are based on reimbursement and participation.

REGION IV EDUCATION SERVICE CENTER FUND – Pursuant to an interagency agreement with the State Department of Education Executive Office, the School Board serves as the fiscal agent for the Region IV Education Service Center.

TRUANCY ASSESSMENT AND SERVICE CENTERS (TASC) FUND – The TASC Fund accounts for programs to provide for early identification and assessment of truants and the delivery of coordinated interventions to prevent unauthorized school absences.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUND – The TANF Fund accounts for the Early Childhood Development program for four year old children considered to be at risk of achieving academic success. The fund also accounts for a Pre GED/Skills Option program designed to provide exit options for students sixteen years or older.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Special Revenue Funds

Combining Balance Sheet
June 30, 2002
With Comparative Totals for June 30, 2001

	1998	1996	Improving America's Schools Act			
	Ad Valorem Tax Fund	Ad Valorem Tax Fund	Title I Fund	Title II Fund	Title IV Fund	Title VI Fund
ASSETS						
Cash and cash equivalents	\$ 155,263	\$ 1,112,297	\$ -	\$ -	\$ -	\$ -
Receivables	-	22,215	690,645	16,687	12,455	152,157
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 155,263</u>	<u>\$ 1,134,512</u>	<u>\$ 690,645</u>	<u>\$ 16,687</u>	<u>\$ 12,455</u>	<u>\$ 152,157</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and salaries payable	\$ -	\$ 155,506	\$ 300,437	\$ 8,846	\$ 8,659	\$ 99,619
Due to other funds	-	-	390,208	7,841	3,796	52,538
Deferred revenue	<u>153,481</u>	<u>61,392</u>	-	-	-	-
Total liabilities	<u>153,481</u>	<u>216,898</u>	<u>690,645</u>	<u>16,687</u>	<u>12,455</u>	<u>152,157</u>
Fund balances (deficit):						
Reserved for inventory	-	-	-	-	-	-
Unreserved-undesignated	<u>1,782</u>	<u>917,614</u>	-	-	-	-
Total fund balances	<u>1,782</u>	<u>917,614</u>	-	-	-	-
Total liabilities and fund balances	<u>\$ 155,263</u>	<u>\$ 1,134,512</u>	<u>\$ 690,645</u>	<u>\$ 16,687</u>	<u>\$ 12,455</u>	<u>\$ 152,157</u>

Education Excellence Fund	Individuals With Disabilities Education Act Fund	Special Federal Revenue Fund	Pre-School Flow-Through Fund	Federal Adult Education Fund	State Adult Education Fund	School Lunch/Breakfast Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 454	\$ 254,674
84,751	210,887	772,002	8,637	60,249	3,520	224,401
-	-	-	-	-	-	89,592
<u>\$ 84,751</u>	<u>\$ 210,887</u>	<u>\$ 772,002</u>	<u>\$ 8,637</u>	<u>\$ 60,249</u>	<u>\$ 3,974</u>	<u>\$ 568,667</u>
\$ 16,643	\$ 107,343	\$ 60,411	\$ 4,206	\$ 1,426	\$ 1,636	\$ 256,512
42,313	103,544	711,591	4,431	58,823	-	45
-	-	-	-	-	-	-
<u>58,956</u>	<u>210,887</u>	<u>772,002</u>	<u>8,637</u>	<u>60,249</u>	<u>1,636</u>	<u>256,557</u>
-	-	-	-	-	-	89,592
<u>25,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,338</u>	<u>222,518</u>
<u>25,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,338</u>	<u>312,110</u>
<u>\$ 84,751</u>	<u>\$ 210,887</u>	<u>\$ 772,002</u>	<u>\$ 8,637</u>	<u>\$ 60,249</u>	<u>\$ 3,974</u>	<u>\$ 568,667</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Special Revenue Funds

Combining Balance Sheet – (continued)
June 30, 2002
With Comparative Totals for June 30, 2001

