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**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

*Comprehensive Annual Report*

*Year Ended June 30, 1997*

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

Release Date 2-18-98

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

*Comprehensive Annual Report*

*Year Ended June 30, 1997*

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

June 30, 1997

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**INTRODUCTORY SECTION**

TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA

June 30, 1997

SCHOOL BOARD MEMBERS

Mr. Roland Henry, Jr., President

Mr. Donald Verret, Vice-President

Rev. Arthur V. Verrett, Jr.  
Mr. Donald "Don" Duplantis  
Mr. Clark J. Bonvillain  
Mr. Michael McIntire  
Mr. Hayes Badeaux, Jr.  
Mr. Roger Dale DeHart  
Mr. Charlie Vandercook  
Mr. Rickie Pitre  
Mr. Todd A. Pellegrin  
Mrs. Frances Modisette  
Mr. Nelson Kramer, Jr.

OFFICIALS

Dr. Frank D. Fudesco  
Superintendent

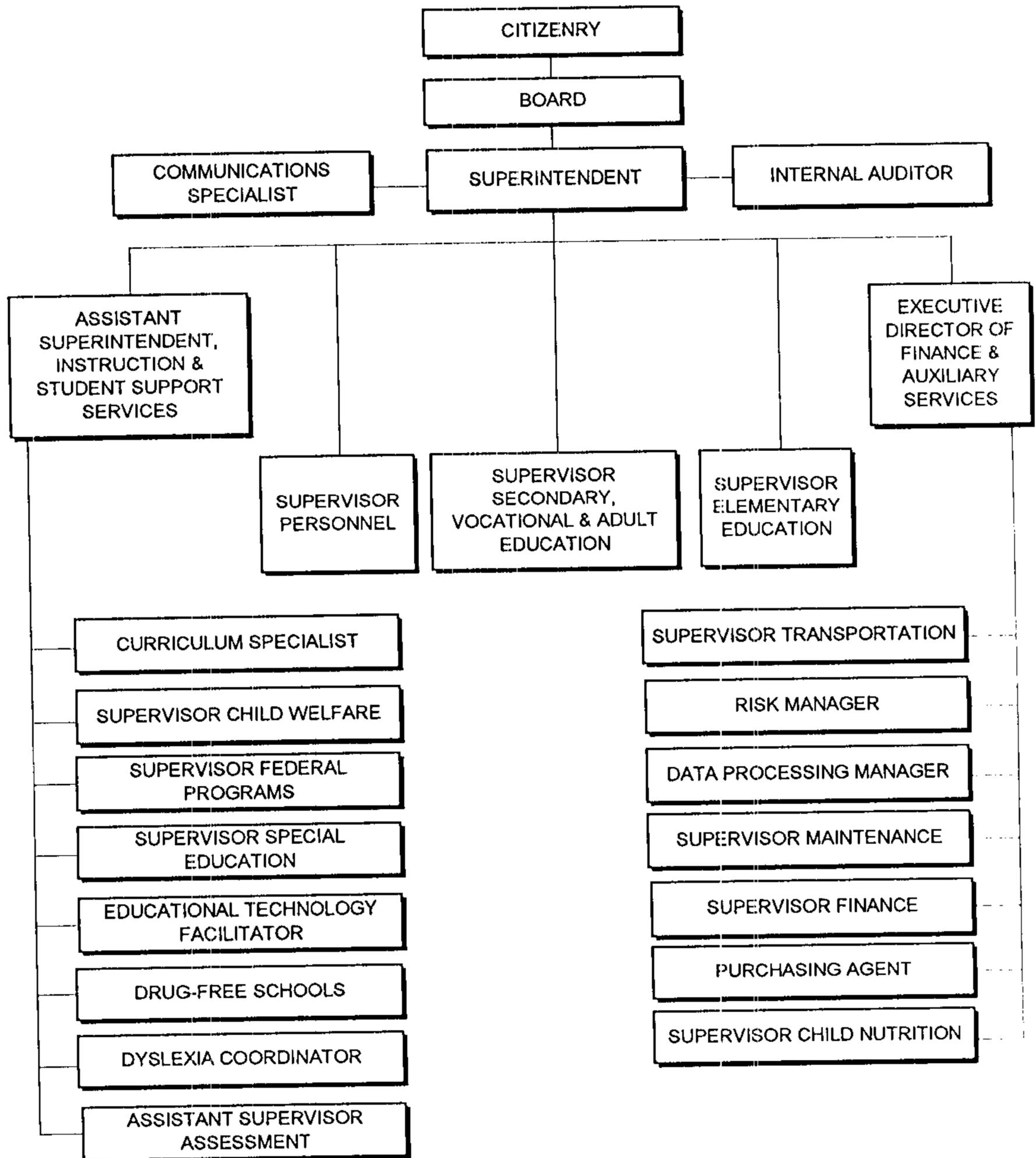
Mr. James Charles  
Assistant Superintendent,  
Instruction & Student Support Services

Mr. Harris Henry  
Executive Director of Finance & Auxiliary Services

TERREBONNE PARISH PUBLIC SCHOOLS

CONDENSED TABLE OF ORGANIZATION

June 30, 1997



**FINANCIAL SECTION**

833 LITTLE BAYOU BLACK  
P. O. BOX 3695  
HOUMA, LOUISIANA 70361-3695  
TELEPHONE (504) 851-0883  
FAX (504) 851-3014  
email mdbcpcpa@cajun.net

**Bergeron & Lanaux**  
— CERTIFIED PUBLIC ACCOUNTANTS —  
A PROFESSIONAL CORPORATION

CLAUDE E. BERGERON, CPA  
THOMAS J. LANAUX, CPA  
MICHAEL D. BERGERON, CPA

INDEPENDENT AUDITOR'S REPORT

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited the accompanying general purpose financial statements of the Terrebonne Parish School Board as of and for the year ended June 30, 1997, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the Terrebonne Parish School System's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as disclosed in the next paragraph, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 general purpose 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.

As described in Note 1(g) and Note 8 to the financial statements, the School Board established the *General Fixed Asset Account Group* to account for fixed assets used in the governmental fund type operations. During the prior fiscal year, the School Board completed a physical inventory listing of land and improvements, buildings, furniture and equipment, and vehicles. The School Board is also in the process of establishing a system of internal controls over fixed assets, but at this time, *sufficient controls are not in place to enable us to efficiently audit furniture and equipment presented in the General Fixed Asset Account Group.*

As discussed in Note 1(g) and Note 8 to the financial statements, the School Board has reported buildings in the *General Fixed Asset Account Group* at insured values rather than at historical cost as required under generally accepted accounting principles. The effects of this departure on the financial statements cannot be reasonably determined.

In our opinion, except for the effects of any adjustments that might have resulted if the scope of our examination had not been limited by our inability to obtain sufficient evidence regarding the completeness and valuation of furniture and equipment, and if buildings were valued at historical cost, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Terrebonne Parish School Board as of June 30, 1997, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated November 18, 1997, on our consideration of the Terrebonne Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Terrebonne Parish School Board, taken as a whole. The combining and individual fund and account group financial statements and schedules listed under the Supplementary Information Section 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 Terrebonne Parish School Board. Also, 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.

*Bergeron & Lanoux*

November 18, 1997

	Account Group		(Memorandum Only) Total
	General Fixed Asset Account Group	General Long-Term Debt	
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ 24,069,278
Cash with fiscal agents	-	-	47,386
Investments - at cost	-	-	80,562
Receivables:			
Ad valorem tax	-	-	7,925
Sales and use tax	-	-	2,358,874
Rentals, leases and royalties	-	-	102,348
Other receivables	-	-	66,365
Due from other funds	-	-	4,958,577
Due from other governmental units:			
State Department of Education	-	-	1,866,715
United States Department of Education	-	-	54,796
Other units	-	-	406,030
Deposits	-	-	245
Inventory, at cost	-	-	275,887
Prepaid expenses	-	-	366,577
Fixed Assets (net of \$111,134 accumulated depreciation)	160,906,676	-	161,250,034
Amount available in Debt Service Funds	-	430,010	430,010
Amount to be provided for retirement of general long-term debt	-	14,957,843	14,957,843
Amount to be provided for payment of judgments	-	838,529	838,529
<b>Total assets</b>	<b>\$ 160,906,676</b>	<b>\$ 16,226,382</b>	<b>\$ 212,137,981</b>

See accompanying notes to combined financial stat

COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUP, CONTINUED  
Terrebonne Parish School Board

June 30, 1997

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type Agency Funds	Account Group		(Memorandum Only) Total
	General	Special Revenues	Debt Service	Capital Projects	Enterprise Fund	Internal Service Funds		General Fixed Asset Account Group	Long-Term Debt	
<b>LIABILITIES</b>										
Accounts payable	\$ 368,271	\$ 1,338,279	-	\$ 95,278	\$ 14,727	\$ 150,192	-	\$ -	-	\$ 1,966,747
Accrued salaries	9,509,175	176,120	-	-	-	-	-	-	-	9,509,175
Accrued employee benefits	2,195,173	-	-	-	-	2,613,887	-	-	-	4,985,180
Payroll deductions payable	665,190	-	-	-	-	-	-	-	-	665,190
Due to other funds	368,014	4,590,563	-	-	-	-	-	-	-	4,958,577
Due to other governments	-	5,275	-	-	-	-	-	-	-	5,275
Deferred revenues	4,798	44,992	-	-	-	-	-	-	-	49,790
Other liabilities:	4,398	-	-	-	573	11,381	1,053,182	-	-	1,069,534
Matured bonds/interest payable	-	-	2,386	-	-	-	-	-	-	2,386
Accrued compensated absences	-	-	-	-	-	-	-	-	-	5,031,678
General obligation bonds payable	-	-	-	-	-	-	-	-	-	10,355,000
Capital leases payable	-	-	-	-	-	-	-	-	-	1,175
Estimated liability for judgments	-	-	-	-	-	-	-	-	-	838,529
Total liabilities	13,115,019	6,155,229	2,386	95,278	15,300	2,775,460	1,053,182	-	838,529	39,438,236
<b>FUND EQUITY</b>										
Contributed capital	-	-	-	-	-	-	-	-	-	-
Investment in General Fixed Assets	-	-	-	-	376,729	-	-	160,906,676	-	376,729
Retained earnings:										
Unreserved:	-	-	-	-	-	-	-	-	-	160,906,676
Designated for uninsured losses	-	-	-	-	-	298,177	-	-	-	298,177
Designated for insurance	-	-	-	-	(2,783)	1,286,208	-	-	-	1,286,208
Undesignated	-	-	-	-	-	-	-	-	-	(2,783)
Fund balance:										
Reserved:										
Advance to Assessor's	-	-	-	-	-	-	-	-	-	-
Salary Fund	216,873	76,450	-	-	-	-	-	-	-	216,873
Employee compensation	-	346,492	-	-	-	-	-	-	-	76,450
Capital contracts	-	100	-	123,169	-	-	-	-	-	469,661
Deposits	-	-	-	-	-	-	-	-	-	100
Debt service	3,136	-	430,010	-	-	-	-	-	-	433,146
Technology	-	7,103	-	-	-	-	-	-	-	7,103
Unreserved:										
Designated:										
Subsequent year's expenditures	-	276,932	-	-	-	-	-	-	-	276,932
Capital contracts	-	101,635	-	675,013	-	-	-	-	-	776,648
Instructional programs	-	1,142,309	-	-	-	-	-	-	-	1,142,309
Technology	-	986,551	-	-	-	-	-	-	-	986,551
Undesignated	4,725,261	723,704	-	-	-	-	-	-	-	5,448,965
Total fund equity	4,945,370	3,661,176	430,010	798,182	373,946	1,584,385	-	160,906,676	-	172,699,745
Total liabilities and fund equity	\$ 18,060,389	\$ 9,816,405	\$ 432,396	\$ 893,460	\$ 389,246	\$ 4,359,845	\$ 1,053,182	\$ 160,906,676	\$ 16,226,382	\$ 212,137,981

See accompanying notes to combined financial statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

Terrebonne Parish School Board  
For the Year Ended June 30, 1997

	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only) Total
<b>REVENUES</b>					
Local sources:					
Ad valorem tax	\$ 2,672,192	\$ -	\$ 2,757,229	\$ -	\$ 5,429,421
Sales and use tax	4,530,391	22,119,016	-	-	26,649,407
Deductions from parish taxes (1%) for contribution to Teachers Retirement	293,260	-	-	-	293,260
Rents, leases, royalties	1,234,359	-	-	-	1,234,359
Tuition	265,084	19,723	-	-	284,807
Interest earned	689,048	186,072	31,768	38,326	945,214
Other local revenue	19,191	1,211,553	-	-	1,230,744
State sources:					
Equalization	47,686,576	1,023,508	-	-	48,710,084
Revenue sharing	238,358	-	-	-	238,358
Professional Imp. Program Support	658,724	-	-	-	658,724
Contribution to Teachers Ret. System	89,668	-	-	-	89,668
Other state grants	553,550	578,497	-	-	1,132,047
Federal sources	37,994	12,194,995	-	-	12,232,989
<b>Total revenues</b>	<b>58,968,395</b>	<b>37,333,364</b>	<b>2,788,997</b>	<b>38,326</b>	<b>99,129,082</b>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Regular	\$ 28,458,248	\$ 6,449,583	\$ -	\$ -	\$ 34,907,831
Special	10,458,494	2,281,003	-	-	12,739,497
Adult education	6,600	265,394	-	-	271,994
Vocational education	1,870,924	710,048	-	-	2,580,972
Other programs	1,625,402	5,590,312	-	-	7,215,714
Support services:					
Student services	2,120,622	1,761,296	-	-	3,881,918
Instructional staff	2,458,705	1,893,853	-	-	4,352,558
General Administration	1,010,015	290,469	134,540	500	1,435,524
School Administration	4,420,566	595,238	-	-	5,015,804
Business services	844,186	148,609	640	647	994,082
Plant Services	6,506,496	624,970	-	-	7,131,466
Food Service	42,545	6,692,679	-	-	6,735,224
Student transportation	4,627,181	434,528	-	-	5,061,709
Central services	426,165	47,765	-	-	473,930
Community services	2,345	133,309	-	-	135,654
Facilities acquisition	609,887	906,250	-	1,119,651	2,635,788
Debt Service:					
Principal retirement	-	-	2,165,000	-	2,165,000
Interest and bank charges	-	-	605,206	-	605,206
<b>Total expenditures</b>	<b>65,488,381</b>	<b>28,825,306</b>	<b>2,905,386</b>	<b>1,120,798</b>	<b>98,339,871</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(6,519,986)</b>	<b>8,508,058</b>	<b>(116,389)</b>	<b>(1,082,472)</b>	<b>789,211</b>

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, CONTINUED  
Terrebonne Parish School Board  
For the Year Ended June 30, 1997

	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only) Total
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in	8,484,425	1,918,537	-	903,254	11,306,216
Operating transfers out:					
1% Sales Tax Fund:					
Roof replacement	(340,617)	-	-	-	(340,617)
Salaries and benefits	(174,863)	-	-	-	(174,863)
Salaries - Bayou Charter School	(23,039)	-	-	-	(23,039)
Other transfers	(2,256,234)	(8,636,463)	-	-	(10,892,697)
Indirect costs (paid)	216,053	(216,053)	-	-	-
Other sources (uses)	79,925	1,806	-	-	81,731
Total other financing sources (uses)	5,985,650	(6,932,173)	-	903,254	(43,269)
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	(534,336)	1,575,885	(116,389)	(179,218)	745,942
<u>FUND BALANCES</u>					
Beginning of year	5,396,525	2,168,472	546,399	977,400	9,088,796
Equity transfers	83,181	(83,181)	-	-	-
End of year	<u>\$ 4,945,370</u>	<u>\$ 3,661,176</u>	<u>\$ 430,010</u>	<u>\$ 798,182</u>	<u>\$ 9,834,738</u>

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES FUND BALANCE  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS**  
Terrebonne Parish School Board  
For the Year Ended June 30, 1997

