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A PROFESSIONAL CORPORATION

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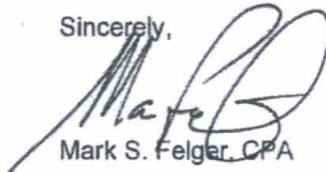
April 5, 2018

Office of the Legislative Auditor  
State of Louisiana  
1600 North 3<sup>rd</sup> St.  
Baton Rouge, LA 70804

RE: Reissue Terrebonne Parish School Board  
Audit Report for the year ended June 30, 2017

We are reissuing the above referenced report because page 8 of the Statewide Agreed-Upon Procedures report was not included in the file transmitted to your office and page 9 was included twice. The missing page has been included in the attached file and the duplicated page was removed.

Sincerely,



Mark S. Felger, CPA

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

Release Date MAY 23 2018

REISSUE

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

*Comprehensive Annual Report*

*Year Ended June 30, 2017*

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

*Comprehensive Annual Report*

*Year Ended June 30, 2017*

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**June 30, 2017**

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INTRODUCTORY SECTION

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

June 30, 2017

**SCHOOL BOARD MEMBERS**

**Mr. Roger Dale DeHart, President**

**Ms. Vicki Bonvillain, Vice-President**

**Mr. Roosevelt Thomas  
Mr. Gregory Harding  
Mr. Richard "Dicky" Jackson  
Ms. Debi Benoit  
Ms. Brenda Leroux Babin  
Mr. L.P. Bordelon, III  
Mr. Donald Duplantis**

**OFFICIALS**

**Mr. Philip Martin  
Superintendent**

**Ms. Rebecca Breaux  
Chief Financial Officer**

**Terrebonne Parish School System  
Condensed Table of Organization  
June 30, 2017**

**CITIZENRY**



**Terrebonne Parish  
School Board**

**Executive Assistant  
to the Board**

**Superintendent**

**Assistant  
Superintendent of  
Instruction & Student  
Support Services**

**Chief Financial Officer**

**Supervisor of  
Elementary Education**

**Supervisor of Child  
Welfare &  
Attendance**

**Supervisor of  
Personnel**

**Risk Manager**

**Supervisor of Child  
Nutrition**

**Supervisor of  
Secondary, Vocational  
& Adult Education**

**Supervisor of  
Transportation**

**Data Processing  
Manager**

**Plant Operations  
Manager**

**Supervisor of Federal  
Programs**

**District Data  
Facilitator**

**Chief Accountant**

**Purchasing Agent**

**Supervisor of Special  
Education**

**Educational  
Technology Facilitator**

**Network  
Administrator**

**Warehouse  
Manager**

**Curriculum  
Specialist**

**School Turnaround  
Specialist**

**REQUIRED SUPPLEMENTARY INFORMATION  
(PART 1)**

**TERREBONNE PARISH SCHOOL BOARD**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is a narrative overview and analysis of the financial activities of the Terrebonne Parish School Board for the fiscal year ended June 30, 2017. 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 year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns.

This discussion and analysis is intended to serve as an introduction to the Terrebonne Parish School Board's basic financial statements. GASB 34 requires the presentation of two basic financial statements; Government-wide Financial Statements and Fund Financial Statements. This report also contains Notes to the financial statements and other supplementary information in addition to the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** The Government-Wide Financial Statements are designed to provide readers with a broad overview of the Terrebonne Parish School Board's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the School Board's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Terrebonne Parish School Board is improving or deteriorating.

The Statement of Activities, consistent with the full accrual basis method of accounting, presents information showing how the net assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

**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: government funds, proprietary funds and fiduciary funds.

**TERREBONNE PARISH SCHOOL BOARD**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017

**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 funds:** 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.

The Terrebonne Parish School Board also maintains an *enterprise fund* to account for Terrebonne Construction Company, an equity investment received as a donation.

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.