	Region IV Education Service			Totals (Memorandum Only)	
	Center Fund	TASC Fund	TANF Fund	2002	2001
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 422,781	\$ 1,945,469	\$ 803,929
Receivables	18,195	42,237	72,000	2,391,038	2,161,449
Inventories	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,592</u>	<u>80,693</u>
Total Assets	<u>\$ 18,195</u>	<u>\$ 42,237</u>	<u>\$ 494,781</u>	<u>\$ 4,426,099</u>	<u>\$ 3,046,071</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and salaries payable	-	29,977	127,882	\$ 1,179,103	\$ 905,002
Due to other funds	18,195	12,260	1,831	1,407,416	1,284,785
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,873</u>	<u>-</u>
Total liabilities	<u>18,195</u>	<u>42,237</u>	<u>129,713</u>	<u>2,801,392</u>	<u>2,189,787</u>
Fund balances:					
Reserved for inventory	-	-	-	89,592	80,693
Unreserved-undesignated	<u>-</u>	<u>-</u>	<u>365,068</u>	<u>1,535,115</u>	<u>775,591</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>365,068</u>	<u>1,624,707</u>	<u>856,284</u>
Total liabilities and fund balances	<u>\$ 18,195</u>	<u>\$ 42,237</u>	<u>\$ 494,781</u>	<u>\$ 4,426,099</u>	<u>\$ 3,046,071</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2002
With Comparative Totals for June 30, 2001

	1998	1996	Improving America's Schools Act			
	Ad Valorem TaxFund	Ad Valorem TaxFund	Title I Fund	Title II Fund	Title IV Fund	Title VI Fund
Revenues:						
Local sources:						
Taxes:						
Ad valorem tax	\$ 4,540,864	\$ 1,816,346	\$ -	\$ -	\$ -	\$ -
Interest earnings	18,516	13,391	-	-	-	-
Food services	-	-	-	-	-	-
Other	-	22,215	-	-	-	-
State sources:						
Unrestricted grants-in-aid	-	-	-	-	-	-
Restricted grants-in-aid	-	-	-	-	-	-
Federal sources:						
Restricted grants-in-aid - subgrants	-	-	2,321,645	125,487	48,026	520,047
Other commodities	-	-	-	-	-	-
Total revenues	<u>4,559,380</u>	<u>1,851,952</u>	<u>2,321,645</u>	<u>125,487</u>	<u>48,026</u>	<u>520,047</u>
Expenditures:						
Instruction:						
Regular programs	-	613,096	-	-	-	422,203
Special education programs	-	-	-	-	-	-
Vocational education programs	-	-	-	-	-	-
Other instructional programs	-	-	-	-	-	-
Special programs	-	-	1,588,614	2,525	-	57,999
Adult and continuing education programs	-	-	-	-	-	-
Support Services:						
Pupil support services	-	-	354,296	-	48,026	2,528
Instructional staff services	-	-	242,148	122,962	-	36,069
General administration	150,495	60,198	3,000	-	-	-
Operation and maintenance of plant services	-	-	38,100	-	-	-
Student transportation services	-	333,322	1,500	-	-	1,248
Central Services	-	-	-	-	-	-
Food service operations	-	-	-	-	-	-
Facility acquisition and construction	-	523,379	-	-	-	-
Total Expenditures	<u>150,495</u>	<u>1,529,995</u>	<u>2,227,658</u>	<u>125,487</u>	<u>48,026</u>	<u>520,047</u>
Excess (deficiency) of revenues over expenditures	<u>4,408,885</u>	<u>321,957</u>	<u>93,987</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:						
Operating transfers out	<u>(4,408,980)</u>	<u>-</u>	<u>(93,987)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	(95)	321,957	-	-	-	-
Fund balances, beginning	1,877	595,657	-	-	-	-
Fund balances, ending	<u>\$ 1,782</u>	<u>\$ 917,614</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Education Excellence Fund	Individuals With Disabilities Education Act Fund	Special Federal Revenue Fund	Pre-School Flow-Through Fund	Federal Adult Education Fund	State Adult Education Fund	School Lunch/Breakfast Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	4,619
-	-	-	-	-	-	569,821
-	-	-	-	-	2,645	1,200
-	-	-	-	-	-	675,000
84,751	-	-	-	-	54,829	-
-	1,120,162	999,154	68,220	150,607	-	1,844,155
-	-	-	-	-	-	186,194
<u>84,751</u>	<u>1,120,162</u>	<u>999,154</u>	<u>68,220</u>	<u>150,607</u>	<u>57,474</u>	<u>3,280,989</u>
-	-	-	-	-	-	-
-	805,708	-	30,139	-	-	-
-	-	141,312	-	-	-	-
-	-	38,592	-	-	-	-
94,333	-	38,164	-	-	-	-
-	-	-	-	147,048	60,015	-
-	118,325	-	15,836	-	-	-
-	57,301	746,536	18,858	-	-	-
-	3,000	-	-	-	-	-
-	67,383	5,542	600	-	-	-
-	18,213	2,548	-	-	-	-
-	-	4,358	-	-	-	-
-	-	-	-	-	-	3,187,373
<u>94,333</u>	<u>1,069,930</u>	<u>977,052</u>	<u>65,433</u>	<u>147,048</u>	<u>60,015</u>	<u>3,187,373</u>
<u>(9,582)</u>	<u>50,232</u>	<u>22,102</u>	<u>2,787</u>	<u>3,559</u>	<u>(2,541)</u>	<u>93,616</u>
<u>-</u>	<u>(50,232)</u>	<u>(22,102)</u>	<u>(2,787)</u>	<u>(3,559)</u>	<u>-</u>	<u>-</u>
(9,582)	-	-	-	-	(2,541)	93,616
35,377	-	-	-	-	4,879	218,494
<u>\$ 25,795</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,338</u>	<u>\$ 312,110</u>