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Local sources:						
Ad valorem tax	\$ 2,704,180	\$ 2,672,192	\$ (31,988)	\$ -	\$ -	\$ -
Sales and use tax	4,441,587	4,530,391	88,804	21,855,583	22,119,016	263,433
Deductions from parish taxes (1%) for contribution to Teachers Retirement System	293,500	293,260	(240)	-	-	-
Rents, leases, royalties	1,199,922	1,234,359	34,437	-	-	-
Tuition	269,551	265,084	(4,467)	20,700	19,723	(977)
Interest earned	670,000	689,048	19,048	177,360	186,072	8,712
Other local revenue	19,729	19,191	(538)	1,211,975	1,211,553	(422)
State sources:						
Equalization	47,686,576	47,686,576	-	1,023,508	1,023,508	-
Revenue sharing	238,358	238,358	-	-	-	-
Professional Improvement Program Support	660,167	658,724	(1,443)	-	-	-
Contribution to Teachers' Retirement System	90,540	89,668	(872)	-	-	-
Other state grants	406,981	553,550	146,569	581,635	578,497	(3,138)
Federal sources	39,000	37,994	(1,006)	12,277,524	12,194,995	(82,529)
Total revenues	58,720,091	58,968,395	248,304	37,148,285	37,333,364	185,079
<b>EXPENDITURES</b>						
Current:						
Instruction:						
Regular	28,309,530	28,458,248	(148,718)	7,337,534	6,449,583	887,951
Special	10,439,933	10,458,494	(18,561)	2,332,630	2,281,003	51,627
Adult education	6,889	6,600	289	266,439	265,394	1,045
Vocational education	1,847,160	1,870,924	(23,764)	762,513	710,048	52,465
Other programs	1,631,831	1,625,402	6,429	5,559,576	5,590,312	(30,736)
Support services:						
Student services	2,088,418	2,120,622	(32,204)	1,771,951	1,761,296	10,655
Instructional staff	2,475,250	2,458,705	16,545	1,937,048	1,893,853	43,195
General administration	998,876	1,010,015	(11,139)	289,009	290,469	(1,460)
School administration	4,384,860	4,420,566	(35,706)	599,506	595,238	4,268

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES FUND BALANCE  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS, CONTINUED  
Terrebonne Parish School Board  
For the Year Ended June 30, 1997

	General Fund			Special Revenue Funds			Variance Favorable (Unfavorable)
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
Business services	862,220	844,186	18,034	145,708	148,609	(2,901)	
Plant services	6,361,969	6,506,496	(144,527)	637,910	624,970	12,940	
Food service	42,545	42,545	-	7,046,405	6,692,679	353,726	
Student transportation	4,524,311	4,627,181	(102,870)	438,907	434,528	4,379	
Central services	434,138	426,165	7,973	53,562	47,765	5,797	
Community services	2,395	2,345	50	141,174	133,309	7,865	
Facilities acquisition	634,341	609,887	24,454	907,039	906,250	789	
Total expenditures	65,044,666	65,488,381	(443,715)	30,226,911	28,825,306	1,401,605	
Excess (deficiency) of revenues over expenditures	(6,324,575)	(6,519,986)	(592,019)	6,921,374	8,508,058	1,586,684	
<u>OTHER FINANCING SOURCES (USES)</u>							
Operating transfers in	8,369,000	8,484,425	115,425	1,915,738	1,918,537	(2,799)	
Operating transfers out	(3,278,292)	(2,794,753)	483,539	(8,218,283)	(8,536,463)	(418,180)	
Indirect costs received (paid)	220,249	216,053	(4,196)	(220,072)	(216,053)	4,019	
Other sources (uses)	30,600	79,925	49,325	2,555	1,806	(749)	
Total other financing sources (uses)	5,341,557	5,985,650	644,093	(6,520,062)	(6,932,173)	(412,111)	
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	(983,018)	(534,336)	(1,536,112)	401,312	1,575,885	1,174,573	
<u>FUND BALANCES</u>							
Beginning of year	5,396,525	5,396,525	-	2,168,472	2,168,472	-	
Equity transfers:							
Incoming (Outgoing)	424,798	83,181	(341,617)	(394,818)	(83,181)	311,637	
End of year	\$ 4,838,305	\$ 4,945,370	\$ (994,495)	\$ 2,174,966	\$ 3,661,176	\$ 1,486,210	

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL - DEBT SERVICE AND CAPITAL PROJECTS FUNDS

Terrebonne Parish School Board  
 For the Year Ended June 30, 1997

	Debt Service		Capital Projects Funds		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>REVENUES</b>					
Local sources:					
Ad valorem tax	\$ 2,787,632	\$ 2,757,229	\$ -	\$ -	\$ -
Interest earned	31,670	31,768	38,326	38,326	-
Total revenues	2,819,302	2,788,997	38,326	38,326	-
<b>EXPENDITURES</b>					
Current:					
Support services:					
General Administration	134,540	134,540	500	500	-
Business services	645	640	647	647	-
Facilities acquisition	-	-	1,119,651	1,119,651	-
Debt service	2,771,705	2,770,206	-	-	-
Total expenditures	2,906,890	2,905,386	1,120,798	1,120,798	-
Excess (deficiency) of revenues over expenditures	(87,588)	(116,389)	(1,082,472)	(1,082,472)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	-	903,254	903,254	-
Total other financing sources (uses)	-	-	903,254	903,254	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	(87,588)	(116,389)	(179,218)	(179,218)	-
<b>FUND BALANCES</b>					
Beginning of year	546,399	546,399	977,400	977,400	-
End of year	\$ 458,811	\$ 430,010	\$ 798,182	\$ 798,182	\$ -

COMBINED STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
Terrebonne Parish School Board  
For the Year Ended June 30, 1997

	Enterprise Fund	Internal Service Funds	Total
<u>OPERATING REVENUES</u>			
Property Rentals	\$ 54,588	\$ -	\$ 54,588
Other	830	-	830
Total operating revenues	<u>55,418</u>	<u>-</u>	<u>55,418</u>
<u>OPERATING EXPENSES</u>			
General administration	21,626	-	21,626
Purchased services	8,183	-	8,183
Insurance	5,336	-	5,336
Depreciation	13,664	-	13,664
Total operating expenses	<u>48,809</u>	<u>-</u>	<u>48,809</u>
Operating revenues	<u>6,609</u>	<u>-</u>	<u>6,609</u>
<u>NON-OPERATING REVENUES</u>			
Interest earned	-	217,161	217,161
Insurance premium billings	-	11,312,267	11,312,267
Total non-operating revenues	<u>-</u>	<u>11,529,428</u>	<u>11,529,428</u>
<u>NON-OPERATING EXPENSES</u>			
Claims expense	-	(11,318,654)	(11,318,654)
Reinsurance and administrative fees	-	(1,950,213)	(1,950,213)
Total non-operating expenses	<u>-</u>	<u>(13,268,867)</u>	<u>(13,268,867)</u>
Income before operating transfers	6,609	(1,739,439)	(1,732,830)
<u>OPERATING TRANSFERS</u>			
Operating transfers in	-	125,000	125,000
Net income	<u>6,609</u>	<u>(1,614,439)</u>	<u>(1,607,830)</u>
<u>RETAINED EARNINGS</u>			
Beginning of year	5,608	3,198,824	3,204,432
Residual equity transfer	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
End of year	<u>\$ (2,783)</u>	<u>\$ 1,584,385</u>	<u>\$ 1,581,602</u>

See accompanying notes to combined financial statements.

COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES  
Terrebonne Parish School Board  
For the Year Ended June 30, 1997

	Enterprise	Internal Service
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from rentals	\$ 54,588	\$ -
Cash paid for operating expenses	(28,199)	-
Other operating revenues	830	-
Interest income	67	-
Cash provided (used) by operating activities	<u>27,286</u>	<u>-</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Premiums collected, received or recovered	-	11,339,628
Claim expenses paid	-	(10,628,823)
Reinsurance and administrative fees paid	-	(1,766,528)
Operating transfers from other funds	-	125,000
Residual equity transfer to other funds	(15,000)	-
Cash provided (used) by non-capital financing activities	<u>(15,000)</u>	<u>(930,723)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest income	-	218,370
Cash provided (used) by investing activities	<u>-</u>	<u>218,370</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Purchases of equipment	(4,800)	-
Cash provided (used) by capital and related financing activities	<u>(4,800)</u>	<u>-</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	7,486	(712,353)
<u>CASH AND CASH EQUIVALENTS AT</u>		
Beginning of year	35,466	4,949,117
End of year	<u>\$ 42,952</u>	<u>\$ 4,236,764</u>
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTED OF</u>		
Cash	\$ 7,952	\$ 4,191,764
Cash with fiscal agent	-	45,000
Investments	35,000	-
	<u>\$ 42,952</u>	<u>\$ 4,236,764</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	\$ 6,609	
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	13,664	
Change in assets and liabilities:		
Interest receivable	67	
Prepaid expenses	50	
Accounts payable and other liabilities	6,896	
Total adjustments	<u>20,677</u>	
Cash provided (used) by operating activities	<u>\$ 27,286</u>	

See accompanying notes to combined financial statements.

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Terrebonne Parish School Board

June 30, 1997

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Exhibit 7

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish School Board

June 30, 1997

1) REPORTING ENTITY

The Terrebonne Parish School Board (School Board) is a legislative body created under Louisiana Revised Statute 17:51. The School Board has the power to make rules and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the State Board of Elementary and Secondary Education. The School Board consists of fifteen members elected by Districts. The School Board is authorized to establish public schools as it deems necessary to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed and to determine local supplements to their salaries. Accordingly, the School Board is defined as a primary government that meets the criteria as defined by governmental accounting standards. It has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments.

For financial reporting purposes, in conformance with governmental accounting standards, the School Board includes all funds, account groups, agencies and boards that are within the oversight responsibility of the School Board.

The School Board is composed of a central office, 40 schools, and two educational support facilities. Student enrollment for the 1996/1997 year is approximately 20,868 regular and special education students. The School Board employs approximately 2,400 persons of which 2,080 are directly involved in the instructional and instructional support process. The remainder provide ancillary support such as general administration, repair and maintenance, bus transportation, etc. The regular school term normally begins during the latter half of August and runs until late May.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the School Board conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of certain significant accounting policies:

a) Basis of Presentation - Fund Accounting:

The accounts of the School Board are organized on the basis of funds and account groups, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds and account groups in the financial statements are grouped into six generic fund types, three broad fund categories and two account groups as follows.

Governmental Funds

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use, and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

General Fund - The General Fund is the primary operating fund of the School Board and receives most of the revenues derived by the School Board from local sources (principally property and sales taxes) and state sources (principally equalization funding). General Fund expenditures represent the costs of general school system operations and include functional categories of instructional and support services. The General Fund is used to account for all financial resources and expenditures except those that are 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 major capital projects) that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to federal and state grants and entitlement programs for various educational objectives.

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

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those projects financed by the proprietary fund).

#### Proprietary Funds

Proprietary Funds are used to account for the School Board's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies on a cost-reimbursement basis.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

#### Fiduciary Funds

Fiduciary Funds are used to account for assets held by the School Board in a trustee or agency capacity.

Agency Funds - Agency Funds are maintained to account for cash held by the School Board as an agent. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of the results of operations.

#### Account Groups

The School board maintains two account groups to establish accounting control and accountability for the School Board's general fixed assets and general long-term debt as follows:

General Fixed Assets - This account group is established to account for all fixed assets of the School Board other than those accounted for in proprietary funds.

General Long-Term Debt - This account group is established to account for general obligation indebtedness and all other long-term obligations of the School Board expected to be financed from governmental funds.

b) Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All Governmental and Agency Funds are accounted for using the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available as current assets. Expenditures are generally recognized when the liability is incurred if it is expected to be paid within the next twelve months, except for sabbatical leave and retirement hospitalization insurance benefits which are recorded when paid. Liabilities expected to be paid after twelve months are recorded in the general long-term debt account group.

The accrual basis of accounting is applied in the Proprietary Funds. Revenues are recognized when earned and expenses are recognized when they are incurred.

Revenues from local sources consist primarily of property taxes and sales taxes. Property tax revenues are recognized under the susceptible to accrual concept in accordance with governmental accounting standards, "Revenue Recognition of Property Taxes". Sales taxes are considered "measurable" when in the hands of the intermediary collecting agencies and are recognized as revenue at that time. Charges for services are recorded when earned since they are measurable and available. Other revenues from local sources consist principally of interest income which is reported as revenue when earned.

Revenues from federal and state grants and entitlement payments which are restricted as to the purpose of expenditure are recognized as earned when the related program expenditures are incurred. Funds received, but not yet earned, are reported as deferred revenues.

Revenues from state grants and entitlement payments which are unrestricted as to the purpose of expenditure are recognized when received.

c) Operating Budgetary Data and Encumbrances:

State law requires that parish school boards adopt a budget of expected revenues and probable expenditures not later than September 15. The proposed budgets for the fiscal year beginning July 1, 1996, and ending June 30, 1997, were presented to the Board Finance Committee and made available for public inspection on July 1, 1996. Pursuant to publication of a public notice on July 1, 1996, public hearings were conducted and the Board adopted such budgets on August 6, 1997. Subsequent to adoption, an appropriate public notice was published in the official journal. The General Fund Budget was approved by the State Department of Education by letter dated October 15, 1996.

The budget was prepared on the modified accrual basis of accounting and included proposed expenditures and means of financing them. Formal budgetary integration within the accounting records is employed to facilitate management control. Budget amounts included in the accompanying financial statements include the original adopted budgets and all subsequent board approved amendments thereto. Budget amounts which are not expended or obligated through contract lapse at year end.

The budget resolution defines by generic fund type the authority of the board and its principal operating officers to effect amendments to the original operating budgets. As it relates to the General Operating Fund, the Superintendent and Director of Finance, jointly, are authorized to reallocate amounts within internal functional areas. Budgets for state and federal special revenue funds are approved by the appropriate regulatory authority and subsequently adopted by the board; expenditures may not exceed budgeted amounts unless a budget revision is approved by the regulatory authority. Encumbrance accounting practices, under which contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed in the special revenue funds to control program expenditures. Encumbrances outstanding at year end are reported as reservations of fund balances because they do not constitute expenditures or liabilities.

State law provides that when actual revenues within a fund are failing to meet estimated annual budgeted revenues, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment shall be adopted by the board in an open meeting.

d) Cash and Investments:

Excess cash balances of all funds are invested to the extent possible in direct obligations of the United States Government, certificates of deposit and other allowable short-term obligations. Interest bearing checking accounts are used to the extent possible. Investments are stated at cost, which approximates market. Investments are secured through the pledge of bank-owned securities or Federal deposit insurance. Under state law, the School Board may invest in obligations of the State of Louisiana or any board, commission or divisions thereof, bonds of any parish, school board, or municipality, and bonds or obligations of the United States.

e) Cash Equivalents:

For purposes of the Statement of Cash Flows (Exhibit 6), all investments in proprietary funds with an original maturity date of 3 months or less are considered cash equivalents.

f) Inventory:

Inventories of the School Food Service Fund are valued at cost using the average cost method of accounting. Inventories consist of purchased food, lunchroom materials, supplies and donated commodities. Such inventories are recorded as an expense at the time individual inventory items are used utilizing the consumption method.

g) Fixed Assets:

Proprietary Funds

Fixed assets acquired for proprietary funds are capitalized in the respective funds to which it applies. Property, plant, and equipment are stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of exhaustible fixed assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds' balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line and accelerated methods of depreciation.

### General Fixed Assets

The School Board established the General Fixed Asset Account Group during the fiscal year ended June, 30 1996 to account for fixed assets used in governmental fund type operations. Prior to 1996, the School Board did not maintain comprehensive, integrated and detailed subsidiary records, other than for federal programs, and, accordingly, a General Fixed Asset Account Group was not maintained. The School Board completed a physical inventory listing of land, land improvements and buildings. The inventory of furniture and equipment was also completed and includes computer and data processing equipment, instructional equipment, and other furniture and equipment. An inventory of vehicles was completed from the vehicle insurance listing and from transportation property records.

Land, land improvements, furniture and equipment, and vehicles are stated at cost. Where cost of furniture and equipment could not be determined from available records, estimated historical cost was used. Buildings are stated at insured values for property acquired or improved prior to June 30, 1996 since records are not available or are not readily accessible to determine historical cost. Subsequent additions are recorded at cost. The effects on the financial statements of this departure from generally accepted accounting principles cannot be determined. Sufficient supporting documentation does not exist at this time to verify the valuation or completeness of the furniture and equipment inventory so amounts presented in the General Fixed Assets Account Group are unaudited.

All future acquisitions of general fixed assets will be recorded at cost. No interest has been capitalized.

#### h) Compensated Absences:

The School Board has two types of compensated absences which accumulate or vest as follows:

1. Sick Leave - Upon the beginning of a new year, each employee is entitled to one day of sick leave per month employed in a fiscal year, with a minimum of ten days allowed per year. Sick leave may be accumulated without limit; however, employees are reimbursed only for accumulated sick leave up to twenty-five days upon death or retirement. Sick leave benefits are accrued in the period in which earned at the most recent base rate of pay, exclusive of supplemental pay.

3) CASH AND INVESTMENTS

a) Cash

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. School Board deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. The pledged securities are held in the name of the pledging bank in a custodial financial institution. While securities pledged in such a manner are considered uncollateralized under provisions of the Governmental Accounting Standards Boards' Statement Three, Louisiana law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of notice by the School Board that the fiscal agent bank has failed to pay deposited funds upon demand.

