

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

Comprehensive Annual Report

June 30, 2019



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## **INTRODUCTORY SECTION**

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**School Board Members and Officials  
2018 - 2019**

**SCHOOL BOARD MEMBERS**

Debi Benoit, President

Stacy Verhagen Solet, Vice-President

Michael LaGarde  
Gregory Harding  
Matthew J. Ford  
Clyde F. Hamner  
Roger Dale DeHart  
Maybelle N. Trahan, Ed.D.  
Dane Voisin

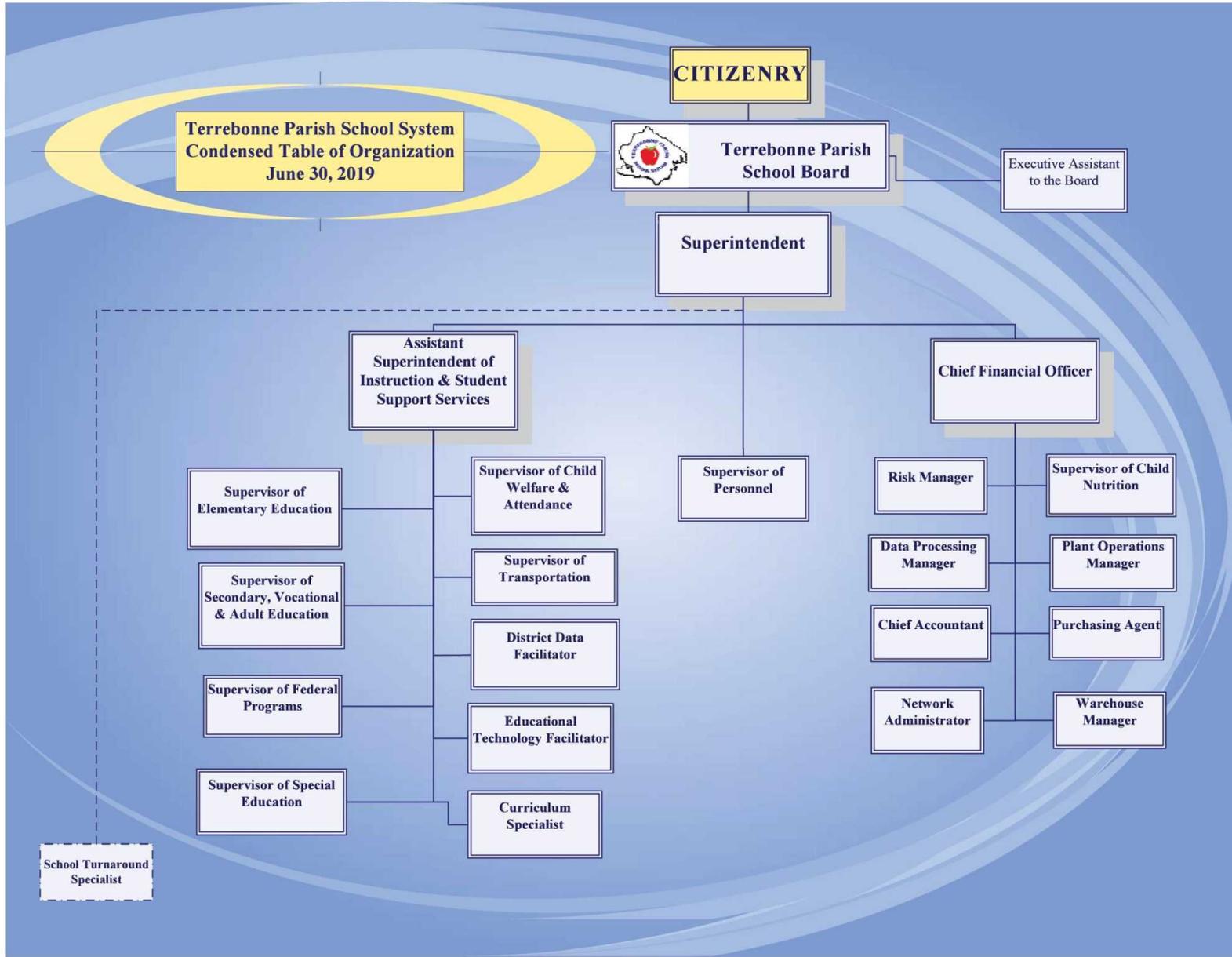
**OFFICIALS**

Philip Martin  
Superintendent

Rebecca Breaux  
Chief Financial Officer

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**2018-2019 Organizational Chart**



## **FINANCIAL SECTION**

## **Independent Auditor's Report**

To the Members of the  
Terrebonne Parish School Board  
Houma, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Terrebonne Parish School Board (the School Board) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Terrebonne Parish School Board, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 16, budgetary comparison information on pages 84 - 86 schedule of changes in the School Board's net other postemployment benefit (OPEB) liability and related ratios, schedule of School Board's proportionate share of the net pension liability, and schedule of contributions to pension plans on pages 87 - 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Terrebonne Parish School Board's basic financial statements. The introductory section, combining and individual non-major fund financial statements, the schedule of compensation paid to board members, and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits, and other payments to agency head or chief executive officer, and the schedule of expenditures of federal awards, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2019 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 grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Terrebonne Parish School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Terrebonne Parish School Board's internal control over financial reporting and compliance.



A Professional Accounting Corporation

Houma, Louisiana  
December 27, 2019

**REQUIRED SUPPLEMENTARY INFORMATION  
(PART I)**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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This management's discussion and analysis (MD&A) is a narrative overview and analysis of the financial activities of the Terrebonne Parish School Board (the School Board) for the fiscal year ended June 30, 2019. This section is intended to assist the reader in focusing on significant financial issues, provide an overview of the financial activity, and identify changes in the financial position and the ability of administration and management to address the next and subsequent years' challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns.

**FINANCIAL HIGHLIGHTS**

The financial highlights for the Terrebonne Parish School Board for fiscal year ended June 30, 2019, are:

- The School Board's governmental funds expended \$194.1 million in fiscal year ended June 30, 2019 on education for Terrebonne Parish (the Parish).
- The School Board's governmental fund revenues on a budgetary basis for fiscal year ended June 30, 2019, were approximately \$195.2 million. The largest single sources of non-federal funds were from the State of Louisiana Minimum Foundation Program (\$93.1 million), ad valorem taxes (\$8.7 million), and sales and use taxes (\$56.6 million).
- The liabilities and deferred inflows of the School Board exceeded its assets and deferred outflows at the close of the fiscal year by \$335.5 million, a change of \$8.8 million from 2018.
- The School Board's net position increased by \$8.8 million.
- The School Board's governmental funds reported combined ending fund balances of \$65.3 million, a decrease of \$0.5 million in comparison to the prior year.
- The School Board expended approximately \$8.6 million on capital projects in 2018-2019. The majority of these expenditures were on construction of a new school building.
- The School Board's General Fund on a budgetary basis had an increase of \$0.8 million in fund balance.
- As of June 30, 2019, the School Board had \$40.6 million in bonds outstanding, including unamortized bond premiums.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The School Board's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements include the statement of net position (on page 18) and the statement of activities (on page 19). They provide information about the financial position of the School Board as a whole and present a longer-term view of the School Board's finances. Fund financial statements start on page 21. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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Fund financial statements also report the School Board's operations in more detail than the government-wide statements by providing information about the School Board's most significant funds. The fiduciary fund statements provide financial information about activities for which the School Board acts solely as a trustee or agent for the benefit of those outside of the government.

Our auditor has provided assurance in its independent auditor's report, located immediately preceding this management's discussion and analysis, that the basic financial statements are fairly stated. The auditor has also provided varying degrees of assurance regarding the required supplementary information and other supplementary information. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the financial statements.

**Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 32 - 81 of this report.

**Other Information**

The combining statements of non-major governmental funds and internal service funds are presented as supplementary information following the notes to basic financial statements. Combining and individual fund statements and schedules can be found on pages 101 - 112 of this report.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities report information about the School Board and its activities as a whole. These statements include *all* assets and deferred outflows and liabilities and deferred inflows using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the School Board's net position and changes in the net position. You can think of the School Board's net position (the difference between assets and deferred outflows and liabilities and deferred inflows) as one way to measure the School Board's financial health, or financial position. Over time, *increases or decreases* in the School Board's net position are indicators of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the School Board's property tax base and the condition of the schools, to assess the overall financial health of the School Board.

In 2018-2019, the School Board's financial position increased, with its net position increasing \$8.8 million from a \$344.3 deficit in 2017-2018 to a \$335.5 deficit in 2018-2019. \$62.6 million of the School Board's net position is invested in capital assets net of related debt, and \$24.7 million of the School Board's net position is restricted for debt service, operational purposes, and food service, leaving a deficit of \$422.8 million in unrestricted net position.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

In the statement of net position and the statement of activities, the School Board can be divided into two kinds of activities:

*Governmental Activities* - Most of the School Board's basic services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales and use taxes, Minimum Foundation Program (MFP) funds, and state and federal grants finance most of these activities. The School Board's general liability, group health insurance, and workers' compensation self-insured programs are accounted for here.

*Business-Type Activities* - Business-type activities are those activities which are conducted by the School Board whereby the fees/charges for those services provided are intended to be sufficient to realize a profit. The School Board did not have any such activities.

Our analysis below focuses on the net position and changes in net position of the School Board's governmental activities:

**Summary of Net Position  
June 30, 2019 and 2018**

	<b>Governmental Activities</b>	
	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Current Assets	\$ 108,598,783	\$ 113,311,305
Capital Assets	196,957,346	190,566,368
Less Accumulated Depreciation	(93,773,222)	(92,264,537)
Capital Assets, Net of Depreciation	103,184,124	98,301,831
<b>Total Assets</b>	<b>211,782,907</b>	<b>211,613,136</b>
<b>Deferred Outflows of Resources</b>	<b>42,146,207</b>	<b>36,250,022</b>
<b>Liabilities</b>		
Current Liabilities	36,558,030	35,069,027
Long-Term Liabilities	525,881,592	538,319,536
<b>Total Liabilities</b>	<b>562,439,622</b>	<b>573,388,563</b>
<b>Deferred Inflows of Resources</b>	<b>26,989,989</b>	<b>18,818,421</b>
<b>Net Position</b>		
Net Investment in Capital Assets	62,574,351	65,483,529
Restricted	27,845,488	29,779,041
Unrestricted	(425,920,336)	(439,606,396)
<b>Total Net Position</b>	<b>\$ (335,500,497)</b>	<b>\$ (344,343,826)</b>

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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The largest portion of the School Board's net position is an unrestricted deficit of \$425.9 million. The unrestricted deficit is primarily made up of the net pension liability of \$182.5 million and the other postemployment benefit liability of \$297.2 million. This deficit is not expected to consume the resources of the School Board in the next fiscal year since the net pension liability and other postemployment benefit liability are long-term in nature. Payments for these liabilities will be budgeted in the year that actual payments are expected to be made.

The School Board's net position also includes its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets to provide services to the public; consequently, these assets are not available for future spending. Although, the School Board's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted net position represents resources to be used to pay the remaining amount of outstanding debt, restricted resources for construction projects, and restricted resources for food service programs.

Total current assets decreased approximately \$4.7 million from the previous year. Current assets (93.9% at June 30, 2019 and 2018) consist primarily of cash, investments, and sales taxes receivable. The net book value of capital assets represents 48.7% and 46.4% of total assets for the years ended June 30, 2019 and 2018, respectively. Current liabilities (90.6% at June 30, 2019, 93.5% at June 30, 2018) consist primarily of amounts due for salaries and benefits payable in July and August for employees of the School Board.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

The following represents a recap of the governmental activities presented in the statement of activities (government-wide financial statements):

**Summary of Changes in Net Position  
For the Year Ended June 30, 2019 and 2018**

	2019	2018
<b>Program Revenues</b>		
Charge for Services	\$ 2,101,467	\$ 2,056,527
Operating Grants and Contributions	29,818,344	27,148,895
<b>Total Program Revenues</b>	<b>31,919,811</b>	<b>29,205,422</b>
<b>General Revenues</b>		
Ad Valorem Taxes	8,704,916	8,797,316
Sales and Use Taxes	56,643,112	55,733,558
Rental, Leases, and Royalties	263,550	173,286
Earnings on Investments	1,787,133	858,944
Other Local Revenue	2,096,519	1,577,826
Grants, Not Specific to Programs	919,422	374,511
Minimum Foundation Program	93,090,032	93,593,958
State Revenue Sharing	216,681	218,087
<b>Total General Revenues</b>	<b>163,721,365</b>	<b>161,327,486</b>
<b>Total Revenues</b>	<b>195,641,176</b>	<b>190,532,908</b>
<b>Expenses</b>		
Instructional Expenses	104,332,524	105,924,418
Support Service Expenses	70,917,048	70,767,246
Food Service Operations	10,858,787	11,492,420
Debt Service and Other Expenses	689,488	714,451
<b>Total Expenses</b>	<b>186,797,847</b>	<b>188,898,535</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 8,843,329</b>	<b>\$ 1,634,373</b>

The total cost of all programs and services decreased by 1.1% (\$2.1 million) and program revenues for these activities increased by 9.3% (\$2.7 million) compared to the previous year. The increase in net position for all activities was \$8.8 million at June 30, 2019, compared to a \$1.6 million increase in net position at June 30, 2018.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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The total revenue to fund all activities this year was \$195.6 million compared to \$190.5 million last year, an increase of 2.7% from the previous year. As shown in the statement of activities, the amount that taxpayers ultimately financed for these activities through taxes, rental, leases, and royalties, earnings on investments, the Minimum Foundation Program, and state revenue sharing was \$163.7 million. Some of the cost was paid by those who directly benefited from the programs (\$2.1 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$29.8 million). Overall, the governmental program revenues increased from \$29.2 million to \$31.9 million (9.3%).

Program revenues consist of charges for services and operating grants and contributions. Charges for services include such accounts as tuition, building rental, school bus rental, summer school fees, and driver's education fees, as well as charges for breakfast and lunches in the Food Service Fund. Operating grants and contributions consist of program specific state and federal grants. General revenues consist of taxes and revenues not specific to any program or service.

**FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund statements are reported using the modified accrual method of accounting. Fund financial statements provide more in-depth data on the most significant funds that are considered "major funds". All of the funds of the School Board can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds* - Most of the activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end, and the amount available for spending in future periods. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

*Proprietary Fund* - The Terrebonne Parish School Board maintains four proprietary-type funds. The School Board uses *internal service funds* as an accounting device to accumulate and allocate costs internally among the various functions for its self-funded workers' compensation program, loss fund, and group insurance claims fund.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for these funds.

*Fiduciary Funds* - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These funds include school activity funds and an employee benefits trust fund. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Terrebonne Parish School Board's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Financial Analysis of Governmental Funds**

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

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

The following is a recap of the percentages of revenues by source for all governmental fund types (fund financial statements):

Revenue Source	2019		2018	
	Amount	Percentage	Amount	Percentage
Local	\$ 71,183,896	36.46%	\$ 69,049,989	36.27%
State	95,994,505	49.17%	96,493,561	50.68%
Federal	28,049,974	14.37%	24,841,890	13.05%
<b>Total Revenues</b>	<b>\$ 195,228,375</b>	<b>100.00%</b>	<b>\$ 190,385,440</b>	<b>100.00%</b>

Local sources of revenues include property tax collections, sales and use taxes, local parish contributions to the Teachers' Retirement Plan, rents and royalties that are generated by various School Board properties, tuition, charges for services such as meal revenues, earnings on investments, and various reimbursements and contributions, for a total of \$71.2 million, an increase of 3.1% from last year.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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State sources of revenues include monies from the Minimum Foundation Program, revenue sharing, Professional Improvement Program support for teachers, state contributions to the Teachers' Retirement Plan, and grants from various other state programs, for a total of \$96.0 million, a decrease of 0.5% from last year.

Federal sources of revenues include grants from various federal programs including the Disadvantaged Education Program, Meal Reimbursement Program, Special Education Fund, and various other federal programs, for a total of \$28.0 million, an increase of 12.9% from last year.

The following is a recap by percentages of expenditures by function for all governmental fund types:

Function	2019		2018	
	Amount	Percentages	Amount	Percentages
Instruction	\$ 107,498,702	55.40%	\$ 105,358,158	54.52%
Support Services	77,625,730	40.00%	75,931,844	39.29%
Facilities Acquisition	7,867,220	4.05%	10,882,530	5.63%
Debt Service	1,064,345	0.55%	1,071,136	0.55%
<b>Total Expenditures</b>	<b>\$ 194,055,997</b>	<b>100.00%</b>	<b>\$ 193,243,668</b>	<b>100.00%</b>

Instruction expenditures include regular, special, adult, vocational, and other various instructional expenditures such as alternative programs, music programs, extracurricular programs, and summer school programs. These expenditures increased 2.0% from last year.

Support services include pupil support, instructional staff, general administration, school administration, business services, plant services, child nutrition, student transportation, central services, and community services. These expenditures increased 2.2% from last year.

Facilities acquisition includes all expenditures for construction, engineer fees, land and site improvements, portable classrooms, and building improvements. These expenditures decreased 27.7% from last year.

Debt service includes all debt principal, interest, and agent fees. These expenditures decreased 0.6% from last year.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The following is a recap of the capital asset categories and balances for governmental activities:

Category	Cost	Accumulated Depreciation	Net Balance	
			2019	2018
Land	\$ 6,256,446	\$ -	\$ 6,256,446	\$ 6,256,446
Buildings and Improvements	159,998,002	87,112,819	72,885,183	75,229,459
Furniture and Equipment	6,571,574	4,947,649	1,623,925	1,347,831
Vehicles	1,849,553	1,712,753	136,800	103,426
Construction-in-Progress	22,281,770	-	22,281,770	15,364,669
<b>Total</b>	<b>\$ 196,957,345</b>	<b>\$ 93,773,221</b>	<b>\$ 103,184,124</b>	<b>\$ 98,301,831</b>

The original cost of capital assets is \$196,957,345 which is an accumulation of capital assets year after year less any disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with generally accepted accounting principles, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$93,773,221. Most capital asset acquisitions are financed through long-term debt.

Capital asset additions for the year were \$8,605,385 and disposals were \$2,214,408, net of amounts transferred from construction-in-progress. Depreciation expense for the year was \$3,692,343. At the end of the fiscal year, the amount expended for uncompleted construction projects is \$22,281,770.

**Debt**

The following is a recap of the types and balances of debt outstanding:

Category	Original Proceeds	Ending Balance	
		2019	2018
Bonds Payable	\$ 41,720,220	\$ 40,609,773	\$ 40,983,105
Compensated Absences	N/A	6,253,660	6,340,999
Other Postemployment Benefits	N/A	297,210,170	295,894,702
Net Pension Liabilities	N/A	182,478,133	195,843,376
<b>Total</b>	<b>\$ 41,720,220</b>	<b>\$ 526,551,736</b>	<b>\$ 539,062,182</b>

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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Additional information regarding these bonds is included in Note 8 to the financial statements. At year-end, the School Board had approximately \$40.6 million in bonds and notes outstanding (not including compensated absences and other postemployment benefits) versus approximately \$41.0 million last year. Debt service expenditures totaled \$1,064,345, or 0.5%, of general governmental expenditures compared to 0.6% in the prior year.

**GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS**

**General Fund Balance**

The budgetary comparison schedules for the major funds display original, final, and actual budget columns with a variance column showing the favorable or (unfavorable) difference of the actual compared to the final budget. The following shows the significant amendments to the original General Fund budget:

<b>Original Budget Revenues</b>	\$ 122,157,448
Amendments were Made for:	
Increase in Ad Valorem Tax Received	28,568
Increase in Sales and Use Tax Revenue Received	398,603
Increase in Rentals, Leases, and Royalties	15,000
Increase in Interest Earned	28,000
Increase in Other Local Revenue	79,400
Decrease in Equalization	<u>(494,799)</u>
<b>Total Revenue Amendments</b>	<u>54,772</u>
<b>Amended Budget Revenues</b>	<u><u>\$ 122,212,220</u></u>
<b>Original Budget Expenditures</b>	\$ 123,291,934
Amendments were Made for:	
Decrease in Instructional Expenditures	(23,884)
Increase in Support Service Expenditures	527,513
Increase in Food Service Expenditures	<u>8,420</u>
<b>Total Expenditure Amendments</b>	<u>512,049</u>
<b>Amended Budget Expenditures</b>	<u><u>\$ 123,803,983</u></u>

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Highlights of the July 1, 2019 through June 30, 2020 Original Annual Operating Budget follow:

	<b>GENERAL</b>	<b>OTHER</b>
Local Revenues	\$ 18,471,988	\$ 50,370,453
State Revenues	90,717,021	3,523,438
Federal Revenues	-	27,523,724
Other Sources	16,988,030	1,357,792
<b>Total Revenues</b>	<b>126,177,039</b>	<b>82,775,407</b>
Instruction	73,298,383	33,164,272
Support Services	51,270,452	29,124,118
Debt Service	-	139,395
Transfers Out	6,926,141	19,146,286
<b>Total Expenditures</b>	<b>131,494,976</b>	<b>81,574,071</b>
Excess (Deficiency) of Revenues	(5,317,937)	1,201,336
Beginning Fund Balances	15,478,852	14,731,389
<b>Ending Fund Balances</b>	<b>\$ 10,160,915</b>	<b>\$ 15,932,725</b>

Some of the most important features of the 2019-2020 budget are:

- Ending General Fund balance is estimated at 8.0% of revenues.
- The estimate for MFP revenues for 2019-2020 maintains the same level of per-pupil funding as 2018-2019, adjusted for enrollment.
- Sales tax collections are budgeted to 1% higher than the 2018-2019 revised budget for sales tax collections.
- Salaries and benefits are budgeted at \$157,671,556, which is 84% of total expenditures.
- Normal step progression and longevity advances are estimated to cost \$900,000.
- The Louisiana School Employees' Retirement System (LSERS) employer contribution rate will be 29.4% for 2019-2020, for an estimated cost of \$2,321,302.
- The Teachers' Retirement System of Louisiana (TRSL) employer contribution rate will be 26.0% for 2019-2020, for an estimated cost of \$21,035,329.
- Total employer health insurance costs are estimated at approximately \$33,221,500.
- Workers' compensation rates are budgeted to remain the same as the 2018-2019 rates.
- A \$4,000,000 transfer from the General Fund to the Building Fund is budgeted to fund future capital and building projects.
- Seven positions have been eliminated district wide. These reductions are a result of either lost grant funding or change in student numbers and/or needs.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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**REQUEST FOR INFORMATION**

The financial report is designed to provide a general overview of the Terrebonne Parish School Board's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Ms. Rebecca Breaux, Chief Financial Officer at the Terrebonne Parish School Board, 201 Stadium Drive, Houma, LA 70360, or by calling (985) 876-7400.