VERMILION PARISH SCHOOL BOARD
Abbeville Louisiana

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – (continued)
Year Ended June 30, 2002

With Comparative Totals for June 30, 2001

	Region IV Education Service Center			Totals (Memorandum Only)	
	Fund	TASC Fund	TANF Fund	2002	2001
Revenues:					
Local sources:					
Taxes:					
Ad valorem tax	\$ -	\$ -	\$ -	\$ 6,357,210	\$ 6,211,310
Interest earnings	-	-	-	36,526	55,227
Food services	-	-	-	569,821	551,540
Other	-	75,853	6,456	108,369	5,395
State sources:					
Unrestricted grants-in-aid	-	-	-	675,000	675,000
Restricted grants-in-aid	99,790	-	-	239,370	282,286
Federal sources:					
Restricted grants-in-aid - subgrants	-	-	855,704	8,053,207	6,955,371
Other commodities	-	-	-	186,194	197,486
Total revenues	<u>99,790</u>	<u>75,853</u>	<u>862,160</u>	<u>16,225,697</u>	<u>14,933,615</u>
Expenditures:					
Instruction:					
Regular programs	-	-	-	1,035,299	818,096
Special education programs	-	-	134,288	970,135	783,266
Vocational education programs	-	-	-	141,312	165,593
Other instructional programs	-	-	-	38,592	21,941
Special programs	-	-	333,158	2,114,793	2,003,196
Adult and continuing education programs	-	-	-	207,063	178,832
Support Services:					
Pupil support services	-	73,849	-	612,860	478,981
Instructional staff services	95,713	-	-	1,319,587	1,190,365
General administration	-	-	-	216,693	200,062
Operation and maintenance of plant services	-	2,004	19,730	133,359	107,406
Student transportation services	-	-	9,916	366,747	349,832
Central Services	-	-	-	4,358	16,590
Food service operations	-	-	-	3,187,373	3,055,619
Facility acquisition and construction	-	-	-	523,379	611,715
Total Expenditures	<u>95,713</u>	<u>75,853</u>	<u>497,092</u>	<u>10,871,550</u>	<u>9,981,494</u>
Excess (deficiency) of revenues over expenditures	<u>4,077</u>	<u>-</u>	<u>365,068</u>	<u>5,354,147</u>	<u>4,952,121</u>
Other financing uses:					
Operating transfers out	<u>(4,077)</u>	<u>-</u>	<u>-</u>	<u>(4,585,724)</u>	<u>(4,720,430)</u>
Excess (deficiency) of revenues over expenditures and other	<u>-</u>	<u>-</u>	<u>365,068</u>	<u>768,423</u>	<u>231,691</u>
Fund balances, beginning	-	-	-	856,284	624,593
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,068</u>	<u>\$ 1,624,707</u>	<u>\$ 856,284</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Trust and Agency Funds

VERMILION PARISH EDUCATION PUBLIC TRUST – On June 11, 1996 pursuant to Louisiana Revised Statute LSA-R.S. 17:81(m), the Vermilion Parish School Board established a non-expendable trust fund. Trust principal is derived from surplus revenues and may not be used for expenditures. Income from the investment of fund principal is restricted to meeting the capital outlay needs of the Vermilion Parish School System.

SCHOOL ACTIVITY FUND – The School Activity Fund accounts for monies generated by the individual schools and school organizations within the parish. While the school activity accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and is not available for use by the School Board.