Balances at June 30, 1997 were as follows:

Credit Risk Category	<u>Carrying Balances</u>	<u>Bank Balances</u>
(1) Insured or collateralized by securities held by the School System or its agent in the School System's name	\$ 190,338	\$ 190,338
(2) Collateralized with securities held by the pledging institution's trust department in the School System's name	-	-
(3) Uncollateralized or collateralized with securities held by the pledging institution, but not in the School System's name	<u>24,006,888</u>	<u>25,805,575</u>
Totals	<u>\$ 24,197,226</u>	<u>\$ 25,995,913</u>

At year end, cash and certificates of deposit consisted of the following:

Cash	\$ 24,069,278
Cash with fiscal agents	47,386
Certificates of deposit classified as investments	80,562
	\$ 24,197,226

Included in cash on the balance sheet, are repurchase agreements in the amount of \$24,811,000, collateralized by United States government agency securities.

b) Investments:

The School Board may invest idle funds as authorized by Louisiana Statutes, as follows:

- (a) United States bonds, treasury notes, certificates, or any other federally insured investments.
- (b) Time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana.
- (c) Mutual or trust funds, which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940 and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

The School Board's investments are categorized below to give an indication of the level of risk assumed at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the School Board or its agent in the School Board's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School Board's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the School Board's name.

Balances at June 30, 1997 were as follows:

Securities Type	Credit Risk Category			Carrying Amount	Market Value
	1	2	3		
Certificates of deposit	\$ 80,562	\$ -	\$ -	\$ 80,562	\$ 80,562

4) SALES AND USE TAX

Sales taxes accrued at year end represent those amounts that are both measurable and available. The tax payments are collected by the Parish of Terrebonne, Sales and Use Tax Department, and are remitted to the School Board.

- a) The School Board levies a one-third of one percent sales and use tax, with the receipts deposited in the General Operating Fund; the tax is dedicated to the payment of salaries of teachers and other board employees. This revenue was \$4,530,391 for the year ended June 30, 1997.
- b) The School Board also levies a three-quarters of one percent sales and use tax with the receipts being deposited in the 3/4 Cent Sales Tax Special Revenue Fund of 1975. This revenue was \$10,193,380 for the year ended June 30, 1997. These sales tax proceeds are dedicated and used as follows:

Fifty percent of the net tax collections and all interest earned on fund investments are used to assist in the payment of salaries and employee benefits.

Thirty percent of the net tax collections are for acquiring, constructing, and installing air conditioning equipment and facilities in the public schools and payment of the costs and expenses of operating utilities, maintenance and operations, replacement of equipment, and assistance to the maintenance and operation of the entire physical plant of the Terrebonne Parish School System. In addition, the ordinance allows the sales tax to fund bonds used for the purpose of acquiring, constructing, and installing air conditioning equipment and facilities.

Twenty percent of the tax revenues are for the costs and expenses of an instructional program for the Terrebonne Parish Public School System based upon individual school budgets established upon a minimum allocation of \$20 per elementary student and \$25 per secondary student to purchase instructional materials, supplies, and/or equipment for such schools.

Operating transfers are made from these allocations to the General Operating Fund and other funds. In any fiscal year in which the dedicated expenditures described above exceed the current year's allocated revenue, equity transfers may include such additional amounts as are necessary and available to fund fully such expenditures. Such transfers for the year ended June 30, 1997 are delineated in the following analysis of changes in the fund balances of the 3/4 cent Sales Tax Special Revenue Fund.

<u>Changes in Fund Balance</u>	<u>Total</u>	<u>Salaries &amp; Fringe Benefits</u>	<u>Plant Operations &amp; Debt Service</u>	<u>Instructional Programs</u>
<b>Revenues</b>				
Sales and use tax	\$ 10,193,380	\$ 5,096,690	\$ 3,058,014	\$ 2,038,676
Interest earned	89,114	89,114	-	-
Total revenues	<u>10,282,494</u>	<u>5,185,804</u>	<u>3,058,014</u>	<u>2,038,676</u>
<b>Expenditures</b>				
	<u>1,380,028</u>	<u>62,414</u>	<u>37,448</u>	<u>1,280,166</u>
Revenues over expenditures	8,902,466	5,123,390	3,020,566	758,510
<b>Operating transfers out:</b>				
General Fund	<u>8,636,463</u>	<u>5,123,390</u>	<u>2,937,385</u>	<u>575,688</u>
Excess of revenues over expenditures and operating transfers out	266,003	-	83,181	182,822
<b>Fund Balance:</b>				
Beginning of year	1,226,500	-	-	1,226,500
Equity transfer (to fund current year operating expenditures in the General Fund)	(83,181)	-	(83,181)	-
End of year	<u>\$ 1,409,322</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,409,322</u>

Sales tax revenues collected in the 3/4 cent Sales Tax Fund are being collected, separated and expended in accordance with the proposition passed by the voters of Terrebonne Parish.

- c) On April 20, 1996, the citizens of Terrebonne Parish authorized a 1% sales tax effective for July 1, 1996 to be deposited into a new fund named the 1% Sales Tax Fund of 1996. The 1% sales tax is dedicated as follows:
- 1) 83% of revenues for paying increased compensation and related employment costs of teachers and other full-time personnel except management positions;

- 2) 8 1/2% for providing operating and maintaining computers and high technology;
- 3) 8 1/2% for replacement, repair and maintenance of roofs and mechanical equipment.

An analysis of activity in the 1% Sales Tax Fund of 1996 follows:

<u>Changes in Fund Balance</u>	<u>Total</u>	<u>Salaries &amp; Fringe Benefits</u>	<u>Technology</u>	<u>Maintenance of Roofs &amp; Mechanical Equipment</u>
<b>Revenues</b>				
Sales and use tax	\$ 11,925,636	\$ 9,898,278	\$ 1,013,679	\$ 1,013,679
Interest earned	70,421	70,421	-	-
Total revenues	<u>11,996,057</u>	<u>9,968,699</u>	<u>1,013,679</u>	<u>1,013,679</u>
<b>Expenditures</b>				
	<u>11,092,795</u>	<u>10,166,601</u>	<u>20,025</u>	<u>906,169</u>
Excess (deficit) of revenues over expenditures	903,262	(197,902)	993,654	107,510
Operating transfers in	<u>538,519</u>	<u>197,902</u>	<u>-</u>	<u>340,617</u>
Excess of revenues and transfers in over expenditures	1,441,781	-	993,654	448,127
<b>Fund Balance:</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 1,441,781</u>	<u>\$ -</u>	<u>\$ 993,654</u>	<u>\$ 448,127</u>

Sales tax revenues collected in the 1% Sales Tax Fund of 1996 are being collected, separated and expended in accordance with the proposition passed by the voters of Terrebonne Parish.

5) PROPERTY TAXES

Property taxes are levied on November 1 of each year on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. The taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be

completed no less than every four years. The last re-evaluation was completed for the 1996 Tax Roll. The assessed values of the Parish upon which the 1996 levy were based is as follows:

<u>ASSESSED VALUES</u>	
1996	
Gross	\$ 383,715,775
Homestead Exemption	99,088,555
Taxable Property	\$ 284,627,220

Ad Valorem tax revenue for the year ended June 30, 1997 was \$5,429,421.

The following is a summary of the authorized and levied ad valorem tax millages for the 1996 tax rolls:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Gross Tax Revenue</u>
Parishwide taxes:			
Constitutional tax	3.99	3.94	\$ 1,121,432
Special maintenance tax	5.60	5.53	1,573,989
Bond and interest tax	(1)	9.76	2,777,963
Totals		19.23	\$ 5,473,384

(1) The Bond tax millage is levied pursuant to a referendum adjusted annually to an amount, when collected, which is sufficient to pay the maturing principal and interest on the bonds. The last anticipated levy of this tax is expected to be on the Parish tax rolls for the year 2000.

The Constitutional tax millage and the Special Maintenance tax millage are to be used to maintain and operate the present school system. The Constitutional tax is authorized to be levied by the Board without referendum. The Special Maintenance tax is levied pursuant to a referendum for a period of ten years expiring in the year 2000.

The School Board levies taxes at \$19.23 per \$1,000 of assessed valuation on property within Terrebonne Parish for general school services, payment of principal and interest on long-term debt and maintenance of school system operations. Of the total millage levy on the 1996 tax rolls, 9.57 mills were levied for the Constitutional and Special Maintenance taxes and 9.76 mills were levied for bond amortization.

Property taxes are recorded as revenue by the School Board in the year the taxes are levied. Property taxes which are paid under protest are recorded as revenue in the year the taxes are received. Property tax revenues are accrued at year end to the extent that

they are measurable and estimated to become available to finance current operations. Delinquent taxes considered to be uncollectible are not recorded as revenues, consequently, no allowance for uncollected taxes is considered necessary. Such revenues are based on total tax levies less exempt taxes due to the general homestead exemption. A portion of exempt taxes due to homestead exemptions relating to constitutional and special school taxes are reimbursed to the School Board through State Revenue Sharing. Such Revenue Sharing was \$238,358 for the year ended June 30, 1997.

As required by the State of Louisiana Statutes, prescribed deductions are made from the School Board's property tax receipts for contributions to cover the cost of the Assessor's Office and for contributions to various pension funds. For the year ended June 30, 1997, approximately \$262,379 had been deducted from property tax receipts for amounts due to various pension funds and cost of the Assessor's Office. As of June 30, 1997, the School Board had advanced \$216,873 to the Assessor's Office to cover the cost of collection of next year's tax.

6) DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of receivables for reimbursement of expenditures under various programs and grants, and advances to the Assessor's Office. All amounts are expected to be collected within the next twelve months and at June 30, 1997 consisted of the following:

	General Fund	Special Revenue Fund
Terrebonne Parish Assessor's Office	\$ 216,873	\$ -
State of Louisiana	5,835	8,350
Other Parish School Boards	90,135	-
Terrebonne Parish Consolidated Government	-	34,313
The Work Connection - Terrebonne Parish Consortium	-	50,524
Totals	\$ 312,843	\$ 93,187

7) RISK MANAGEMENT AND INSURANCE

The Terrebonne Parish School Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; providing health, dental, and other medical benefits to employees; and natural disasters. The School Board manages these risks in various ways as follows:

Commercial Insurance. The School Board has purchased commercial liability insurance to cover risks of loss related to torts or negligence by employees and board members. Commercial insurance has also been obtained to cover damage to or theft of computer equipment, boilers and other machinery. Claims have not exceeded insurance coverage in any of the past three years.

Self-Insurance Programs. The School Board has established three (3) partially self-insured programs, which are accounted for in Internal Service Funds, as follows:

The workers' compensation program was established for the purpose of providing medical and indemnity payments as required by law for on-the-job related injuries. The School Board has a contract with Gulf South Risk Services (GSRS) to supervise and evaluate claims. Expenditures and claims liabilities are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims incurred but not reported are not considered material and no provision is made for such claims. Under the program, the School Board has obtained excess workers' compensation coverage with a retention (deductible) for the policy of \$200,000 per claim or \$3,288,651 in the aggregate for the three year policy term ending June 30, 1999. GSRS estimates a reserve based on claims filed to the School Board. Workers' compensation claims expense is monitored by the risk manager at the Terrebonne Parish School Board. An analysis of claims activities for the current year and prior year follows:

<u>(In Thousands)</u>				
<u>Year Ended</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Ending Liability</u>
June 30, 1996	\$ 326	\$ 31	\$ 212	\$ 145
June 30, 1997	\$ 145	\$ 277	\$ 191	\$ 231

The Employee Benefit Group Insurance Plan was established by board action during the June 1992 fiscal year. The plan administrator, Gilsbar, is responsible for claims processing and administration. Resources to pay claims are derived from employer and employee contributions. Employer contributions are partially funded by local, state and federal funds. The contributions are recorded as expenditures in each fund employing personnel qualified for group hospital insurance benefits and are recorded as non-operating revenues in the group insurance claims internal service fund. The amounts charged to the various funds and the liability for outstanding claims are estimated based on an actuarial projection of expected claims. These amounts consider claims which may have been incurred but not reported as of June 30, 1997. The School Board has obtained excess insurance coverage which limits its exposure to \$200,000 per claim and approximately \$8,682,005 in the aggregate per calendar year. An analysis of claims activities for the current year and prior year follows:

<u>(In Thousands)</u>				
<u>Year Ended</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Ending Liability</u>
June 30, 1996	\$ 1,322	\$ 8,347	\$ 8,258	\$ 1,411
June 30, 1997	\$ 1,411	\$ 11,042	\$ 10,070	\$ 2,383

The Loss Fund was established by the School Board to cover risks of loss related to damage to buildings and contents and it is funded by operating transfers from the general fund. In addition, this fund serves to accumulate resources sufficient to handle property and casualty losses which fall within any deductible conditions or any self-insured retention program developed in the future. Expenditures and claims liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The School Board has obtained a fire and extended coverage insurance policy with a deductible of \$250,000 per occurrence. Analysis of claims activities for the current and prior year follows:

<u>(In Thousands)</u>				
<u>Year Ended</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Ending Liability</u>
June 30, 1996	\$ -	\$ 49	\$ 49	\$ -
June 30, 1997	\$ -	\$ 183	\$ 183	\$ -

Unemployment Compensation. The School Board has elected to use the direct reimbursement method for unemployment compensation paid to its employees by the Louisiana Department of Labor. Under this method, the employer elects to become liable for payments in lieu of making quarterly contributions to the Office of Employment Security. Regular and extended benefit payments attributable to services while the employee was in the employment of the School Board are billed quarterly to the School Board. The School Board has contracted a third party claims administrator to represent its interest in these cases.

8) FIXED ASSETS

The School Board established the General Fixed Asset Account Group to account for fixed assets used in governmental fund type operations during the fiscal year ended June 30, 1996. Prior to 1996, the School Board did not maintain comprehensive, integrated and detailed subsidiary records, other than for federal programs, and, accordingly, a General Fixed Asset Group was not maintained. As of June 30, 1996, the School Board completed a physical inventory listing of land and improvements, buildings, furniture and equipment, and vehicles. The accounting policy footnote 2) g) discusses the valuation methods used in recording fixed assets. Sufficient control procedures do not exist at this time to verify the valuation or completeness of furniture and equipment inventory, accordingly, the amounts presented in the financial statements for furniture and equipment in the General Fixed Asset Account Group are unaudited.

A summary of fixed assets by major asset class follows:

Proprietary Fund Types:

		<u>Valuation Method</u>
Land	\$ 145,613	Cost or fair value at date of gift
Buildings	306,457	Cost or fair value at date of gift
Furniture and Fixtures	2,422	Cost or fair value at date of gift
	454,492	
Less Accumulated Depreciation	(111,134)	
Total Proprietary Fund Fixed Assets	343,358	

General Fixed Asset Account Group:

Land and Improvements	\$ 2,017,664	Cost or estimated costs
Buildings	148,423,146	Insured values to 6-30-96 and cost thereafter
Furniture and Equipment (unaudited)	6,983,930	Cost or estimated costs
Vehicles	3,481,936	Cost
	160,906,676	
Total fixed assets	\$ 161,250,034	

A Summary of changes in fixed assets by major asset class follows:

	<u>Balance at June 30, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 1997</u>
<b>Proprietary Fund Types:</b>				
Land	\$ 145,613	\$ -	\$ -	\$ 145,613
Buildings	301,657	4,800	-	306,457
Furniture and fixtures	2,422	-	-	2,422
	<u>449,692</u>	<u>4,800</u>	<u>-</u>	<u>454,492</u>
Accumulated depreciation	<u>(97,470)</u>	<u>-</u>	<u>(13,664)</u>	<u>(111,134)</u>
<b>Total proprietary fund</b>	<u>352,222</u>	<u>4,800</u>	<u>(13,664)</u>	<u>343,358</u>
<b>General Fixed Asset account Group:</b>				
Land and improvements	\$ 1,996,190	\$ 21,474	\$ -	\$ 2,017,664
Buildings	147,919,722	503,424	-	148,423,146
Furniture and equipment	5,845,907	1,138,023	-	6,983,930
Vehicles	3,413,719	339,524	(271,307)	3,481,936
	<u>159,175,538</u>	<u>2,002,445</u>	<u>(271,307)</u>	<u>160,906,676</u>
<b>Total fixed assets</b>	<u>\$ 159,527,760</u>	<u>\$ 2,007,245</u>	<u>\$ (284,971)</u>	<u>\$ 161,250,034</u>

9) CAPITAL PROJECTS

At June 30, 1997, construction in progress was composed of the following:

<u>Fund and Project</u>	<u>Estimated Cost</u>	<u>Expended to June 30, 1997</u>	<u>Reserved Fund Balance</u>	<u>Designated Fund Balance</u>
<b>Special Revenue Funds:</b>				
<b>1% Sales Tax Fund:</b>				
<b>Oakshire School Roof Replacement:</b>				
Construction and testing services	\$ 414,705	\$ 412,705	\$ 2,000	\$ -
Professional fees	40,302	40,302	-	-
Allocation balance	70,563	-	-	70,563
Total	<u>525,570</u>	<u>453,007</u>	<u>2,000</u>	<u>70,563</u>
<b>THS - Gym and Fieldhouse Re-roofing:</b>				
Construction and testing services	715,447	378,421	337,026	-
Professional fees	68,924	61,458	7,466	-
Allocation balance	25,822	-	-	25,822
Total	<u>810,193</u>	<u>439,879</u>	<u>344,492</u>	<u>25,822</u>
Total Special Revenue Funds	<u>1,335,763</u>	<u>892,886</u>	<u>346,492</u>	<u>96,385</u>
<b>Capital Project Funds:</b>				
<b>Building Fund:</b>				
<b>Smoke Detection and Fire alarm Systems:</b>				
Construction and testing services	247,598	142,536	105,062	-
Professional fees	25,549	23,117	2,432	-
Allocation balance	26,853	-	-	26,853
Total	<u>300,000</u>	<u>165,653</u>	<u>107,494</u>	<u>26,853</u>
<b>Lisa Park School Roofing:</b>				
Construction and testing services	402,148	388,927	13,221	-
Professional fees	39,607	37,153	2,454	-
Allocation balance	105,998	-	-	105,998
Total	<u>547,753</u>	<u>426,080</u>	<u>15,675</u>	<u>105,998</u>
Total Capital Projects Fund	<u>847,753</u>	<u>591,733</u>	<u>123,169</u>	<u>132,851</u>
Total Construction in Progress	<u>\$ 2,183,516</u>	<u>\$ 1,484,619</u>	<u>\$ 469,661</u>	<u>\$ 229,236</u>

10) LONG-TERM DEBT

a) Bonds payable:

The following is a summary of changes in bonds payable:

<u>Description of Bonds Payable</u>	<u>Payable June 30, 1996</u>	<u>Retired</u>	<u>Payable June 30, 1997</u>	<u>Year End June 30, 1997 Interest Expense</u>
General Obligations:				
Ad Valorem Bonds:				
Series 1993	12,520,000	(2,165,000)	10,355,000	605,205
Total	<u>\$ 12,520,000</u>	<u>\$ (2,165,000)</u>	<u>\$ 10,355,000</u>	<u>\$ 605,205</u>

General obligation bonds payable are represented by the following issues:

<u>Description of Bonds Payable</u>	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>
General Obligations:			
Ad Valorem Bonds:			
Series 1993	2/17/93	3.35 - 5.10%	\$ 14,390,000

Debt Service requirements for bonds payable for the year ending June 30, 1998 and to maturity follows:

<u>Description Bonds Payable</u>	<u>Year Ending June 30, 1998</u>		<u>July 1, 1998 to Maturity</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
General Obligations:				
Ad Valorem Bonds:				
Series 1993	<u>\$ 2,310,000</u>	<u>\$ 508,863</u>	<u>\$ 8,045,000</u>	<u>\$ 831,268</u>

Principal and interest on Ad Valorem Bonds will be paid from the levy and collection of ad valorem taxes as discussed in note 5.

Debt Service requirements for bonds payable subsequent to June 30, 1997 follow:

Year Ending <u>June 30,</u>	Payment <u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	9/1/97	\$ -	\$ 254,431	\$ 254,431
	3/1/98	<u>2,310,000</u>	<u>254,432</u>	<u>2,564,432</u>
1998		<u>2,310,000</u>	<u>508,863</u>	<u>2,818,863</u>
	9/1/98	-	200,724	200,724
	3/1/99	<u>2,475,000</u>	<u>200,724</u>	<u>2,675,724</u>
1999		<u>2,475,000</u>	<u>401,448</u>	<u>2,876,448</u>
	9/1/99	-	140,705	140,705
	3/1/00	<u>2,660,000</u>	<u>140,705</u>	<u>2,800,705</u>
2000		<u>2,660,000</u>	<u>281,410</u>	<u>2,941,410</u>
	9/1/00	-	74,205	74,205
	3/1/01	<u>2,910,000</u>	<u>74,205</u>	<u>2,984,205</u>
2001		<u>2,910,000</u>	<u>148,410</u>	<u>3,058,410</u>
		<u>\$ 10,355,000</u>	<u>\$ 1,340,131</u>	<u>\$ 11,695,131</u>

The School Board is legally restricted from incurring long-term debt in excess of 35% of the total gross assessed value (before deductions of exempt property) of all real property in Terrebonne Parish. At June 30, 1997, the statutory limit was approximately \$134,300,000, and the outstanding bonded debt was \$10,355,000.

b) **Accrued Compensated Absences:**

The following is a summary of changes in the general long-term obligation for accrued compensated absences for accumulated sick leave which may be taken or reimbursed after the balance sheet date:

	<u>General &amp; Special Revenue Funds</u>
Payable, June 30, 1996	\$ 4,104,493
Add: Amounts earned	1,169,999
Less: Amounts paid	<u>(242,814)</u>
 Payable, June 30, 1997	 <u><u>\$ 5,031,678</u></u>

c) **Capital Leases:**

Capital leases are comprised of office and telephone equipment. The obligations for the capital leases are included in the general long-term debt account group. The following schedule presents the future minimum lease payments under capital leases, with the present value of the net minimum lease payments as of June 30, 1997:

Year Ending <u>June 30,</u> 1998	<u>Equipment</u>
	\$ 1,175
Total minimum lease payments	\$ 1,175
 Less amount representing interest	 <u>(32)</u>
 Present value of minimum lease payments	 <u><u>\$ 1,143</u></u>

d) Summary of General Long-term Debt:

The following is a summary of general long-term obligations transactions for the year ended June 30, 1997:

	(In Thousands)				
	Bonded Debt	Compensated Absences	Capital Leases	Judgements Payable	Total
Long-term obligations payable, June 30, 1996	\$ 12,520	\$ 4,104	\$ 10	\$ 925	\$ 17,559
Additions	-	1,170	-	63	1,233
Reductions	<u>(2,165)</u>	<u>(242)</u>	<u>(9)</u>	<u>(150)</u>	<u>(2,566)</u>
Total long-term obligations payable, June 30, 1997	<u>\$ 10,355</u>	<u>\$ 5,032</u>	<u>\$ 1</u>	<u>\$ 838</u>	<u>\$ 16,226</u>

11) RETIREMENT SYSTEMS

Substantially all employees of the School Board are members of two statewide retirement systems. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Teachers' Retirement System of Louisiana; other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consists of two membership plans: Regular Plan and Plan A. The TRS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (504) 925-6446.

Funding Policy. Plan members are required to contribute a percentage of their annual covered salary for the Regular Plan and Plan A. The School Board is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the TRS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

Contributions required and made to the TRS were as follows:

Fiscal year ended June 30,	1997	1996	1995
<b>TRS Regular:</b>			
Member contribution %	8.00%	8.00%	8.00%
Employer contribution %	16.30%	16.50%	16.20%
Member contribution \$	\$ 4,057,861	\$ 3,206,114	\$ 3,140,467
Employer contribution \$	\$ 8,250,224	\$ 6,627,099	\$ 6,359,355
<b>TRS-Plan A:</b>			
Member contribution %	9.10%	9.10%	9.10%
Employer contribution %	16.30%	16.50%	16.20%
Member contribution \$	\$ 100,081	\$ 80,332	\$ 91,231
Employer contribution \$	\$ 199,981	\$ 145,886	\$ 162,559

Analysis of Funding Progress. An analysis of the funding progress for TRS over the last three fiscal years for which information is available follows:

(in millions of dollars)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
1994	\$5,699.6	\$ 9,928.5	57.4%	\$4,228.9	\$2,198.1	192%
1995	\$6,275.3	\$10,570.3	59.4%	\$4,295.0	\$2,199.1	195%
1996	\$7,056.6	\$11,232.8	62.8%	\$4,176.2	\$2,254.3	185%

B. Louisiana School Employees' Retirement System (LASERS)

Plan Description. The LASERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information for the LASERS. That report may be obtained in writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (504) 925-6484.

Funding Policy. Plan members are required to contribute a percentage of their annual covered salary and the school board is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the LASERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LASERS is funded by the State of Louisiana through annual appropriations.

Contributions required and made to the LASERS were as follows:

Fiscal year ended June 30,	1997	1996	1995
Member contribution %	6.35%	6.35%	6.35
Employer contribution %	6.00%	6.00%	6.00
Member contribution \$	\$ 326,746	\$ 243,920	\$ 236,133
Employer contribution \$	\$ 307,753	\$ 230,573	\$ 223,029

Analysis of Funding Progress. An analysis of the funding progress for LSERS over the last three fiscal years follows:

(in thousands of dollars)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio	(4) Unfunded Accrued Liability	(5) Annual Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
1995	\$ 986,376	\$ 908,811	108.5%	\$ -	\$205,467	0%
1996	\$ 1,066,498	\$ 970,569	109.9%	\$ -	\$211,178	0%
1997	\$ 1,173,453	\$ 1,067,252	110.0%	\$ -	\$219,265	0%

C. Other Plans

The School Board participates in the Parochial Employees' Retirement System. This plan covers 8 employees (members of the School Board) who are not included in one of the other plans. For the year ended June 30, 1997, the School Board made contributions of \$5,760 and the employees made contributions of \$7,296.

Under the previous Public Law 99-272 (the Consolidated Omnibus Budget Reconciliation Act of 1985), all new employees hired after March 31, 1986 are required to be covered by Medicare Part A in addition to membership in any of the State retirement systems. The contribution rate is 1.45%, matched by the School Board. The School Board made contributions of \$405,509 for the year ended June 30, 1997. There were 1,337 full-time employees covered under this plan.

12) DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at June 30, 1997 are as follows:

	Due From	Due To
GENERAL FUND:		
Special Revenue Funds	\$ 4,536,216	\$ 273,005
Fiduciary Funds	-	-
Internal Service Fund	-	95,009
SPECIAL REVENUE FUNDS:		
General Fund	273,005	4,536,216
Special Revenue Fund	26,275	26,275
Internal Service Fund	-	28,072
INTERNAL SERVICE FUND:		
General fund	95,009	-
Special Revenue Fund	28,072	-
FIDUCIARY FUNDS		
General fund	-	-
	\$ 4,958,577	\$ 4,958,577
TOTALS		

13) TRANSFERS AND OTHER FINANCING SOURCES AND USES

Transfers funded from current revenues during the year ended June 30, 1997 consisted of:

	Transfers	
	In	Out
<b>GENERAL FUND:</b>		
Special Revenue Funds	\$ 8,484,425	\$ 1,766,499
Capital Projects Funds	-	903,254
Internal Service Funds	-	125,000
Total	<u>8,484,425</u>	<u>2,794,753</u>
<b>SPECIAL REVENUE FUNDS:</b>		
General Fund	1,766,499	8,484,425
Special Revenue Fund	152,038	152,038
Total	<u>1,918,537</u>	<u>8,636,463</u>
<b>CAPITAL PROJECTS FUNDS:</b>		
General Fund	903,254	-
Total	<u>903,254</u>	<u>-</u>
<b>INTERNAL SERVICE FUNDS</b>		
General Fund	125,000	-
Total	<u>125,000</u>	<u>-</u>
Totals	<u>\$ 11,431,216</u>	<u>\$ 11,431,216</u>

Other financing sources and uses consisted of:

	General Fund	Special Revenue Fund
Judgements and settlements	\$ 39,777	\$ -
Administrative fee - Terrebonne Construction Co.	29,428	-
Property disposals	20,978	1,806
Various other sources (uses)	(10,258)	-
Total	<u>\$ 79,925</u>	<u>\$ 1,806</u>

14) TAX-SHELTERED ANNUITY

Employees of the School Board have the option to participate in several deferred compensation programs (tax sheltered annuities) as defined by Internal Revenue Code Section 403(b). The School Board has the responsibility for withholding and remitting contributions from participants to the plans. The various insurance companies who serve as administrators have the responsibility for maintaining a deferred account with respect to each participant, investing the participant's account in accordance with the participant's investment specification and reporting quarterly to the participant on the status of the plans. Current plan reports are provided to participating employees by their respective insurance company.

15) FUND BALANCE RESERVES AND DESIGNATIONS

A summary of changes in fund balance reserves and designations follows:

<u>Fund/Description</u>	<u>June 30, 1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1997</u>
<b>GENERAL FUND:</b>				
Reserved:				
Advance to Assessor's salary fund	\$ 216,873	\$ -	\$ -	\$ 216,873
Other deposits	373,488	100	373,488	100
Debt service	5,574	-	2,438	3,136
Capital Contracts	33,557	-	33,557	-
Designated:				
Capital Contracts	26,316	-	26,316	-
Smoke Detection	150,000	-	150,000	-
Prepaid Expense	200	-	200	-
<b>SPECIAL REVENUE FUND:</b>				
Reserved:				
Employee compensation	72,668	3,782	-	76,450
Capital contracts	-	346,492	-	346,492
Technology	-	7,103	-	7,103
Designated:				
Subsequent year's expenditure	60,688	276,932	60,688	276,932
Instructional programs	1,180,224	1,132,390	1,170,305	1,142,309
Capital contracts	-	101,635	-	101,635
Technology	-	986,551	-	986,551
<b>DEBT SERVICE:</b>				
Reserved:				
Debt service	546,399	-	116,389	430,010
<b>CAPITAL PROJECTS:</b>				
Reserved:				
Capital Contracts	558,322	103,070	538,223	123,169
Designated:				
Capital Contracts	419,078	584,536	328,601	675,013

Reservations of fund balance are established to indicate that portions of the fund balance that are not appropriable for expenditures or that are legally segregated for a specific future use. Designations are established to indicate tentative plans for financial resource utilization in a future period.

Reserved for the Advance to Assessor's Salary Fund:

This reserve was established as an offset against the asset advance to the Assessor's General Fund that does not constitute an available spendable resource of the General Fund.

Reserved for Employee Compensation:

This amount represents the amount reserved by the School Board in the Mineral Trust Special Revenue Fund for the enhancement of compensation in the form of deferred pay for professional school personnel at the building level.

Reserved for Other Deposits:

These reserves were established as an offset against the asset accounts that do not constitute available spendable resources of the General Fund.

Reserved for Debt Service:

This reserve represents the amount held in the Ad Valorem Tax Bond Debt Service Fund and General Fund that is reserved for future payments of principal and interest.

Reserved for Capital Contracts:

This amount represents amounts in the General, 1% Sales Tax, and Building Funds reserved by the School Board for future expenditures on construction contracts and purchases of equipment.

Reserved for Technology:

This amount represents the amount in the 1% Sales Tax Fund reserved for providing, operating and maintaining computers and high technology.

Designated for Capital Contracts:

This amount represents the amount in the General, 1% Sales Tax, and Building Funds designated by the School Board for future expenditures on construction contracts and purchases of equipment.

Designated for Smoke Detection:

This amount represents the amount in the General Fund designated by the School Board for future expenditures on smoke detectors in the schools.

Designated for Instructional Programs:

This amount represents the amounts in the Sales Tax, State Library Allotment, and State Textbooks and Materials Special Revenue Funds designated by the School Board for future expenditures for Instructional Programs.

Designated for Technology:

This amount represents the amount in the 1% Sales Tax Fund designated for providing, operating and maintaining computers and high technology.

16) RETIREMENT HOSPITALIZATION INSURANCE BENEFITS

On March 1, 1977, the School Board approved a plan to provide for the payment of health insurance premiums for eligible retired employees. The School Board will fund the entire health insurance premium for all employees retired prior to March 1, 1977 and for subsequent retirees with thirty years of service at July 1, 1989. Effective July 1, 1989, the School Board discontinued its contribution for health insurance premiums for retirees who were hired on or after July 1, 1989 and limited the percentage of funding for current eligible employees to the level earned prior to July 1, 1989 as follows:

<u>Years of Service</u> <u>As of 7/1/89</u>	<u>Percent Funded</u>	<u>Age of Retirement</u>
10 - 19	33.33% - 63.27%	60
20 - 29	66.60% - 96.57%	Any Age
30	100%	Any Age

The cost of providing for benefits earned prior to July 1, 1989, will be funded by contributions from the State Minimum Foundation Program and the School Board. The cost of providing benefits earned subsequent to July 1, 1989, will be paid by the State Minimum Foundation Program and the employee. The continuation of the contributions by the School Board will be dependent upon available funds in the General Fund and School Food Service Fund for respective retired employees. The hospitalization insurance cost is recognized as an expense as premiums are paid. For the year ended June 30, 1997, those costs by fund type were as follows:

<u>Funding Source</u>	<u>General Fund</u>	<u>Food Service Fund</u>
School and local contributions	<u>\$ 1,492,803</u>	<u>\$ 223,302</u>

At June 30, 1997, the average hospitalization insurance premium funded by the School Board per retired employee was approximately \$1,079. Approximately 782 retired personnel are provided with this benefit.

17) MINIMUM FOUNDATION PROGRAM

In order to attempt to provide a statewide minimum level of education and purportedly guarantee children equal opportunity to the minimum level, the State Department of Education distributes funds to parish school systems under a computational method (formula).

The formula is a statistical model using data from parish financial reports, weighted student population counts, a relative wealth indicator, and a base amount per pupil to allocate funds to parishes under a basic assumption of a 67/33 percent state/parish funding split, subject to the effects of the relative wealth factor. The current year pupil population count is based on data as of October 1, 1996.