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

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Statement of Net Position**  
**June 30, 2019**

**Statement A**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 55,090,309
Cash with Fiscal Agents	87,418
Investments, at Market	37,165,244
Receivables	
Sales and Use Tax	9,632,419
Other Receivables	514,949
Due from Governments	5,535,618
Due from External Parties (Fiduciary Fund)	632
Inventory, at Cost	322,474
Prepaid Expenses	249,720
Capital Assets, Net of Accumulated Depreciation	<u>103,184,124</u>
<b>Total Assets</b>	<u>211,782,907</u>
<b>Deferred Outflows of Resources</b>	<u>42,146,207</u>
<b>Liabilities</b>	
Accounts, Salaries, and Other Payables	35,887,886
Long-Term Liabilities Due Within One Year	680,144
Long-Term Liabilities Due in More Than One Year	
Bonds and Loans Payable	40,236,441
Compensated Absences	5,946,848
Other Postemployment Benefits	297,210,170
Net Pension Liabilities	<u>182,478,133</u>
<b>Total Liabilities</b>	<u>562,439,622</u>
<b>Deferred Inflows of Resources</b>	<u>26,989,989</u>
<b>Net Position</b>	
Net Investment in Capital Assets	62,574,351
Restricted for:	
Capital Projects	290,429
Debt Service	12,465,130
Compensation	10,488,457
Technology	1,437,753
Instructional Programs	3,163,719
Unrestricted	<u>(425,920,336)</u>
<b>Total Net Position</b>	<u>\$ (335,500,497)</u>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

**Statement B**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Instruction:				
Regular Education	\$ 64,421,927	\$ 662,180	\$ 664,003	\$ (63,095,744)
Special Education	18,580,369	-	426,839	(18,153,530)
Adult Education	726,383	7,150	622,809	(96,424)
Career and Technical Education	4,027,714	-	312,440	(3,715,274)
Other Programs	16,576,131	486,877	9,010,018	(7,079,236)
Support Services:				
Pupil Support	11,457,723	-	2,705,593	(8,752,130)
Instructional Staff	11,245,288	10,559	4,865,941	(6,368,788)
General Administration	6,456,247	256,798	1,639,223	(4,560,226)
School Administration	10,201,309	98,254	106,573	(9,996,482)
Business Services	2,013,320	-	-	(2,013,320)
Plant Services	15,250,368	12,004	1,463	(15,236,901)
Student Transportation	12,278,613	-	890,677	(11,387,936)
Central Services	2,014,180	-	360	(2,013,820)
Non-Instructional:				
Food Service	10,858,787	567,645	8,572,405	(1,718,737)
Interest and Bond Issuance Costs	689,488	-	-	(689,488)
<b>Total Governmental Activities</b>	<b>\$ 186,797,847</b>	<b>\$ 2,101,467</b>	<b>\$ 29,818,344</b>	<b>(154,878,036)</b>
<b>General Revenues</b>				
Local Sources:				
Ad Valorem Taxes				8,704,916
Sales and Use Taxes				56,643,112
Rentals, Leases, and Royalties				263,550
Earnings on Investments				1,787,133
Other Local Revenue				2,096,519
State Sources:				
Grants not Specific to Programs				919,422
Minimum Foundation Program				93,090,032
State Revenue Sharing				216,681
<b>Total General Revenues</b>				<b>163,721,365</b>
<b>Change in Net Position</b>				<b>8,843,329</b>
<b>Net Position, Beginning</b>				<b>(344,343,826)</b>
<b>Net Position, Ending</b>				<b>\$ (335,500,497)</b>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS**  
**FUND FINANCIAL STATEMENTS (FFS)**

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Governmental Funds - Balance Sheet**  
**June 30, 2019**

**Statement C**

	<b>General Fund</b>	<b>One Cent Sales Tax Fund</b>	<b>Building Fund</b>	<b>Non-Major Funds</b>	<b>Total</b>
<b>Assets</b>					
Cash	\$ 24,118,711	\$ 2,296,126	\$ 5,839,022	\$ 13,893,440	\$ 46,147,299
Investments - at Market	4,230,395	3,232,291	8,858,721	13,722,613	30,044,020
Receivables					
Sales and Use Tax	1,244,798	3,734,395	-	4,653,226	9,632,419
Other Receivables	389,268	-	-	123,970	513,238
Due from Other Funds	15,001,913	13,489	1,445,798	1,360,462	17,821,662
Due from Other Governmental Units					
State Department of Education	-	-	-	5,132,593	5,132,593
United States Department of Education	-	-	-	264,661	264,661
Other Units	-	-	-	138,364	138,364
Inventory, at Cost	-	-	-	322,474	322,474
Prepaid Expenses	11,981	155,342	-	82,397	249,720
<b>Total Assets</b>	<b>\$ 44,997,066</b>	<b>\$ 9,431,643</b>	<b>\$ 16,143,541</b>	<b>\$ 39,694,200</b>	<b>\$ 110,266,450</b>
<b>Liabilities</b>					
Accounts Payable	\$ 358,511	\$ 24,589	\$ 900,260	\$ 1,238,564	\$ 2,521,924
Accrued Salaries	13,248,347	-	-	-	13,248,347
Accrued Employee Benefits	1,928,328	-	-	-	1,928,328
Payroll Deductions Payable	9,852,663	-	-	-	9,852,663
Due to Other Funds	1,866,944	3,234,956	13,489	12,266,514	17,381,903
<b>Total Liabilities</b>	<b>27,254,793</b>	<b>3,259,545</b>	<b>913,749</b>	<b>13,505,078</b>	<b>44,933,165</b>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Governmental Funds - Balance Sheet (Continued)**  
**June 30, 2019**

Statement C

	General Fund	One Cent Sales Tax Fund	Building Fund	Non-Major Funds	Total
<b>Fund Balances</b>					
Nonspendable					
Inventory	-	-	-	322,474	322,474
Prepaid Expenses	11,981	155,342	-	82,397	249,720
Restricted for:					
Capital Projects	-	-	-	290,429	290,429
Debt Service	-	-	-	12,465,130	12,465,130
Compensation	-	4,579,003	-	5,909,454	10,488,457
Technology	-	1,437,753	-	-	1,437,753
Instructional Programs	-	-	-	3,163,719	3,163,719
Committed to:					
Capital Projects	200,000	-	-	-	200,000
Assigned to:					
Instructional Programs	-	-	-	1,141,888	1,141,888
Capital Projects	-	-	15,229,792	-	15,229,792
Child Nutrition	-	-	-	2,834,612	2,834,612
Unassigned	17,530,292	-	-	(20,981)	17,509,311
<b>Total Fund Balances</b>	<b>17,742,273</b>	<b>6,172,098</b>	<b>15,229,792</b>	<b>26,189,122</b>	<b>65,333,285</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 44,997,066</b>	<b>\$ 9,431,643</b>	<b>\$ 16,143,541</b>	<b>\$ 39,694,200</b>	<b>\$ 110,266,450</b>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2019**

**Statement D**

<b>Total Fund Balances - Governmental Funds</b>		\$ 65,333,285
Cost of Capital Assets at June 30, 2019	\$ 196,957,345	
Less: Accumulated Depreciation as of June 30, 2019		
Buildings and Improvements	(87,112,819)	
Furniture and Equipment	(4,947,649)	
Vehicles	<u>(1,712,753)</u>	103,184,124
Consolidation of Internal Service Funds		7,622,394
Elimination of Interfund Assets and Liabilities		
Due from Other Funds	17,866,010	
Due to Other Funds	<u>(17,866,010)</u>	-
Deferred Outflows of Resources Related to Pension Plans		42,146,207
Deferred Inflows of Resources Related to Pension Plans		(23,913,062)
Deferred Inflows of Resources Related to Other		
Postemployment Benefits		(3,076,927)
Accrued Interest Payable on Long-Term Debt		(244,782)
Long-Term Liabilities at June 30, 2019		
QSCB Bonds 2009	(10,000,000)	
QSCB Bonds 2011	(10,000,000)	
QSCB Bonds 2012	(1,460,775)	
Series 2016 Bonds	(19,148,998)	
Compensated Absences Payable	(6,253,660)	
Other Post Employment Benefits	(297,210,170)	
Net Pension Liabilities	<u>(182,478,133)</u>	<u>(526,551,736)</u>
<b>Total Net Position - Governmental Activities</b>		<u>\$ (335,500,497)</u>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2019**

**Statement E**

	<b>General Fund</b>	<b>One Cent Sales Tax Fund</b>	<b>Building Fund</b>	<b>Non-Major Funds</b>	<b>Total</b>
<b>Revenues</b>					
Local Sources:					
Ad Valorem Tax	\$ 8,704,916	\$ -	\$ -	\$ -	\$ 8,704,916
Sales and Use Tax	7,314,936	21,944,807	-	27,383,369	56,643,112
Deductions from Parish Taxes (1%) for Contribution to Teachers' Retirement	945,360	-	-	-	945,360
Rents, Leases, and Royalties	263,550	-	-	-	263,550
Tuition	632,391	-	-	-	632,391
Interest Earned	365,970	151,546	331,923	588,277	1,437,716
Charges for Services	-	-	-	564,939	564,939
Other Local Revenue	1,060,299	41,489	128,575	761,550	1,991,913
State Sources:					
Equalization	91,799,937	-	-	1,290,095	93,090,032
Revenue Sharing	216,681	-	-	-	216,681
Professional Improvement Program Support	36,362	-	-	-	36,362
Contribution to Teachers' Retirement System	9,272	-	-	-	9,272
Other State Grants	227	-	-	2,641,931	2,642,158
Federal Sources	544,887	-	-	27,505,087	28,049,974
<b>Total Revenues</b>	<b>111,894,788</b>	<b>22,137,842</b>	<b>460,498</b>	<b>60,735,247</b>	<b>195,228,375</b>
<b>Expenditures</b>					
Current:					
Instruction:					
Regular Education	49,945,280	8,168,039	-	8,250,688	66,364,007
Special Education	14,857,554	2,190,251	-	2,063,306	19,111,111
Adult Education	65,963	43,256	-	650,514	759,733
Career and Technical Education	2,963,835	397,360	-	789,306	4,150,501
Other Programs	4,953,945	1,532,533	-	10,626,872	17,113,350

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Statement E**

**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
For the Year Ended June 30, 2019**

	General Fund	One Cent Sales Tax Fund	Building Fund	Non-Major Funds	Total
<b>Expenditures (Continued)</b>					
Support Services:					
Pupil Support	7,285,484	1,228,058	-	3,359,763	11,873,305
Instructional Staff	4,940,768	1,025,687	-	5,554,693	11,521,148
General Administration	1,610,258	238,404	18,951	233,763	2,101,376
School Administration	8,814,321	981,260	-	682,056	10,477,637
Business Services	1,795,299	197,270	-	92,840	2,085,409
Plant Services	12,231,955	952,747	292,242	364,077	13,841,021
Student Transportation	9,995,696	873,235	-	1,386,111	12,255,042
Central Services	1,353,174	727,552	-	67,981	2,148,707
Non-Instructional					
Food Service	1,042,652	846,582	-	9,432,851	11,322,085
Facilities Acquisition	-	-	2,204,223	5,662,997	7,867,220
Debt Service:					
Principal Retirement	-	-	-	230,000	230,000
Interest and Bank Charges	-	134,582	-	699,763	834,345
<b>Total Expenditures</b>	<b>121,856,184</b>	<b>19,536,816</b>	<b>2,515,416</b>	<b>50,147,581</b>	<b>194,055,997</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(9,961,396)</b>	<b>2,601,026</b>	<b>(2,054,918)</b>	<b>10,587,667</b>	<b>1,172,379</b>
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	15,154,402	-	3,000,000	3,722,628	21,877,030
Operating Transfers Out	(5,374,978)	(4,115,949)	(231,701)	(13,154,402)	(22,877,030)
Indirect Costs	1,634,895	-	-	(1,634,895)	-
Other Sources (Uses)	(612,319)	-	-	-	(612,319)
<b>Total Other Financing Sources (Uses)</b>	<b>10,802,000</b>	<b>(4,115,949)</b>	<b>2,768,299</b>	<b>(11,066,669)</b>	<b>(1,612,319)</b>
<b>Net Change in Fund Balances</b>	<b>840,604</b>	<b>(1,514,923)</b>	<b>713,381</b>	<b>(479,002)</b>	<b>(439,940)</b>
<b>Fund Balances, Beginning of Year</b>	<b>16,901,669</b>	<b>7,687,021</b>	<b>14,516,411</b>	<b>26,668,124</b>	<b>65,773,225</b>
<b>Fund Balances, End of Year</b>	<b>\$ 17,742,273</b>	<b>\$ 6,172,098</b>	<b>\$ 15,229,792</b>	<b>\$ 26,189,122</b>	<b>\$ 65,333,285</b>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Statement F**

**Reconciliation of the Governmental Funds Statement of  
Revenues, Expenditures, and Changes in Fund Balances to the  
Statement of Activities  
For the Year Ended June 30, 2019**

<b>Total Net Changes in Fund Balances - Governmental Funds</b>		<b>\$ (439,940)</b>
Capital Assets		
Capital Outlay	\$ 8,605,385	
Net Book Value of Retired Assets	(30,749)	
Depreciation Expense	<u>(3,692,343)</u>	4,882,293
Change in Net Position of Internal Service Funds		(6,835,612)
Net Operating Transfers to/(from) Internal Service Funds		1,000,000
Long-Term Debt		
Principal Portion of Debt Service Payments	230,000	
Excess of Compensated Absences Earned Over Amounts Used	87,339	
Excess of Other Postemployment Benefits Accrued Over Amounts Paid	(808,786)	
Payments to Pension Plans in Excess of Net Pension Expense	10,583,178	
Change in Accrued Interest Payable	1,525	
Amortization of Bond Premium	<u>143,332</u>	<u>10,236,588</u>
<b>Change in Net Position - Governmental Activities</b>		<b><u>\$ 8,843,329</u></b>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARDS**  
**HOUMA, LOUISIANA**  
**Proprietary Fund**  
**Statement of Net Position**  
**June 30, 2019**

**Statement G**

	<b>Internal Service Funds</b>
<b>Assets</b>	
Cash	\$ 8,943,010
Cash with Fiscal Agents	87,418
Investments	7,121,224
Accounts Receivables	1,711
Due from Other Funds	<u>44,980</u>
<b>Total Assets</b>	<u>16,198,343</u>
<b>Liabilities</b>	
Accounts Payable	55,049
Accrued Employee Benefits	8,036,793
Due to Other Funds	<u>484,107</u>
<b>Total Liabilities</b>	<u>8,575,949</u>
<b>Net Position</b>	
Restricted	<u>7,622,394</u>
<b>Total Net Position</b>	<u><u>\$ 7,622,394</u></u>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARDS**  
**HOUMA, LOUISIANA**  
**Proprietary Fund**  
**Statement of Changes in Net Position**  
**For the Year Ended June 30, 2019**

**Statement H**

	<b>Internal Service Funds</b>
<hr/>	
<b>Operating Revenues</b>	
Insurance Premium Billings	\$ 42,295,416
Recoveries of Insurance Cases	2,173,230
Other Revenues	879,087
	<hr/>
<b>Total Operating Revenues</b>	<b>45,347,733</b>
	<hr/>
<b>Operating Expenses</b>	
General Administration	23,500
Reinsurance and Administrative Fees	5,272,703
Claims Expense	47,236,559
	<hr/>
<b>Total Operating Expenses</b>	<b>52,532,762</b>
	<hr/>
<b>Operating Loss</b>	<b>(7,185,029)</b>
	<hr/>
<b>Non-Operating Revenues</b>	
Interest Earned	349,417
Operating Transfers In	1,000,000
	<hr/>
<b>Total Non-Operating Revenues</b>	<b>1,349,417</b>
	<hr/>
<b>Change in Net Position</b>	<b>(5,835,612)</b>
	<hr/>
<b>Net Position, Beginning</b>	<b>13,458,006</b>
	<hr/>
<b>Net Position, Ending</b>	<b>\$ 7,622,394</b>
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARDS**  
**HOUMA, LOUISIANA**  
**Proprietary Fund**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2019**

**Statement I**

	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities</b>	
Received from Assessments Made to Other Funds	\$ 43,027,851
Received from Insurance Companies and Others	3,053,348
Payments for Claims	(48,771,211)
Payments for Reinsurance and Administrative Fees	(5,296,203)
	<u>(7,986,215)</u>
<b>Net Cash Used in Operating Activities</b>	<u>(7,986,215)</u>
<b>Cash Flows from Non-Operating Activities</b>	
Operating Transfers from Other Funds	<u>993,274</u>
<b>Net Cash Provided by Non-Operating Activities</b>	<u>993,274</u>
<b>Cash Flows from Investing Activities</b>	
Purchase of Investments	-
Net Change in Equity in Pooled Investment Account	(1,604,628)
Interest Income	<u>349,417</u>
<b>Net Cash Used in Investing Activities</b>	<u>(1,255,211)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(8,248,152)</u>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>17,847,515</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 9,599,363</u>
<b>Cash and Cash Equivalents at End of Year Consisted of:</b>	
Cash	\$ 8,943,010
Cash with Fiscal Agent	87,418
Cash Equivalents Included in Investments	<u>568,935</u>
<b>Total Cash and Cash Equivalents</b>	<u>\$ 9,599,363</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>	
Operating Loss	\$ (7,185,029)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Change in Assets and Liabilities	
Receivables and Other Assets	733,466
Accounts Payable and Other Liabilities	<u>(1,534,652)</u>
<b>Net Cash Used in Operating Activities</b>	<u>\$ (7,986,215)</u>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARDS**  
**HOUMA, LOUISIANA**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2019**

Statement J

	Employee Benefit Trust Fund - IRC Section 125 Plan	Agency Fund - School Activity Fund	Totals
<b>Assets</b>			
Cash	\$ 74,077	\$ 2,558,691	\$ 2,632,768
Other	-	8,926	8,926
<b>Total Assets</b>	<b>74,077</b>	<b>2,567,617</b>	<b>2,641,694</b>
<b>Liabilities</b>			
Due to Other Funds	632	-	632
Other Liabilities	-	2,567,617	2,567,617
<b>Total Liabilities</b>	<b>632</b>	<b>2,567,617</b>	<b>2,568,249</b>
<b>Net Position</b>			
Held in Trust for Employee Benefits	\$ 73,445	\$ -	\$ 73,445

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARDS  
HOUMA, LOUISIANA  
Fiduciary Funds  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2019**

**Statement K**

	<b>Employee Benefit Trust Fund - IRC Section 125 Plan</b>
<hr/>	
<b>Additions</b>	
Contributions by Employees	\$ 32,886
<b>Deductions</b>	
Disbursements for Employee Claims	<u>34,850</u>
<b>Change in Net Position</b>	(1,964)
<b>Net Position, Beginning</b>	<u>75,409</u>
<b>Net Position, Ending</b>	<u><u>\$ 73,445</u></u>

The accompanying notes are an integral part of these financial statements.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

- A. Financial Reporting Entity
- B. Basis of Presentation - Fund Accounting
- C. Measurement Focus/Basis of Accounting
- D. Budget and Budgetary Accounting
- E. Cash and Cash Equivalents and Investments
- F. Intergovernmental Receivables
- G. Interfund Receivables/Payables and Interfund Transfers
- H. Inventory
- I. Prepaid Expenses
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- P. Fund Balance
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- R. Ad Valorem Taxes
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- U. Stewardship, Compliance, and Accountability
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**Note 2. Cash and Investments**

**Note 3. Sales Taxes**

**Note 4. Ad Valorem Taxes and Tax Abatement Agreements**

**Note 5. Capital Assets**

**Note 6. Pension Plans**

**Note 7. Postemployment Benefits**

**Note 8. Long-Term Liabilities**

**Note 9. Risk Management and Insurance**

**Note 10. Interfund Balances**

**Note 11. Commitments and Contingencies**

**Note 12. Concentration**

**Note 13. Recent Reporting and Disclosure Developments**

**Note 14. Restricted Net Position**

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies

The accompanying financial statements of the Terrebonne Parish School Board (the School Board) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### A. Financial Reporting Entity

The Terrebonne Parish School Board is a legislative body created under Louisiana Revised Statute (LRS) 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 nine 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 Terrebonne Parish (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.

The School Board administration and instruction facilities are composed of a central office, 20 elementary schools, 8 junior high and middle schools, 4 high schools, one alternative program site, 1 career and technical school, 1 special school, and 1 adult education center. Student enrollment for the 2018-2019 year is approximately 17,800 regular and special education students. The School Board employs approximately 2,300 persons of which 75% 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 middle of August and runs until late May.

#### B. Basis of Presentation - Fund Accounting

The accounts of the School Board are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Revenues are accounted for in these individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the financial statements are described as follows:

#### Governmental Fund Types

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 (except those accounted for in the proprietary funds) are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### B. Basis of Presentation - Fund Accounting (Continued)

##### Governmental Fund Types (Continued)

The following are the School Board's governmental fund types:

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

*Special Revenue Funds* - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. These funds account for the revenues and expenditures related to federal, state, and local grant and entitlement programs and special district funds established for various educational objectives.

*Debt Service Funds* - Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

*Capital Projects Funds* - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

##### Proprietary Fund Types

Proprietary funds account for activities similar to those found in the private sector where the determination of net income is necessary or useful for sound financial administration and 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. The School Board's proprietary funds consist of three internal service funds.

##### Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the School Board in a trustee or agency capacity. The School Board maintains two fiduciary fund type agency funds. The agency funds are custodial in nature and are established to account for all monies held by the School Board in an agency capacity. Disbursements are made only in accordance with the purpose for which assets are received.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### C. Measurement Focus/Basis of Accounting

##### Government-Wide Financial Statements (GWFS)

The statement of net position and the statement of activities display information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the statement of fiduciary net position. The statement of net position and the statement of activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Non-exchange Transactions*.

##### Internal Activities

The group health insurance, workers' compensation insurance, and property and casualty insurance provide services to the governmental funds. Accordingly, these funds were included in the governmental activities. Pursuant to GASB 34, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion. However, interfund services provided and used are not eliminated in the process of consolidation.

##### Program Revenues

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

##### Allocation of Indirect Expenses

The School Board reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identifiable by function and is included in the direct expense of each function. Depreciation on buildings is assigned to the general administration function due to the fact that school buildings serve many purposes. Interest on general long-term debt is considered an indirect expense and is reported separately in the statement of activities.

##### Fund Financial Statements (FFS)

Fund financial statements report detailed information about the School Board. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### C. Measurement Focus/Basis of Accounting (Continued)

##### Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The governmental fund types are reported in the financial statements on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when they become both measurable and available. Available means expected to be collected within two months of year-end. Revenues not considered available are recorded as deferred inflows. The following practices in recording revenues and expenditures have been used for the governmental funds.

##### Major Funds

The School Board reports the following major governmental funds:

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

*One Cent Sales Tax Fund* - Accounts for the proceeds of a one cent local sales tax dedicated as described in Note 3.

*Building Fund* - Accounts for expenditures for construction, renovation, and acquisition of buildings, equipment, and other capital assets.

##### Non-Major Funds

*Special Revenue Funds* - Account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*Debt Service Funds* - Account for the financial resources assigned and used for the payment of principal and interest on long-term debt.