SALES TAX FUND – The Sales Tax Fund accounts for the collection and distribution of sales taxes that the School Board has the responsibility of collecting. Effective March 1, 1992, the Vermilion Parish School Board was appointed the central sales tax collecting agency for all taxing bodies within Vermilion Parish. The cost of collecting the taxes is divided among all of the taxing bodies based upon their respective sales and use tax in relation to the combined total.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Trust and Agency Funds

Combining Balance Sheet
June 30, 2002

With Comparative Totals for June 30, 2001

	Non-expendable Trust Fund	Agency Funds		Totals (Memorandum Only)	
	Vermilion Parish Education Public Trust	School Activity Fund	Sales Tax Fund	2002	2001
ASSETS					
Cash and cash equivalents	\$ 308,170	\$ 899,957	\$ 1,648,051	\$ 2,856,178	\$ 5,145,595
Investments	7,460,586	-	-	7,460,586	5,660,576
Receivables	93,230	-	-	93,230	72,577
Due from other funds	-	-	-	-	6,439
	<u>\$ 7,861,986</u>	<u>\$ 899,957</u>	<u>\$ 1,648,051</u>	<u>\$ 10,409,994</u>	<u>\$ 10,885,187</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 6,355	\$ 14,300	\$ 1,138,089	\$ 1,158,744	\$ 1,197,818
Due to other funds	-	-	470,571	470,571	496,632
Intergovernmental payables	-	-	-	-	3,060
Deposits due others	-	885,657	39,391	925,048	1,181,349
	<u>6,355</u>	<u>899,957</u>	<u>1,648,051</u>	<u>2,554,363</u>	<u>2,878,859</u>
Fund balances:					
Reserved for trust principal	7,855,631	-	-	7,855,631	8,006,328
Total fund balances	<u>7,855,631</u>	<u>-</u>	<u>-</u>	<u>7,855,631</u>	<u>8,006,328</u>
	<u>\$ 7,861,986</u>	<u>\$ 899,957</u>	<u>\$ 1,648,051</u>	<u>\$ 10,409,994</u>	<u>\$ 10,885,187</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Agency Fund
School Activity Fund

Statement of Changes in Deposits Due Others
Year Ended June 30, 2002

<u>School</u>	<u>Balance June 30, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2002</u>
Abbeville High	\$ 111,892	\$ 448,695	\$ 453,163	\$ 107,424
Dozier Elementary	16,049	127,293	119,926	23,416
Eaton Park Elementary	16,051	44,381	46,129	14,303
Erath High	120,224	427,895	431,919	116,200
Erath Middle	101,450	248,559	243,171	106,838
F.I./E. Broussard Elementary	32,995	94,700	98,343	29,352
Gueydan High	25,780	168,432	155,809	38,403
Henry Elementary	31,225	28,314	31,555	27,984
Indian Bayou Elementary	21,437	53,610	55,126	19,921
J. H. Williams Middle	27,726	44,633	45,746	26,613
James Herod Elementary	18,713	104,361	106,073	17,001
Jesse Owens Elementary	28,827	32,926	32,549	29,204
Kaplan Elementary	21,607	72,723	65,065	29,265
Kaplan High	101,034	425,101	422,074	104,061
Maurice Elementary	19,945	73,951	73,760	20,136
Meaux Elementary	7,710	63,937	57,118	14,529
North Vermilion High	72,950	435,597	418,053	90,494
Pecan Island High	17,544	41,223	41,452	17,315
Rene A. Rost Middle	35,302	117,740	116,522	36,520
Seventh Ward Elementary	<u>14,123</u>	<u>50,575</u>	<u>48,020</u>	<u>16,678</u>
Total	<u>\$ 842,584</u>	<u>\$ 3,104,646</u>	<u>\$ 3,061,573</u>	<u>\$ 885,657</u>

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Agency Fund
Sales Tax Fund

Statements of Changes in Deposits Due Others
Years Ended June 30, 2002 and 2001

	2002	2001
Deposits Due Others - Beginning	<u>\$ 338,765</u>	<u>\$ 332,637</u>
Additions:		
Sales tax collections - parishwide	19,867,683	18,408,082
Interest earnings	<u>25,035</u>	<u>50,508</u>
Total Additions	<u>19,892,718</u>	<u>18,458,590</u>
Beginning Balance Plus Additions	<u>20,231,483</u>	<u>18,791,227</u>
Deductions:		
Transfers to:		
General Fund:		
Sales tax	5,621,301	5,423,279
Sales tax administrative allowance	188,880	206,522
Interest earnings	7,126	14,945
Vermilion Parish Police Jury:		
Sales tax	8,291,760	7,971,203
Interest earnings	10,688	22,408
Vermilion Parish Sheriff:		
Sales tax	1,381,065	1,329,019
Interest earnings	1,781	3,737
City of Gueydan:		
Sales tax	166,215	159,378
Interest earnings	208	454
City of Kaplan:		
Sales tax	462,808	469,760
Interest earnings	587	1,307
City of Abbeville:		
Sales tax	2,372,194	2,156,779
Interest earnings	2,945	6,057
Town of Erath:		
Sales tax	197,665	168,652
Interest earnings	254	459
Town of Delcambre:		
Sales tax	89,293	73,158
Interest earnings	106	209
Village of Maurice:		
Sales tax	243,460	229,081
Interest earnings	323	620
Vermilion Parish Tourist Commission:		
Sales tax	22,324	23,673
Interest earnings	28	67
Hospital Service District #1		
Sales Tax	769,148	109,995
Interest earnings	989	245
Refunds	<u>360,944</u>	<u>81,455</u>
Total deductions	<u>20,192,092</u>	<u>18,452,462</u>
Deposits Due Others - Ending	<u>\$ 39,391</u>	<u>\$ 338,765</u>