**TERREBONNE PARISH SCHOOL BOARD**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following represents key totals from the Statement of Net Position:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>				
Current assets	\$ 116,646,122	\$ 121,505,662	\$ -	\$ 187,094
Capital assets	179,365,325	177,840,493	-	563,822
Less accumulated depreciation	(88,641,726)	(87,240,205)	-	(317,143)
Capital assets, net of depreciation	<u>90,723,599</u>	<u>90,600,288</u>	-	<u>246,679</u>
Total assets	207,369,721	212,105,950	-	433,773
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	55,356,137	35,671,260	-	-
<b>LIABILITIES</b>				
Current liabilities	31,069,794	32,209,118	-	7,160
Long-term liabilities	<u>377,806,554</u>	<u>338,700,209</u>	-	-
Total liabilities	408,876,348	370,909,327	-	7,160
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	8,013,022	12,411,623	-	-
<b>NET POSITION</b>				
Net investment in capital assets	64,357,666	68,990,145	-	246,679
Restricted	35,890,200	41,909,892	-	-
Unrestricted	<u>(254,411,378)</u>	<u>(246,443,777)</u>	-	<u>179,934</u>
Total net position	<u>\$ (154,163,512)</u>	<u>\$ (135,543,740)</u>	<u>\$ -</u>	<u>\$ 426,613</u>

Net position of the governmental activities was a deficit of \$154.2 million for the year ended June 30, 2017, which represents a decrease of \$18.6 million over the prior year. Unrestricted net position — the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements — changed from a deficit of \$246.4 million at June 30, 2016, to deficit of \$254.4 million at the end of this year.

Total assets decreased approximately \$4.7 million over the previous year. Current assets consist primarily (93.8% at June 30, 2017, 94.2% at June 30, 2016) of cash, investments, and sales taxes receivable. The net book value of capital assets represents 43.8% and 42.7% of total assets for the years ended June 30, 2017 and 2016, respectively. Current liabilities consist primarily (97% at June 30, 2017, 97% at June 30, 2016) of amounts due for salaries and benefits payable in July and August for employees of the School System.

During the year ended June 30, 2017, the School Board sold all of the assets of its enterprise fund and discontinued all business-type activities. At June 30, 2017, business-type activities had no assets, liabilities or net assets

**TERREBONNE PARISH SCHOOL BOARD**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017

Net position, the difference between total assets and total liabilities consist of 3 categories:

- o The amount representing the investment in capital assets (\$90,723,599) less the debt associated with those assets (\$26,365,933) is \$64,357,666, a decrease of 6.7% from the prior year.
- o Total restricted position of \$35,890,200 consists of restrictions for compensation of \$5,057,738, debt service of \$12,699,154, capital projects of \$15,302,074, and various restrictions of \$2,831,234.
- o The remaining deficit of \$(254,411,378) is unrestricted. The unrestricted balance is an accumulation of prior year' operating results. This balance is directly affected each year by the operating results, as discussed above.

The following represents a recap of the Governmental and Business-type activities presented in the Statement of Activities (Government-Wide Financial Statements):

	<u>2017</u>	<u>2016</u>
<b>Program revenues</b>		
Charge for services	\$ 2,161,180	\$ 2,787,681
Operating grants and contributions	26,876,262	27,077,417
Total program revenue	<u>29,037,442</u>	<u>29,865,098</u>
<b>General revenues</b>		
Ad valorem taxes	8,534,764	8,350,023
Sales taxes	53,790,406	56,592,016
Rental, leases, and royalties	255,950	234,486
Earnings on investments	561,612	740,877
Other local	945,561	10,665,378
Grants, not specific to programs	866,047	1,378,144
Minimum Foundation Program	89,821,100	87,179,594
State revenue sharing	219,799	210,896
Total general revenue	<u>154,995,239</u>	<u>165,351,414</u>
Total revenues	<u>184,032,681</u>	<u>195,216,512</u>
<b>Expenses</b>		
Instructional expenses	115,305,106	110,354,297
Support service expenses	74,636,484	71,147,176
Food service operations	12,417,072	11,584,848
Debt service and other expenses	720,404	535,686
Total expenses	<u>203,079,066</u>	<u>193,622,007</u>
Increase (decrease) in net position	<u>\$ (19,046,385)</u>	<u>\$ 1,594,505</u>

Most of the activities were governmental. The business-type activities generated revenues of \$37,753 from charges for services, \$439 investment income, and \$18,622 in expenses. The business-type activities recognized a gain of \$356,796 on the sale of all enterprise fund assets and made a residual equity transfer to the governmental activities in the amount of \$802,979. Net assets of the business-type activities decreased by \$426,613.