*Capital Project Fund - 2016 Bonds* - Accounts for the proceeds of the Series 2016 Bonds and the expenditure of those proceeds for capital improvements.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### C. Measurement Focus/Basis of Accounting (Continued)

##### Proprietary Funds

Proprietary funds are used to account for the School Board's ongoing activities which are similar to those often found in the private sector.

*Internal Service Funds* - Account for the group health insurance, workers' compensation insurance, and property and casualty insurance services provided to other departments on a cost-reimbursement basis. Internal service funds are proprietary fund types that differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

##### Fiduciary Funds

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

*Agency Funds* - Account for cash held by the School Board as an agent. Agency funds are a fiduciary fund type, are custodial in nature (assets equal liabilities), and do not involve measurement of results of operations.

##### Revenues

Federal and state entitlements, which include the Minimum Foundation Program (MFP) and state revenue sharing, are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Ad valorem, sales, and other taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis based on the assessed value on January 1<sup>st</sup>, become due on December 31<sup>st</sup> of each year, and become delinquent on January 1<sup>st</sup> the following year. An enforceable lien attaches to the property as of January 10<sup>th</sup> the following year. The taxes were levied by the School Board on May 1, 2018. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval.

The taxes are generally collected in December, January, and February of the fiscal year. Property tax revenues are accrued at fiscal year-end to the extent that they have been collected and are unremitted. Such amounts are measurable and available to finance current operations. Interest income on time deposits and revenues from rentals, leases, and royalties are recorded when earned. Sales and use tax revenues are recorded in the month in which the School Board considers them available to finance current year obligations and are collected by the School Board. Substantially all other revenues are recorded when received.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### C. Measurement Focus/Basis of Accounting (Continued)

##### Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period, but are paid over a twelve-month period. Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recorded as long-term debt. Commitments under construction contracts are recognized as expenditures when earned by the contractor. Principal and interest on long-term obligations are not recognized until due. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The proprietary fund type is reported in the financial statements on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Operating income reported in the proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues are charges to customers for services. Principal operating expenses are the costs of providing services and include administrative expenses. Other revenues and expenses are classified as non-operating in the financial statements.

#### D. Budget and Budgetary Accounting

Formal budgetary integration is employed as a management control device during the fiscal year. The budget policy complies with state law, as amended, and as set forth in Louisiana Revised Statutes Title 39, Chapter 9, Louisiana Local Government Budget Act (LRS 39:1301 et seq.). State law requires that parish school boards adopt a budget of expected revenues and probable expenditures not later than September 15<sup>th</sup>.

The process of developing the operational budget begins in late February and ends with the adoption of the budget at the first board meeting of the fiscal year. The proposed budgets for fiscal year 2018-2019 were completed and made available for public inspection at the School Board office on July 24, 2018. A public hearing was held on August 14, 2018 for suggestions and comments from taxpayers. The proposed fiscal year 2018-2019 budgets were formally adopted by the School Board on September 4, 2018, and final amendment was adopted on May 1, 2018. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service, and Capital Projects Funds, were published in the official journal ten days prior to the public hearings.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### D. Budget and Budgetary Accounting (Continued)

The budget was prepared on the modified accrual basis of accounting and included proposed expenditures and means of financing them. 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 School Board and its principal operating officers to effect amendments to the original operating budgets. As it relates to the General 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 School Board. Expenditures may not exceed budgeted amounts unless a budget revision is approved by the regulatory authority. 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 School Board in an open meeting.

#### E. Cash and Cash Equivalents and Investments

Cash includes amounts in demand deposits and interest-bearing money market accounts. Cash equivalents include amounts in time deposits or investments with original maturity dates of less than 90 days. Under state law, the School Board may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The School Board may invest in United States Treasury obligations, United States government agency obligations, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a nonprofit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at fair value or net asset value.

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less at the date of acquisition are considered to be cash equivalents in the internal service fund.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### F. Intergovernmental Receivables

Due from other governments consists of receivables for reimbursement of expenditures under various programs and grants. These amounts also represent various tax type revenues due at year-end. Collections are expected within one year.

#### G. Interfund Receivables/Payables and Interfund Transfers

During the course of normal operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds, but are eliminated in the GWFS. Any residual balances outstanding between governmental activities and business-type activities are reported in the GWFS as internal balances. The same is true for interfund transfers which, in nature, principally consist of payments of indirect costs to the General Fund as well as a transfer to the School Food Service Fund. All interfund balances are expected to be liquidated within one year. The principal purpose (source) of interfund balances is negative cash balances in the special revenue funds (pooled cash).

#### H. Inventory

Inventory of the School Food Service Special Revenue Fund consists of food purchased by the School Board and commodities granted by the USDA through the Louisiana Department of Education (LDOE). The commodities are recorded as revenues and expenditures when the rights are transferred to the School Board. The purchased food is recorded as expenditures when purchased. All inventory items purchased are valued at average cost, and donated commodities are assigned values based on USDA values.

#### I. Prepaid Expenses

Prepaid expenses are accounted for using the consumption method, or properly divided over the periods in which the services are provided.

#### J. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost for assets where actual historical cost is not available and depreciated over their estimated useful lives. Donated capital assets are recorded at their acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized over the remaining useful lives of the assets. The School Board maintains a threshold level for capitalizing capital assets of \$1 for land and construction-in-progress, and \$5,000 for all other types of capital assets. Capital assets are reported in the GWFS, but not reported in the FFS. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Capital assets have not been assigned a salvage value because management feels that the salvage value is immaterial. Land and construction-in-progress are not depreciated. The School Board does not possess any material amounts of infrastructure capital assets, such as roads and bridges.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### J. Capital Assets (Continued)

Straight-line depreciation is calculated based on the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Building Improvements	40 Years
Land Improvements	20 Years
Machinery, Furniture, and Equipment	5 - 12 Years
Vehicles	5 - 15 Years

#### K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources, which represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has two items that qualify for reporting in this category, a deferred outflow of resources related to the pension obligation and one related to the other postemployment benefit (OPEB) obligation.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources, which represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The School Board has two items that qualify for reporting in this category, a deferred inflow of resources related to the pension obligation and one related to the other postemployment benefit obligation. Unavailable revenue is reported only in the governmental funds.

#### L. Compensated Absences

All compensated absences liabilities result from governmental fund activities. Current expenditures include salary and salary-related payments for leave taken during the year and for leave payments made to employees whose employment terminated during the year. Since the largest portion of the liability remaining at the end of the year in compensated absences does not require the use of current resources, it is recorded in the debt portion of the GWFS statement of net position and not in the General Fund. The cost of compensated absence privileges (unused sick leave) is recognized as current year expenditures in the General Fund when leave is actually taken, or when employees are paid for accrued leave upon retirement or death (liquidated). A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### Sick Leave

Teachers and other school employees accrue from 10 to 12 days of sick leave per year depending upon the number of months worked. Sick leave may be accumulated without limitation. Upon death or retirement, unused accumulated sick leave of up to 25 days is to be paid to employees or their heirs at the employee's current rate of pay. The accrual computation for earned sick leave, or any portion thereof, is calculated on a 25-day maximum per employee. Sick leave is not payable upon discharge or termination.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### L. Compensated Absences (Continued)

##### Extended Sick Leave

For catastrophic illnesses only, all employees may be eligible to receive 65% of their pay at the time leave begins for illness or illness of an immediate family member. No more than 90 days of extended sick leave may be taken in a 6-year period. Extended sick leave requires a statement from a licensed physician and board approval. Additionally, regular sick leave must be exhausted before extended sick leave begins.

##### Vacation

Full-time employees who work year-round are granted vacation in varying amounts (a maximum of 20 days per year) as established by the School Board Policy. Effective July 1, 2010, annual leave could no longer be accumulated. In the event of termination, an employee receives compensation for any unused earned vacation.

#### M. Long-Term Obligations

In the GWFS and proprietary fund types in the FFS, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

#### N. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and disclosure of contingent assets or liabilities as of the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### O. Net Position Classifications

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

*Net Investment in Capital Assets* - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### O. Net Position Classifications (Continued)

*Restricted Net Position* - This component consists of net position with constraints placed on its use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or law through constitutional provisions or enabling legislation. Restricted for other purposes on the statement of net position consists of grant-related cash and workers' compensation investments.

*Unrestricted Net Position* - This component consists of all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

#### P. Fund Balance

The GASB has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. It requires the fund balance amounts be reported as follows:

*Nonspendable* - This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

*Restricted* - This component consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the School Board to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

*Committed* - This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board's highest level of decision-making authority which includes the resolutions of the School Board. Those committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

*Assigned* - This component consists of amounts that are constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the School Board, Superintendent, or their designee as established in the School Board's Fund Balance Policy.

*Unassigned* - This classification represents amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### P. Fund Balance (Continued)

When both restricted and unrestricted resources are available for use, it is the School Board's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the School Board's policy to use committed resources first, then assigned, and then unassigned as they are needed.

#### Q. Claims and Judgments

The School Board provides for losses and anticipated expenses resulting from claims and judgments including claim adjustment expenditures/expenses, salvage, and subrogation. Losses resulting from claims and judgments are estimated by utilizing a case-by-case review of all claims in accordance with Governmental Accounting Standards Board Codification Section C50. The liability for such losses is recorded in the internal service fund. Incurred but not reported claims as of June 30, 2019 have been considered in determining the accrued liability.

#### R. Ad Valorem Taxes

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. After 1978, the assessor is required to reappraise all property every four years. The School Board is permitted by constitutional and statutory authority of the State to levy taxes up to \$4.06 per \$1,000 of assessed valuation for operations other than the payment of principal and interest on long-term debt. State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1<sup>st</sup> of the following year. Therefore, there are no delinquent taxes at year-end. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed. The Sheriff of Tangipahoa Parish, as provided by state law, is the official tax collector of general property taxes levied by the School Board.

The 2018 tax calendar is as follows:

Millage Rates Adopted/Levy Date	May 1, 2018
Bills Mailed	November 30, 2018
Due Date	December 31, 2018
Lien Date	January 10, 2019

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### R. Ad Valorem Taxes (Continued)

Property taxes are recorded in the General Fund. As explained in Note 1C, revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and usually result in subsequent adjustments to the tax roll. Available means due or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

#### S. Sales and Use Taxes

The School Board receives a total of 2.58% parish-wide sales and use tax. The various restrictions and dedications of these sales tax revenues are discussed in Note 3.

#### T. Pensions

Substantially all employees of the School Board are participants in one of three statewide pension plans: Teachers' Retirement System of Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), or Louisiana State Employees' Retirement System (LASERS), collectively referred to as "the Plans."

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Plans and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### U. Stewardship, Compliance, and Accountability

##### Deposit and Investment Laws and Regulations

In accordance with state law, all uninsured deposits in financial institutions must be secured with acceptable collateral valued at the lower of market or par. The School Board was in compliance with the deposit and investment laws and regulations.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### V. Adoption of New Accounting Principles

##### ***GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements***

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement were adopted by the School Board for the year ended June 30, 2019. The adoption did not affect amounts reported in the financial statements.

### Note 2. Cash and Investments

#### **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.

Deposits are stated at cost, which approximates market. Balances of interest-bearing demand deposits at June 30, 2019, were as follows:

	<b>Book Balances</b>	<b>Bank Balances</b>
<b>Cash</b>		
Governmental Funds	\$ 46,147,299	\$ 48,031,568
Proprietary Funds	9,030,428	10,161,645
Agency Funds	2,632,768	2,810,407
<b>Total Cash</b>	<b>57,810,495</b>	<b>61,003,620</b>
<b>Cash Equivalents (Included in Investments)</b>		
Governmental Funds	2,358,662	2,358,662
Proprietary Funds	568,935	568,935
<b>Total Cash Equivalents</b>	<b>2,927,597</b>	<b>2,927,597</b>
<b>Total</b>	<b>\$ 60,738,092</b>	<b>\$ 63,931,217</b>

Custodial credit risk for deposits is the risk that in the event of a failure of a depository institution, the School Board may not recover its deposits or the securities pledged as collateral by a third-party custodian. The School Board's policy and state law require all deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. At June 30, 2019, there were no bank deposits subject to custodial credit risk.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

### Note 2. Cash and Investments (Continued)

#### Investments

The School Board had the following investments at year-end:

Investment Type	Interest Risk - Maturity Duration in Years			Total
	Less than 1	1 to 5	Greater than 5	
<b>Governmental Funds</b>				
US Government Agencies	\$ 8,271,246	\$ -	\$ -	\$ 8,271,246
US Treasury	10,476,926	8,089,682	805,864	19,372,473
Cash Equivalents	2,358,662	-	-	2,358,662
<b>Total Governmental Funds</b>	<b>21,106,835</b>	<b>8,089,682</b>	<b>805,864</b>	<b>30,002,381</b>
<b>Proprietary Funds</b>				
US Government Agencies	1,960,503	-	-	1,960,503
US Treasury	2,483,308	1,917,468	191,011	4,591,786
Cash Equivalents	568,935	-	-	568,935
<b>Total Proprietary Funds</b>	<b>5,012,745</b>	<b>1,917,468</b>	<b>191,011</b>	<b>7,121,224</b>
<b>Total Investments</b>	<b>\$ 26,119,580</b>	<b>\$ 10,007,150</b>	<b>\$ 996,875</b>	<b>\$ 37,123,605</b>

Investments are subject to various risks, the following of which are considered the most significant:

*Custodial Credit Risk* - For investments, this is the risk that, in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer), the School Board would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Although the School Board's investment policies do not directly address custodial credit risk, it typically limits its exposure by purchasing insured or registered investments or by controlling who holds the securities.

*Interest Rate Risk* - This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The School Board's investment policy does not limit the maturities of investments; however, when purchasing investments, the School Board considers such things as interest rates and cash flow needs.

*Concentration Risk* - The School Board places no limit on the amount it may invest in any one issuer. All School Board investments are treasuries, U.S. government agencies or sponsored enterprises, municipal bonds, or cash equivalents.

#### Fair Value Measurement

The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets that a government can access at the measurement date; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset, either directly or indirectly; and Level 3 inputs are unobservable inputs for an asset.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 2. Cash and Investments (Continued)

#### Fair Value Measurement (Continued)

The following table sets forth by level within the fair value hierarchy the School Board's assets at fair value as of June 30, 2019:

	Total	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
US Government Agencies	\$ 10,231,749	\$ 10,231,749	\$ -	\$ -
US Treasury	23,964,259	12,960,234	10,007,150	996,875
Cash Equivalents	2,927,597	2,927,597	-	-
<b>Total</b>	<b>\$ 37,123,605</b>	<b>\$ 26,119,580</b>	<b>\$ 10,007,150</b>	<b>\$ 996,875</b>

### Note 3. Sales Taxes

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.

The School Board levies a one-third of one percent sales and use tax, with the receipts deposited in the General Fund. The tax is dedicated to the payment of salaries of teachers and other board employees. This revenue was \$7,314,93 for the year ended June 30, 2019.

The School Board levies a one-half cent sales tax with the receipts to be deposited in its own fund; the tax is dedicated to salary increases for teachers and support personnel. This revenue was \$10,924,764 for the year ended June 30, 2019.

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 \$16,458,605 for the year ended June 30, 2019. These sales tax proceeds are dedicated and used as follows:

50% of the net tax collections and all interest earned on fund investments are used to assist in the payment of salaries and employee benefits.

30% 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 Board. 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.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 3. Sales Taxes (Continued)

20% of the tax revenues are for the costs and expenses of an instructional program for the Terrebonne Parish School Board based upon per-pupil allotments to each school as well as non-allotment general instructional expenditures for teaching materials, supplies, and equipment; classroom furniture and fixtures; instructional support costs; general administrative expenses; school administration expenses; and repair and maintenance of instructional equipment.

Operating transfers are made from these allocations to the General 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 fully fund such expenditures.

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 One Cent Sales Tax Fund of 1996. The revenue for the 1% sales tax at June 30, 2019 was \$21,944,807 and dedicated as follows:

83% of revenues for paying increased compensation and related employment costs of teachers and other full-time personnel except management positions.

8½% for providing, operating, and maintaining computers and high technology.

8½% for replacement, repair, and maintenance of roofs and mechanical equipment.

On October 17, 2009, the voters of Terrebonne Parish approved a rededication of the One Cent Sales Tax Fund. The rededication provides that all of the 17% currently divided equally between technology and school maintenance can be used to build new schools and classroom wings.

### Note 4. Ad Valorem Taxes and Tax Abatement Agreements

Ad Valorem taxes are levied on November 1<sup>st</sup> of each year on the assessed value listed as of the prior January 1<sup>st</sup> 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<sup>th</sup> of each year, and become delinquent on December 31<sup>st</sup>. 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 2016 Tax Roll.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 4. Ad Valorem Taxes and Tax Abatement Agreements (Continued)

The assessed values of the Parish upon which the 2018 levy were based is as follows:

	<b>Assessed Values</b>
Gross	\$ 1,186,021,444
Less Homestead Exemption	<u>178,986,935</u>
<b>Taxable Property</b>	<b><u>\$ 1,007,034,509</u></b>

Total ad valorem tax revenue collected for the year ended June 30, 2019 was \$8,704,916.

The following is a summary of the authorized and levied ad valorem tax millages and gross tax revenue assessed for the 2018 Tax Rolls:

	<b>Authorized Millage</b>	<b>Levied Millage</b>	<b>Gross Tax Levy</b>
Parish-Wide Taxes			
Constitutional Tax	3.99	3.86	\$ 3,887,153
Special Maintenance Tax	5.60	<u>5.41</u>	<u>5,448,057</u>
<b>Totals</b>		<b><u>9.27</u></b>	<b><u>\$ 9,335,210</u></b>

The constitutional tax millage and the special maintenance tax millage are to be used to maintain and operate the present School Board. The constitutional tax is authorized to be levied by the School Board without referendum. The special maintenance tax is levied pursuant to a referendum for a period of ten years expiring in the year 2020.

The School Board levied taxes at \$9.27 per \$1,000 of assessed valuation on property within Terrebonne Parish for general school services and maintenance of School Board operations.

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 unearned revenue in the year the taxes are received and are held until settled. 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 \$216,681 for the year ended June 30, 2018.

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

**Note 4. Ad Valorem Taxes and Tax Abatement Agreements (Continued)**

As required by Louisiana Revised Statutes, prescribed deductions are made from the School Board's property tax receipts and revenue sharing for contributions to various pension funds. For the year ended June 30, 2019, \$945,630 was deducted from property tax receipts for amounts due to various pension funds.

The State of Louisiana grants exemptions (tax abatements) from ad valorem taxes to manufacturers under criteria established by the Louisiana Department of Economic Development. Under these tax abatement agreements, qualifying buildings and equipment are exempt from ad valorem taxes for a period of 10 years. As a result of these tax abatement agreements, the School Board's ad valorem tax revenues were reduced by \$373,306 for the year ended June 30, 2019.

**Note 5. Capital Assets**

A summary of changes in capital assets for the 2019 fiscal year is as follows:

<b>Governmental Activities</b>	<b>Balance June 30, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2019</b>
<b>Capital Assets, Not Being Depreciated</b>				
Land	\$ 6,256,446	\$ -	\$ -	\$ 6,256,446
Construction-in-Progress	15,364,668	7,872,140	955,038	22,281,770
<b>Total Capital Assets, Not Being Depreciated</b>	<b>21,621,114</b>	<b>7,872,140</b>	<b>955,038</b>	<b>28,538,216</b>
<b>Capital Assets, Being Depreciated</b>				
Buildings and Improvements	159,042,964	955,038	-	159,998,002
Furniture and Equipment	6,165,570	621,373	215,369	6,571,574
Vehicles	3,736,720	111,872	1,999,039	1,849,553
<b>Total Capital Assets, Being Depreciated</b>	<b>168,945,254</b>	<b>1,688,283</b>	<b>2,214,408</b>	<b>168,419,129</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	83,813,504	3,299,315	-	87,112,819
Furniture and Equipment	4,817,739	345,280	215,370	4,947,649
Vehicles	3,633,294	47,748	1,968,289	1,712,753
<b>Total Accumulated Depreciation</b>	<b>92,264,537</b>	<b>3,692,343</b>	<b>2,183,659</b>	<b>93,773,221</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>76,680,717</b>	<b>(2,004,060)</b>	<b>30,749</b>	<b>74,645,908</b>
<b>Total Assets</b>	<b>\$ 98,301,831</b>	<b>\$ 5,868,080</b>	<b>\$ 985,787</b>	<b>\$ 103,184,124</b>

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

### Note 5. Capital Assets (Continued)

Capital asset additions reported above include \$955,038 of prior period and current year construction costs moved out of construction-in-progress.

Depreciation was charged to general administration services in the statement of activities.

At June 30, 2019, construction-in-progress consisted of the following:

Fund and Project	Estimated Cost	Expended to June 30, 2019	Restricted Fund Balance	Assigned Fund Balance
<b>Building Fund</b>				
High School Gym/Auditorium Repairs				
H. L. Bourgeois	\$ 5,000	\$ -	\$ -	\$ 5,000
South Terrebonne High School	386,388	9,977	-	376,411
Terrebonne High School	386,388	9,977	-	376,411
School Security System	198,839	-	-	198,839
South Terrebonne High - Boiler	85,000	-	-	85,000
South Terrebonne Stadium - Artificial Turf	1,136,331	887,721	-	248,610
Terrebonne High Stadium - Artificial Turf	1,000,000	887,721	-	112,279
Broadmoor Elementary Boiler Replacement	128,128	31,803	-	96,325
Terrebonne High School Boiler Replacement	291,984	31,803	-	260,181
Ellender Memorial High School Air Handler	325,233	31,803	-	293,430
Exterior Door Replacements	34,760	-	-	34,760
Playground Equipment - Elementary Schools	700,000	42,598	-	657,402
PA/Intercom System	4,871	-	-	4,871
Assigned to Future Projects	-	-	-	12,480,273
<b>Total Building Fund</b>	<b>4,682,922</b>	<b>1,933,403</b>	<b>-</b>	<b>15,229,792</b>
<b>Capital Projects Fund - Series 2016 Bonds</b>				
School Construction				
Southdown Elementary School	20,461,779	20,171,350	290,429	-
Mulberry Elementary School Addition	-	177,018	-	-
<b>Total Capital Projects Fund</b>	<b>20,461,779</b>	<b>20,348,368</b>	<b>290,429</b>	<b>-</b>
<b>Total Construction-in-Progress</b>	<b>\$ 25,144,701</b>	<b>\$ 22,281,771</b>	<b>\$ 290,429</b>	<b>\$ 15,229,792</b>

### Note 6. Pension Plans

Substantially all employees of the School Board are provided with pensions through cost-sharing, multiple-employer defined benefit pension plans administered by the Teachers' Retirement System of Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), or Louisiana State Employees' Retirement System (LASERS).

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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#### Note 6. Pension Plans (Continued)

Following are descriptions of the plans and their respective benefits. The descriptions are provided for general informational purposes only. Participants should refer to the appropriate statutes for more complete information.