The school board must ensure that seventy percent of the state funds are expended on instruction. The definitions of instruction shall provide for: (1) salaries, employee benefits, purchased professional and technical services, instructional materials and supplies, and instructional equipment; (2) pupil support activities; and (3) instructional staff activities. Also required by the formula is that \$27.02 be spent per pupil on textbooks and instructional materials and a statutory requirement that the pupil/teacher ratio for grades K-3 be no greater than 20:1 system wide. Further, the state minimum salary schedules for teachers must continue to be implemented.

Equalization funding received from the State of Louisiana for the year ended June 30, 1997 was \$48,710,084. Of that total, \$47,686,576 was allocated to the General Fund and \$1,023,508 was allocated to Special Revenue Funds.

18) COMMITMENTS AND CONTINGENCIES

Litigation:

Johnny R. Rochel, et al v. Terrebonne Parish School Board. The district court rendered a judgment against the School Board in a personal injury case for the principal sum of \$523,215. Appeals have been exhausted and judgment against the School Board is final. The judgment accrues legal interest from the date of judicial demand. Subsequent to the court's rendering the judgment, the School Board's insurer was liquidated and the Louisiana Insurance Guaranty Association (LIGA) paid its limited principal liability of \$149,900 plus interest on that portion of the judgment for which it was responsible. In August 1996, the School Board entered into a compromise settlement agreement, under which the School Board would pay \$300,000 in two equal annual installments, beginning August 31, 1996, in full satisfaction of this claim. The first of these installments was paid August 31, 1996. The School Board has recorded the remaining installment of \$150,000 to be paid August 31, 1997 as a liability in the General Long-Term Debt Account Group.

JoAnn C. McKinley, et al v. Terrebonne Parish School Board. The district court rendered a \$700,000 consent judgment against the School Board and its insurer involving a personal injury case. The insurance company was experiencing financial difficulty and the State of New York issued a liquidation order. LIGA will assume responsibility for payment of the claim up to its limited principal liability of \$149,900, plus interest on that portion of the judgment for which it is responsible for. The remaining principal amount outstanding of \$550,100, plus \$138,430 of accrued legal interest through the balance sheet date is recorded as a liability in the General Long-Term Debt Account Group. Interest continues to accrue subsequent to the balance sheet.

Louisiana law does not allow judgment creditors to seize property of the School Board in satisfaction of any judgment. Accordingly, the liability is classified as part of the General Long-Term Debt Account Group. At the point the liability has a fixed due date and has been appropriated to be paid from current expendable resources, the liability will be recorded as an expenditure in the General Fund and the appropriate corresponding amount will be removed from the General Long-Term Debt Account Group.

The School Board is subject to other legal proceedings which arise in the normal course of operations. In the opinion of the School Board, the outcome of these proceedings will not materially affect the accompanying general purpose financial statements, and accordingly, no provision for losses has been recorded.

Federal and State Grant Awards:

The School Board received funding under grants from various federal and state governmental agencies. These grants specify the purpose for which the grant moneys are to be used and such grants are subject to audit by the granting agency or its representative. Certain grant moneys received in prior years have not been expended and may require reimbursement to the granting agency.

**SUPPLEMENTARY INFORMATION SECTION**

SUPPLEMENTAL INFORMATION  
SPECIAL REVENUE FUND TYPE  
FUND DESCRIPTIONS

Terrebonne Parish School Board

June 30, 1997

FEDERAL FUNDS

IASA Title I Disadvantaged Education Fund

This fund is used to monitor services provided to educationally disadvantaged children attending schools in Terrebonne Parish that qualify as target areas because of low socio-economic factors. Funds are received through the State from federally funded educational programs. The primary activity is for instruction of students with some support services to assist the academic program in either a reading or math lab setting. In addition, Title I also provides professional and para-professional assistance to kindergarten children whose developmental level is below their chronological level.

IASA Title I Migrant Education

This fund is used to provide additional instruction in reading and math to identified students through an individualized instructional program. Funds are also used to enlist the cooperation of school systems in the recruiting parish area, identify migrant children in these areas, establish contacts with migrant families, and assist in planning educational and social services for migrant children. The areas included are Terrebonne, Lafourche, St. Mary, Assumption, St. James and lower St. Martin Parishes. Program funds are obtained from Federal grants through the State Department of Education. Terrebonne Parish has entered into an interagency agreement with the Lafourche Parish School System to administer the grant this year.

IASA - Title VI

The Title VI Innovative Education Program Strategies Public Law 103-382 (formally Chapter 2) is allocated to support the statewide reform efforts under goals 2000; provide a continuing source of innovation and educational improvement, and meet the special educational needs of at-risk and high-cost students.

## SPECIAL REVENUE FUND TYPE, CONTINUED

### Food Service Fund

The Food Service Fund accounts for activities relating to the operations of the School Board's lunch, breakfast, and summer feeding programs. The meals are provided for free or at a reduced price through subsidies from the State and Federal government.

### Federal Adult Education Fund

The Adult Education Program offers a basic and remedial academic curriculum to individuals at least 16 years of age or emancipated minors who have not obtained a high school diploma. The curriculum offered is intended to prepare the student for the High School Equivalency Examination. Students successfully completing the examination are awarded the High School Equivalency Examination Diploma.

### Federal Vocational Education Fund

The Federal Vocational Educational Fund was established to monitor expenditures of monies received from Federal Vocational Education grants through the State Department of Education. Funding for this grant is through the Carl D. Perkins Act.

### JTPA Student Training Fund

These funds are provided by a grant from the Job Training Partnership Act. The program is intended to identify junior high school students who have a potential for dropping out of school and provide them with a supplemental program of academic remediation, pre-employment/work maturity skills training and job specific skills training.

### Genesis Alternative High School

The Genesis program provides students who are between the ages of 16 through 21, who are in danger of dropping out or who have dropped out of school due to behavioral and/or academic problems and/or economically disadvantaged with an alternative education in order that they may receive a high school diploma or GED. The Genesis program is funded through a funds transfer from the General Fund and JTPA funds.

### IASA Title IX Indian Education

This fund is used to monitor a program designed to assist deprived Indian students. Funds are obtained by Federal grants directly from the U. S. Department of Education, Office of Indian Education, and are provided for salaries, aides, support staff, and summer school expenses of eligible Indian students.

## SPECIAL REVENUE FUND TYPE, CONTINUED

### Title IV Safe and Drug Free Schools and Communities

This fund monitors expenditures of Federal funds made available to help implement programs related to drug education and prevention as well as Louisiana statutory requirements regarding Drug Education Programs. Program participants include public and non-public school students at all grade levels, as well as teachers and administrators. Federal grants are provided to states for allocation to local educational agencies.

### Special Education PL 101-476

#### Individuals With Disabilities Education Act (IDEA)

These Federal funds are allocated under Part B of the Education for the Handicapped Act as amended by PL 101-476. Such funds are awarded through the State Department of Education and are based on the number of identified handicapped students being served as of the December child count. Funds are used for salaries, contracted services, materials, supplies, travel, equipment, and other expenses necessary to provide full educational opportunities to exceptional children.

### IASA Title II - PL 103-382

Title II funds are allocated for teacher training, re-training, and/or in-service to improve the skills of elementary and secondary teachers in the areas of mathematics, science, and english.

### Job Training Partnership Act - Adult Education Fund

The JTPA Adult Education Fund was established to monitor federally funded expenditures for programs which qualify for the 8% and IIC Funding Programs. The program is a contract between the Terrebonne Parish School Board and the Terrebonne Parish Consortium.

### Medicaid Reimbursement Fund

These federal funds are received from the State Department of Health and Hospitals for reimbursement of services to medicare eligible special education children. Services consist of medical screening, vision screening, hearing screening, and speech therapy services to children with special needs.

## SPECIAL REVENUE FUND TYPE, CONTINUED

### U. S. Childcare Development Block Grant Fund

The purpose of this grant is to assist low income families by providing quality early childhood education programs. The Starting Points Preschool Programs establishes developmentally appropriate preschools for at-risk youth. The programs will be directed towards the development of cognitive, social, emotional, communication and motor skills in a manner and at a pace consistent with the needs and capabilities of the individual child.

### Goals 2000

The Goals 2000 program is part of the Quality Education Act to provide support for citizens to work together at the local and state levels to develop long range plans to improve education in the communities and in the state. In addition, a portion of the Region III Local Improvement Plan Development Subgrant has been allocated to Terrebonne Parish and is accounted for in this fund. Louisiana Goals 2000 funds are available annually and any unused monies are forfeited.

### Public Charter School

Authorized by the Charter School Demonstration Law, the Terrebonne Parish School Board applied for approval from the BESE to solicit proposals to apply for a charter to operate a charter school. The Dyslexia Society of South Louisiana applied and was accepted to operate the Bayou Charter School beginning in the 1996-97 school year. The program will provide a strong phonology base for students in 1st grade classes who are not performing at expected levels in a traditional school setting.

### Louisiana Learn Teacher Sub-grant Fund

The overall LA Learn reform plan and associated activities in this fund attempt to build upon the many school improvements already underway in communities across the state. LA Learn is considered the next phase of Goals 2000. These funds are available for one year through subgrants intended to continue to implement the new strategies once the subgrant funds have been used.

## STATE FUNDS

### Special Education Materials and Supplies

These state funds are allocated for instructional materials, supplies, and equipment for exceptional children. Funds are allocated based on the Minimum Foundation Program.

## SPECIAL REVENUE FUND TYPE, CONTINUED

### Special Education Gifted Program

These are state funds allocated for purchasing instructional materials, supplies and equipment for Gifted/Talented Programs. Funds are allocated based on the Minimum Foundation Program.

### Special Education Act 17 of 1996

These state funds are allocated for exceptional children in need of extended school year programs. Exceptional students who have a documented significant loss of skill performance during a break in educational programming require an extended school year. The program usually runs for six weeks during the summer months. Salaries of teachers, aides, bus drivers, and instructional materials are funded by this program.

### MFP Allotment Fund

The Minimum Foundation Program Allotment Fund was established to monitor state funded expenditures of MFP Allotment monies. Such funds are restricted to use for support of the pupil appraisal program, including clerical support, materials and supplies, non-employee contract services, and pupil appraisal staff travel.

### Adult Education - State

The Adult Education Program offers a basic and remedial academic curriculum to individuals who are at least 16 years of age or emancipated minors who have not obtained a high school diploma. The curriculum offered is intended to prepare the student for the High School Equivalency Examination. Students successfully completing the examination are awarded the High School Equivalency Diploma.

### Louisiana Quality Education Support Fund

The purpose of this fund is to update library and reference collections and provide materials needed for the dyslexia/multi-sensory program. The program monitors funds allocated to State Approved Parochial Schools and private schools.

### Child Search Project

This project is funded with State funds allotted by the Louisiana State Legislature. The coordinator and/or coordinators are hired on a contract basis to make presentations, distribute fliers and posters throughout the parish, contact and interview referral source on each child referred for Childnet, contact and interview parent on each child, and ensure screening is completed on each child referral. The project's objectives are to identify all infants/toddlers with special needs within Terrebonne Parish, to ensure the multidisciplinary

## SPECIAL REVENUE FUND TYPE, CONTINUED

evaluation/assessment and development of an Initial Family Service Plan within 45 days, and to maintain records of referrals and resolutions of those referrals.

### MFP Remediation Fund

This fund was established to monitor expenditures of State and 8(g) funds. These funds were allocated to students in certain grade levels who scored less than the Louisiana standards on the language arts or mathematics and written composition, as mandated by Louisiana revised statutes. The remediation program is funded through the Minimum Foundation Program.

### Preschool/Early Childhood Block Grant Fund

This fund was established to monitor expenditures of the Early Childhood Development Program. The project is a state funded pre-school pilot program made available by Act 323 of the 1985 Louisiana Legislature. Funds are now made available through the 8(g) block Grant Allocation for Early Childhood Education. The program serves children of low socio-economic backgrounds scoring a developmental age of 3 or 3 1/2 years on the Brigance Preschool Screen for three and four year old children. The program specifically addresses the child's social, physical, and language needs.

### MFP School Nurse Program

The MFP School Nurse Fund was established to monitor expenditures of state and local funds in the MFP School Nurse Program. Incoming Fund Transfers represent the local contribution to the Nurse program.

Operating on a parish-wide basis, this program helps students achieve and maintain an optimal level of health by assessing and evaluating their physical, emotional, and mental health. Activities include an analysis of students' health and developmental background, periodic assessment of their well-being, ongoing surveillance of their progress, and remediation of conditions which adversely affect their well-being.

### State Library Allotment Fund

The State Library Allotment Fund was established to monitor expenditures of the state library book monies received from the Minimum Foundation Program. Each local school district must determine how much to expend in the three areas (textbooks, library books, school supplies), and handle their own purchasing and disbursing function.

## SPECIAL REVENUE FUND TYPE, CONTINUED

### State Textbooks and Materials Fund

The fund was established to monitor expenditures of the Minimum Foundation Program funds for the purchase of textbooks and instructional materials. Local school districts determine how to expend funds in these areas and handle their own purchasing and disbursing function. Accordingly, this fund monitors the portion of the state textbook and supplies monies allotted for textbooks and materials.

### 8(g) Block Grant Fund

This fund was established to monitor expenditures of 8(g) monies made available by the Louisiana Board of Elementary and Secondary Education (BESE). These funds can only be used to implement programs recommended by the Department of Education and approved by BESE. The Early Childhood Project, the In-School Suspension/Saturday Detention Program, the Multi-Sensory Reading, the High School that Work, the Teaching, Learning: A Matter of Style, the State Distance Learning Network grant, and the Art History in the Elementary Classroom grant are included in the allocation of the funding from this grant.

## LOCAL FUNDS

### 3/4% Sales Tax Fund of 1975

This fund is used to monitor collections and uses of a 3/4 of 1% local sales and use tax. The fund serves partially as a conduit for the transfer of monies to other funds. Operating transfers are made to the General Fund for salary and benefit expenses, and support of plant operation and instruction related expenditures. Fund expenditures include various instruction and instruction support items.

### 1 Cent Sales Tax Fund of 1997

The Citizens of Terrebonne Parish authorized a 1% sales and use tax effective July 1, 1997. The sales tax is to provide for increased compensation and related employment costs of teachers and other full time personnel except management positions; operating and maintaining computers and high technology; and replacement, repair and maintenance of roofs and mechanical equipment. This fund accounts for the receipt and disbursement of the 1 cent sales tax.

### Mineral Trust Fund

This fund was established pursuant to the Board's direction to accumulate mineral royalty revenues accruing to the School Board in excess of \$1,000,000 annually for the purpose of

## SPECIAL REVENUE FUND TYPE, CONTINUED

enhancing compensation in the form of deferred pay for professional school personnel at the building level with funds up to \$1,000,000 annually, as directed by the Board.

### Child Care Program

This program provides before and after school care in order for children to remain in a safe, secure and familiar environment of their schools while enjoying activities such as arts and crafts, indoor and outdoor games and educational videos. Time is also set aside each day for the child to complete homework assignments under adult supervision. Only salaries and fringe benefits for the site coordinator and workers are tracked in this fund.

### Summer School Enhancement Program

This program addresses classroom instruction during the summer months and/or enhancement activities of registrants at various schools throughout the parish.

### 8(g) Dyslexia Fund

This fund receives revenue from the Sales Tax and General Funds allocated from the Louisiana Board of Elementary and Secondary Education (BESE). Funds are used to implement programs recommended by the Department of Education and approved by the BESE.