INTERNAL CONTROL AND COMPLIANCE



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Eugene H. Darnall, CPA, Retired 1990
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Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr., CPA

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of General Purpose Financial Statements Performed
In Accordance With Government Auditing Standards

Kathleen T. Darnall, CPA
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Tamera T. Landry, CPA
Raegan D. Stelly, CPA
Julie T. Templet, CPA
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Michelle B. Borrello, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA

Vermilion Parish School Board
P. O. Drawer 520
Abbeville, Louisiana 70511

We have audited the general purpose financial statements of the Vermilion Parish School Board as of and for the year ended June 30, 2002, and have issued our report thereon dated November 21, 2002. We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Vermilion Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in

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which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
November 21, 2002



(A Corporation of Certified Public Accountants)

Report on Compliance With Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

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P. O. Drawer 520
Abbeville, Louisiana 70511

Compliance

We have audited the compliance of the Vermilion Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. The Vermilion Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Vermilion Parish School Board's management. Our responsibility is to express an opinion on the Vermilion Parish School Board's compliance based on our audit.

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

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In our opinion, the Vermilion Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
November 21, 2002

OTHER SUPPLEMENTARY INFORMATION

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2002

Program Title	Federal CFDA Number	Expenditures	Grant ID Number
<u>United States Department of Agriculture</u>			
Passed through Louisiana Department of Agriculture and Forestry - Food Donation	10.550	\$ 186,194	N/A
Passed through Louisiana Department of Education School Breakfast Program	10.553	395,558	N/A
National School Lunch Program	10.555	<u>1,448,597</u>	N/A
		<u>2,030,349</u>	
<u>United States Department of Labor</u>			
Passed through St. Landry Parish Police Jury Workforce Investment Act - Youth Activities	17.259	<u>38,592</u>	01-AR-57-F
<u>United States Department of Education</u>			
Passed through Louisiana Department of Education Adult Education - State Grant Program	84.002	150,607	28-04-4-57
Title I Grants to Local Educational Agencies	84.010	2,321,645	02-41-57
Special Education - Grants to States	84.027	1,120,162	02-B1-57
Vocational Education - Basic Grants to States	84.048	127,962	02-02-57
Special Education - Preschool Grants	84.173	68,220	02-P1-57
Safe and Drug-Free Schools and Communities - State Grants	84.186	48,026	02-70-57
Eisenhower Professional Development - State Grants	84.281	125,487	02-50-57
Innovative Education Program Strategies	84.298	66,669	02-00-57
Technology Literacy Challenge Fund Grants Consortium Professional Development	84.318	431,062	02-46-57
Professional Development	84.318	221,251	02-14-57
Title 3 Literacy Challenge Grant	84.318	51,015	02-48-57
Special Education - State Program Improvement Grants for Children with Disabilities	84.323	4,602	N/A
Comprehensive School Reform Demonstration	84.332	65,008	01-T2-57-C
Class Size Reduction	84.340	453,378	02-01-57
Passed through Lafayette Parish School Board			
Twenty-First Century Community Learning Centers			
School to Work State Implementation Grants	84.287	12,049	N/A
Technology Preparation Grants	84.287	<u>1,301</u>	N/A
		<u>5,268,444</u>	

(continued)

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2002

Program Title	<u>CFDA Number</u>	<u>Expenditures</u>	<u>Grant ID Number</u>
<u>United States Department of Health and Human Services</u>			
Passed Through Louisiana Department of Education			
Temporary Assistance for Needy Families			
Starting Points Preschool Program	93.558	\$ 72,048	02-38-57
Pre GED/Skills Option Program	93.558	410,816	02-36-57
Early Childhood Development	93.558	372,840	02-35-57
Refugee and Entrant Assistance - Discretionary Grants	93.576	<u>38,971</u>	02-43-57
		<u>894,675</u>	
 <u>Corporation for National and Community Service</u>			
Passed Through Louisiana Department of Education			
AmeriCorps	94.006	<u>2,565</u>	01-AR-57-F
 <u>Federal Emergency Management Agency</u>			
Passed Through Louisiana Office of Emergency			
Preparedness			
Public Assistance Grants	83.544	<u>4,776</u>	N/A
		<u>\$ 8,239,401</u>	

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the Vermilion Parish School Board and is presented on the same basis of accounting as described in Note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 2002

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unqualified opinion has been issued on the Vermilion Parish School Board's financial statements as of and for the year ended June 30, 2002.