**TERREBONNE PARISH SCHOOL BOARD**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2017**

The total cost of all programs and services increased by 4.9 percent (\$9.4 million) and program revenues for these activities decreased by 2.8 percent (\$828 thousand) compared to the previous year. The decrease in net position for all activities was \$19 million at June 30, 2017. This compares to a \$1.6 million increase in net position at June 30, 2016.

The total revenue to fund all activities this year was \$184 million compared to \$195.2 million last year, a decrease of 5.7 percent 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 \$155 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 (\$26.9 million). Overall, the governmental program revenues decreased from \$29.8 million to \$29.0 million (2.8 percent).

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.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds:** 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 funds types (Fund Financial Statements):

REVENUE SOURCE	2017		2016	
	amount	percentage	amount	percentage
Local	\$ 67,343,772	36.38%	\$ 79,425,974	40.67%
State	93,308,098	50.40%	89,873,506	46.02%
Federal	24,475,110	13.22%	25,972,545	13.30%
Total revenues	\$ 185,126,980	100.00%	\$ 195,272,025	100.00%

Local sources of revenues include property tax collections, sales and use taxes, local parish contributions to the Teacher's Retirement Plan, rents and royalties that are generated by

**TERREBONNE PARISH SCHOOL BOARD**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2017**

various School Board properties, tuition, charges for services such as meal revenues, earnings on investments, and various reimbursements and contributions for a total of \$67,343,772, a decrease of 15.21% from last year.

State sources of revenues include monies from the Minimum Foundation Program, revenue sharing, Professional Improvement Program support for teachers, state contributions to the Teacher's Retirement System, and grants from various other state programs, for a total of \$93,308,098, an increase of 3.82 percent 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 \$24,475,110, a decrease of 5.77% from last year.

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

FUNCTION	2017		2016	
	amount	percentages	amount	percentages
Instruction	\$ 104,659,312	56.47%	\$ 108,686,426	57.66%
Support Services	74,524,744	40.21%	76,646,818	40.66%
Facilities acquisition	5,233,131	2.82%	2,727,798	1.45%
Debt Service	907,268	0.49%	446,452	0.24%
Total expenditures	\$ 185,324,455	100.00%	\$ 188,507,494	100.00%

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 decreased 3.71% 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 decreased 2.77% from last year.

Facilities acquisition includes all expenditures for construction, engineer fees, land and site improvements, portable classrooms and building improvements. These expenditures increased 91.84% from last year.

Debt service includes all debt principal, interest and paying agent fees. These expenditures increased 103.22% from last year.

**TERREBONNE PARISH SCHOOL BOARD**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017

**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	
			2017	2016
Land	\$ 6,256,446	\$ -	\$ 6,256,446	\$ 6,275,596
Buildings and Improvements	158,581,503	80,542,382	78,039,121	82,305,161
Furniture and Equipment	5,890,075	4,490,573	1,399,502	1,651,744
Vehicles	3,701,352	3,608,771	92,581	141,134
Construction in Progress	4,935,949	-	4,935,949	226,653
Total	<u>\$ 179,365,325</u>	<u>\$ 88,641,726</u>	<u>\$ 90,723,599</u>	<u>\$ 90,600,288</u>

The original cost of capital assets is \$179,365,325, 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 \$88,641,726. Most capital asset acquisitions are financed through long-term debt.

Capital asset additions for the year were \$5,521,952 and disposals were \$3,996,820, net of amounts transferred from construction-in-progress. Depreciation expense for the year was \$3,743,984. At the end of the fiscal year, the amount expended for uncompleted construction projects is \$4,935,949.