#### **Teachers' Retirement System of Louisiana (TRSL)**

##### ***Plan Description***

Chapter 2 of Title 11 of the Louisiana Revised Statutes (LRS 11:401) grants to the TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at [www.trsl.org](http://www.trsl.org).

##### ***Benefits Provided***

The following is a description of the plan and its benefits and is provided for general informational purposes only. The School Board participates in two membership plans of the TRSL - the Regular Plan and Plan A. The TRSL provides retirement, deferred retirement option, disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

##### Normal Retirement

*Regular Plan* - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age 60 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2.0% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service, and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

*Plan A* - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service, or 30 years of service, regardless of age. Plan A is closed to new entrants.

For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable accrual rate, and by the years of creditable service. For Regular Plan members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011, final average compensation is defined as the highest average 60-month period. For Plan A members, final average compensation is defined as the highest average 36-month period.

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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#### Note 6. Pension Plans (Continued)

##### Teachers' Retirement System of Louisiana (TRSL) (Continued)

##### *Benefits Provided (Continued)*

##### Normal Retirement (Continued)

A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or as a lump sum that can't exceed 36 months of the member's maximum monthly benefit amount.

Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

##### Deferred Retirement Option Program

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the third anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited into an individual DROP account.

Upon termination of DROP, the member can continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

##### Disability Benefits

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have 5 or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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#### Note 6. Pension Plans (Continued)

##### Teachers' Retirement System of Louisiana (TRSL) (Continued)

##### *Benefits Provided (Continued)*

##### Survivor Benefits

A surviving spouse with minor children of an active member with 5 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) 50% of the member's benefit calculated at the 2.5% accrual rate for all creditable service. When a minor child(ren) is no longer eligible to receive survivor benefits, the surviving spouse's benefit ceases.

A surviving spouse with minor children of a deceased active member with at least 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service (regardless when earned) is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the Option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service. If the surviving spouse remarries before the age of 55 and the deceased active member had less than 20 years of creditable service, the surviving spouse's benefit will cease.

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of a deceased active member with at least 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service (regardless when earned) is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the Option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service. If a surviving spouse remarries before the age of 55 and the deceased active member had less than 20 years of creditable service, the surviving spouse's benefit will cease.

##### Optional Retirement Plan

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

##### ***Permanent Benefit Increases/Cost-of-Living Adjustments***

As fully described in Title 11 of the Louisiana Revised Statutes, the School Board allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

#### Teachers' Retirement System of Louisiana (TRSL) (Continued)

##### **Contributions**

The employer contribution rate is established annually under LRS 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the School Board's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2019 are as follows:

2019 TRSL Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	26.7%
Plan A	9.1%	26.7%
Optional Retirement Plan	8.0%	28.0%

The School Board's contractually required composite contribution rate for the year ended June 30, 2019, was 26.7% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Employer contributions to TRSL from the School Board were \$21,442,049 for the year ended June 30, 2019.

#### Louisiana School Employees' Retirement System (LSERS)

##### **Plan Description**

Chapter 3 of Title 11 of the Louisiana Revised Statutes (LRS 11:1001) grants to the LSERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LSERS issues a publicly available financial report that can be obtained at [www.lservers.net](http://www.lservers.net).

##### **Benefits Provided**

The following is a description of the plan and its benefits and is provided for general informational purposes only. LSERS provides retirement, disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

##### Normal Retirement

A member who joined the School Board on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, 20 years of creditable service regardless of age with an actuarially reduced benefit, or 10 years of creditable service and is at least age 60. A member who joined the School Board on or after July 1, 2010 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60, or 20 years of creditable service regardless of age with an actuarially reduced benefit.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

#### Louisiana School Employees' Retirement System (LSERS) (Continued)

##### *Benefits Provided (Continued)*

###### Benefit Formula

For members who joined the School Board prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3 $\frac{1}{3}$ % of the average compensation for the three highest consecutive years of membership service, subject to the 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2.00 per month for each year of service. For members who joined the School Board on or after July 1, 2006 through June 30, 2010, 3 $\frac{1}{3}$ % of the average compensation is used to calculate benefits. However, the calculation consists of the 5 highest consecutive years of membership service, subject to the 10% salary limitation. For members who joined the School Board on or after July 1, 2010, 2  $\frac{1}{2}$  % of the average compensation is used to calculate benefits and consists of the 5 highest consecutive years' average salary, subject to the 15% salary limitation. The supplemental allowance was eliminated for members entering the plan on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

###### Disability Benefits

A member is eligible to retire and receive disability benefits if he has at least 5 years of creditable service, is not eligible for normal retirement, and has become totally and permanently disabled, and is certified as disabled by the State Medical Disability Board (SMDB). A vetted employee with 20 or more years of creditable service, who has withdrawn from active service prior to the age at which he is eligible for retirement benefits, is eligible to receive a disability benefit until normal retirement age. A member who joined the School Board on or after July 1, 2006 must have at least 10 years of service to qualify for disability benefits.

###### Survivor Benefits

Upon the death of a member with 5 or more years of creditable service, the plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

###### Deferred Retirement Option Program (DROP) and Initial Benefit Retirement Plan (IBRP)

Members of the plan may elect to participate in the Deferred Retirement Option Plan (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP, active membership in the regular retirement plan of the School Board terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account.

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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#### Note 6. Pension Plans (Continued)

##### Louisiana School Employees' Retirement System (LSERS) (Continued)

###### *Benefits Provided (Continued)*

###### Deferred Retirement Option Program (DROP) and Initial Benefit Retirement Plan (IBRP) (Continued)

The plan maintains subaccounts within this account reflecting the credits attributed to each participant in the plan. Interest credited to and payments from the DROP account are made in accordance with LRS 11:1152(F)(3). Upon termination of both participation in the plan and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The plan also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

Effective January 1, 1996, the State Legislature authorized the plan to establish an Initial Benefit Retirement Plan (IBRP) program. The IBRP is available to members who have not participated in the DROP and who select the maximum benefit, Option 2 benefit, Option 3 benefit, or Option 4 benefit. Thereafter, these members are ineligible to participate in the DROP. The IBRP program provides both a one-time single lump sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited to and payments from IBRP accounts are made in accordance with LRS 11:1152 (F)(3).

###### *Permanent Benefit Increases/Cost-of-Living Adjustments*

As fully described in Title 11 of the Louisiana Revised Statutes, the School Board allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

###### *Contributions*

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the State Constitution. The actuarially required contribution rate for June 30, 2019 was 28.0%. Employer contributions to LSERS from the School Board were \$2,090,307 for the year ended June 30, 2019.

##### Louisiana State Employees' Retirement System (LASERS)

###### *Plan Description*

Title 11 of the Louisiana Revised Statutes (LRS 11:401) grants to the LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that can be obtained at [www.lasersonline.org](http://www.lasersonline.org).

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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#### Note 6. Pension Plans (Continued)

##### Louisiana State Employees' Retirement System (LASERS) (Continued)

###### ***Benefits Provided***

The following is a description of the plan and its benefits and is provided for general informational purposes only. LASERS provides retirement, deferred retirement option, disability, and survivor benefits. Participants should refer to the appropriate statutes for more complete information.

###### Normal Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's hire date, employer, and job classification. Their rank and file members hired prior to July 1, 2006 may either retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing 5 years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing 5 years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after 5 years of creditable service and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service.

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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#### Note 6. Pension Plans (Continued)

##### Louisiana State Employees' Retirement System (LASERS) (Continued)

###### *Benefits Provided (Continued)*

###### Normal Retirement (Continued)

Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan members, a 3.33% accrual rate, and judges, a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees, have the option to transition to the new hazardous duty plan.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

###### Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (the DROP). When a member enters the DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered the DROP prior to January 1, 2004, interest at a rate of one-half percent less than the School Board's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter the DROP on or after January 1, 2004, are required to participate in LASERS' Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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#### Note 6. Pension Plans (Continued)

##### Louisiana State Employees' Retirement System (LASERS) (Continued)

###### *Benefits Provided (Continued)*

###### Deferred Benefits (Continued)

Members eligible to retire and who do not choose to participate in the DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the School Board's realized return on its portfolio (not to be less than zero). Those members who selected the IBO on or after January 1, 2004 are required to enter the SDP as described above.

###### Disability Benefits

Generally, active members with 10 or more years of creditable service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching age 60, the disabled retiree may receive a regular retirement benefit by making application to the Board of Trustees.

###### Survivor Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of 5 years of service credit, at least 2 of which were earned immediately prior to death, or a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011 must have a minimum of 5 years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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**Note 6. Pension Plans (Continued)**

**Louisiana State Employees' Retirement System (LASERS) (Continued)**

***Permanent Benefit Increases/Cost-of-Living Adjustments***

LASERS allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

***Contributions***

Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 (closed plan) and 8.0% of their annual covered salaries if hired after July 1, 2006, and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2019 was 37.9% of annual covered payroll. Employer contributions paid to LASERS for the year ended June 30, 2019 were \$102,467.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The following table reflects the School Board's reported net pension liability, pension expense, proportionate share of the net pension liability, and the changes in proportion as of June 30, 2019:

<b>Plan</b>	<b>Pension Expense</b>	<b>Net Pension Liability at June 30, 2019</b>	<b>Rate at June 30, 2019</b>	<b>Increase Decrease on June 30, 2018 Rate</b>
TRSL	\$ 12,031,424	\$ 164,681,938	1.67564%	-0.06793%
LSERS	1,975,298	16,978,486	2.54117%	0.00496%
LASERS	42,613	817,709	0.01199%	-0.00030%
<b>Total</b>	<b>\$ 14,049,335</b>	<b>\$ 182,478,133</b>		

The net pension liabilities were measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL and LASERS was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The School Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

**Note 6. Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
<b><u>TRSL</u></b>		
Changes in Proportion	\$ 4,622,550	\$ 7,316,758
Differences between Expected and Actual Experience	-	5,424,962
Changes in Assumptions	10,581,354	-
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	-	10,613,442
Difference between Employer Contributions		
and Proportionate Share of Contributions	2,187,114	-
Contributions Subsequent to the		
Measurement Date	21,442,049	-
	38,833,067	23,355,162
<b><u>LSERS</u></b>		
Changes in Proportion	21,862	49,925
Differences between Expected and Actual Experience	-	468,529
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	337,156	-
Changes in Assumptions	715,273	-
Difference between Employer Contributions		
and Proportionate Share of Contributions	-	16,151
Contributions Subsequent to the		
Measurement Date	2,090,307	-
	3,164,598	534,605
<b><u>LASERS</u></b>		
Changes in Proportion	26,384	14,125
Differences between Expected and Actual Experience	-	9,170
Net Difference between Projected and Actual		
Earnings on Pension Plan Investments	10,603	-
Changes in Assumptions	8,321	-
Difference between Employer Contributions		
and Proportionate Share of Contributions	767	-
Contributions Subsequent to the		
Measurement Date	102,467	-
	148,542	23,295
<b>Totals</b>	\$ 42,146,207	\$ 23,913,062

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

**Note 6. Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amortization Amounts		
	TRSL	LSERS	LASERS
2020	\$ 3,643,242	\$ 649,665	\$ 43,054
2021	(1,586,280)	323,764	2,702
2022	(6,464,143)	(512,701)	(19,983)
2023	(1,556,963)	78,958	(2,993)
<b>Total</b>	<b>\$ (5,964,144)</b>	<b>\$ 539,686</b>	<b>\$ 22,780</b>

**Actuarial Assumptions**

The total pension liability in the June 30, 2019 actuarial valuations for TRSL, LSERS, and LASERS were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions	TRSL	LSERS	LASERS
Actuarial Cost Approach	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	Closed	Closed
Expected Remaining Service Lives	5 years	3 years	3 years
Investment Rate of Return	7.65% net of investment expenses	7.0625% net of investment expenses	7.65% net of investment expenses
Inflation Rate	2.50%	2.50%	2.75%
Discount Rate	7.65%	7.0625%	7.70%
Salary Increases	3.3% - 4.8%	3.25%	3.8% - 12.8%
Cost-of-Living Adjustments	None	None	None
Mortality	RP-2014 Mortality Tables	RP-2014 Mortality Tables	RP-2000 Mortality Tables
Termination and Disability	Based on a five year (2013 - 2017) experience study of the System's members	Based on a five year (2013 - 2017) experience study of the System's members	Based on a five year (2009 - 2013) experience study of the System's members

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

#### Actuarial Assumptions (Continued)

##### *TRSL Investments*

The long-term expected rate of return on TRSL pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in TRSL's target asset allocation as of June 30, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	27.00%	4.01%
International Equity	19.00%	4.90%
Domestic Fixed Income	13.00%	1.36%
International Fixed Income	5.50%	2.35%
Private Equity	25.50%	8.39%
Other Private Assets	10.00%	3.57%
<b>Total</b>	<b>100.00%</b>	

##### *LSERS Investments*

The long-term expected rate of return on LSERS pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TERREBONNE PARISH SCHOOL BOARD

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

Actuarial Assumptions (Continued)

*LASERS Investments (Continued)*

Best estimates of geometric real rates of return for each major asset class included in LASERS' target asset allocation as of June 30, 2019, are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed Income	26.00%	1.07%
Equity	39.00%	2.93%
Alternatives	17.00%	1.43%
Real Estate	12.00%	7.30%
Real Assets	6.00%	6.00%
<b>Total</b>	<b>100.00%</b>	

*LASERS Investments*

The long-term expected rate of return on LASERS pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.

Best estimates of arithmetic real rates of return for each major asset class included in LASERS' target asset allocation as of June 30, 2019, are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	0.00%	-0.24%
Domestic Equity	25.00%	4.31%
International Equity	32.00%	5.35%
Domestic Fixed Income	8.00%	1.73%
International Fixed Income	6.00%	2.49%
Alternative Investments	22.00%	7.41%
Global Asset Allocation	7.00%	2.84%
<b>Total</b>	<b>100.00%</b>	

TERREBONNE PARISH SCHOOL BOARD

Notes to Basic Financial Statements

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**Note 6. Pension Plans (Continued)**

**Actuarial Assumptions (Continued)**

***Discount Rates***

The discount rates used to measure the total pension liabilities of TRSL, LSERS, and LASERS were 7.65%, 7.0625%, and 7.70%, respectively. For TRSL and LASERS, the projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For LSERS, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement System's Actuarial Committee (PRSAC), taking into consideration the recommendation of the plan's actuary. Based on those assumptions, the pension plans' fiduciary net positions were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the School Board's proportionate share of the net pension liabilities of the plans using the discount rates of 7.65%, 7.0625%, and 7.70%, respectively, as well as what the School Board's proportionate share of the net pension obligations would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

<b>Pension Plan</b>	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
TRSL	\$ 218,163,702	\$ 164,681,938	\$ 119,567,285
LSERS	23,307,440	16,978,486	11,568,497
LASERS	1,032,003	817,709	633,149
<b>Total</b>	<b>\$ 242,503,145</b>	<b>\$ 182,478,133</b>	<b>\$ 131,768,931</b>

***Support of Non-Employer Contributing Entities***

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2019, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$662,720 (TRSL), \$-0- (LSERS), and \$-0- (LASERS) for its participation in the plans.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

#### Actuarial Assumptions (Continued)

##### *Pension Plan Fiduciary Net Position*

Detailed information about the pension plans' fiduciary net positions is available in the separately issued 2018 Comprehensive Annual Financial Reports at [www.trsl.org](http://www.trsl.org), [www.lasers.net](http://www.lasers.net), and [www.lasersonline.org](http://www.lasersonline.org).

##### Payables to the Pension Plans

At June 30, 2019, amounts due to the pension plans for employer required contributions are as follows:

TRSL	\$ 6,623,035
LSERS	437,694
LASERS	<u>30,110</u>
<b>Total</b>	<b><u><u>\$ 7,090,839</u></u></b>

### Note 7. Postemployment Benefits

#### General Information about the OPEB Plan

*Plan Description* - The School Board provides certain continuing health care and life insurance benefits for its retired employees. The School Board's OPEB plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the School Board. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the School Board. No assets are accumulated in a trust that meets the criteria in GASB Codification Section P52, *Postemployment Benefits Other Than Pensions---Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria-Defined Benefit*.

*Benefits Provided* - Medical benefits are provided through a self-insured medical plan and are made available to employees upon actual retirement. Most of the employees are covered by the Teachers' Retirement System of Louisiana, whose retirement eligibility (DROP entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 60 and 5 years of service. Employees hired on or after January 1, 2011 may not retire prior to age 60 without actuarial reduction in benefits. All but a few of the remaining employees are covered by the Louisiana School Employees' Retirement System, whose retirement eligibility provisions are nearly identical to the TRSL.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 7. Postemployment Benefits (Continued)

#### General Information about the OPEB Plan (Continued)

Life insurance coverage is available to retirees by election and based on a blended rate (active and retired). As with the medical benefits, the employer pays a portion of the blended premium equal to 75% plus a graded schedule based on length of service, if any, as of July 1, 1989. Insurance coverage amounts are reduced to 50% of the original level at age 70 and again to 35% of the original level at age 75 according to plan provisions.

*Employees Covered by Benefit Terms* - At June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1,651
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-
Active Employees	<u>2,017</u>
<b>Total</b>	<b><u>3,668</u></b>

#### Total OPEB Liability

The School Board's total OPEB liability of \$297,210,170 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* - The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary Increases	4.0%, Including Inflation
Discount Rate	3.5%, Net of OPEB Plan Investment Expense, Including Inflation
Healthcare Cost Trend Rates	Flat 5.5% Annually

The discount rate was based on the average of the Bond Buyers' 20 Year General Obligation municipal bond index over the 52 weeks immediately preceding the applicable measurement dates.

Mortality rates were based on the RP-2000 Table without projection with 50%/50% unisex blend.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2019.

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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**Note 7. Postemployment Benefits (Continued)**

**Changes in the Total OPEB Liability**

A summary of changes in the Total OPEB Liability is as follows:

Balance at June 30, 2018	\$ 295,894,702
Changes for the Year	
Service Cost	5,582,072
Interest	10,164,350
Differences between Expected and Actual Experience	(3,461,543)
Benefit Payments and Net Transfers	<u>(10,969,411)</u>
Net Changes	<u>1,315,468</u>
<b>Balance at June 30, 2019</b>	<b><u>\$ 297,210,170</u></b>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* - The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.5%) than the current discount rate:

	<b>1.0% Decrease (2.5%)</b>	<b>Current Discount Rate (3.5%)</b>	<b>1.0% Increase (4.5%)</b>
Total OPEB Liability	<u>\$ 348,149,961</u>	<u>\$ 297,210,170</u>	<u>\$ 256,805,754</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates* - The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (4.5%) or one percentage point higher (6.5%) than the current healthcare cost trend rates:

	<b>1.0% Decrease (4.5%)</b>	<b>Current Trend (5.5%)</b>	<b>1.0% Increase (6.5%)</b>
Total OPEB Liability	<u>\$ 256,563,855</u>	<u>\$ 297,210,170</u>	<u>\$ 347,821,853</u>

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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**Note 7. Postemployment Benefits (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the School Board recognized OPEB expense of \$14,913,855. At June 30, 2019, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ -	\$ 3,076,927

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending June 30,</b>	<b>Amount</b>
2020	\$ (384,616)
2021	(384,616)
2022	(384,616)
2023	(384,616)
2024	(384,616)
Thereafter	<u>(1,153,847)</u>
<b>Total</b>	<u>\$ (3,076,927)</u>

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

**Note 8. Long-Term Liabilities**

**Summary of General Long-Term Obligations**

The following is a summary of the changes in general long-term obligations for the year ended June 30, 2019:

	Payable at June 30, 2018	Additions	Reductions	Payable at June 30, 2019
<b>Debt from Direct Borrowings and Direct Placements</b>				
QSCB 2009 Series	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
QSCB 2011 Series	10,000,000	-	-	10,000,000
QSCB 2012 Series	1,460,775	-	-	1,460,775
	<u>21,460,775</u>	<u>-</u>	<u>-</u>	<u>21,460,775</u>
<b>Other Debt</b>				
Tax Revenue Bond Series 2016	17,825,000	-	230,000	17,595,000
2016 Bond Premium	1,697,330	-	143,332	1,553,998
Compensated Absences	6,340,999	219,473	306,812	6,253,660
Other Postemployment Benefits	295,894,702	1,315,468	-	297,210,170
Net Pension Liabilities	195,843,376	-	13,365,243	182,478,133
	<u>\$ 539,062,182</u>	<u>\$ 1,534,941</u>	<u>\$ 14,045,387</u>	<u>\$ 526,551,736</u>

Additional information regarding other postemployment benefits is included in Note 7 to the financial statements and additional information regarding net pension liabilities is included in Note 6 to the financial statements.

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of June 30, 2019:

	Current	Long-Term	Totals
<b>Debt from Direct Borrowings and Direct Placements</b>			
QSCB 2009 Series	\$ -	\$ 10,000,000	\$ 10,000,000
QSCB 2011 Series	-	10,000,000	10,000,000
QSCB 2012 Series	-	1,460,775	1,460,775
	<u>-</u>	<u>21,460,775</u>	<u>21,460,775</u>
<b>Other Debt</b>			
Tax Revenue Bond Series 2016	230,000	17,365,000	17,595,000
2016 Bond Premium	143,332	1,410,666	1,553,998
Compensated Absences	306,812	5,946,848	6,253,660
Other Postemployment Benefits	-	297,210,170	297,210,170
Net Pension Liabilities	-	182,478,133	182,478,133
	<u>\$ 680,144</u>	<u>\$ 525,871,592</u>	<u>\$ 526,551,736</u>

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 8. Long-Term Liabilities (Continued)

#### Qualified School Construction Bonds

On October 6, 2009, the School Board authorized the issuance of Ten Million Dollars (\$10,000,000) of Revenue Bonds (Taxable QSCB), Series 2009, of the Parish School Board of the Parish of Terrebonne, State of Louisiana (the Issuer).

These Bonds represent the entire principal amount of an authorized issue aggregating in principal the sum of Ten Million Dollars (\$10,000,000) of Revenue Bonds (Taxable QSCB), Series 2009 (the Bonds), of the Issuer, for the purpose of construction, rehabilitation, or repair of public school facilities within the jurisdiction of the Issuer, including equipping of school facilities improved with Bond proceeds, and paying the costs of issuance thereof, under the authority conferred by Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

These Bonds are secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the Issuer from the levy and collection of a special tax of three and sixty-eight hundredths (3.68) mills (such rate being subject to adjustment from time to time due to reassessment), which the Issuer is authorized to impose and collect in each year. Such special tax has been authorized to be levied on all the property subject to taxation within the corporate boundaries of the Issuer.

For the payment of the principal of the Bonds, a special fund known as "Parish School Board of the Parish of Terrebonne, State of Louisiana, Revenue Bonds (Taxable QSCB), Series 2009, Sinking Fund" has been established and maintained. Said Sinking Fund has been established and maintained with Regions Bank (the Paying Agent). The Bonds bear interest at 1.04%, payable quarterly. The Bonds will mature on October 1, 2024.