Statement A-1

COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS

Terrebonne Parish School Board

June 30, 1997

<u>ASSETS</u>	<u>Federal Funds</u>	<u>State Funds</u>	<u>Local Funds</u>	<u>Total</u>
Cash	\$ 889,596	\$ -	\$ 4,062,219	\$ 4,951,815
Receivables:				
Sales and use tax	-	-	1,977,694	1,977,694
Other	49,349	52	1,651	51,052
Due from other funds	120,244	70,558	108,478	299,280
Due from other governmental units:				
State Department of Education	1,527,480	203,956	17,572	1,749,008
United States Department of Education	54,796	-	-	54,796
Other units	93,187	-	-	93,187
Inventory, at cost	275,887	-	-	275,887
Prepaid expenses, textbooks and materials	-	363,686	-	363,686
 Total assets	 <u>\$ 3,010,539</u>	 <u>\$ 638,252</u>	 <u>\$ 6,167,614</u>	 <u>\$ 9,816,405</u>

COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS

Terrebonne Parish School Board

June 30, 1997

	Federal Funds	State Funds	Local Funds	Total
<u>LIABILITIES</u>				
Accounts payable	\$ 306,791	\$ 413,824	\$ 617,664	\$ 1,338,279
Accrued employee benefits	165,078	2,751	8,291	176,120
Due to other funds	1,772,262	211,758	2,606,543	4,590,563
Due to other governments	5,275	-	-	5,275
Deferred revenues	37,429	-	7,563	44,992
Total liabilities	<u>2,286,835</u>	<u>628,333</u>	<u>3,240,061</u>	<u>6,155,229</u>
<u>FUND BALANCES</u>				
Reserved for:				
Employee compensation	-	-	76,450	76,450
Capital contracts	-	-	346,492	346,492
Technology	-	-	7,103	7,103
Designated for:				
Subsequent years' expenditures	-	-	276,932	276,932
Capital contracts	-	-	101,635	101,635
Instructional programs	-	9,919	1,132,390	1,142,309
Technology	-	-	986,551	986,551
Unreserved - undesignated	<u>723,704</u>	<u>-</u>	<u>-</u>	<u>723,704</u>
Total fund balances	<u>723,704</u>	<u>9,919</u>	<u>2,927,553</u>	<u>3,661,176</u>
Total liabilities and fund balances	<u>\$ 3,010,539</u>	<u>\$ 638,252</u>	<u>\$ 6,167,614</u>	<u>\$ 9,816,405</u>

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
FEDERAL FUNDS

Terrebonne Parish School Board

June 30, 1997

	IASA Title I Disadvantaged Education	IASA Title I Migrant Education	IASA Title VI	Food Service	Federal Adult Education	Federal Vocational Education	JTPA Student Training	Genesis Alternative High Sch.	IASA Title IX Indian Education	IASA Title IV Safe and Drug Free
<b>ASSETS</b>										
Cash	\$ -	\$ -	\$ -	\$ 888,873	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:										
Other	-	-	-	48,452	-	-	-	-	-	-
Due from other funds	-	6,667	-	11,021	-	-	-	-	-	-
Due from other governmental units:										
State Department of Education	1,050,927	-	27,530	-	37,080	37,257	-	-	-	65,800
United States Department of Education	-	-	-	-	-	-	-	54,796	-	-
Other units	-	-	-	34,313	-	-	3,839	35,812	-	-
Inventory, at cost	-	-	-	275,887	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,050,927</b>	<b>\$ 6,667</b>	<b>\$ 27,530</b>	<b>\$ 1,258,546</b>	<b>\$ 37,080</b>	<b>\$ 37,257</b>	<b>\$ 3,839</b>	<b>\$ 35,812</b>	<b>\$ 54,796</b>	<b>\$ 65,800</b>
<b>LIABILITIES</b>										
Accounts payable	\$ 43,500	\$ 5,157	\$ 5,278	\$ 108,068	\$ -	\$ 3,727	\$ 179	\$ 12,079	\$ 432	\$ 1,008
Accrued employee benefits	112,611	1,486	2,401	-	2,712	4,097	1,548	9,386	8,393	4,198
Due to other funds	894,816	24	19,851	452,838	34,368	28,675	2,112	14,347	45,970	56,711
Due to other governments	-	-	-	5,266	-	-	-	-	-	-
Deferred revenues	-	-	-	-	-	758	-	-	1	3,883
<b>Total liabilities</b>	<b>\$ 1,050,927</b>	<b>\$ 6,667</b>	<b>\$ 27,530</b>	<b>\$ 565,172</b>	<b>\$ 37,080</b>	<b>\$ 37,257</b>	<b>\$ 3,839</b>	<b>\$ 35,812</b>	<b>\$ 54,796</b>	<b>\$ 65,800</b>
<b>FUND BALANCES</b>										
Unreserved - undesignated	-	-	-	692,374	-	-	-	-	-	-
<b>Total liabilities and fund balances</b>	<b>\$ 1,050,927</b>	<b>\$ 6,667</b>	<b>\$ 27,530</b>	<b>\$ 1,258,546</b>	<b>\$ 37,080</b>	<b>\$ 37,257</b>	<b>\$ 3,839</b>	<b>\$ 35,812</b>	<b>\$ 54,796</b>	<b>\$ 65,800</b>

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
FEDERAL FUNDS

Terrebonne Parish School Board  
June 30, 1997

ASSETS	Special Education PL 101-476	IASA Title II	JTPA-Adult Education	Medicaid Reimbursement	U.S. Childcare Development Block Grant	Goals 2000	Public Charter Schools	LA Learn Teacher Subgrant	Total
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 723	\$ -	\$ 889,596
Receivables:									
Other	-	-	-	53,233	-	33,965	897	-	49,349
Due from other funds	-	-	-	-	-	-	15,358	-	120,244
Due from other governmental units:									
State Department of Education	229,997	19,640	-	-	25,628	-	18,429	15,192	1,527,480
United States Department of Education	-	-	-	-	-	-	-	-	54,796
Other units	-	-	10,874	8,349	-	-	-	-	93,187
Inventory, at cost	-	-	-	-	-	-	-	-	275,887
<b>Total assets</b>	<b>\$ 229,997</b>	<b>\$ 19,640</b>	<b>\$ 10,874</b>	<b>\$ 61,582</b>	<b>\$ 25,628</b>	<b>\$ 33,965</b>	<b>\$ 35,407</b>	<b>\$ 15,192</b>	<b>\$ 3,010,539</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 70,275	\$ 8,610	\$ -	\$ 10,680	\$ -	\$ 33,755	\$ 176	\$ 3,867	\$ 306,791
Accrued employee benefits	9,992	449	1,403	-	2,584	-	3,818	-	165,078
Due to other funds	149,730	10,581	9,471	18,115	23,044	210	83	11,316	1,772,262
Due to other governments	-	-	-	-	-	-	-	9	5,275
Deferred revenues	-	-	-	32,787	-	-	-	-	37,429
<b>Total liabilities</b>	<b>229,997</b>	<b>19,640</b>	<b>10,874</b>	<b>61,582</b>	<b>25,628</b>	<b>33,965</b>	<b>4,077</b>	<b>15,192</b>	<b>2,286,835</b>
<b>FUND BALANCES</b>									
Unreserved - undesignated	-	-	-	-	-	-	31,330	-	723,704
<b>Total liabilities and fund balances</b>	<b>\$ 229,997</b>	<b>\$ 19,640</b>	<b>\$ 10,874</b>	<b>\$ 61,582</b>	<b>\$ 25,628</b>	<b>\$ 33,965</b>	<b>\$ 35,407</b>	<b>\$ 15,192</b>	<b>\$ 3,010,539</b>

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
STATE FUNDS

Statement A-3

Terrebonne Parish School Board

June 30, 1997

	Special Education		Act 17 of 1996	MFP Allotment	State Adult Education	LA Quality Education Support Fund	Child Search Project	MFP Remediation Program
	Materials and Supplies	Gifted Program						
<b>ASSETS</b>								
Receivables:								
Other	\$ -	\$ -	\$ -	\$ -	\$ 10	\$ -	\$ -	\$ -
Due from other funds	795	31	-	4,601	-	-	-	25,728
Due from other governmental unit:								
State Department of Education	-	-	17,346	-	24,901	66,538	3,982	-
Prepaid expenses, textbooks and materials	-	-	-	-	-	-	-	-
Total assets	<u>\$ 795</u>	<u>\$ 31</u>	<u>\$ 17,346</u>	<u>\$ 4,601</u>	<u>\$ 24,911</u>	<u>\$ 66,538</u>	<u>\$ 3,982</u>	<u>\$ 25,728</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 795	\$ 31	\$ 248	\$ 4,586	\$ -	\$ -	\$ 168	\$ 25,725
Accrued employee benefits	-	-	-	-	586	-	-	-
Due to other funds	-	-	17,098	15	24,325	66,538	3,814	3
Total liabilities	<u>795</u>	<u>31</u>	<u>17,346</u>	<u>4,601</u>	<u>24,911</u>	<u>66,538</u>	<u>3,982</u>	<u>25,728</u>
<b>FUND BALANCES</b>								
Designated for:								
Instructional programs	-	-	-	-	-	-	-	-
Total liabilities and fund balances	<u>\$ 795</u>	<u>\$ 31</u>	<u>\$ 17,346</u>	<u>\$ 4,601</u>	<u>\$ 24,911</u>	<u>\$ 66,538</u>	<u>\$ 3,982</u>	<u>\$ 25,728</u>

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
STATE FUNDS

Terrebonne Parish School Board

June 30, 1997

	Early Childhood Program	MFP School Nurse Program	State Library Allotment	State Textbooks & Materials	8 (g) Block Grant	LA Division of the Arts	Total
<u>ASSETS</u>							
Receivables:							
Other	\$ -	\$ -	\$ -	\$ 42	\$ -	\$ -	\$ 52
Due from other funds	-	237	12,890	26,275	-	1	70,558
Due from other governmental unit: State Department of Education	16,197	-	-	9,049	65,943	-	203,956
Prepaid expenses, textbooks and materials	-	-	-	363,686	-	-	363,686
Total assets	\$ 16,197	\$ 237	\$ 12,890	\$ 399,052	\$ 65,943	\$ 1	\$ 638,200
<u>LIABILITIES</u>							
Accounts payable	\$ 95	\$ 237	\$ 2,971	\$ 372,291	\$ 6,677	\$ -	\$ 413,824
Accrued employee benefits	827	-	-	-	1,338	-	2,751
Due to other funds	15,275	-	-	26,761	57,928	1	211,758
Total liabilities	16,197	237	2,971	399,052	65,943	1	628,333
<u>FUND BALANCES</u>							
Designated for:							
Instructional programs	-	-	9,919	-	-	-	9,919
Total liabilities and fund balances	\$ 16,197	\$ 237	\$ 12,890	\$ 399,052	\$ 65,943	\$ 1	\$ 638,252

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
LOCAL FUNDS

Terrebonne Parish School Board

June 30, 1997

	3/4% Sales Tax Fund	1 Cent Sales Tax Fund	Mineral Trust Fund	Childcare Program	Summer School Enhancement	8(g) Dyslexia Fund	Total
<b>ASSETS</b>							
Cash	\$ 1,956,145	\$ 2,106,074	\$ -	\$ -	\$ -	\$ -	\$ 4,062,219
Receivables:							
Sales and use tax	857,656	1,120,038	-	-	-	-	1,977,694
Other	-	-	-	-	1,417	234	1,651
Due from other funds	-	-	76,450	46	-	31,982	108,478
Due from other governmental unit: State Department of Education	-	-	-	-	-	17,572	17,572
<b>Total assets</b>	<b>\$ 2,813,801</b>	<b>\$ 3,226,112</b>	<b>\$ 76,450</b>	<b>\$ 46</b>	<b>\$ 1,417</b>	<b>\$ 49,788</b>	<b>\$ 6,167,614</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 309,790	\$ 277,601	\$ -	\$ -	\$ -	\$ 30,273	\$ 617,664
Accrued employee benefits	-	-	-	-	-	8,291	8,291
Due to other funds	1,094,689	1,506,730	-	46	1,417	3,661	2,606,543
Deferred revenues	-	-	-	-	-	7,563	7,563
<b>Total liabilities</b>	<b>1,404,479</b>	<b>1,784,331</b>	<b>-</b>	<b>46</b>	<b>1,417</b>	<b>49,788</b>	<b>3,240,061</b>
<b>FUND BALANCES</b>							
Reserved for:							
Employee compensation	-	-	76,450	-	-	-	76,450
Capital contracts	-	346,492	-	-	-	-	346,492
Technology	-	7,103	-	-	-	-	7,103
Designated for:							
Subsequent years' expenditures	276,932	-	-	-	-	-	276,932
Capital contracts	-	101,635	-	-	-	-	101,635
Instructional programs	1,132,390	-	-	-	-	-	1,132,390
Technology	-	986,551	-	-	-	-	986,551
<b>Total fund balances</b>	<b>1,409,322</b>	<b>1,441,781</b>	<b>76,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,927,553</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,813,801</b>	<b>\$ 3,226,112</b>	<b>\$ 76,450</b>	<b>\$ 46</b>	<b>\$ 1,417</b>	<b>\$ 49,788</b>	<b>\$ 6,167,614</b>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
ALL SPECIAL REVENUE FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	Federal Funds	State Funds	Local Funds	Total
<b>REVENUES</b>				
Local sources:				
Sales and use tax	\$ -	\$ -	\$ 22,119,016	\$ 22,119,016
Tuition	-	-	19,723	19,723
Interest earned	26,537	-	159,535	186,072
Charges for services	1,101,761	-	-	1,101,761
Other	5,780	1,243	102,769	109,792
State sources	245,730	1,308,235	48,040	1,602,005
Federal sources	12,194,995	-	-	12,194,995
Total revenues	13,574,803	1,309,478	22,449,083	37,333,364

**EXPENDITURES**

Instruction:				
Regular	268,294	667,450	5,513,839	6,449,583
Special	390,254	70,424	1,820,325	2,281,003
Adult education	163,189	69,620	32,585	265,394
Vocational education	256,911	59,730	393,407	710,048
Other programs	4,294,410	240,628	1,055,274	5,590,312
Support services:				
Student services	1,199,365	177,573	384,358	1,761,296
Instructional staff	1,168,256	195,608	529,969	1,893,853
General administration	4,420	40	286,009	290,469
School administration	87,988	4,275	502,975	595,238
Business services	78,583	822	69,204	148,609
Plant services	108,444	15,813	500,713	624,970
Food services	6,131,785	-	560,894	6,692,679
Student transportation	23,057	16,722	394,749	434,528
Central services	12,800	16	34,949	47,765
Community services	118,196	-	15,113	133,309
Facilities acquisition	13,363	-	892,887	906,250
Total expenditures	14,319,315	1,518,721	12,987,270	28,825,306
Excess (deficiency) of revenues over expenditures	(744,512)	(209,243)	9,461,813	8,508,058

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
ALL SPECIAL REVENUE FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	Federal Funds	State Funds	Local Funds	Total
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	\$ 824,336	\$ 207,985	\$ 886,216	\$ 1,918,537
Operating transfers out	-	-	(8,636,463)	(8,636,463)
Indirect costs received (paid)	(211,567)	(4,486)	-	(216,053)
Other sources (uses)	555	1,251	-	1,806
Total other financing sources (uses)	613,324	204,750	(7,750,247)	(6,932,173)
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	(131,188)	(4,493)	1,711,566	1,575,885
<u>FUND BALANCES</u>				
Beginning of year Equity transfer	854,892	14,412	1,299,168	2,168,472
End of year	\$ 723,704	\$ 9,919	\$ 2,927,553	\$ 3,661,176

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
FEDERAL FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	IASA Title I Disadvantaged Education	IASA Title I Migrant Education	IASA Title VI	Food Service	Federal Adult Education	Federal Vocational Education	JTPA Student Training	Genesis Alternative High Sch.	IASA Title IX Indian Education
<b>REVENUES</b>									
Local sources:									
Interest earned	\$ -	\$ -	\$ -	\$ 26,537	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	1,101,761	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
State sources	-	-	-	244,833	-	-	-	-	-
Federal sources	4,835,300	121,688	134,659	4,256,412	126,456	231,283	36,433	115,311	205,020
Total revenues	4,835,300	121,688	134,659	5,629,543	126,456	231,283	36,433	115,311	205,020
<b>EXPENDITURES</b>									
Instruction:									
Regular	-	-	-	-	-	-	-	-	-
Special	-	-	-	-	-	-	-	30,577	-
Adult education	-	-	-	-	119,482	-	-	-	-
Vocational education	-	-	-	-	-	189,180	-	-	-
Other programs	-	-	-	-	-	-	37,412	-	141,767
Support services:									
Student services:									
Instructional staff	338,913	79,032	37,794	-	-	21,865	2,669	48,632	-
General administration	495,626	2,060	-	-	-	18,633	-	-	55,017
School administration	2,350	50	100	-	-	125	1,028	-	158
Business services	3,313	-	-	-	-	-	437	63,684	-
Plant services	28,143	2,242	174	-	-	1,468	-	3,087	982
Food services	62,355	1,035	273	6,131,785	4,918	-	-	21,872	840
Student transportation	-	-	-	-	-	-	-	-	-
Central services	7,284	-	-	-	-	-	-	-	-
Community services	10,652	506	6	-	8	12	8	22	24
Facilities acquisition	103,272	-	-	-	-	-	-	-	-
Total expenditures	13,221	-	-	-	-	-	-	-	-
	4,699,488	117,958	131,911	6,131,785	124,408	231,283	41,554	488,903	198,788
Excess (deficiency) of revenues over expenditures	135,812	3,730	2,748	(502,242)	2,048	-	(5,121)	(373,592)	6,232
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in	-	-	-	339,169	1,649	-	5,121	373,592	-
Indirect costs received (paid)	(135,812)	(3,730)	(2,748)	-	(3,697)	-	-	-	(6,232)
Other sources (uses)	-	-	-	555	-	-	-	-	-
Total other financing sources (uses)	(135,812)	(3,730)	(2,748)	339,724	(2,048)	-	5,121	373,592	(6,232)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>									
	-	-	-	(162,518)	-	-	-	-	-
<b>FUND BALANCES</b>									
Beginning of year	-	-	-	854,892	-	-	-	-	-
End of year	-	-	-	592,374	-	-	-	-	-