Reportable Conditions – Financial Reporting

No reportable conditions in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance – Financial Reporting

The results of our tests disclosed no instances of noncompliance which were required to be reported under Government Auditing Standards.

FEDERAL AWARDS

Major Program Identification

The Vermilion Parish School Board at June 30, 2002 had three federal programs that were audited as major programs:

Title I Grants to Local Education Agencies	CFDA# 84.010
Special Education Cluster:	
Special Education - Grants to States (IDEA, Part B)	CFDA# 84.027
Special Education - Preschool Grants (IDEA Preschool)	CFDA# 84.173
Temporary Assistance for Needy Families (TANF)	CFDA# 93.558

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2002

Low-Risk Auditee

The Vermilion Parish School Board was not considered a low risk auditee for the year ended June 30, 2002.

Major Program – Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended June 30, 2002.

Auditor's Report – Major Program

An unqualified opinion has been issued on the Vermilion Parish School Board's compliance for its major programs as of and for the year ended June 30, 2002.

Reportable Conditions – Major Programs

There were no reportable conditions noted during the audit of major federal programs.

Compliance Findings Related to Major Programs

The audit did not disclose any material noncompliance or questioned costs relative to the major programs.

Part II Findings Relating to an Audit in Accordance with Government Auditing Standards

There are no findings to report.

Part III Findings and Questioned Costs Relating to Federal Programs

There are no findings and questioned costs related to federal programs.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule of Prior Year Findings
For the Year Ended June 30, 2002

FOLLOW UP TO PRIOR YEAR AUDIT FINDINGS:

2001-1 Violation of Budget Law

This finding is resolved.

2001-2 Unsecured School Activity Fund Deposits

This finding is resolved.

2001-3 School Activity Funds

This finding is resolved.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Management's Corrective Action Plan
Year Ended June 30, 2002

No current year audit findings were noted, therefore, no response is necessary.

Refer to the Independent Accountant's Report on Applying Agree-Upon Procedures for management's response and corrective action plan to findings noted as part of those procedures performed.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Compensation Paid to Members of the Governing Board
Year Ended June 30, 2002

General –

The schedule of compensation paid to the school board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. The compensation of the school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute (LSA-R.S.) 17:56, the school board members have elected the monthly payment method of compensation.

The following is a summary of the monthly compensation of and changes in board members during the year ended June 30, 2002:

1. From July 1, 2001 to June 30, 2002, each board member's monthly compensation was \$800 and the president's monthly compensation was \$900.
2. Ira W. Searle, Jr. served as President from July 1, 2001 to June 30, 2002.
3. Mr. Jimmy Vice resigned his position June 19, 2002. The Board appointed Mr. Norman Duhon effective June 27, 2002.

Ira W. Searle, Jr.	\$ 10,800
Charles Campbell	9,600
Anthony J. Fontana, Jr.	9,600
Harold L. Hebert, Sr.	9,600
Carroll E. LeBlanc	9,600
Daleon Primeaux	9,600
Danny D. Richard	9,600
Jimmy Vice	9,306
Norman Duhon	107
Total	<u>\$ 77,813</u>

SUPPLEMENTAL SCHEDULES OF PERFORMANCE MEASURES



(A Corporation of Certified Public Accountants)

INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Vermilion Parish School Board
P. O. Drawer 520
Abbeville, Louisiana 70511

We have performed the procedures included in the Louisiana Governmental Audit Guide and enumerated below, which were agreed to by the management of Vermilion 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 Vermilion 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 and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

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

No classification errors were noted in the transactions that were sampled.

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Education Levels of Public School Staff (Schedule 2)

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

No differences were noted for this procedure.

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

No differences were noted for this procedure.

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.

No differences were noted for the teachers sampled in this procedure.

Number of 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).

No differences were noted for this procedure.

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

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

We noted one instance where the individual’s experience reported on the list was one year less than the experience level reflected in the personnel file.