The sum of all cash and investments held in the Sinking Fund shall equal, as close as is reasonably possible, the Required Principal Account Value set forth below on the relevant Principal Account Deposit Date:

<b>Year Ending June 30,</b>	<b>Required Principal Account Value</b>
2020	\$ 6,000,000
2021	6,666,666
2022	7,333,333
2023	8,000,000
2024	8,666,666
Thereafter	10,000,000

On January 18, 2011, the Board authorized the issuance of Ten Million Dollars (\$10,000,000) of Sales Tax Bonds (Taxable QSCB), series 2011, of the Parish School Board of the Parish of Terrebonne, State of Louisiana (the Issuer).

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 8. Long-Term Liabilities (Continued)

#### Qualified School Construction Bonds (Continued)

These Bonds represent the entire principal amount of an authorized issue aggregating in principal the sum of Ten Million Dollars (\$10,000,000) of Sales Tax Bonds (Taxable QSCB), Series 2011 (the Bonds), of the Issuer, for the purpose of construction, rehabilitation, or repair of public school facilities within the jurisdiction of the Issuer, including equipping of school facilities improved with Bond proceeds, and paying the costs of issuance thereof, under the authority conferred by Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

These Bonds are secured by and payable from an irrevocable pledge and dedication of the Pledged Tax Revenues derived by the Issuer from the levy and collection of 17% of the avails or proceeds of the 1% sales and use tax levied and collected by the Issuer by virtue of the authority of an election held on October 17, 2009.

For the payment of the principal of the Bonds, a special fund known as "Parish School Board of the Parish of Terrebonne, State of Louisiana, Sales Tax Bonds (Taxable QSCB), Series 2011, Sinking Fund" has been established and maintained. Said Sinking Fund has been established and maintained with The Bank of New York Mellon Trust Company, N.A. (the Paying Agent). The Bonds bear interest at 0.38%, payable quarterly. The Bonds will mature on March 1, 2026.

The sum of all cash and investments held in the Sinking Fund shall equal, as close as is reasonably possible, the Required Principal Account Value set forth below on the relevant Principal Account Deposit Date:

<b>Year Ending June 30,</b>	<b>Required Principal Account Value</b>
2020	\$ 5,333,328
2021	5,999,994
2022	6,666,660
2023	7,333,326
2024	7,999,992
Thereafter	10,000,000

On February 14, 2012, the Board authorized the issuance of One Million Four Hundred Sixty Thousand Seven Hundred Seventy-Five Dollars (\$1,460,775) of Sales Tax Bonds (Taxable QSCB), Series 2012, of the Parish School Board of the Parish of Terrebonne, State of Louisiana (the Issuer).

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 8. Long-Term Liabilities (Continued)

#### Qualified School Construction Bonds (Continued)

These Bonds represent the entire principal amount of an authorized issue aggregating in principal the sum of One Million Four Hundred Sixty Thousand Seven Hundred Seventy-Five Dollars (\$1,460,775) of Sales Tax Bonds (Taxable QSCB), Series 2012 (the Bonds), of the Issuer, for the purpose of construction, rehabilitation, or repair of public school facilities within the jurisdiction of the Issuer, including equipping of school facilities improved with Bond proceeds, and paying the costs of issuance thereof, under the authority conferred by Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

These Bonds are secured by and payable from an irrevocable pledge and dedication of the Pledged Tax Revenues derived by the Issuer from the levy and collection of 17% of the avails or proceeds of the 1% sales and use tax levied and collected by the Issuer by virtue of the authority of an election held on October 17, 2009.

For the payment of the principal of the Bonds, a special fund known as "Parish School Board of the Parish of Terrebonne, State of Louisiana, Sales Tax Bonds (Taxable QSCB), Series 2012, Sinking Fund" has been established and maintained. Said Sinking Fund has been established and maintained with The Bank of New York Mellon Trust Company, N.A. (the Paying Agent). The Bonds bear interest at 0%. The Bonds will mature on March 1, 2027.

The sum of all cash and investments held in the Sinking Fund shall equal, as close as is reasonably possible, the Required Principal Account Value set forth below on the relevant Principal Account Deposit Date:

Year Ending June 30,	Required Principal Account Value
2020	\$ 681,695
2021	779,080
2022	876,465
2023	973,850
2024	1,071,235
Thereafter	1,460,775

On March 1, 2016, the Board authorized the issuance of Eighteen Million Two Hundred Seventy Thousand Dollars (\$18,270,000) of Limited Tax Revenue Bonds, Series 2016, of the Parish School Board of the Parish of Terrebonne, State of Louisiana (the Issuer).

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

**Note 8. Long-Term Liabilities (Continued)**

**Qualified School Construction Bonds (Continued)**

The Bonds represent the entire principal amount of an authorized issue aggregating in principal the sum of Eighteen Million Two Hundred Seventy Thousand Dollars (\$18,270,000) of Limited Tax Revenue Bonds, Series 2016, (the Bonds), of the Issuer, for the purpose of purchasing, acquiring, and improving capital improvements for the School Board, including the necessary sites, equipment, and furnishings thereof, title to which shall be in the public, and paying the costs of issuance thereof, under the authority conferred by Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority.

The Bonds are secured by and payable from an irrevocable pledge and dedication of the funds to be derived by the Issuer from the levy and collection of a special tax of 3.86 mills (such rate being subject to adjustment from time to time due to reassessment) authorized to be imposed and collected each year on all property subject to taxation within the corporate boundaries of the Issuer (the Tax).

For the payment of the principal of the Bonds, a special fund known as "Parish School Board of the Parish of Terrebonne, State of Louisiana, Limited Tax Revenue Bonds, Series 2016, Sinking Fund", said Sinking Fund to be maintained with the regularly designated fiscal agent bank of the Issuer. The Bonds bear interest at varying amounts between 2% and 5%. The Bonds mature in varying amounts from March 1, 2020 through March 1, 2036.

The annual debt service requirements including interest to amortize all long-term obligations outstanding at June 30, 2019 other than compensated absences, pensions, and other postemployment benefits are as follows:

Year Ending June 30,	Notes from Direct Borrowings and Direct Placements			Tax Revenue Bonds	Total
	QSCB 2009	QSCB 2011	QSCB 2012	Series 2016	
2020	\$ 104,000	\$ 38,000	\$ -	\$ 925,163	\$ 1,067,163
2021	104,000	38,000	-	925,563	1,067,563
2022	104,000	38,000	-	930,863	1,072,863
2023	104,000	38,000	-	928,513	1,070,513
2024	104,000	38,000	-	1,041,013	1,183,013
Thereafter	10,104,000	10,076,000	1,460,775	20,690,671	42,331,446
Totals	10,624,000	10,266,000	1,460,775	25,441,786	47,792,561
Less:					
Interest	624,000	266,000	-	7,846,786	8,736,786
<b>Net Amount</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 1,460,775</b>	<b>\$ 17,595,000</b>	<b>\$ 39,055,775</b>

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 9. Risk Management and Insurance

The School Board is exposed to various risks of loss 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 excess 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, vehicles, boilers, and other machinery. Claims have not exceeded insurance coverage in any of the past four 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 plan administrator, Gulf South Risk Services, is responsible for claims processing and administration. The School Board has obtained excess insurance coverage with a deductible of \$500,000 per occurrence and a \$1,000,000 limit per claim. An analysis of the claims activities for the current year and prior year follows:

Year Ended	Beginning Liability	Current Year		Ending Liability
		Changes in Estimates	Actual Claim Payments	
		(In Thousands)		
June 30, 2018	\$ 726	\$ 696	\$ 689	\$ 733
June 30, 2019	\$ 733	\$ 560	\$ 533	\$ 760

The Employee Benefit Group Insurance Plan was established by board action during the June 1991 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, 2019. The School Board has obtained excess insurance coverage which limits its exposure to \$425,000 per claim per calendar year, and \$43,998,843 in the aggregate.

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

**Note 9. Risk Management and Insurance (Continued)**

**Self-Insurance Programs (Continued)**

An analysis of claims activities for the current year and prior year follows:

<b>Year Ended</b>	<b>Beginning Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Actual Claim Payments</b>	<b>Ending Liability</b>
		(In Thousands)		
June 30, 2018	\$ 8,300	\$ 41,164	\$ 40,724	\$ 8,740
June 30, 2019	\$ 8,740	\$ 45,154	\$ 46,589	\$ 7,305

The Loss Fund was established by the School Board to cover risks of loss related to damage to buildings and contents. The fund also serves to cover risks of loss due to torts and negligence by employees and board members. Auto liability is also included in the Loss Fund. The Fund covers all losses up to \$300,000. 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. 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 an all-perils deductible of \$100,000 per occurrence and a 3% deductible for wind damage for any named storm, with an aggregate deductible of \$100,000 per occurrence. Analysis of claims activities for the current year and prior year follows:

<b>Year Ended</b>	<b>Beginning Liability</b>	<b>Current Year Claims and Changes in Estimates</b>	<b>Actual Claim Payments</b>	<b>Ending Liability</b>
		(In Thousands)		
June 30, 2018	\$ -	\$ 1,498	\$ 1,498	\$ -
June 30, 2019	\$ -	\$ 1,523	\$ 1,497	\$ 26

**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.

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

**Note 10. Interfund Balances**

**Interfund Receivables/Payables**

During the course of normal operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds, but are eliminated in the GWFS. Any residual balances outstanding between governmental activities and business-type activities are reported in the GWFS as internal balances. The following table shows the due from/due to other funds for the year ended June 30, 2019:

	Due from Other Funds	Due to Other Funds
<b>Governmental Funds</b>		
General Fund	\$ 15,001,913	\$ 1,866,944
One Cent Sales Tax Fund	13,489	3,234,956
Building Fund	1,445,798	13,489
Non-Major Funds	1,360,462	12,266,514
Total Governmental Accounts	<u>17,821,662</u>	<u>17,381,903</u>
<b>Proprietary Funds</b>		
Loss Fund	44,980	-
Group Insurance Claims	-	484,107
Total Business-Type Activities	<u>44,980</u>	<u>484,107</u>
<b>Fiduciary Funds</b>		
Employee Spending	-	632
<b>Total</b>	<u><u>\$ 17,866,642</u></u>	<u><u>\$ 17,866,642</u></u>

**Interfund Transfers**

During the course of normal operations, numerous transactions occur between funds for goods provided or services rendered. Interfund transfers consisted of payments of indirect costs to the General Fund as well as a transfer to the School Food Service Fund for the year ended June 30, 2019, as follows:

	Transfers In	Transfers Out
<b>Governmental Funds</b>		
General Fund	\$ 15,154,402	\$ 5,374,978
One Cent Sales Tax Fund	-	4,115,949
Building Fund	3,000,000	231,701
Non-Major Funds	3,722,628	13,154,402
	<u>21,877,030</u>	<u>22,877,030</u>
<b>Proprietary Funds</b>		
Loss Fund	1,000,000	-
<b>Total</b>	<u><u>\$ 22,877,030</u></u>	<u><u>\$ 22,877,030</u></u>

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 11. Commitments and Contingencies

#### **Litigation**

The School Board is subject to 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 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 monies are to be used and such grants are subject to audit by the granting agency or its representative. Certain grant monies received in prior years have not been expended and may require reimbursement to the granting agency.

### Note 12. Concentration

The School Board received 14% (\$28,049,974) and 48% (\$93,090,032) of its fiscal 2019 revenues from federal grants and the State of Louisiana Minimum Foundation Program, respectively. The MFP funding is allocated to the School Board through a formula based primarily on the student population.

### Note 13. Recent Reporting and Disclosure Developments

As of June 30, 2019, the Governmental Accounting Standards Board has issued several statements not yet implemented by the School Board. The statements, which might impact the School Board, are as follows:

#### **GASB Statement No. 84, *Fiduciary Activities***

The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

#### **GASB Statement No. 87, *Leases***

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019.

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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#### Note 13. Recent Reporting and Disclosure Developments (Continued)

***GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period***

The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

#### Note 14. Restricted Net Position

The government-wide statement of net position reports \$27,845,488 of restricted net position, of which \$15,089,929 is restricted by enabling legislation.

**REQUIRED SUPPLEMENTARY  
INFORMATION (PART II)**

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Major Fund Type**  
**Fund Descriptions**

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**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.

**One Cent Sales Tax Fund (1996)**

The Citizens of Terrebonne Parish authorized a 1% sales and use tax effective July 1, 1996. 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 one cent sales tax, a local funding source; therefore, this fund is classified as a Local Special Revenue Fund.

**Building Fund**

This fund was established 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).

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2019**

**Schedule 1**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Local Sources				
Ad Valorem Tax	\$ 8,768,715	\$ 8,797,283	\$ 8,704,916	\$ (92,367)
Sales and Use Tax	6,953,225	7,351,828	7,314,936	(36,892)
Deductions from Parish Taxes (1%) for				
Contribution to Teachers Retirement System	930,000	930,000	945,360	15,360
Rents, Leases, and Royalties	185,000	200,000	263,550	63,550
Tuition	650,000	650,000	632,391	(17,609)
Interest Earned	90,700	118,700	365,970	247,270
Other Local Revenue	669,100	748,500	1,060,299	311,799
State Sources				
Equalization	93,630,708	93,135,909	91,799,937	(1,335,972)
Revenue Sharing	219,000	219,000	216,681	(2,319)
Professional Improvement Program Support	48,200	48,200	36,362	(11,838)
Contribution to Teachers' Retirement System	12,800	12,800	9,272	(3,528)
Other State Grants	-	-	227	227
Federal Sources				
	-	-	544,887	544,887
<b>Total Revenues</b>	<b>112,157,448</b>	<b>112,212,220</b>	<b>111,894,788</b>	<b>(317,432)</b>
<b>Expenditures</b>				
Current				
Instruction				
Regular Education	49,636,252	49,550,986	49,945,280	394,294
Special Education	15,230,305	15,461,596	14,857,554	(604,042)
Adult Education	77,045	77,064	65,963	(11,101)
Career and Technical Education	2,990,888	2,892,055	2,963,835	71,780
Other Programs	5,290,206	5,219,111	4,953,945	(265,166)
Support Services				
Pupil Support	7,101,660	7,201,836	7,285,484	83,648
Instructional Staff	5,282,783	5,129,186	4,940,768	(188,418)
General Administration	1,540,273	1,563,867	1,610,258	46,391
School Administration	8,836,447	8,903,606	8,814,321	(89,285)
Business Services	1,701,373	1,929,069	1,795,299	(133,770)
Plant Services	13,386,297	13,471,863	12,231,955	(1,239,908)
Student Transportation	9,824,915	9,974,920	9,995,696	20,776
Central Services	1,338,403	1,365,317	1,353,174	(12,143)
Non-Instructional				
Food Service	1,055,087	1,063,507	1,042,652	(20,855)
<b>Total Expenditures</b>	<b>123,291,934</b>	<b>123,803,983</b>	<b>121,856,184</b>	<b>1,947,799</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(11,134,486)</b>	<b>(11,591,763)</b>	<b>(9,961,396)</b>	<b>1,630,367</b>

See notes to required supplementary information and independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Budgetary Comparison Schedule  
General Fund (Continued)  
For the Year Ended June 30, 2019**

**Schedule 1**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	14,432,480	14,432,480	15,154,402	721,922
Operating Transfers Out	(4,886,735)	(5,203,068)	(5,374,978)	(171,910)
Indirect Costs	1,552,429	1,552,429	1,634,895	82,466
Other Sources	(261,754)	(613,900)	(612,319)	1,581
<b>Total Other Financing Sources (Uses)</b>	<b>10,836,420</b>	<b>10,167,941</b>	<b>10,802,000</b>	<b>634,059</b>
<b>Net Change in Fund Balance</b>	<b>(298,066)</b>	<b>(1,423,822)</b>	<b>840,604</b>	<b>2,264,426</b>
<b>Fund Balances, Beginning of Year</b>	<b>8,768,282</b>	<b>16,901,669</b>	<b>16,901,669</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 8,470,216</b>	<b>\$ 15,477,847</b>	<b>\$ 17,742,273</b>	<b>\$ 2,264,426</b>

See notes to required supplementary information and independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Budgetary Comparison Schedule  
One Cent Sales Tax Fund (1996)  
For the Year Ended June 30, 2019**

**Schedule 2**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Local Sources				
Sales and Use Tax	\$ 21,626,244	\$ 21,626,244	\$ 21,944,807	\$ 318,563
Investment Earnings	60,000	89,500	151,546	62,046
Other Local Revenue	-	-	41,489	41,489
<b>Total Revenues</b>	<b>21,686,244</b>	<b>21,715,744</b>	<b>22,137,842</b>	<b>422,098</b>
<b>Expenditures</b>				
Current				
Instruction				
Regular Education	7,009,215	8,359,876	8,168,039	191,837
Special Education	2,030,162	2,316,007	2,190,251	125,756
Adult Education	38,114	43,249	43,256	(7)
Career and Technical Education	352,831	399,897	397,360	2,537
Other Programs	1,313,814	1,590,411	1,532,533	57,878
Support Services				
Pupil Support	1,062,059	1,208,973	1,228,058	(19,085)
Instructional Staff	925,036	1,046,533	1,025,687	20,846
General Administration	207,991	221,640	238,404	(16,764)
School Administration	889,614	1,012,095	981,260	30,835
Business Services	206,756	258,890	197,270	61,620
Plant Services	879,709	953,474	952,747	727
Student Transportation	788,795	896,204	873,235	22,969
Central Services	668,411	729,898	727,552	2,346
Non-Instructional				
Food Service	799,993	879,205	846,582	32,623
Facilities Acquisition	-	-	-	-
Debt Service				
Interest	876,255	142,000	134,582	7,418
<b>Total Expenditures</b>	<b>18,048,755</b>	<b>20,058,352</b>	<b>19,536,816</b>	<b>521,536</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>3,637,489</b>	<b>1,657,392</b>	<b>2,601,026</b>	<b>943,634</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers Out	(3,655,717)	(4,200,000)	(4,115,949)	(84,051)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,655,717)</b>	<b>(4,200,000)</b>	<b>(4,115,949)</b>	<b>(84,051)</b>
<b>Net Change in Fund Balance</b>	<b>(18,228)</b>	<b>(2,542,608)</b>	<b>(1,514,923)</b>	<b>1,027,685</b>
<b>Fund Balances, Beginning of Year</b>	<b>5,313,940</b>	<b>7,687,021</b>	<b>7,687,021</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>\$ 5,295,712</b>	<b>\$ 5,144,413</b>	<b>\$ 6,172,098</b>	<b>\$ 1,027,685</b>

See notes to required supplementary information and independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Schedule of Changes in Net OPEB Liability  
and Related Ratios  
For the Year Ended June 30, 2019**

**Schedule 3**

	2019	2018
<b>Total OPEB Liability</b>		
Service Cost	\$ 5,582,072	\$ 5,368,789
Interest	10,164,350	11,539,734
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(3,461,543)	(4,031,560)
Changes of Assumptions	-	-
Benefit Payments	(10,969,411)	(10,951,202)
<b>Net Change in Total OPEB Liability</b>	<u>1,315,468</u>	<u>1,925,761</u>
<b>Total OPEB Liability - Beginning</b>	<u>295,894,702</u>	<u>293,968,941</u>
<b>Total OPEB Liability - Ending (a)</b>	<u><u>\$ 297,210,170</u></u>	<u><u>\$ 295,894,702</u></u>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ -	\$ -
Contributions - Member	-	-
Net Investment Income	-	-
Benefit Payments	-	-
Administrative Expense	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	-	-
<b>Plan Fiduciary Net Position, Beginning</b>	-	-
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Net OPEB Liability, Ending (a) - (b)</b>	<u><u>\$ 297,210,170</u></u>	<u><u>\$ 295,894,702</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>0.00%</u>	<u>0.00%</u>
Covered-Employee Payroll	<u>\$ 83,220,863</u>	<u>\$ 83,220,863</u>
Net OPEB Liability as a Percentage of Covered-Employee Payroll	<u>357.13%</u>	<u>355.55%</u>

**Notes to Schedule:**

*Benefit Changes.* There were no changes of benefit terms for the year ended June 30, 2019.

*Changes of Assumptions.* The discount rate was changed from 4.0% to 3.5% for the year ended June 30, 2019.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to required supplementary information and independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Schedule of Proportionate Share of Net Pension Liabilities**  
**For the Years Ended June 30, 2019 through 2015**

**Schedule 4**

<b>Year Ended</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of the Net Pension Liability</b>	<b>Covered Payroll</b>	<b>Share of the Net Pension Liability as a Percentage of its Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
<b><u>Teachers' Retirement System of Louisiana</u></b>					
June 30, 2019	1.675640%	\$ 164,681,938	\$ 79,035,699	208.36%	68.20%
June 30, 2018	1.743570%	\$ 178,748,347	\$ 81,652,047	218.91%	65.60%
June 30, 2017	1.768350%	\$ 207,551,358	\$ 83,581,607	248.32%	59.90%
June 30, 2016	1.713760%	\$ 184,268,550	\$ 76,987,172	239.35%	62.50%
June 30, 2015	1.619310%	\$ 166,375,110	\$ 72,914,095	228.18%	63.70%
<b><u>Louisiana School Employees' Retirement System</u></b>					
June 30, 2019	2.541167%	\$ 16,978,486	\$ 7,330,082	231.63%	74.44%
June 30, 2018	2.536210%	\$ 16,229,886	\$ 7,260,315	223.54%	75.03%
June 30, 2017	2.558188%	\$ 19,297,621	\$ 7,268,557	265.49%	70.09%
June 30, 2016	2.376480%	\$ 15,069,870	\$ 6,666,544	226.05%	74.49%
June 30, 2015	2.343700%	\$ 13,617,019	\$ 6,569,367	207.28%	76.18%
<b><u>Louisiana State Employees' Pension System</u></b>					
June 30, 2019	0.011990%	\$ 817,709	\$ 232,776	351.29%	64.30%
June 30, 2018	0.012290%	\$ 865,143	\$ 230,903	374.68%	62.50%
June 30, 2017	0.011280%	\$ 886,003	\$ 243,604	363.71%	57.70%
June 30, 2016	0.013340%	\$ 907,321	\$ 255,573	355.01%	62.70%
June 30, 2015	0.015980%	\$ 1,025,400	\$ 255,573	401.22%	65.00%

See notes to required supplementary information and independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Schedule of School Board Contributions**  
**For the Years Ended June 30, 2019 through 2015**

**Schedule 5**

<b>Year Ended</b>	<b>Contractually Required Contribution</b>	<b>Contributions in Relation to Contractually Required Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a Percentage of Covered Payroll</b>
<b><u>Teachers' Retirement System of Louisiana (TRSL)</u></b>					
June 30, 2019	\$ 21,442,049	\$ 21,442,049	\$ -	\$ 80,294,711	26.70%
June 30, 2018	\$ 21,026,699	\$ 21,026,699	\$ -	\$ 79,035,699	26.60%
June 30, 2017	\$ 20,829,888	\$ 20,829,888	\$ -	\$ 81,652,047	25.51%
June 30, 2016	\$ 21,925,329	\$ 21,925,329	\$ -	\$ 83,581,607	26.23%
June 30, 2015	\$ 21,560,667	\$ 21,560,667	\$ -	\$ 76,987,172	28.01%
<b><u>Louisiana School Employees' Retirement System (LSERS)</u></b>					
June 30, 2019	\$ 2,090,307	\$ 2,090,307	\$ -	\$ 7,465,643	28.00%
June 30, 2018	\$ 2,023,102	\$ 2,023,102	\$ -	\$ 7,330,082	27.60%
June 30, 2017	\$ 1,982,064	\$ 1,982,064	\$ -	\$ 7,260,315	27.30%
June 30, 2016	\$ 2,195,114	\$ 2,195,114	\$ -	\$ 7,268,557	30.20%
June 30, 2015	\$ 2,199,138	\$ 2,199,138	\$ -	\$ 6,666,544	32.99%
<b><u>Louisiana State Employees' Pension System (LASERS)</u></b>					
June 30, 2019	\$ 102,467	\$ 102,467	\$ -	\$ 270,361	37.90%
June 30, 2018	\$ 88,222	\$ 88,222	\$ -	\$ 232,776	37.90%
June 30, 2017	\$ 83,822	\$ 83,822	\$ -	\$ 230,903	36.30%
June 30, 2016	\$ 90,133	\$ 90,133	\$ -	\$ 243,604	37.00%
June 30, 2015	\$ 94,626	\$ 94,626	\$ -	\$ 255,573	37.03%

See notes to required supplementary information and independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Notes to Required Supplementary Information**

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**Note 1. Budgets**

**General Budget Practices**

The proposed budgets for fiscal year 2018-2019 were completed and made available for public inspection at the School Board office on July 24, 2018. A public hearing was held on August 14, 2018, for suggestions and comments from taxpayers. The proposed fiscal year 2018-2019 budgets were formally adopted by the School Board on September 4, 2018, and final amendment was adopted on March 12, 2019. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service, and Capital Projects Funds, were published in the official journal ten days prior to the public hearings.