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
FEDERAL FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	IASA Title IV Safe and Drug Free	Special Education PL 101-476	IASA Title II	JTPA-Adult Education	Medicaid Reimbursement	U.S. Childcare Development Block Grant	Goals 2000	Public Charter Schools	LA Learn Teacher Subgrant	Total
<b>REVENUES</b>										
Local sources:										
Interest earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,537
Charges for services	-	-	-	-	-	-	-	-	-	1,101,761
Other	3,711	-	-	-	-	-	-	2,069	-	5,780
State sources	-	-	-	-	-	-	-	897	-	245,730
Federal sources	275,585	1,105,042	117,813	45,338	90,549	76,656	143,799	73,634	204,017	12,194,995
Total revenues	279,296	1,105,042	117,813	45,338	90,549	76,656	143,799	76,600	204,017	13,574,803
<b>EXPENDITURES</b>										
Instruction:										
Regular	139	-	-	-	-	-	-	112,602	155,553	268,294
Special	-	281,050	-	-	65,657	-	-	-	12,970	390,254
Adult education	-	-	-	43,707	-	-	-	-	-	163,189
Vocational education	-	-	-	-	-	-	-	-	7,861	256,911
Other programs	-	-	1,430	-	-	76,199	-	-	15,487	4,294,410
Support services:										
Student services	239,658	408,266	-	-	22,536	-	-	-	-	1,199,365
Instructional staff	17,919	315,520	111,233	-	-	-	143,724	3,931	4,593	1,168,256
General administration	100	579	50	-	50	-	75	783	-	4,420
School administration	-	-	-	285	-	-	-	19,678	-	87,988
Business services	869	38,705	1,416	789	-	-	-	271	-	78,583
Plant services	50	16,091	74	904	-	-	-	32	-	106,444
Food services	-	-	-	-	-	-	-	-	-	-
Student transportation	203	10,408	-	-	-	-	-	-	-	6,131,785
Central services	12	1,429	-	4	-	-	-	117	-	23,057
Community services	11,936	-	-	-	-	-	-	37	2,951	118,196
Facilities acquisition	-	-	-	-	-	-	-	142	-	13,363
Total expenditures	270,886	1,072,048	114,203	45,689	88,243	76,199	143,799	142,755	199,415	14,319,315
Excess (deficiency) of revenues over expenditures	8,410	32,994	3,610	(351)	2,306	457	-	(66,155)	4,602	(744,512)
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers in	-	-	-	351	-	1,899	-	102,555	-	824,336
Indirect costs received (paid)	(8,410)	(32,994)	(3,610)	-	(2,306)	(2,356)	-	(5,070)	(4,602)	(211,567)
Other sources (uses)	-	-	-	-	-	-	-	-	-	555
Total other financing sources (uses)	(8,410)	(32,994)	(3,610)	351	(2,306)	(457)	-	97,485	(4,602)	613,324
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>										
	-	-	-	-	-	-	-	31,330	-	(131,188)
<b>FUND BALANCES</b>										
Beginning of year	-	-	-	-	-	-	-	-	-	854,892
End of year	-	-	-	-	-	-	-	31,330	-	\$ 723,704

CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
STATE FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	Materials and Supplies	Special Education Gifted Program	Act 17 of 1996	MFP Allotment	State Adult Education	LA Quality Education Support Fund	Child Search Project	MFP Remediation Program
<b>REVENUES</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	22,482	4,433	59,836	59,095	90,526	66,538	13,054	72,833
Total revenues	<u>22,482</u>	<u>4,433</u>	<u>59,836</u>	<u>59,095</u>	<u>90,526</u>	<u>66,538</u>	<u>13,054</u>	<u>72,833</u>
<b>EXPENDITURES</b>								
Instruction:								
Regular	-	-	-	-	-	-	-	-
Special	22,482	8,866	35,105	1,207	-	2,764	-	-
Adult education	-	-	-	-	69,620	-	-	-
Vocational education	-	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-	-
Support services:								
Student services	-	-	4,701	48,786	-	-	13,054	66,060
Instructional staff	-	-	-	-	13,749	63,774	-	5,683
General administration	-	-	-	-	40	-	-	-
School administration	-	-	3,850	-	425	-	-	-
Business services	-	-	-	-	356	-	-	466
Plant services	-	-	-	9,273	6,330	-	-	82
Student transportation	-	-	16,180	-	-	-	-	542
Central Services	-	-	-	2	6	-	-	-
Total expenditures	<u>22,482</u>	<u>8,866</u>	<u>59,836</u>	<u>59,268</u>	<u>90,526</u>	<u>66,538</u>	<u>13,054</u>	<u>72,833</u>

Excess (deficiency) of revenues over expenditures

OTHER FINANCING SOURCES (USES)

Operating transfers in  
Indirect costs received (paid)  
Other sources (uses)  
Total other financing sources (uses)

EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES

FUND BALANCES

Beginning of year  
End of year

CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
STATE FUNDS

Terrebonne Parish School Board  
For the Year Ended June 30, 1997

	Early Childhood Program	MFP School Nurse Program	State Library Allotment	State Textbooks & Materials	8 (g) Block Grant	LA Division of the Arts	Total
<b>REVENUES</b>							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,243	\$ 1,243
State sources	63,425	62,109	55,723	579,994	158,187	0	1,308,235
Total revenues	<u>63,425</u>	<u>62,109</u>	<u>55,723</u>	<u>579,994</u>	<u>158,187</u>	<u>1,243</u>	<u>1,309,478</u>
<b>EXPENDITURES</b>							
Instruction:							
Regular	-	-	-	665,067	2,383	-	667,450
Special	-	-	-	-	-	-	70,424
Adult education	-	-	-	-	-	-	69,620
Vocational education	-	-	-	59,730	-	-	59,730
Other programs	63,602	-	-	-	110,966	-	240,628
Support services:							
Student services	-	111,032	-	-	-	-	177,573
Instructional staff	-	-	60,216	-	50,943	1,243	195,608
General administration	-	-	-	-	-	-	40
School administration	-	-	-	-	-	-	4,275
Business services	-	-	-	-	-	-	822
Plant services	-	-	-	-	128	-	15,813
Student transportation	-	-	-	-	-	-	16,722
Central Services	-	8	-	-	-	-	16
Total expenditures	<u>63,602</u>	<u>111,040</u>	<u>60,216</u>	<u>724,797</u>	<u>164,420</u>	<u>1,243</u>	<u>1,518,721</u>
Excess (deficiency) of revenues over expenditures	(177)	(48,931)	(4,493)	(144,803)	(6,233)	-	(209,243)
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	177	48,931	-	148,038	6,233	-	207,985
Indirect costs received (paid)	-	-	-	(4,486)	-	-	(4,486)
Other sources (uses)	-	-	-	1,251	-	-	1,251
Total other financing sources (uses)	<u>177</u>	<u>48,931</u>	<u>-</u>	<u>144,803</u>	<u>6,233</u>	<u>-</u>	<u>204,750</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>							
	-	-	(4,493)	-	-	-	(4,493)
<b>FUND BALANCES</b>							
Beginning of year	-	-	14,412	-	-	-	14,412
End of year	<u>-</u>	<u>-</u>	<u>9,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,919</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
LOCAL FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	3/4% Sales Tax Fund	1 Cent Sales Tax Fund	Mineral Trust Fund	Childcare Program	Summer School Enhancement	8(g) Dyslexia Fund	Total
<b>REVENUES</b>							
Local sources							
Sales and use tax	\$ 10,193,380	\$ 11,925,636	\$ -	\$ -	\$ -	\$ -	\$ 22,119,016
Tuition	-	-	-	-	-	19,723	19,723
Interest earned	89,114	70,421	-	-	-	-	159,535
Other	-	-	-	100,059	2710	0	102,769
State sources	-	-	-	-	-	48,040	48,040
Total revenues	<u>10,282,494</u>	<u>11,996,057</u>	<u>-</u>	<u>100,059</u>	<u>2,710</u>	<u>67,763</u>	<u>22,449,083</u>
<b>EXPENDITURES</b>							
Instruction:							
Regular	1,042,776	4,206,830	-	-	-	264,233	5,513,839
Special	8,636	1,811,689	-	-	-	-	1,820,325
Adult education	-	32,585	-	-	-	-	32,585
Vocational Education	118,033	275,374	-	-	-	-	393,407
Other programs	39,971	892,811	-	100,059	2,710	19,723	1,055,274
Support services							
Student services	256	384,102	-	-	-	-	384,358
Instructional staff	34,928	374,480	-	-	-	120,581	529,989
General administration	124,179	161,830	-	-	-	-	286,009
School administration	2,912	500,063	-	-	-	-	502,975
Business Services	648	61,491	-	-	-	7065	69,204
Plant services	3,230	497,435	-	-	-	48	500,713
Food services	-	560,894	-	-	-	-	560,894
Student transportation	-	394,749	-	-	-	-	394,749
Central services	4,459	30,462	-	-	-	28	34,949
Community services	-	15,113	-	-	-	-	15,113
Facilities acquisition	-	892,887	-	-	-	-	892,887
Total expenditures	<u>1,380,028</u>	<u>11,092,795</u>	<u>-</u>	<u>100,059</u>	<u>2,710</u>	<u>411,678</u>	<u>12,987,270</u>
Excess (deficiency) of revenues over expenditures	8,902,466	903,262	0	-	-	(343,915)	9,461,813
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	-	538,519	3,782	-	-	343,915	886,216
Operating transfers out	(8,636,463)	-	-	-	-	-	(8,636,463)
Total other financing sources (uses)	<u>(8,636,463)</u>	<u>538,519</u>	<u>3,782</u>	<u>-</u>	<u>-</u>	<u>343,915</u>	<u>(7,750,247)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>							
	266,003	1,441,781	3,782	-	-	-	1,711,566
<b>FUND BALANCES</b>							
Beginning of year	1,229,500	0	72,668	-	-	-	1,299,168
Equity Transfer	(83,181)	-	-	-	-	-	(83,181)
End of year	<u>1,409,322</u>	<u>1,441,781</u>	<u>76,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,927,553</u>

SUPPLEMENTAL INFORMATION  
PROPRIETARY FUND TYPE  
INTERNAL SERVICE FUNDS

Terrebonne Parish School Board

June 30, 1997

Loss Fund

The Loss Fund was created pursuant to Board direction and placed the proceeds in a dedicated fund to provide for uninsured property and content losses. In addition, this fund serves to accumulate resources sufficient to handle all property and casualty losses which fall within any deductible conditions or any self-insured retention program developed in the future.

Workers' Compensation Fund

The Workers' Compensation Claims Fund was created pursuant to Board direction for payment of workers' compensation claims not covered by insurance policies. Revenues and Other Financing Sources of the fund include interest earnings and premiums charged to other system funds through the use of internally determined workers' compensation rates. Other Financial Uses include an excess loss insurance policy, claims administration, loss control expenses, compensation payments, and medical expenses disbursed to or for claimants. The estimated liability for compensation claims existing at year end, as determined by the program administrator, is recognized in the accounts for financial reporting purposes.

Group Insurance Claims Fund

The Group Insurance Claims Fund was created pursuant to Board direction to monitor operating results of a partially self-insured group health and dental insurance program for both active and retired personnel. Other Financing Sources of the fund include interest earnings and premiums charged to other system funds through the use of internally determined insurance premiums. Other Financing Uses include claims paid and estimated claims incurred but not yet paid or filed at year end.

COMBINING BALANCE SHEET  
 PROPRIETARY FUND TYPE  
 INTERNAL SERVICE FUNDS

Terrebonne Parish School Board

June 30, 1997

	Loss Fund	Workers Compensation	Group Insurance Claims Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash	\$ 303,177	\$ 262,381	\$ 3,626,206	\$ 4,191,764
Cash with fiscal agents	-	45,000	-	45,000
Due from other funds	-	101,419	21,662	123,081
<b>Total current assets</b>	<b>\$ 303,177</b>	<b>\$ 408,800</b>	<b>\$ 3,647,868</b>	<b>\$ 4,359,845</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable - claims	5,000	15,423	129,769	150,192
Accrued employee benefits - estimated liability for outstanding claims	-	230,720	2,383,167	2,613,887
Other Liabilities	-	1,992	9,389	11,381
<b>Total current liabilities</b>	<b>5,000</b>	<b>248,135</b>	<b>2,522,325</b>	<b>2,775,460</b>
<b>FUND EQUITY</b>				
Retained earnings:				
Unreserved:				
Designated for uninsured losses	298,177	-	-	298,177
Designated for insurance	-	160,665	1,125,543	1,286,208
<b>Total fund equity</b>	<b>298,177</b>	<b>160,665</b>	<b>1,125,543</b>	<b>1,584,385</b>
<b>Total liabilities and fund equity</b>	<b>\$ 303,177</b>	<b>\$ 408,800</b>	<b>\$ 3,647,868</b>	<b>\$ 4,359,845</b>

COMBINING STATEMENTS OF REVENUES EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE  
INTERNAL SERVICE FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	Loss Fund	Workers Compensation	Group Insurance Claims Fund	Total
<b><u>NON-OPERATING REVENUES</u></b>				
Interest earned	\$ 14,102	\$ 9,119	\$ 193,940	\$ 217,161
Insurance premium billings	-	460,587	10,851,680	11,312,267
Total non-operating revenues	<u>14,102</u>	<u>469,706</u>	<u>11,045,620</u>	<u>11,529,428</u>
<b><u>NON-OPERATING EXPENSES</u></b>				
Claims expense	-	277,145	11,041,509	11,318,654
Reinsurance and administration fees	<u>183,685</u>	<u>140,310</u>	<u>1,626,218</u>	<u>1,950,213</u>
Total non-operating expenses	<u>183,685</u>	<u>417,455</u>	<u>12,667,727</u>	<u>13,268,867</u>
Income (loss) before operating transfers	(169,583)	52,251	(1,622,107)	(1,739,439)
<b><u>OPERATING TRANSFERS</u></b>				
Operating transfer in	<u>125,000</u>	-	-	<u>125,000</u>
<b><u>NET INCOME (LOSS)</u></b>	<u>(44,583)</u>	<u>52,251</u>	<u>(1,622,107)</u>	<u>(1,614,439)</u>
<b><u>RETAINED EARNINGS</u></b>				
Beginning of year	<u>342,760</u>	<u>108,414</u>	<u>2,747,650</u>	<u>3,198,824</u>
End of year	<u>\$ 298,177</u>	<u>\$ 160,665</u>	<u>\$ 1,125,543</u>	<u>\$ 1,584,385</u>

COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE - INTERNAL SERVICE FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	Loss Fund	Workers Compensation Fund	Group Insurance Claims Fund	Total
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Premiums collected, received or recovered	\$ -	\$ 460,623	\$ 10,879,005	\$ 11,339,628
Claim expenses paid	(178,685)	(466,002)	(9,984,136)	(10,628,823)
Reinsurance and administrative fees paid	-	(140,310)	(1,626,218)	(1,766,528)
Operating transfers in	125,000	-	-	125,000
Cash provided (used) by non-capital financing activities	<u>(53,685)</u>	<u>(145,689)</u>	<u>(731,349)</u>	<u>(930,723)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest income	14,102	9,119	195,149	218,370
Net cash provided (used) by investing activities	<u>14,102</u>	<u>9,119</u>	<u>195,149</u>	<u>218,370</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(39,583)	(136,570)	(536,200)	(712,353)
<u>CASH AND CASH EQUIVALENTS AT</u>				
Beginning of year	342,760	443,951	4,162,406	4,949,117
End of year	<u>\$ 303,177</u>	<u>\$ 307,381</u>	<u>\$ 3,626,206</u>	<u>\$ 4,236,764</u>
<u>CASH AND CASH EQUIVALENTS AT END OF THE YEAR CONSISTED OF:</u>				
Cash	303,177	262,381	3,626,206	4,191,764
Cash with fiscal agent	-	45,000	-	45,000
	<u>\$ 303,177</u>	<u>\$ 307,381</u>	<u>\$ 3,626,206</u>	<u>\$ 4,236,764</u>

SUPPLEMENTAL INFORMATION  
FIDUCIARY FUND TYPE  
FUND DESCRIPTIONS

Terrebonne Parish School Board

June 30, 1997

IRC Section 125 Employee Benefits Fund

This fund accounts for disbursement of reimbursement benefits to employees participating in the School Board's Internal Revenue Code Section 125 Employee Benefits (Cafeteria) Plan. Deposits consist of payroll deductions for participating personnel. Disbursements are processed and reimbursement checks are issued by an appointed independent administrator. Interest earnings on the fund checking account are recognized in the General Operating Fund. The School Board installed its Cafeteria Plan during the year ended June 30, 1987. The plan provides for tax sheltered payment of certain employee benefit expenses, principally, group term hospitalization and life insurance.