Management’s Response and Plan of Action

The experience reflected in this employee’s payroll file and personnel record was correct. However, the experience reported on the PEP (profile of educational personnel) file was misstated by one year. The PEP system normally reads an employee’s experience from the salary schedule in the payroll file. This individual, however, was an administrator whose salary is computed manually. A clerical error was made when entering the experience information in the PEP file for reporting purposes. Procedures have been implemented to assure that in the future, the experience information is accurately reported in the PEP file.

Public Staff Data (Schedule 5)

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

We noted three instances where the individual's base salary reported on the list was lower than the actual base salary for that individual.

Management's Response and Plan of Action

The PEP system computes an employee's base salary by adding various jobs reported in the payroll file. The system had a programming error that inadvertently omitted selected extra compensation from the computation of base salary. The computer department has already begun the process of correcting this deficiency.

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

The average salaries reported in the schedule have not been revised to reflect the differences noted in procedure number seven.

Management's Response and Plan of Action

See response for Item 7.

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.

We noted two instances where the class size reported on the list was one pupil greater than the class size reflected by the roll books, however these differences did not create a classification error on the schedule.

Management's Response and Plan of Action

Both of the differences were the result of clerical errors made by school principals. For the next fiscal year, a new SIS (student information system) has been implemented which will electronically reconcile the student class sizes throughout the District. This new system should eliminate the differences reported as a result of performing this agreed upon procedure.

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

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

No differences were noted for this procedure.

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

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

No differences were noted for this procedure.

The Iowa Tests (Schedule 9)

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

No differences were noted for this procedure.

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 Vermilion 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.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Abbeville, Louisiana
November 21, 2002

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

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

General Fund Instructional and Equipment Expenditures:

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 19,826,454	
Other Instructional Staff Salaries	1,613,707	
Employee Benefits	5,013,385	
Purchased Professional and Technical Services	61,280	
Instructional Materials and Supplies	651,931	
Instructional Equipment	<u>38,297</u>	
Total Teacher and Student Interaction Activities		\$ 27,205,054

Other Instructional Activities 470,200

Pupil Support Activities	1,486,832	
Less: Equipment for Pupil Support Activities	<u>-</u>	
Net Pupil Support Activities		1,486,832

Instructional Staff Services	2,048,581	
Less: Equipment for Instructional Staff Services	<u>(6,489)</u>	
Net Instructional Staff Services		<u>2,042,092</u>

Total General Fund Instructional Expenditures \$ 31,204,178

Total General Fund Equipment Expenditures \$ 245,486

Certain Local Revenue Sources:

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 799,297
Renewable Ad Valorem Taxes	6,357,209
Debt Service Ad Valorem Taxes	242,060
Up to 1% of Collections by the Sheriff on Taxes Other Than School Taxes	195,222
Sales and Use Taxes	<u>5,621,301</u>
Total Local Taxation Revenue	<u>\$ 13,215,089</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	3,472,782
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	<u>\$ 3,472,782</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	126,303
Revenue Sharing - Other Taxes	-
Revenue Sharing - Excess Portion	12,639
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 138,942</u>

Nonpublic Textbook Revenue \$ 26,417

Nonpublic Transportation Revenue \$ 61,864

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 2 – Education Levels of Public School Staff
As of October 1, 2001

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%
Bachelor's Degree	419	72%	7	78%	-	0%	-	0%
Master's Degree	104	18%	1	11%	11	33%	-	0%
Master's Degree + 30	44	8%	-	0%	16	49%	-	0%
Specialist in Education	11	2%	-	0%	6	18%	-	0%
Ph. D. or Ed. D.	-	0%	1	11%	-	0%	-	0%
Total	578		9		33		-	

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 3 – Number and Type of Public Schools
For the Year Ended June 30, 2002

Type	Number
Elementary	11
Middle/Jr. High	3
Secondary	5
Combination	1
Total	20

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 4 – Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2001

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	1	2	1	1	8	13
Principals	-	-	-	2	1	8	9	20
Classroom Teachers	26	39	149	79	67	85	142	587
Total	26	39	150	83	69	94	159	620

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 5 – Public School Staff Data
For the Year Ended June 30, 2002

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$35,635	\$35,554
Average Classroom Teachers' Salary Excluding Extra Compensation	\$35,291	\$35,209
Number of Teacher Full-Time Equivalents (FTEs) used in Computation of Average Salaries	590.55	585.21

Note: Figures reported include all sources of funding (ie., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 6 – Class Size Characteristics
As of October 1, 2001

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34 +	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	67.4%	283	31.9%	134	0.7%	3	0.0%	-
Elementary Activity Classes	47.1%	65	26.1%	36	10.1%	14	16.7%	23
Middle / Jr. High	28.9%	124	51.5%	221	19.6%	84	0.0%	-
Middle / Jr. High Activity Classes	15.1%	13	22.1%	19	32.6%	28	30.2%	26
High	46.1%	349	38.2%	289	15.7%	119	0.0%	-
High Activity Classes	53.1%	60	17.7%	20	12.4%	14	16.8%	19
Combination	100.0%	39	0.0%	-	0.0%	-	0.0%	-
Combination Activity Classes	100.0%	3	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.