Formal budgetary accounts are integrated into the accounting system during the year as a management control device, including the recording of encumbrances. Appropriations are valid only for the year in which made, and any part of such appropriation which is not encumbered or expensed lapses at the end of the year. Current year transactions that are directly related to the prior year's budget are not re-budgeted in the current year.

The Superintendent is authorized to transfer budget amounts between budget lines in a fund; however, any supplemental appropriations that amend the total expenditures of any fund require Board approval. As required by State law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments. Amendments to the budget reflect changes in revenue sources determined after the budget was initially approved. No other significant changes occurred.

**Budget Basis of Accounting**

The budgets for the General and Special Revenue Funds for fiscal year 2018-2019 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

**Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General Fund and Capital Projects Funds.

Encumbrances outstanding at year-end lapse and are re-encumbered the following year.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Notes to Required Supplementary Information**

**Note 2. Pension Plans**

**Changes of Benefit Terms**

A member joining TRSL, LSERS, or LASERS on or after July 1, 2015 is eligible for normal retirement if he has at least five years of creditable service and is at least age 62, or 20 years of creditable service regardless of age with an actuarially reduced benefit. The retirement age prior to the change in benefit terms was age 60.

During the reporting period 2015, a 1.5% cost-of-living adjustment (COLA) was granted by TRSL and LASERS. During the reporting period 2017, a cost-of-living adjustment was granted by TRSL and LSERS of 1.5% and 1.9% respectively.

There were no changes in benefit terms for any of the remaining years presented.

**Changes of Assumptions**

**TRSL**

Valuation Date	Investment Rate of Return	Inflation Rate	Salary Increases	Mortality Rate - Active & Retired Members	Termination, Disability, and Retirement Assumptions
June 30, 2018	7.65%	2.50%	3.30% - 4.80%	Mortality Rates based on the RP-2014 mortality tables	Projected on a 5 year (2013-2017) experience study
June 30, 2017	7.70%	2.50%	3.50% - 10.0%	Mortality Rates based on the RP-2000 mortality tables with projection to 2025	Projected on a 5 year (2008-2012) experience study
June 30, 2016	7.75%	2.50%	3.50% - 10.0%	Mortality Rates based on the RP-2000 mortality tables with projection to 2025	Projected on a 5 year (2008-2012) experience study
June 30, 2015	7.75%	2.50%	3.50% - 10.0%	Mortality Rates based on the RP-2000 mortality tables with projection to 2025	Projected on a 5 year (2008-2012) experience study
June 30, 2014	7.75%	2.50%	3.50% - 10.0%	Mortality Rates based on the RP-2000 mortality tables with projection to 2025	Projected on a 5 year (2008-2012) experience study

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Notes to Required Supplementary Information**

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**Note 2. Pension Plans (Continued)**

**LSERS**

Valuation Date	Investment Rate of Return	Inflation Rate	Salary Increases	Mortality Rate - Active & Retired Members	Termination, Disability, and Retirement Assumptions
June 30, 2018	7.0625%	2.50%	3.25%	Mortality Rates based on the RP-2014 mortality tables	Projected on a 5 year (2013-2017) experience study
June 30, 2017	7.125%	2.625%	3.075% - 5.375%	Mortality Rates based on the RP-2000 mortality tables	Projected on a 5 year (2008-2012) experience study
June 30, 2016	7.125%	2.625%	3.075% - 5.375%	Mortality Rates based on the RP-2000 mortality tables	Projected on a 5 year (2008-2012) experience study
June 30, 2015	7.00%	2.75%	3.2% - 5.5%	Mortality Rates based on the RP-2000 mortality tables	Projected on a 5 year (2008-2012) experience study
June 30, 2014	7.25%	2.75%	Based on member's years of service	Mortality Rates based on the RP-2000 mortality tables	Projected on a 5 year (2008-2012) experience study

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Notes to Required Supplementary Information**

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**Note 2. Pension Plans (Continued)**

**LASERS**

Valuation Date	Investment Rate of Return	Inflation Rate	Salary Increases	Mortality Rate - Active & Retired Members	Termination, Disability, and Retirement Assumptions
June 30, 2018	7.65%	2.75%	2.80% - 14.30%	Mortality Rates based on the RP-2000 mortality tables	Projected on a 5 year (2009-2013) experience study
June 30, 2017	7.70%	2.75%	2.80% - 14.30%	Mortality Rates based on the RP-2000 mortality tables with projection to 2015	Projected on a 5 year (2009-2013) experience study
June 30, 2016	7.75%	3.00%	3.00% - 14.50%	Mortality Rates based on the RP-2000 mortality tables with projection to 2015	Projected on a 5 year (2009-2013) experience study
June 30, 2015	7.75%	3.00%	3.00% - 14.50%	Mortality Rates based on the RP-2000 mortality tables with projection to 2015	Projected on a 5 year (2009-2013) experience study
June 30, 2014	7.75%	3.00%	3.00% - 14.50%	Mortality Rates based on the RP-2000 mortality tables with projection to 2015	Projected on a 5 year (2009-2013) experience study

## **OTHER SUPPLEMENTARY INFORMATION**

**FEDERAL FUNDS**

**ESSA - Title I Disadvantaged Schoolwide Fund**

The Every Student Succeeds Act of 2015 (ESSA) is a reform-based law that seeks to close entirely the achievement gap between disadvantaged and minority students and their peers and to increase academic achievement among all students.

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; therefore, this fund is classified as a Federal Special Revenue Fund. The primary activity is the instruction of students with some support services to assist the academic program in either a reading or math lab setting. All twenty-five Title I schools are elected to enter a "Schoolwide Program." This program allows each school the opportunity to provide assistance to all students. These schools may change personnel, services, and/or support programs to fit the needs of the individual school.

**ESSA - Title I Striving Readers**

The Striving Readers Comprehensive Literacy grant is designed to increase literacy achievement for all students in feeder systems from birth through grade 12. Funds will be used to create sustainable systems that support implementation of CCSS and focus on: (1) School Leader and Teacher Learning Targets; 2) Assessment and Curriculum; 3) School and Teacher Collaboration; and 4) Compass Observation and Feedback.

**ESSA -Title I Direct Services Fund**

The Direct Services Fund is designed to support individualized academic services to improve student achievement by supporting students in gaining access to academic courses, credentials, and services that are not otherwise available at their schools.

**ESSA - Title I School Redesign Fund**

The School Redesign Fund provides resources required to develop a plan for improvement of persistently struggling schools by conducting needs assessments, building a plan to address the biggest needs at each school, and aligning a budget to fund the prioritized interventions. For the 2018-2019 fiscal year the schools included in the grant were Village East Elementary School, Oaklawn Junior High School, and Southdown Elementary School.

**Federal Adult Education Fund**

The Federal Adult Education Program is designed to expand and improve educational opportunities to students 16 years of age or older, not currently enrolled in school, and lacking a high school diploma or the basic skills to function effectively in the workplace. The curriculum offered intends to prepare the student for the high school equivalency examination. Students successfully completing the examination are awarded a General Education Development (GED) diploma.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Non-Major Governmental Funds  
Fund Descriptions (Continued)  
June 30, 2019**

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**FEDERAL FUNDS (Continued)**

**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. Expenditures include salaries and benefits, administrative costs, and the purchase of equipment and supplies.

**ESSA - Title VII Indian Education Fund**

This fund is used to provide 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 and benefits, tutorial stipends with benefits, cultural presenters, instructional and cultural supplies, registration fees, and travel.

**Special Education PL 101-476 Individuals with Disabilities Education Act (IDEA) Fund**

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.

**ESSA - Title II - Part A and Part D**

The Title II - Part A funds are provided to increase student academic achievement through strategies such as preparing, training, and improving teacher and principal quality, as well as increasing the number of highly qualified teachers in the classrooms and highly qualified principals and assistant principals in the schools. Local Educational Agencies and schools will be accountable for improvements in student academic achievement. Part D funds are provided to assist high need school systems in improving student achievement through the effective use of technology.

**TANF- Block Grant Fund**

The purpose of this grant is to assist low income families by providing quality early childhood education programs. This grant consists of only the LA 4 Pre-Kindergarten Program.

**ESSA - Title I School Improvement**

The purpose of ESSA Title I Part A School Improvement grant is to support districts as they implement a comprehensive principal support plan and strategies for leveraging TAP/NIET Best Practices. This initiative helps principals and schools implement effective practices for teacher collaboration, observation and feedback, goal setting, and teacher leaders.

**FEDERAL FUNDS (Continued)**

**ESSA - Title III English Language Acquisition, Enhancement, and Academic Achievement Fund**

This fund was established to help ensure that children who are limited English proficient, including immigrant children and youth, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging state academic content and student academic achievement standards as all children are expected to meet. These funds are allocated for purchasing instructional materials and supplies.

**ESSA - Title IV - Student Support and Academic Enrichment Grant**

The purpose of this grant is to provide students with a well-rounded education to support safe and healthy students, and to support the effective use of technology.

**ESSA Title X - McKinney/Vento Homeless Assistance Act**

The purpose of this grant is to ensure that each child of a homeless individual and each homeless youth have equal access to the same free, appropriate public education as any non-homeless child or youth. These grants are awarded on a three-year cycle with continuation grant applications filed annually.

**Child Nutrition Fund**

The Child Nutrition Fund accounts for activities relating to the operation 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 Governments. The bulk of the funding is from federal sources; therefore, the fund is classified as a Federal Special Revenue Fund.

**Child Care and Development Funds**

The Early Childhood Community Network Pilot - Childcare and Development Block Grant - The ultimate goal of this federal grant is to prepare our youngest learners for kindergarten through support and implementation of the following strategies outlined in the Early Childhood Care and Education Network - Roadmap to 2015: Unity Expectations, Support Teachers and Providers, Measure and Recognize Progress, Fund High Quality Providers, Provide Clear Information, and High Quality Choices.

**ESSA Title I Migrant Education**

These funds are used to enlist cooperation of school systems in the recruiting parish area, identifying migrant children in these areas, establish contacts with migrant families, and assist in planning educational and social services for migrant children.

**Special Education (IDEA) Preschool**

The purpose of the Individuals with Disabilities Education Act (IDEA) is to ensure all children with disabilities have available to them a free appropriate public education which emphasizes special education and related services designed to meet their unique needs.

## **STATE FUNDS**

### **State Adult Education Fund**

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.

### **MFP Level 4**

The Minimum Foundation Program Level 4 Fund was established to account for State funds received through the MFP, which funds are to be used to provide materials, equipment, and teacher credentialing and training for Career and Technical Education courses.

### **LA 4 Pre-Kindergarten Fund**

The LA 4 Pre-Kindergarten Program, which is modeled after the existing state-funded program for high-risk four-year-olds, establishes developmentally appropriate preschools for at-risk youth. Local LA 4 Pre-kindergarten Programs will adhere to the developmental philosophy as outlined by the National Association of Educators of Young Children.

### **8(g) Preschool Block Grant Program 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 early childhood at-risk component serves eligible four-year-old students from low-income families who are determined to be at-risk. The program also 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.

### **State Library Allotment Fund**

The State Library Allotment Fund was established to monitor expenditures of the library book monies. 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.

### **State Textbooks and Materials Fund**

This fund was established to monitor expenditures 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.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Non-Major Governmental Funds**  
**Fund Descriptions (Continued)**  
**June 30, 2019**

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**STATE FUNDS (Continued)**

**Education Excellence Fund**

The Education Excellence Fund is being established to monitor the expenditures of monies from the State Legislature Millennium Trust, which provides for the disposition of proceeds from the tobacco settlement. The fund will provide a remediation program for 8<sup>th</sup> - 12<sup>th</sup> grade students, 16 or over who did not score at or above "Approaching Basic" on the 8<sup>th</sup> grade LEAP test and lack sufficient Carnegie credits to graduate in four years.

**Early Childhood Network Pilot**

The Early Childhood Network Pilot Fund is being established to monitor the expenditures of monies from the Early Childhood Community Network Pilot State Grant, which is a one-time start up grant to enhance the infrastructure and field test the data systems associated with Class and Teaching Strategies GOLD assessments.

**LOCAL FUNDS**

**One Half Cent Sales Tax Fund**

The One Half Cent Sales Tax was passed in 2014. The collections are accounted for in the One Half Cent Sales Tax Fund and are dedicated for employee salaries and benefits.

**3/4 Cent Sales Tax Fund (1976)**

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 transfers of monies to other funds. Operating transfers are made to the General Fund for salary and benefit expenditures, and support of instructional expenditures and plant operations.

**Child Care Program Fund**

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. Salaries and fringe benefits for the site coordinator and workers are tracked in this fund.

**Sinking Fund QSCB Series 2009 - Regions Bank**

This Sinking Fund was established for the payment of the principal of the Bonds with the Paying Agent. Within the Sinking Fund is a Principal Account established for the purpose of paying the principal falling due on the Final Maturity Date and an Interest Account established for the purpose of paying the interest falling due on each Interest Payment Date.

**Sinking Fund QSCB Series 2011 - Bank of New York Mellon**

This Sinking Fund was established for the payment of the principal of the Bonds with the Paying Agent. Within the Sinking Fund is a Principal Account established for the purpose of paying the principal falling due on the Final Maturity Date and an Interest Account established for the purpose of paying the interest falling due on each Interest Payment Date.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Non-Major Governmental Funds  
Fund Descriptions (Continued)  
June 30, 2019**

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**LOCAL FUNDS (Continued)**

**Sinking Fund QSCB Series 2012 - Bank of New York Mellon**

This Sinking Fund was established for the payment of the principal of the Bonds with the Paying Agent. Within the Sinking Fund is a Principal Account established for the purpose of paying the principal falling due on the Final Maturity Date and an Interest Account established for the purpose of paying the interest falling due on each Interest Payment Date.

**Sinking Fund QSCB Series 2016 - Argent Trust Company**

This Sinking Fund was established for the payment of the principal of the Bonds with the Paying Agent. Within the Sinking Fund is a Principal Account established for the purpose of paying the principal falling due on the Final Maturity Date and an Interest Account established for the purpose of paying the interest falling due on each Interest Payment Date.

**Capital Projects Fund - Series 2016 Bond**

This fund is used to account for the resources received from the sale of Tax Revenue Bonds (Series 2016) and expenditures for the acquisition, construction, and improvements of capital facilities.

**Miscellaneous Grants**

This fund accounts for various grants and donations received from businesses to strengthen Science, Technology, Engineering, and Mathematics (STEM) programs. The funds are used to develop curriculum, acquire equipment, and enhance student engagement in the STEM learning process.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Combining Balance Sheet  
Non-Major Governmental Funds  
For the Year Ended June 30, 2019**

**Schedule 6**

	ESSA Title I Disadvantaged Schoolwide Fund	ESSA Title I Striving Readers Fund	ESSA Title I Direct Services Fund	ESSA Title I School Redesign	Federal Adult Education Fund	Federal Vocational Education Fund	ESSA Title VII Indian Education Fund	Special Education PL 101-476 Fund	ESSA Title II Fund
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Sales Tax Receivable	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Other Governmental Units									
State Department of Education	1,605,391	-	5,428	16,782	-	121,724	-	1,079,032	433,498
United States Department of Education	-	-	-	-	-	-	264,661	-	-
Other Units	-	-	-	-	88,379	-	-	-	-
Inventory, at Cost	-	-	-	-	-	-	-	-	-
Prepaid Expenses	588	-	-	-	-	1,073	-	12,863	4,081
<b>Total Assets</b>	<b>\$ 1,605,979</b>	<b>\$ -</b>	<b>\$ 5,428</b>	<b>\$ 16,782</b>	<b>\$ 88,379</b>	<b>\$ 122,797</b>	<b>\$ 264,661</b>	<b>\$ 1,091,895</b>	<b>\$ 437,579</b>
<b>Liabilities</b>									
Accounts Payable and Other Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 186	\$ 1,101	\$ 487	\$ 2,758	\$ 5,814
Due to Other Funds	1,605,979	-	5,428	16,782	88,193	121,696	264,174	1,089,137	431,765
<b>Total Liabilities</b>	<b>1,605,979</b>	<b>-</b>	<b>5,428</b>	<b>16,782</b>	<b>88,379</b>	<b>122,797</b>	<b>264,661</b>	<b>1,091,895</b>	<b>437,579</b>
<b>Fund Balance</b>									
Nonspendable									
Inventory	-	-	-	-	-	-	-	-	-
Prepaid Expenses	588	-	-	-	-	1,073	-	12,863	4,081
Restricted for:									
Debt Service	-	-	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-
Instructional Programs	-	-	-	-	-	-	-	-	-
Assigned to:									
Instructional Programs	-	-	-	-	-	-	-	-	-
Child Nutrition	-	-	-	-	-	-	-	-	-
Unassigned	(588)	-	-	-	-	(1,073)	-	(12,863)	(4,081)
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,605,979</b>	<b>\$ -</b>	<b>\$ 5,428</b>	<b>\$ 16,782</b>	<b>\$ 88,379</b>	<b>\$ 122,797</b>	<b>\$ 264,661</b>	<b>\$ 1,091,895</b>	<b>\$ 437,579</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Combining Balance Sheet  
Non-Major Governmental Funds (Continued)  
June 30, 2019**

**Schedule 6**

	TANF Block Grant Fund	ESSA Title I School Improvement Fund	Essa Title III Fund	ESSA Title IV Fund	ESSA Title X Fund	Child Nutrition Fund	Child Care and Development Fund	ESSA Title I Migrant Education Fund	Special Ed IDEA Preschool Fund
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,816,160	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Sales Tax Receivable	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	53	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Other Governmental Units									
State Department of Education	963,444	1,180	13,535	181,082	18,008	-	7,628	65,945	34,149
United States Department of Education	-	-	-	-	-	-	-	-	-
Other Units	-	-	-	-	-	-	-	-	-
Inventory, at Cost	-	-	-	-	-	322,474	-	-	-
Prepaid Expenses	-	-	-	-	-	1,497	-	-	-
<b>Total Assets</b>	<b>\$ 963,444</b>	<b>\$ 1,180</b>	<b>\$ 13,535</b>	<b>\$ 181,082</b>	<b>\$ 18,008</b>	<b>\$ 4,140,184</b>	<b>\$ 7,628</b>	<b>\$ 65,945</b>	<b>\$ 34,149</b>
<b>Liabilities</b>									
Accounts Payable and Other Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,739	\$ -	\$ 11	\$ -
Due to Other Funds	958,144	1,180	13,535	181,082	18,008	976,862	7,628	65,934	34,149
<b>Total Liabilities</b>	<b>958,144</b>	<b>1,180</b>	<b>13,535</b>	<b>181,082</b>	<b>18,008</b>	<b>981,601</b>	<b>7,628</b>	<b>65,945</b>	<b>34,149</b>
<b>Fund Balance</b>									
Nonspendable									
Inventory	-	-	-	-	-	322,474	-	-	-
Prepaid Expenses	-	-	-	-	-	1,497	-	-	-
Restricted for:									
Debt Service	-	-	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-
Instructional Programs	-	-	-	-	-	-	-	-	-
Assigned to:									
Instructional Programs	-	-	-	-	-	-	-	-	-
Child Nutrition	-	-	-	-	-	2,834,612	-	-	-
Unassigned	5,300	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>5,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,158,583</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 963,444</b>	<b>\$ 1,180</b>	<b>\$ 13,535</b>	<b>\$ 181,082</b>	<b>\$ 18,008</b>	<b>\$ 4,140,184</b>	<b>\$ 7,628</b>	<b>\$ 65,945</b>	<b>\$ 34,149</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds (Continued)**  
**June 30, 2019**

Schedule 6

	State Adult Education Fund	MFP Level 4 Funding	Miscellaneous Grants	LA 4 Pre K Fund	8 (g) Preschool Block Grant Fund	State Textbooks and Materials Fund	Education Excellence Fund	Early Childhood Network Pilot Fund
<b>Assets</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Sales Tax Receivable	-	-	-	-	-	-	-	-
Other Receivables	2,945	8,330	-	-	-	1,241	-	-
Due from Other Funds	-	435,788	73,192	-	-	832,157	19,325	-
Due from Other Governmental Units								
State Department of Education	-	-	-	478,933	56,701	38,028	-	12,105
United States Department of Education	-	-	-	-	-	-	-	-
Other Units	49,985	-	-	-	-	-	-	-
Inventory, at Cost	-	-	-	-	-	-	-	-
Prepaid Expenses	7,676	-	3,905	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 60,606</b>	<b>\$ 444,118</b>	<b>\$ 77,097</b>	<b>\$ 478,933</b>	<b>\$ 56,701</b>	<b>\$ 871,426</b>	<b>\$ 19,325</b>	<b>\$ 12,105</b>
<b>Liabilities</b>								
Accounts Payable and Other Liabilities	\$ -	\$ 161,160	\$ -	\$ -	\$ -	\$ 105,013	\$ -	\$ -
Due to Other Funds	60,606	-	-	478,933	56,701	-	-	12,105
<b>Total Liabilities</b>	<b>60,606</b>	<b>161,160</b>	<b>-</b>	<b>478,933</b>	<b>56,701</b>	<b>105,013</b>	<b>-</b>	<b>12,105</b>
<b>Fund Balance</b>								
Nonspendable								
Inventory	-	-	-	-	-	-	-	-
Prepaid Expenses	7,676	-	3,905	-	-	-	-	-
Restricted for:								
Debt Service	-	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Instructional Programs	-	-	-	-	-	-	-	-
Assigned to:								
Instructional Programs	-	282,958	73,192	-	-	766,413	19,325	-
Child Nutrition	-	-	-	-	-	-	-	-
Unassigned	(7,676)	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>282,958</b>	<b>77,097</b>	<b>-</b>	<b>-</b>	<b>766,413</b>	<b>19,325</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 60,606</b>	<b>\$ 444,118</b>	<b>\$ 77,097</b>	<b>\$ 478,933</b>	<b>\$ 56,701</b>	<b>\$ 871,426</b>	<b>\$ 19,325</b>	<b>\$ 12,105</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Combining Balance Sheet  
Non-Major Governmental Funds (Continued)  
June 30, 2019**