School Activity Accounts

Each of the schools in the parish accounts for monies held by the school through the use of school activity accounts, and at the secondary level, where appropriate, athletic activity accounts, and stadium maintenance accounts. The accounting records are maintained at each facility under the supervision of the school principal. Year-end statements of receipts and disbursements are prepared by the school administrator and transmitted to the Assistant Superintendent of Administration and Statistics.

Each school activity account monitors proceeds expended for a variety of activities such as sales of concessions, student pictures, student club activities, and various other expenditures for instructional and school operating supplies.

Athletic accounts monitor revenues and expenditures related to various athletic programs, including the costs of equipment, supplies and services required in the program.

Stadium maintenance accounts monitor costs of operation and maintenance of athletic facilities. Schools using such facilities are charged a pro-rated facility use fee based upon the number of events held in the facility, and the direct cost of custodial services.

COMBINING BALANCE SHEET  
FIDUCIARY FUND TYPE  
AGENCY FUNDS

Terrebonne Parish School Board

June 30, 1997

	IRC Section 125 Employee Benefits	School Activity Fund	Total
<u>ASSETS</u>			
Cash	\$ 10,903	\$ 996,717	\$ 1,007,620
Investments	-	45,562	45,562
Total assets	<u>\$ 10,903</u>	<u>\$ 1,042,279</u>	<u>\$ 1,053,182</u>
<u>LIABILITIES</u>			
Other liabilities	<u>\$ 10,903</u>	<u>\$ 1,042,279</u>	<u>1,053,182</u>
Total liabilities	<u>\$ 10,903</u>	<u>\$ 1,042,279</u>	<u>\$ 1,053,182</u>

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUND TYPE  
 AGENCY FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	Balance 6/30/96		Balance 6/30/97					
	IRC Section 125 Employee Benefits	Activity Fund	Combined Total	Additions	Deletions	IRC Section 125 Employee Benefits	School Activity Fund	Combined Total
<u>ASSETS</u>								
Cash and investments	\$ 13,080	\$ -	\$ 13,080	\$ -	\$ 2,177	\$ 10,903	\$ -	\$ 10,903
Cash and investments	-	969,119	969,119	73,160	-	-	1,042,279	1,042,279
	<u>13,080</u>	<u>969,119</u>	<u>982,199</u>	<u>73,160</u>	<u>2,177</u>	<u>10,903</u>	<u>1,042,279</u>	<u>1,053,182</u>
Due from other funds	76	-	76	-	76	-	-	-
Total assets	<u>\$ 13,156</u>	<u>\$ 969,119</u>	<u>\$ 982,275</u>	<u>\$ 73,160</u>	<u>\$ 2,253</u>	<u>\$ 10,903</u>	<u>\$ 1,042,279</u>	<u>\$ 1,053,182</u>
<u>LIABILITIES</u>								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other liabilities	13,156	-	13,156	-	2,253	10,903	-	10,903
Other liabilities	-	969,119	969,119	73,160	-	-	1,042,279	1,042,279
Total liabilities	<u>\$ 13,156</u>	<u>\$ 969,119</u>	<u>\$ 982,275</u>	<u>\$ 73,160</u>	<u>\$ 2,253</u>	<u>\$ 10,903</u>	<u>\$ 1,042,279</u>	<u>\$ 1,053,182</u>

COMBINING STATEMENT OF CHANGES IN ASSET BALANCES  
 FIDUCIARY FUND TYPE  
 AGENCY - SCHOOL ACTIVITY ACCOUNTS  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 1997

Schools	Balance 6/30/96	Additions	Deletions	Balance 6/30/97
Acadian	\$ 58,766	\$ 108,016	\$ 101,519	\$ 65,263
Bayou Black	9,660	36,134	37,501	8,293
Bayou Cane - Adult Education	4,605	9,448	9,820	4,233
Boudreaux Canal	10,874	30,230	28,235	12,869
Bourg	7,689	86,232	74,475	19,446
H. L. Bourgeois	67,961	395,299	376,920	86,340
Broadmoor	15,082	137,412	117,815	34,679
Caldwell	19,509	62,148	61,388	20,269
Coteau Bayou Blue	1,351	97,841	77,954	21,238
Dularge Elementary	19,904	26,733	29,029	17,608
Dularge Middle	5,150	45,380	38,586	11,944
East Houma	9,267	39,988	41,865	7,390
East Street	79	10,493	10,352	220
Ellender Memorial High	117,937	360,712	413,801	64,848
Elysian Fields	25,136	70,556	79,461	16,231
Evergreen Jr. High	34,104	153,901	148,021	39,984
Genesis	2,179	42,397	16,042	28,534
Gibson	12,383	29,549	26,083	15,849
Grand Caillou Elementary	7,005	48,765	48,700	7,070
Grand Caillou Middle	4,228	55,085	55,786	3,527
Greenwood	3,734	35,671	31,267	8,138
Honduras	11,727	46,044	50,820	6,951
Houma Jr. High	25,771	168,800	184,693	9,878
Lacache	16,935	84,697	78,401	23,231
Legion Park	9,954	13,143	20,250	2,847
Lisa Park	30,489	109,473	105,304	34,658
Little Caillou	4,252	29,211	29,809	3,654
Montegut Elementary	9,698	37,299	35,075	11,922
Montegut Middle	22,084	100,927	107,994	15,017
Mulberry	32,762	165,392	167,834	30,320
Oaklawn Jr. High	60,713	84,694	78,638	66,769
Oakshire	10,291	91,224	86,631	14,884
Pointe-Aux-Chenes	15,912	41,246	37,042	20,116
Andrew Price	1,142	6,279	5,966	1,455
School for Exceptional Children	16,030	16,952	20,884	12,098
Schriever	13,701	70,878	67,535	17,044
Southdown Middle	17,531	27,691	22,233	22,989
South Terrebonne High	93,309	533,375	533,931	92,753
Terrebonne High	88,395	338,003	311,954	114,444
Terrebonne Vocational Rehabilitation Center	6,848	13,953	12,890	7,911
Upper Little Caillou	11,558	76,810	81,297	7,071
Village East	12,037	48,156	49,777	10,416
Vocational Technical High	12,947	53,981	52,354	14,574
West Park	8,430	38,714	39,840	7,304
<b>Total</b>	<b>\$ 969,119</b>	<b>\$ 4,078,932</b>	<b>\$ 4,005,772</b>	<b>\$ 1,042,279</b>

SCHEDULE OF  
COMPENSATION PAID TO BOARD MEMBERS

Terrebonne Parish School Board

For the Year Ended June 30, 1997

	<u>Amount</u>
Hayes Badeaux	\$ 9,600
Clark Bonvillain	9,600
Roger "Dale" DeHart	10,200
Donald Duplantis	9,600
Roland A. Henry, Jr.	10,200
Nelson J. Kramer	9,600
Michael J. McIntire	9,600
Frances Modisette	9,600
Todd A. Pellegrin	9,600
Rickie Pitre	9,600
John R. Pizzolatto	9,600
Joseph P. Rhodes	9,600
Charles D. Vandercook	9,600
Donald Verret	9,600
Arthur V. Verrett, Jr.	9,600
Total	<u>\$ 145,200</u>

Board member compensation is included in the general administrative expenditures of the General Fund.

**SUPPLEMENTARY FINANCIAL REPORTS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Terrebonne Parish School Board  
For the year ended June 30, 1997

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
<u>Department of Agriculture</u>				
<u>Pass through payments from State Department of Agriculture</u>				
USDA Nutrition Cluster:				
School Breakfast Program	SL-4 SL-11	10.553		
School Lunch Program		10.555		
Total Nutrition Cluster			\$ 3,945,934	\$ 3,945,934
USDA Commodities (NOTE 2)	FY 97	10.550	310,478	310,478
Total - Department of Agriculture			<u>4,256,412</u>	<u>4,256,412</u>
<u>Department of Education</u>				
<u>Direct payments:</u>				
IASA Title IX Indian Education - current	S060A40646-96	84.060A	200,236	200,236
IASA Title IX Indian Education - prior year	S060A40646-95	84.060A	2,284	2,284
IASA Title IX Indian Education - Intertribal Council			2,500	2,500
<u>Pass through payments from State Dept. of Education</u>				
IASA Title I - Capital Expenditure Grant Fund - current	FY97 CEG	84.216A	15,866	15,866
IASA Title I - Terrebonne Educational Enrichment - carryover	96-016-55 C/O to 97	84.010	422,885	422,885
IASA Title I - Terrebonne Educational Enrichment - Support Teams	FY97 SCHOOL SUPPORT TEAM	84.010A	20,649	20,649
IASA Title I - Terrebonne Educational Enrichment - liquidation	96-016-55	84.010	14,350	14,350
IASA Title I - Terrebonne Educational Enrichment - current	97-IASA-55	84.010	4,361,550	4,361,550

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board  
For the year ended June 30, 1997

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
IASA Title I - Migrant Education - current	FY 97-M-28-29-1	84.011	121,688	121,688
IASA Title VI - current	97-IASA-55-6	84.151	98,477	98,477
IASA Title VI - carryover	28-96-0055-6 C/O to 97	84.151	19,846	19,846
IASA Title VI - prior year	28-96-0055-6	84.151	16,336	16,336
IASA Title II PL 100-297 - current	97-IASA-55-2	84.164	113,656	113,656
IASA Title II PL 100-297 - carryover	28-96-5055-II C/O to 97	84.164	4,158	4,158
Drug Free Schools and Community Act - current	97-IASA-55-4	84.186	267,473	267,473
Drug Free Schools and Community Act - prior year	28-96-7055-D	84.186	2,569	2,569
Drug Free Schools and Community Act - carryover	28-96-7055-D C/O to 97	84.186	5,542	5,542
Adult Basic Education - current	ABE 1966	84.002	126,456	126,456
Public Charter Schools - current	5282A50011-96	84.282A	50,000	50,000
Public Charter Schools - prior year	S282A50011	84.282A	23,634	23,634
LA LEARN - Teacher Subgrants	9276A0018	84.276A	204,017	204,017
LA LEARN/Goals 2000 - current	9276A0018	84.276A	143,799	143,799

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board  
For the year ended June 30, 1997

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
Vocational Education:				
Carl D. Perkins Act				
Basic Grant - PL 101-392	28-97-CH-2B	84.048	192,133	192,133
Guidance Services	28-97-CH-2BG	84.048	21,866	21,866
School-to-Work	28-97-2-SW	84.048	298	298
Basic Grant - carryover	28-96-CH-2B-1997 C/O	84.048	6,826	6,826
Tech Prep - Region 3	1997 VEA	84.048	10,160	10,160
PL 101-476 - Special Education - current	97-FT-55	84.027A	945,766	945,766
PL 101-476 - Special Education - liquidation	96-FT-55	84.027	80,918	80,918
PL 101-476 - Special Education - carry-over	96-FTC-55	84.027A	14,286	14,286
PL 101-476 - Part H Funds - current	96-CIT3-55	84.181	12,333	12,333
PL 101-476 - Part H Funds - prior year	95-CIT3-55	84.181	13,780	13,780

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board  
For the year ended June 30, 1997

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
PL 101-476 - Pre-school - current	97-PF-55	84.173A	102,130	102,130
PL 101-476 - Pre-school - liquidation	96-PF-55	84.173	35,829	35,829
Total United States Department of Education			<u>7,574,295</u>	<u>7,574,295</u>

DEPARTMENT OF LABOR

Pass through payments from the state

<u>Job Training Partnership Act - Student Training</u>	Title II-C of 1988			
1989 Life Skills Center - Project Genesis - current	100469	17.250	115,311	115,311
Houma Junior High Potential Dropout Training Program	100464	17.250	7,491	7,491
Evergreen Junior High Student Alternative Vocational Education	100464	17.250	7,867	7,867
Oaklawn Junior High Dropout Prevention Education Training Program	100464	17.250	8,428	8,428

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board

For the year ended June 30, 1997

<u>Federal Granting Agency/Recipient State Agency/Grant Program</u>	<u>GRANT NUMBER</u>	<u>CFDA NUMBER</u>	<u>REVENUE RECEIVED</u>	<u>EXPENDITURE AMOUNT</u>
Grand Caillou Middle School Dropout Prevention Program	100464	17.250	8,971	8,971
Project Mainstream Ellender Memorial High School	100468	17.250	3,000	3,000
CareerNet		17.250	676	676
<u>Job Training Partnership Act - Adult Education</u>	Title II - C			
8% Computer Assisted Adult Education	100465	17.250	30,377	30,377
Title II - C Youth Education	100465	17.250	14,962	14,962
Total United States Department of Labor			<u>197,082</u>	<u>197,082</u>
<u>DEPARTMENT OF SOCIAL SERVICES</u>				
<u>Pass through payments from State Department of Education</u>				
U.S. Child Care Block Grant	None	93.575	76,656	76,656

TERREBONNE PARISH SCHOOL BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1997

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the general purpose financial statements of the Terrebonne Parish School Board.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Terrebonne Parish School Board were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for the Terrebonne Parish School Board expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Terrebonne Parish School Board are reported in Part C of this Schedule.
7. The programs tested as major programs include:

USDA Nutrition Cluster:		
School Breakfast Program	CFDA #	10.553
School Lunch Program		10.555
IASA Title I		84.010
8. The threshold for distinguishing Types A and B programs was \$363,168.
9. The Terrebonne Parish School Board was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

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

None

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A PROFESSIONAL CORPORATION

CLAUDE E. BERGERON, CPA  
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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited the financial statements of the Terrebonne Parish School Board as of and for the year ended June 30, 1997, and have issued our report thereon dated November 18, 1997. That report was qualified because buildings presented in the General Fixed Asset Account Group were reported at insured values rather than historical cost and because furniture and equipment presented in the General Fixed Asset Account Group were not audited. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Terrebonne Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct 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 Terrebonne Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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 of management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

November 18, 1996

*Bergeron & Farnum*

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

To the Terrebonne Parish School Board  
Houma, Louisiana

### Compliance

We have audited the compliance of the Terrebonne 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, 1997. The Terrebonne 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 Terrebonne Parish School Board's management. Our responsibility is to express an opinion on the Terrebonne Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Terrebonne 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 legal determination on the Terrebonne Parish School Board's compliance with those requirements.

In our opinion, the Terrebonne 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, 1997.

Internal Control Over Compliance

The management of the Terrebonne 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 Terrebonne 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 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 of management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Bergeron & Lanoux*

November 18, 1997

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**TERREBONNE PARISH SCHOOL BOARD**

**Management Letter**

**June 30, 1997**

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

Release Date \_\_\_\_\_

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# Bergeron & Lanaux

— CERTIFIED PUBLIC ACCOUNTANTS —  
A PROFESSIONAL CORPORATION

CLAUDE E. BERGERON, CPA  
THOMAS J. LANAUX, CPA  
MICHAEL D. BERGERON, CPA

November 18, 1997

To the Terrebonne Parish School Board  
Houma, Louisiana

In planning and performing our audit of the general purpose financial statements of the Terrebonne Parish School Board for the year ended June 30, 1997, we considered the School System's internal control to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on internal control. As a result of our audit, we offer the following comment for the School System's consideration.

## YEAR 2000

On January 1, 2000, information technology experts believe that many application systems will fail as a result of erroneous calculations and data integrity problems. The situation, commonly known as the year 2000 issue, will occur because many computers cannot process date information beyond December 31, 1999. That is because many application software products (both commercial and in-house-developed legacy systems) were originally designed to accommodate only a two digit date position to represent the year (for example, 95 for the year 1995).

The School Board should devote the necessary resources to evaluate its systems and make them year 2000 compliant. This will ensure that the systems will be able to process date information on or after January 1, 2000.

We recommend that you complete a survey of all systems and applications by June 30, 1998 to determine which may be affected. This survey should include not only computer applications, but other equipment and systems such as mechanical systems, telephones, fax machines and alarm systems which may be date sensitive. After the survey is completed, modification of all affected applications, particularly mission-critical applications, should be completed by December 31, 1998, to allow for thorough testing before January 1, 2000. If the School Board is not year 2000 compliant by January 1, 2000, it may experience costly and significant application program failures that could prevent it from performing its normal processing activities. Depending on the extent of system failures, noncompliance could have adverse financial consequences for the School System.

The anticipated purchase of new computer hardware and software packages must be coordinated with the process of becoming year 2000 compliant. This purchase should be made as soon as possible to allow sufficient time to complete the conversion process. The new system is expected to be year 2000 compliant, but existing data files must be converted to the proper date format. This conversion must be completed before any testing can begin.

Also, the School Board should consider implementing additional verification procedures to test the accuracy of information received from its vendors, bankers, grantor agencies and other third party organizations with whom you exchange date-dependent information because these organizations also must become year 2000 compliant. The School Board should satisfy itself that these organizations will not experience problems relating to the year 2000 issue that could affect the School Board's operations.

We have issued a separate report dated November 18, 1997, on the School System's internal control. This letter does not affect our report dated November 18, 1997, on the general purpose financial statements. We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would like to express our appreciation for the courtesy and assistance extended to us during our audit.

Sincerely,

*Thomas J. Lanoux CPA*

BERGERON & LANAUX