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 7 – Louisiana Educational Assessment Program

District Achievement Level Results	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	30	4%	11	1%	14	2%	19	3%	15	2%	7	1%
Proficient	149	22%	105	14%	113	16%	110	16%	71	9%	75	10%
Basic	294	43%	374	50%	298	41%	302	44%	361	48%	305	42%
Approaching Basic	164	24%	185	25%	197	27%	157	23%	181	24%	160	22%
Unsatisfactory	51	7%	80	11%	101	14%	100	15%	127	17%	175	24%
Total	688		755		723		688		755		722	

District Achievement Level Results	Science						Social Studies					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	42	6%	16	2%	6	1%	11	2%	9	1%	8	1%
Proficient	132	19%	77	10%	89	12%	73	11%	76	10%	74	10%
Basic	339	49%	339	45%	341	47%	373	54%	372	49%	343	48%
Approaching Basic	143	21%	256	34%	192	27%	157	23%	186	25%	180	25%
Unsatisfactory	32	5%	67	9%	94	13%	74	11%	112	15%	117	16%
Total	688		755		722		688		755		722	

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 7 – Louisiana Educational Assessment Program (Continued)

District Achievement Level Results	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	14	2%	2	0%	6	1%	12	2%	20	3%	10	2%
Proficient	102	16%	112	17%	131	20%	18	3%	27	4%	25	4%
Basic	228	35%	264	40%	281	42%	240	35%	329	48%	335	50%
Approaching Basic	262	40%	225	34%	208	31%	228	34%	170	25%	140	21%
Unsatisfactory	42	6%	51	8%	41	6%	180	27%	146	21%	156	23%
Total	648		654		667		678		692		666	

District Achievement Level Results	Science						Social Studies					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	11	2%	3	0%	5	1%	6	1%	2	0%	5	1%
Proficient	124	19%	102	16%	128	19%	63	10%	84	13%	78	12%
Basic	255	40%	291	45%	262	39%	328	51%	322	50%	328	49%
Approaching Basic	187	29%	172	27%	180	27%	154	24%	153	24%	153	23%
Unsatisfactory	64	10%	80	12%	91	14%	90	14%	87	13%	102	15%
Total	641		648		666		641		648		666	

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 8 – The Graduate Exit Exam

District Achievement Level Results	English Language Arts						Mathematics					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	4	1%	2	0%	N/A	N/A	47	8%	34	6%	N/A	N/A
Proficient	92	16%	75	13%	N/A	N/A	90	15%	90	16%	N/A	N/A
Basic	265	45%	268	46%	N/A	N/A	242	40%	241	42%	N/A	N/A
Approaching Basic	156	27%	142	25%	N/A	N/A	95	16%	80	14%	N/A	N/A
Unsatisfactory	68	12%	90	16%	N/A	N/A	136	22%	131	23%	N/A	N/A
Total	585		577				610		576			

District Achievement Level Results	Science						Social Studies					
	2002		2001		2000		2002		2001		2000	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	18	3%	N/A	N/A	N/A	N/A	2	0%	N/A	N/A	N/A	N/A
Proficient	98	18%	N/A	N/A	N/A	N/A	45	8%	N/A	N/A	N/A	N/A
Basic	209	38%	N/A	N/A	N/A	N/A	286	52%	N/A	N/A	N/A	N/A
Approaching Basic	140	25%	N/A	N/A	N/A	N/A	120	22%	N/A	N/A	N/A	N/A
Unsatisfactory	86	16%	N/A	N/A	N/A	N/A	98	18%	N/A	N/A	N/A	N/A
Total	551						551					

VERMILION PARISH SCHOOL BOARD
Abbeville, Louisiana

Schedule 9 – The IOWA Tests

	Composite		
	2002	2001	2000
Test of Basic Skills (ITBS)			
Grade 3	59	61	50
Grade 5	53	52	48
Grade 6	53	52	51
Grade 7	51	50	51
Tests of Educational Development (ITED)			
Grade 9	52	54	50

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