**Schedule 6**

	One Half Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Child Care Program Fund	Sinking Fund QSCB 2009	Sinking Fund QSCB 2011	Sinking Fund QSCB 2012	Sinking Fund QSCB 2016	Capital Projects Fund 2016 Bond	Total
<b>Assets</b>									
Cash	\$ 5,965,381	\$ 3,171,659	\$ -	\$ -	\$ -	\$ -	\$ 1,070	\$ 939,170	\$ 13,893,440
Investments	-	-	-	6,152,558	5,585,740	725,762	-	1,258,553	13,722,613
Sales Tax Receivable	1,852,430	2,800,796	-	-	-	-	-	-	4,653,226
Other Receivables	-	-	111,401	-	-	-	-	-	123,970
Due from Other Funds	-	-	-	-	-	-	-	-	1,360,462
Due from Other Governmental Units									
State Department of Education	-	-	-	-	-	-	-	-	5,132,593
United States Department of Education	-	-	-	-	-	-	-	-	264,661
Other Units	-	-	-	-	-	-	-	-	138,364
Inventory, at Cost	-	-	-	-	-	-	-	-	322,474
Prepaid Expenses	-	50,714	-	-	-	-	-	-	82,397
<b>Total Assets</b>	<b>\$ 7,817,811</b>	<b>\$ 6,023,169</b>	<b>\$ 111,401</b>	<b>\$ 6,152,558</b>	<b>\$ 5,585,740</b>	<b>\$ 725,762</b>	<b>\$ 1,070</b>	<b>\$ 2,197,723</b>	<b>\$ 39,694,200</b>
<b>Liabilities</b>									
Accounts Payable and Other Liabilities	\$ -	\$ 34,297	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 922,998	\$ 1,238,564
Due to Other Funds	1,908,357	2,774,439	111,401	-	-	-	-	984,296	12,266,514
<b>Total Liabilities</b>	<b>1,908,357</b>	<b>2,808,736</b>	<b>111,401</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,907,294</b>	<b>13,505,078</b>
<b>Fund Balance</b>									
Nonspendable									
Inventory	-	-	-	-	-	-	-	-	322,474
Prepaid Expenses	-	50,714	-	-	-	-	-	-	82,397
Restricted for:									
Debt Service	-	-	-	6,152,558	5,585,740	725,762	1,070	-	12,465,130
Compensation	5,909,454	-	-	-	-	-	-	-	5,909,454
Capital Projects	-	-	-	-	-	-	-	290,429	290,429
Instructional Programs	-	3,163,719	-	-	-	-	-	-	3,163,719
Assigned to:									
Instructional Programs	-	-	-	-	-	-	-	-	1,141,888
Child Nutrition	-	-	-	-	-	-	-	-	2,834,612
Unassigned	-	-	-	-	-	-	-	-	(20,981)
<b>Total Fund Balances</b>	<b>5,909,454</b>	<b>3,214,433</b>	<b>-</b>	<b>6,152,558</b>	<b>5,585,740</b>	<b>725,762</b>	<b>1,070</b>	<b>290,429</b>	<b>26,189,122</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,817,811</b>	<b>\$ 6,023,169</b>	<b>\$ 111,401</b>	<b>\$ 6,152,558</b>	<b>\$ 5,585,740</b>	<b>\$ 725,762</b>	<b>\$ 1,070</b>	<b>\$ 2,197,723</b>	<b>\$ 39,694,200</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2019**

**Schedule 7**

	ESSA Title I Disadvantaged Schoolwide Fund	ESSA Title I Striving Readers Fund	ESSA Title I Direct Services Fund	Title I School Redesign Fund	Federal Adult Education Fund	Federal Vocational Education Fund	ESSA Title VII Indian Education Fund	Special Education PL 101-476 Fund	ESSA Title II Fund	TANF Block Grant Fund
<b>Revenues</b>										
Local Sources										
Interest Earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-	-	-
Sales and Use Taxes	-	-	-	-	-	-	-	-	-	-
Other Local Revenue	-	-	-	-	-	-	-	-	-	-
Equalization	-	-	-	-	-	-	-	-	-	-
State Sources	-	-	-	-	-	-	-	-	-	-
Federal Sources	7,639,973	114,291	14,318	408,793	484,081	243,290	1,112,725	4,774,587	954,390	2,169,233
<b>Total Revenues</b>	<b>7,639,973</b>	<b>114,291</b>	<b>14,318</b>	<b>408,793</b>	<b>484,081</b>	<b>243,290</b>	<b>1,112,725</b>	<b>4,774,587</b>	<b>954,390</b>	<b>2,169,233</b>
<b>Expenditures</b>										
Instruction										
Regular Education	-	-	-	-	-	-	-	72,094	453,052	-
Special Education	-	-	-	-	-	-	-	396,558	19,280	-
Adult Education	-	-	-	-	447,911	-	-	-	-	-
Career and Technical Education	-	-	-	-	-	186,405	-	-	-	-
Other Programs	4,663,910	64,064	13,031	71,515	-	21,429	444,312	51,542	54,630	1,395,630
Support Services										
Pupil Support	224,018	-	-	-	-	9,729	102,433	2,089,416	-	-
Instructional Staff	2,061,129	39,949	-	301,207	15,317	25,727	454,139	1,343,609	239,786	97,076
General Administration	1,735	-	-	-	125	-	275	1,340	335	518
School Administration	-	-	-	-	-	-	-	5,079	101,494	-
Business Services	-	-	-	-	-	-	-	-	-	-
Plant Services	-	-	-	-	-	-	1,376	87	-	-
Food Services	-	-	-	-	-	-	-	-	-	-
Student Transportation	2,235	-	-	-	-	-	10,426	401,880	-	476,136
Central Services	-	-	-	-	-	-	-	380	-	-
Facilities Acquisition	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal Retirement	-	-	-	-	-	-	-	-	-	-
Interest and Bank Charges	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>6,953,027</b>	<b>104,013</b>	<b>13,031</b>	<b>372,722</b>	<b>463,353</b>	<b>243,290</b>	<b>1,012,961</b>	<b>4,361,985</b>	<b>668,577</b>	<b>1,969,360</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>686,946</b>	<b>10,278</b>	<b>1,287</b>	<b>36,071</b>	<b>20,728</b>	<b>-</b>	<b>99,764</b>	<b>412,622</b>	<b>85,813</b>	<b>199,873</b>
<b>Other Financing Sources (Uses)</b>										
Operating Transfers In	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-
Indirect Costs Received (Paid)	(686,946)	(10,278)	(1,287)	(36,071)	(20,728)	-	(99,764)	(412,622)	(85,813)	(194,573)
<b>Total Other Financing Sources (Uses)</b>	<b>(686,946)</b>	<b>(10,278)</b>	<b>(1,287)</b>	<b>(36,071)</b>	<b>(20,728)</b>	<b>-</b>	<b>(99,764)</b>	<b>(412,622)</b>	<b>(85,813)</b>	<b>(194,573)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,300</b>
<b>Fund Balances, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,300</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds (Continued)  
For the Year Ended June 30, 2019**

**Schedule 7**

	ESSA Title I School Improvement Fund	ESSA Title III Fund	ESSA Title IV Fund	ESSA Title X Fund	Child Nutrition Fund	Child Care and Development Fund	ESSA Title I Migrant Education Fund	Special Ed IDEA Preschool Fund	State Adult Education Fund
<b>Revenues</b>									
Local Sources									
Interest Earned	\$ -	\$ -	\$ -	\$ -	\$ 34,517	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	564,939	-	-	-	-
Sales and Use Taxes	-	-	-	-	-	-	-	-	-
Other Local Revenue	-	-	-	-	-	-	-	-	7,150
Equalization	-	-	-	-	135,834	-	-	-	-
State Sources	-	-	-	-	-	-	-	-	233,356
Federal Sources	-	62,475	434,069	107,458	8,572,405	28,651	255,382	128,966	-
<b>Total Revenues</b>	<b>-</b>	<b>62,475</b>	<b>434,069</b>	<b>107,458</b>	<b>9,307,695</b>	<b>28,651</b>	<b>255,382</b>	<b>128,966</b>	<b>240,506</b>
<b>Expenditures</b>									
Instruction									
Regular Education	-	-	47,502	-	-	-	-	-	-
Special Education	-	-	-	-	-	-	-	11,001	-
Adult Education	-	-	-	-	-	-	-	-	182,048
Career and Technical Education	-	-	126,035	-	-	-	-	-	-
Other Programs	-	59,079	61,528	59,310	-	-	60,909	4,914	-
Support Services									
Pupil Support	-	2,171	70	37,098	-	-	144,907	95,751	-
Instructional Staff	-	-	159,903	1,632	-	26,075	26,601	5,702	58,458
General Administration	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-
Business Services	-	-	-	-	-	-	-	-	-
Plant Services	-	-	-	-	-	-	-	-	-
Food Services	-	-	-	-	9,057,185	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-	-
Facilities Acquisition	-	-	-	-	-	-	-	-	-
Debt Service									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Bank Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>61,250</b>	<b>395,038</b>	<b>98,040</b>	<b>9,057,185</b>	<b>26,075</b>	<b>232,417</b>	<b>117,368</b>	<b>240,506</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>1,225</b>	<b>39,031</b>	<b>9,418</b>	<b>250,510</b>	<b>2,576</b>	<b>22,965</b>	<b>11,598</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	-	-	-	-	374,978	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Indirect Costs Received (Paid)	-	(1,225)	(39,031)	(9,418)	-	(2,576)	(22,965)	(11,598)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(1,225)</b>	<b>(39,031)</b>	<b>(9,418)</b>	<b>374,978</b>	<b>(2,576)</b>	<b>(22,965)</b>	<b>(11,598)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>625,488</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,533,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,158,583</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds (Continued)**  
**For the Year Ended June 30, 2019**

**Schedule 7**

	MFP Level 4 Funding	Miscellaneous Grants	LA 4 PreK Fund	8(g) Block Grant Fund	8(g) Preschool Block Grant Fund	State Textbooks and Materials Fund	Education Excellence Fund	Early Childhood Network Pilot Fund	One Half Cent Sales Tax Fund
<b>Revenues</b>									
Local Sources									
Interest Earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,357
Charges for Services	-	-	-	-	-	-	-	-	-
Sales and Use Taxes	-	-	-	-	-	-	-	-	10,924,764
Other Local Revenue	-	120,000	-	-	-	2,427	-	-	-
Equalization	1,154,261	-	-	-	-	-	-	-	-
State Sources	-	-	1,750,423	1,500	215,203	91,355	327,174	22,920	-
Federal Sources	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,154,261</b>	<b>120,000</b>	<b>1,750,423</b>	<b>1,500</b>	<b>215,203</b>	<b>93,781</b>	<b>327,174</b>	<b>22,920</b>	<b>11,006,121</b>
<b>Expenditures</b>									
Instruction									
Regular Education	155,305	33,303	-	-	-	1,502,648	335,390	-	3,725,065
Special Education	506,976	-	-	-	-	-	-	-	1,120,269
Adult Education	-	-	-	-	-	-	-	-	20,555
Career and Technical Education	197,736	-	-	-	-	-	-	-	213,552
Other Programs	245,942	-	1,750,108	-	215,203	-	-	13,604	787,655
Support Services									
Pupil Support	2,425	-	-	-	-	-	-	-	646,496
Instructional Staff	10,566	9,600	315	1,500	-	-	-	9,316	512,711
General Administration	-	-	-	-	-	-	-	-	100,328
School Administration	2,314	-	-	-	-	-	-	-	465,916
Business Services	-	-	-	-	-	-	-	-	92,840
Plant Services	-	-	-	-	-	-	-	-	350,610
Food Services	-	-	-	-	-	-	-	-	372,960
Student Transportation	23,835	-	-	-	-	-	-	-	471,599
Central Services	-	-	-	-	-	-	-	-	67,621
Facilities Acquisition	-	-	-	-	-	-	-	-	-
Debt Service									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Bank Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,145,099</b>	<b>42,903</b>	<b>1,750,423</b>	<b>1,500</b>	<b>215,203</b>	<b>1,502,648</b>	<b>335,390</b>	<b>22,920</b>	<b>8,948,175</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>9,162</b>	<b>77,097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,408,866)</b>	<b>(8,216)</b>	<b>-</b>	<b>2,057,946</b>
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	-	-	-	-	-	1,000,000	-	-	-
Operating Transfers Out	-	-	-	-	-	(5,104)	-	-	-
Indirect Costs Received (Paid)	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>994,896</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>9,162</b>	<b>77,097</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(413,970)</b>	<b>(8,216)</b>	<b>-</b>	<b>2,057,946</b>
<b>Fund Balances, Beginning of Year</b>	<b>273,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,180,383</b>	<b>27,541</b>	<b>-</b>	<b>3,851,508</b>
<b>Fund Balances, End of Year</b>	<b>\$ 282,958</b>	<b>\$ 77,097</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 766,413</b>	<b>\$ 19,325</b>	<b>\$ -</b>	<b>\$ 5,909,454</b>

See independent auditors report.

TERREBONNE PARISH SCHOOL BOARD  
 HOUMA, LOUISIANA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NON-MAJOR GOVERNMENTAL FUNDS (Continued)  
 For the Year Ended June 30, 2019

Schedule 7

	3/4 Cent Sales Tax Fund	Child Care Program Fund	Sinking Fund QSCB 2009 Fund	Sinking Fund QSCB 2011 Fund	Sinking Fund QSCB 2012 Fund	Sinking Fund QSCB 2016 Fund	Capital Projects Fund 2016 Bond Fund	Total
<b>Revenues</b>								
Local Sources								
Interest Earned	\$ 78,006	\$ -	\$ 132,049	\$ 146,442	\$ 20,017	\$ 928	\$ 94,961	\$ 588,277
Charges for Services	-	-	-	-	-	-	-	564,939
Sales and Use Taxes	16,458,605	-	-	-	-	-	-	27,383,369
Other Local Revenue	-	631,973	-	-	-	-	-	761,550
Equalization	-	-	-	-	-	-	-	1,290,095
State Sources	-	-	-	-	-	-	-	2,641,931
Federal Sources	-	-	-	-	-	-	-	27,505,087
<b>Total Revenues</b>	<b>16,536,611</b>	<b>631,973</b>	<b>132,049</b>	<b>146,442</b>	<b>20,017</b>	<b>928</b>	<b>94,961</b>	<b>60,735,247</b>
<b>Expenditures</b>								
Instruction								
Regular Education	1,896,540	29,789	-	-	-	-	-	8,250,688
Special Education	9,222	-	-	-	-	-	-	2,063,306
Adult Education	-	-	-	-	-	-	-	850,514
Career and Technical Education	65,578	-	-	-	-	-	-	789,306
Other Programs	109,896	473,661	-	-	-	-	-	10,626,872
Support Services								
Pupil Support	5,249	-	-	-	-	-	-	3,359,763
Instructional Staff	143,816	10,559	-	-	-	-	-	5,554,693
General Administration	123,769	-	-	-	-	-	5,340	233,763
School Administration	8,999	98,254	-	-	-	-	-	682,056
Business Services	-	-	-	-	-	-	-	92,840
Plant Services	-	12,004	-	-	-	-	-	364,077
Food Services	-	2,706	-	-	-	-	-	9,432,851
Student Transportation	-	-	-	-	-	-	-	1,386,111
Central Services	-	-	-	-	-	-	-	67,981
Facilities Acquisition	-	-	-	-	-	-	5,862,997	5,862,997
Debt Service								
Principal Retirement	-	-	-	-	-	230,000	-	230,000
Interest and Bank Charges	-	-	-	-	-	699,763	-	699,763
<b>Total Expenditures</b>	<b>2,363,069</b>	<b>631,973</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>929,763</b>	<b>5,668,337</b>	<b>50,147,581</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>14,173,542</b>	<b>-</b>	<b>132,049</b>	<b>146,442</b>	<b>20,017</b>	<b>(928,835)</b>	<b>(5,573,376)</b>	<b>10,587,867</b>
<b>Other Financing Sources (Uses)</b>								
Operating Transfers In	-	-	553,818	546,591	85,777	929,763	231,701	3,722,628
Operating Transfers Out	(13,149,298)	-	-	-	-	-	-	(13,154,402)
Indirect Costs Received (Paid)	-	-	-	-	-	-	-	(1,634,895)
<b>Total Other Financing Sources (Uses)</b>	<b>(13,149,298)</b>	<b>-</b>	<b>553,818</b>	<b>546,591</b>	<b>85,777</b>	<b>929,763</b>	<b>231,701</b>	<b>(11,066,669)</b>
<b>Net Change in Fund Balances</b>	<b>1,024,244</b>	<b>-</b>	<b>685,867</b>	<b>693,033</b>	<b>105,794</b>	<b>928</b>	<b>(5,341,675)</b>	<b>(479,002)</b>
<b>Fund Balances, Beginning of Year</b>	<b>2,190,189</b>	<b>-</b>	<b>5,466,691</b>	<b>4,892,707</b>	<b>619,968</b>	<b>142</b>	<b>5,632,404</b>	<b>26,668,124</b>
<b>Fund Balances, End of Year</b>	<b>\$ 3,214,433</b>	<b>\$ -</b>	<b>\$ 6,152,558</b>	<b>\$ 5,585,740</b>	<b>\$ 725,762</b>	<b>\$ 1,070</b>	<b>\$ 290,429</b>	<b>\$ 26,189,122</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Proprietary Fund Type**  
**Internal Service Funds**  
**Fund Descriptions**

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**Loss Fund**

The Loss Fund was created pursuant to Board direction and the proceeds placed 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 Claims 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. Operating revenues of the fund include premiums charged to other system funds and insurance recoveries. Operating expenses include insurance claims paid, reinsurance costs, and administrative expenses. Non-operating revenues and expenses include interest earned on temporary investments and transfers to/from other funds.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Net Position**  
**Proprietary Fund Type**  
**Internal Service Funds**  
**For the Year Ended June 30, 2019**

Schedule 8

	Loss Fund	Workers' Compensation Claims Fund	Group Insurance Claims Fund	Total
<b>Assets</b>				
Cash	\$ 2,615,575	\$ 2,819,994	\$ 3,507,441	\$ 8,943,010
Cash with Fiscal Agents	42,418	45,000	-	87,418
Investments	-	-	7,121,224	7,121,224
Other Receivables	-	-	1,711	1,711
Due from Other Funds	44,980	-	-	44,980
<b>Total Assets</b>	<b>2,702,973</b>	<b>2,864,994</b>	<b>10,630,376</b>	<b>16,198,343</b>
<b>Liabilities</b>				
Accounts Payable - Claims	26,445	18,984	9,620	55,049
Accrued Employee Benefits - Estimated Liability for Outstanding Claims	-	741,713	7,295,080	8,036,793
Due to Other Funds	-	-	484,107	484,107
<b>Total Liabilities</b>	<b>26,445</b>	<b>760,697</b>	<b>7,788,807</b>	<b>8,575,949</b>
<b>Net Position</b>				
Restricted for: Future Claims	2,676,528	2,104,297	2,841,569	7,622,394
<b>Total Net Position</b>	<b>\$ 2,676,528</b>	<b>\$ 2,104,297</b>	<b>\$ 2,841,569</b>	<b>\$ 7,622,394</b>

See independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Net Position**  
**Proprietary Fund Type**  
**Internal Service Funds**  
**For the Year Ended June 30, 2019**

**Schedule 9**

	<b>Loss Fund</b>	<b>Workers' Compensation Claims Fund</b>	<b>Group Insurance Claims Fund</b>	<b>Total</b>
<b>Operating Revenues</b>				
Insurance Premium Billings	\$ -	\$ 417,015	\$ 41,878,401	\$ 42,295,416
Recoveries and Rebates	20,602	144,831	2,007,797	2,173,230
Other Revenues	-	-	879,087	879,087
<b>Total Operating Revenues</b>	<b>20,602</b>	<b>561,846</b>	<b>44,765,285</b>	<b>45,347,733</b>
<b>Operating Expenses</b>				
Claims Expense	1,522,713	559,783	45,154,063	47,236,559
General Administration	-	-	23,500	23,500
Reinsurance and Administration Fees	24,000	142,177	5,106,526	5,272,703
<b>Total Operating Expenses</b>	<b>1,546,713</b>	<b>701,960</b>	<b>50,284,089</b>	<b>52,532,762</b>
<b>Operating Income (Loss)</b>	<b>(1,526,111)</b>	<b>(140,114)</b>	<b>(5,518,804)</b>	<b>(7,185,029)</b>
<b>Non-Operating Revenues</b>				
Interest Earned	31,317	36,652	281,448	349,417
Operating Transfers In	1,000,000	-	-	1,000,000
<b>Total Non-Operating Revenues</b>	<b>1,031,317</b>	<b>36,652</b>	<b>281,448</b>	<b>1,349,417</b>
<b>Change in Net Position</b>	<b>(494,794)</b>	<b>(103,462)</b>	<b>(5,237,356)</b>	<b>(5,835,612)</b>
<b>Net Position, Beginning</b>	<b>3,171,322</b>	<b>2,207,759</b>	<b>8,078,925</b>	<b>13,458,006</b>
<b>Net Position, Ending</b>	<b>\$ 2,676,528</b>	<b>\$ 2,104,297</b>	<b>\$ 2,841,569</b>	<b>\$ 7,622,394</b>

See independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Combining Statement of Cash Flows  
Proprietary Fund Type  
Internal Service Funds  
For the Year Ended June 30, 2019**

**Schedule 10**

	Loss Fund	Workers' Compensation Claims Fund	Group Insurance Claims Fund	Total
<b>Cash Flows from Operating Activities</b>				
Received from Assessments Made to Other Funds	\$ -	\$ 1,149,450	\$ 41,878,401	\$ 43,027,851
Received from Insurance Companies and Others	21,572	144,831	2,886,945	3,053,348
Payments for Claims	(1,496,268)	(532,435)	(46,742,508)	(48,771,211)
Payments for Reinsurance and Administrative Fees	(24,000)	(142,177)	(5,130,026)	(5,296,203)
<b>Net Cash Used in (Provided by) Operating Activities</b>	<b>(1,498,696)</b>	<b>619,669</b>	<b>(7,107,188)</b>	<b>(7,986,215)</b>
<b>Cash Flows from Non-Operating Activities</b>				
Operating Transfers from Other Funds	993,274	-	-	993,274
<b>Net Cash Provided by Non-Operating Activities</b>	<b>993,274</b>	<b>-</b>	<b>-</b>	<b>993,274</b>
<b>Cash Flows from Investing Activities</b>				
Net change in equity in pooled investment account	-	-	(1,604,628)	(1,604,628)
Interest on Investments	31,317	36,652	281,448	349,417
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>31,317</b>	<b>36,652</b>	<b>(1,323,180)</b>	<b>(1,255,211)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(474,105)</b>	<b>656,321</b>	<b>(8,430,368)</b>	<b>(8,248,152)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>3,132,098</b>	<b>2,208,673</b>	<b>12,506,744</b>	<b>17,847,515</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 2,657,993</b>	<b>\$ 2,864,994</b>	<b>\$ 4,076,376</b>	<b>\$ 9,599,363</b>
<b>Cash and Cash Equivalents, End of Year Consisted of:</b>				
<b>Cash</b>	<b>\$ 2,615,575</b>	<b>\$ 2,819,994</b>	<b>\$ 3,507,441</b>	<b>\$ 8,943,010</b>
<b>Cash with Fiscal Agent</b>	<b>42,418</b>	<b>45,000</b>	<b>-</b>	<b>87,418</b>
<b>Cash Equivalents Included in Investments</b>	<b>-</b>	<b>-</b>	<b>568,935</b>	<b>568,935</b>
	<b>\$ 2,657,993</b>	<b>\$ 2,864,994</b>	<b>\$ 4,076,376</b>	<b>\$ 9,599,363</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities</b>				
<b>Operating Income (Loss)</b>	<b>\$ (1,526,111)</b>	<b>\$ (140,114)</b>	<b>\$ (5,518,804)</b>	<b>\$ (7,185,029)</b>
Adjustments to Reconcile Operating Income (Loss) to Net Cash (Used in) Provided by Operating Activities				
Changes in Assets and Liabilities				
Receivables and Other Assets	970	732,435	61	733,466
Accounts Payable and Other Liabilities	26,445	27,348	(1,588,445)	(1,534,652)
<b>Net Cash (Used in) Provided by Operating Activities</b>	<b>\$ (1,498,696)</b>	<b>\$ 619,669</b>	<b>\$ (7,107,188)</b>	<b>\$ (7,986,215)</b>

See independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Fiduciary Fund Type**  
**Agency Funds**  
**Fund Descriptions**

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**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 Fund. 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.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Changes in Asset Balances**  
**Fiduciary Fund Type**  
**Agency Funds - School Activity Accounts**  
**For the Year Ended June 30, 2019**

**Schedule 11**

<b>Schools</b>	<b>Balance 6/30/2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2019</b>
Acadian	\$ 110,418	\$ 81,262	\$ 83,573	\$ 108,107
Bayou Black	6,411	25,784	25,569	6,626
Bayou Cane - Adult Education	33,686	11,607	10,623	34,670
Bourg	115,497	159,161	154,969	119,689
H.L. Bourgeois	239,469	704,311	720,269	223,511
Broadmoor	112,260	181,937	176,568	117,629
Caldwell	64,480	61,128	55,786	69,822
Coteau Bayou Blue	63,251	172,994	161,192	75,053
Dularge Elementary	71,221	68,530	65,874	73,877
East Houma	31,062	-	31,062	-
East Street	379	4,620	3,535	1,464
Ellender Memorial High	105,772	327,444	356,633	76,583
Elysian Fields	21,159	45,892	42,018	25,033
Evergreen Jr. High	174,464	347,275	333,269	188,470
Gibson	12,723	25,642	25,917	12,448
Grand Caillou Elementary	30,380	89,813	90,718	29,475
Grand Caillou Middle	9,498	99,134	85,720	22,912
Honduras	26,022	41,351	45,912	21,461
Houma Jr. High	123,410	180,073	168,763	134,720
Lacache	45,872	122,545	119,855	48,562
Legion Park	22,029	45,585	33,444	34,170
Lisa Park	54,995	190,611	200,285	45,321
Montegut Elementary	29,298	47,656	48,163	28,791
Montegut Middle	44,434	242,589	225,426	61,597
Mulberry	157,525	391,250	392,431	156,344
Oaklawn Jr. High	55,413	114,471	105,956	63,928
Oakshire	44,979	149,484	133,079	61,384
Pointe-Aux-Chenes	21,281	32,708	26,890	27,099
School for Exceptional Children	3,813	3,778	3,984	3,607
Schriever	68,700	61,209	51,372	78,537
Southdown	11,209	49,874	49,440	11,643
South Terrebonne High	302,440	602,282	604,945	299,777
Terrebonne High	51,393	633,997	538,358	147,032
Upper Little Caillou	96,776	170,272	147,685	119,363
Village East	3,623	55,020	38,097	20,546
Vocational Technical High	19,160	59,580	60,374	18,366
<b>Total</b>	<b>\$ 2,384,502</b>	<b>\$ 5,600,869</b>	<b>\$ 5,417,754</b>	<b>\$ 2,567,617</b>

See independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Schedule of Compensation Paid to Board Members**  
**For the Year Ended June 30, 2019**

**Schedule 12**

<b>Board Member</b>	<b>Compensation</b>
Brenda Leroux Babin	\$ 4,800
Clyde Hamner	4,800
Dane Voisin	4,800
Debi Benoit	10,200
Donald Duplantis	4,800
Gregory Harding	9,600
L.P. Bordelon III	4,800
Matthew Ford	4,800
Maybell Trahan	4,800
Michael Lagarde	4,800
Richard Jackson	4,800
Roger Dale Dehart	10,200
Roosevelt Thomas	4,800
Stacy Solet	4,800
Vicki Bonvillain	4,800
	<u>\$ 87,600</u>

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Schedule 13**

**Schedule of Compensation, Benefits, and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2019**

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**Agency Head**  
Philip Martin, Superintendent

<b>Purpose</b>	<b>Amount</b>
Salary	\$189,957
Benefits-Insurance	\$8,277
Benefits-Retirement	\$52,788
Benefits-Other (Medicare)	\$2,863
Car Allowance	\$7,750
Vehicle Provided by Agency	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$4,361
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

# **SINGLE AUDIT SECTION**

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

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Terrebonne Parish School Board (the School Board) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Terrebonne Parish School Board's basic financial statements, and have issued our report thereon dated December 27, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Terrebonne Parish School Board's Response to Findings**

Terrebonne Parish School Board's response to the findings identified in our audit is described in the accompanying corrective action plan. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Houma, Louisiana  
December 27, 2019

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Terrebonne Parish School Board  
Houma, Louisiana

**Report on Compliance for Each Major Federal Program**

We have audited the Terrebonne Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2019. The 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.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 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 on compliance for each major federal program. However, our audit does not provide legal determination of the Terrebonne Parish School Board's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Terrebonne Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control Over Compliance

Management of the Terrebonne Parish School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Terrebonne Parish School Board's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Houma, Louisiana  
December 27, 2019

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019**

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>United States Department of Agriculture</b>			
Passed through the Louisiana Department of Education:			
<b>Child Nutrition Cluster:</b>			
Food Distribution (Non-Cash):	10.555	FY 18	\$ 731,674
Cash Assistance:			
School Breakfast Program	10.553	05-SFS-110	1,867,707
School Lunch Program	10.555	05-SFS-110	5,932,233
School Snack Program	10.555	05-SFS-110	19,597
<b>Total Child Nutrition Cluster</b>			<u>8,551,211</u>
National School Lunch Equipment Assistance Grant	10.159		5,000
Child and Adult Care Food Program	10.558	05-SFS-110	16,193
<b>Total - Department of Agriculture</b>			<u>8,572,404</u>
<b>United States Department of Education</b>			
Passed through the Louisiana Community and Technical College System:			
Adult Education - Federal Funds / State Grant Program - Current	84.002A	V002A180018	395,514
Adult Education - Federal Funds / State Grant Program - Prior	84.002A	V002A170018	8,314
Adult Education - Federal English Language/Civics Education	84.002A	V002A180018	33,752
Adult Education - Federal Leadership Funds - Current	84.002A	V002A180018	2,545
Adult Education - Federal Leadership Funds - Prior	84.002A	V002A170018	18,509
Adult Education - Federal Leadership Funds - Carry Over	84.002A	V002A160018	25,447
			<u>484,081</u>
Passed through the Louisiana Department of Education:			
<b>ESSA</b>			
ESSA Title I - Terrebonne Educational Enrichment - Current	84.010A	S010A180018	7,639,973
ESSA Title I - School Redesign	84.010A	S010A170018	408,793
ESSA Title I - Direct Student Services	84.010A	S010A180018	14,318
			<u>8,063,084</u>
ESSA Title I - Migrant Education - Current	84.011A	S011A180018	255,382
ESSA Title I - Striving Readers Comprehensive Literacy Program	84.371C	S371C170015	114,291
ESSA Title II - Part A, Teacher and Principal Training & Recruiting Fund - Current	84.367A	S367A180017	954,390
ESSA Title III - English Language Acquisition Grants - Current	84.365A	S365A180018	62,475
ESSA Title IV - Student Support and Academic Enrichment Program - Current	84.424A	S424A180019	434,069
ESSA Title VII - Indian Education - Grants to Local Educational Agencies	84.060A	S060A180646	419,754
ESSA Title VII - Indian Education - Native Youth Community Program Grant	84.299A	S299A170056-18	520,627
ESSA Title VII - Indian Education - Native Youth Community Program Grant - Prior	84.299A	S299A170056	172,343
			<u>692,970</u>
ESSA Title IX - Part A, Homeless Grant	84.196A	S196A180019	104,738
<b>Total ESSA</b>			<u>11,101,153</u>

See independent auditor's report and notes to schedule of expenditures of federal awards.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2019**

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass-Through Grantor's Number	Expenditures
<b>United States Department of Education (Continued)</b>			
<b>Special Education Cluster:</b>			
Special Education - Grants to States	84.027A	H027A180033	4,462,802
Special Education - Grants to States High Cost Services	84.027A	H027A180033	167,771
Special Education - Grants to States High Cost Services Round 2	84.027A	H027A180033	13,454
Special Education - Grants to States Positive Behavior Interventions and Support	84.027A	28-19-PA-29	2,934
Special Education - Grants to States JAG Aim High	84.027A	027A180033	60,000
Special Education - Grants to States Believe and Prepare Formula Transition	84.027A	H027A180033	1,500
Special Education - Grants to States IDEA School Redesign	84.027A	H027A180033	66,126
			<u>4,774,587</u>
Special Education - Preschool Grants - EC Lead Agencies	84.173A	H173A1770082	5,729
Special Education - Preschool Grants	84.173A	H173A180082	123,237
			<u>128,966</u>
<b>Total Special Education Cluster</b>			<u>4,903,553</u>
<b>Other Federal</b>			
Carl Perkins Grant - FY 17-18 Reallocation	84.048A	V048A170018	14,259
Career and Technical Education - Basic Grants to States	84.048A	V048A180018	229,031
			<u>243,290</u>
2018 Hurricane Education Recovery Assistance for Homeless Children & Youth Progra	84.938B		2,720
Jobs for America's Graduates	84.126A	28-19-JSPT-55	67,156
<b>Total U.S. Department of Education</b>			<u>16,801,953</u>
<b>U.S. Department of Health and Human Services</b>			
Passed through the Louisiana Department of Education:			
TANF - LA4 Early Childhood Program	93.558	28-19-36-55	2,096,777
Early Childhood Community Network Pilots - CCDF	93.575	28-19-CO-55	28,651
			<u>2,125,428</u>
<b>Total United States Department of Health and Human Services</b>			<u>2,125,428</u>
<b>Total Expenditure of Federal Awards</b>			<u>\$ 27,499,785</u>

See independent auditor's report and notes to schedule of expenditures of federal awards.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2019**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Terrebonne Parish School Board (the School Board) under programs of federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School Board.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as current assets. Expenditure are generally recognized when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as to reimbursement.

**Note 3. Indirect Cost Rate**

The School Board has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 4. USDA Commodities**

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received.

**Note 5. Passed Through to Sub Recipients**

There were no awards passed through to sub recipients.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2019**

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**Part I - Summary of Auditor's Results**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Terrebonne Parish School Board.
2. No deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Terrebonne Parish School Board were disclosed during the audit.
4. No deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the Terrebonne Parish School Board expresses an unmodified 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:

Child Nutrition Cluster	
School Breakfast Program	10.553
School Lunch Program	10.555
Adult Education	84.002A
Title IV	84.424A

8. The threshold for distinguishing Types A and B programs was \$824,994.
9. The Terrebonne Parish School Board was not determined to be a low-risk auditee.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019**

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**Part II - Financial Statement Findings**

None.

**Part III - Federal Award Findings and Questioned Costs**

None.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2019**

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**Part I - Financial Statement Findings**

**2018-001 Public Bid Law**

*Criteria:* Louisiana Revised Statutes Title 38:2211-2296 and 38:2212(V) (Public Bid Law)

*Condition:* During our audit procedures, we were made aware of an instance in which the School Board did not follow the provisions of the public bid law on a component of a public works project exceeding \$154,450.

*Cause:* The School Board divided the construction of a classroom building into two separate projects. The School Board followed the provisions of the public bid law for the construction of the building, but did not go to bid for the completion of the interior of the building, including classrooms, restrooms, electrical wiring, plumbing, and the HVAC system.

*Effect:* Noncompliance with public bid law.

*Current Status:* Resolved.

**2018-002 Audited Financial Statements**

*Criteria:* Louisiana Revised Statutes Title 24:513 (Louisiana audit law)

*Condition:* The School Board's audited financial statements were not filed in a timely manner in accordance with the Louisiana audit law.

*Cause:* The School Board converted its accounting systems to a new software platform for the 2017-2018 fiscal year. Due to unforeseen issues related to other software programs integrated with the accounting software, the auditors were not able to obtain all of the information needed to complete their audit prior to the deadline specified in the Louisiana audit law.

*Effect:* Noncompliance with the Louisiana Audit Law.

*Current Status:* Resolved.

**Part II - Federal Award Findings and Questioned Costs**

None.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Management's Corrective Action Plan  
For the Year Ended June 30, 2019**

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**Part I - Financial Statement Findings**

No findings were reported which required a response from management.

**Part II - Federal Award Findings and Questioned Costs**

No findings were reported which required a response from management.

**Part III - Management Letter**

No management letter was issued for the year ended June 30, 2019.

**TERREBONNE PARISH  
SCHOOL BOARD**

Agreed-Upon Procedures  
R.S. 24:514 - Performance and Statistical Data

June 30, 2019



<b>Contents</b>	<b>Schedule</b>	<b>Page</b>
<b>Independent Accountant's Report on Applying Agreed-Upon Procedures</b>		1 - 2
<b>Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)</b>		3
General Fund Instructional and Support Expenditures and Certain Local Revenue Sources	1	4
Class Size Characteristics	2	5

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board Members of the  
Terrebonne Parish School Board  
Houma, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Terrebonne Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of Terrebonne Parish School Board for the fiscal year ended June 30, 2019; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of Terrebonne Parish School System is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

No findings were noted.

### Class Size Characteristics (Schedule 2)

2. We obtained a list of classes by school, school type, and class size as reported on the schedule. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

No findings were noted.

#### LOUISIANA • TEXAS

Education Levels/Experience of Public School Staff (No Schedule)

3. We obtained October 1<sup>st</sup> PEP data submitted to the Department of Education, including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing is complete. We then randomly selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was properly classified on the PEP data.

No findings were noted.

Public School Staff Data: Average Salaries (No Schedule)

4. We obtained June 30<sup>th</sup> PEP data submitted to the Department of Education, a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full time equivalents as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full time equivalents were properly included on the schedule.

No findings were noted.

The agreed-upon procedures engagement was performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to the attestation engagements contained in *Government Auditing Standards*, issued by the United States Comptroller General. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the performance and statistical data. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Terrebonne Parish School District, as required by Louisiana Revised Statute 24:514 I, and the result of that testing, and not to provide an opinion on compliance or control. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Houma, LA  
December 27, 2019

**TERREBONNE PARISH SCHOOL BOARD**  
**Schedules Required by State Law**  
**(R.S. 24:514 - Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2019**

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

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1 - 20, 21 - 26, 27 - 33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**TERREBONNE PARISH SCHOOL BOARD**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2019**

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 52,781,003	
Other Instructional Staff Salaries	4,671,492	
Instructional Staff Employee Benefits	35,472,742	
Purchased Professional and Technical Services	94,049	
Instructional Materials and Supplies	3,653,035	
Instructional Equipment	<u>116,261</u>	
Total Teacher and Student Interaction Activities		\$ 96,788,582

Other Instructional Activities		1,895,781
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Pupil Support Services	9,167,714	
Less: Equipment for Pupil Support Services	<u>-</u>	
Net Pupil Support Services		9,167,714

Instructional Staff Services	6,723,296	
Less: Equipment for Instructional Staff Services	<u>-</u>	
Net Instructional Staff Services		6,723,296

School Administration	10,371,067	
Less: Equipment for School Administration	<u>-</u>	
Net School Administration		<u>10,371,067</u>

<b>Total General Fund Instructional Expenditures</b>		<b><u>\$ 124,946,440</u></b>
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<b>Total General Fund Equipment Expenditures</b>		<b><u>\$ 116,261</u></b>
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**Certain Local Revenue Sources**

Local Taxation Revenue:

Ad Valorem Taxes

Constitutional Ad Valorem Tax	\$ 3,618,352
Renewable Ad Valorem Tax	5,071,317
Debt Service Ad Valorem Tax	-
Up to 1% Collections by the Sheriff on Taxes Other than School Taxes	945,360
Result of Court Ordered Settlement (Ad Valorem)	-
Penalties/Interest on Ad Valorem Taxes	15,246
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)	-

Sales Taxes

Sales and Use Taxes	56,643,112
Sales/Use Taxes - Court Settlement	-
Penalties/Interest on Sales/Use Taxes	-
Sales/Use Taxes Collected Due to TIF	<u>-</u>

<b>Total Local Taxation Revenue</b>	<b><u>\$ 66,293,387</u></b>
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Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 263,548
Earnings from Other Real Property	<u>-</u>
<b>Total Local Earnings on Investment in Real Property</b>	<b><u>\$ 263,548</u></b>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 90,225
Revenue Sharing - Other Taxes	126,456
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	<u>-</u>

<b>Total State Revenue in Lieu of Taxes</b>	<b><u>\$ 216,681</u></b>
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**TERREBONNE PARISH SCHOOL BOARD**  
**Class Size Characteristics**  
**As of October 1, 2018**

**Schedule 2**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	50%	1,352	46%	1,235	3%	93	0%	0
Elementary Activity Classes	62%	292	35%	164	3%	14	0%	0
Middle/Jr. High	39%	384	39%	381	21%	205	1%	6
Middle/Jr. High Activity Classes	63%	145	12%	28	14%	33	11%	25
High	58%	984	24%	409	18%	302	2%	3
High Activity Classes	77%	226	15%	43	7%	20	1%	3
Combination	100%	58	0%	0	0%	0	0%	0
Combination Activity Classes	100%	7	0%	0	0%	0	0%	0
Other	0%	0	0%	0	0%	0	0%	0
Other Activity Classes	0%	0	0%	0	0%	0	0%	0

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K - 3 is 26 students and the maximum enrollment in grades 4 - 12 is 33 students. These limits do not apply to activity classes, such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

## AGREED-UPON PROCEDURES REPORT

Terrebonne Parish School Board

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2018 - June 30, 2019**

To the Members of the Terrebonne Parish School Board  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Terrebonne Parish School Board (School Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2018 through June 30, 2019. The School Board's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and results are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results: The policies of the School Board address all of the functions listed above, with the following exceptions. Policies for 1(i), ethics, do not appear to address a requirement to attest through signature verification that they have read the entity's ethics policy. Policies for 1(j), debt service, do not appear to address EMMA reporting requirements, debt reserve requirements, or debt service requirements. Policies for 1(k), disaster recovery/business continuity, was not provided as there were no formal written policies and procedures.

### ***Bank Reconciliations***

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2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: We obtained a listing of bank accounts from management and management's representation that the listing is complete. We selected 5 bank accounts and obtained bank statements and reconciliations for each bank account. All criteria listed above was met without exception.

### ***Collections***

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3. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Results: We obtained the listing of deposit sites from management and management's representation that the listing is complete.

4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts to the deposit).
- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: We obtained a listing of collection locations and management's representation that the listing is complete. We selected 5 collection locations for testing. Each person responsible for collecting cash is bonded. Duties were segregated for the central office location per the policy. For the 4 student activity fund collection locations tested, the person responsible for collecting cash was also responsible for preparing/making bank deposits, posting collection entries to the general ledger and reconciling cash collections to the general ledger.

5. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results: We inquired with management and determined that employees that have access to cash are covered with insurance.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the deposit per the bank statement to the general ledger.

Results: We noted that all criteria listed above were met with the exception of 6(a) and 6(d). While testing procedures 6(a), we noted that there are no pre-numbered receipts in the schools. Most cash is collected in the classrooms and receipts are not prepared. For procedure 6(d), we noted that collections are not clearly documented on the date they were collected. Therefore, we were unable to determine if the deposit was made within one business day of receipt.

Results: We obtained a listing of all employees/officials and management's representation that it is complete. All criteria noted above were met without exception.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



A Professional Accounting Corporation

Houma, LA  
December 26, 2019

# TERREBONNE

Parish School District

201 Stadium Drive  
Houma, LA 70360  
(985) 876-7400 / [www.tpsd.org](http://www.tpsd.org)

December 26, 2019

LaPorte, APAC  
304 Corporate Drive, Suite E  
Houma, LA 70360

RE: Statewide Agreed-Upon Procedures

Dear Sirs:

Following are our responses to the results of your procedures included in your report to the Louisiana Legislative Auditor:

### **Written Policies and Procedures**

Ethics, Debt Service, and Disaster Recovery/Business Continuity Policies - The Ethics, Debt Service, and Disaster Recovery/Business Continuity policies are currently under review and changes in the policies will be implemented upon completion of our review.

### **Collections**

Segregation of Duties – At most schools, there are no additional personnel available to adequately segregate duties over cash collections. Compensating controls in place include oversight by the school principal and an accountant in the Finance Department who monitors activity at the schools. We will emphasize to the school principals the importance of their oversight responsibilities regarding the school's funds.

Pre-numbered Receipts – In lieu of using prenumbered receipts at the schools, teacher collection logs are used for amounts collected from students. We believe this is the most efficient way to record amounts collected from students.

Date of Collection – All school bookkeepers and teachers who collect amounts from students will be reminded of the School Board's policy regarding timely deposit of funds and documentation of the dates funds were received.

Please include these responses with your report to the Legislative Auditor.

Sincerely,



Rebecca Breaux,  
Chief Financial Officer  
Terrebonne Parish School Board.