**Debt:**

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

CATEGORY	ORIGINAL PROCEEDS	ENDING BALANCE	
		2017	2016
QZAB Loan	\$ 1,030,218	\$ -	\$ -
Bonds Payable	41,720,220	41,353,267	41,720,220
Compensated Absences	N/A	6,564,051	6,739,388
Other post employment benefits	N/A	102,154,254	89,994,860
Net pension liabilities	N/A	227,734,982	200,245,741
Total	<u>\$42,750,438</u>	<u>\$ 377,806,554</u>	<u>\$ 338,700,209</u>

Additional information regarding these bonds is included in Note 9 to the financial statements. At year-end, the School Board had approximately \$41.3 million in bonds and notes outstanding (not including compensated absences and other post-employment benefits) versus

**TERREBONNE PARISH SCHOOL BOARD**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2017**

approximately \$41.7 million last year. Debt service expenditures totaled \$907,268 or 0.5% of general governmental expenditures compared to 0.2% 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 with the final budget. The following shows the significant amendments to the original general fund budget:

Original Budget Revenues	\$ 109,359,083
Amendments were made for:	
Increase in ad valorem tax received	185,069
Decrease in sales and use tax revenue received	(925,101)
Increase rentals, leases, royalties	66,000
Increase in tuition received	(1,310)
Increase in other local revenue	(274,900)
Decrease in equalization	(808,860)
Increase in other state revenues	(58,075)
Total revenue amendments	<u>(1,817,177)</u>
Amended budget revenues	<u>\$ 107,541,906</u>
Original Budget Expenditures	\$ 125,543,833
Amendments were made for:	
Increase in instructional expenditures	54,267
Increase in support service expenditures	754,943
Decrease in food service expenditures	(19,049)
Decrease in debt service expenditures	(765,276)
Total expenditure amendments	<u>24,885</u>
Amended budget expenditures	<u>\$ 125,568,718</u>

**TERREBONNE PARISH SCHOOL BOARD**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2017**

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

Highlights of the July 1, 2017 through June 30, 2018 Original Annual Operating Budget follows:

	GENERAL	OTHER
Local revenues	\$ 17,180,709	\$ 46,538,847
State revenues	92,495,772	3,311,805
Federal revenues	-	24,694,593
Other sources	16,395,557	1,461,778
<b>Total revenues</b>	<b>126,072,038</b>	<b>76,007,023</b>
Instruction	74,822,720	31,644,422
Support services	48,823,728	27,316,437
Debt service	-	876,255
Transfers out	2,055,132	19,087,716
<b>Total expenditures</b>	<b>125,701,580</b>	<b>78,924,830</b>
Excess (Deficiency) of Revenues	370,458	(2,917,807)
Beginning Fund Balances	8,768,282	10,468,213
Ending Fund Balances	\$ 9,138,740	\$ 7,550,406

Some of the most important features of the 2017/2018 budget are:

- Ending General fund balance is estimated at 8.3% of revenues.
- The estimate for MFP revenues for 2017/2018 is a continuation of the 2016/2017 formula, as adjusted for student count and local wealth.
- Salaries and Benefits are budgeted at \$156,630,929.
- A \$2,000,000 transfer from Salary & Benefits portion of the One Cent Sales Tax Fund to the General Operating Fund is included to defray the cost of employee benefits.
- A \$1,000,000 transfer from the ½ Cent Sales Tax Fund to the General Operating Fund is included to defray the cost of employee benefits.
- Normal step progression and longevity advances are estimated to cost \$900,000.
- The School Employees Retirement System (LSERS) rate has increased from 27.3% to 27.6% for 2017/2018 for an estimated cost of \$2,116,206.
- The Teachers Retirement System of Louisiana (TRSL) employer contribution rate has increased from 25.5% to 26.6% for 2017/2018 for an estimated cost of \$22,559,322.
- Sales Tax collections are budgeted equal to the 2016/2017 revised budget Sales Tax collections.
- Workers Compensation rates are budgeted to decrease slightly from the 2016/2017 rates.
- Thirty-nine 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**  
Management's Discussion and Analysis  
For the Year Ended June 30, 2017

**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  
Terrebonne Parish School Board  
201 Stadium Drive  
Houma, LA 70360  
(985) 876-7400

FINANCIAL SECTION

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HOUMA, LOUISIANA 70360  
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# Lanaux & Felger

— CERTIFIED PUBLIC ACCOUNTANTS —  
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA  
MARK S. FELGER, CPA

## INDEPENDENT AUDITOR'S REPORT

To 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 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the accompanying 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, 2017, 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, budgetary comparison information, schedule of funding progress, schedules of proportionate share of net

pension liabilities, and schedules of contributions to pension plans on pages 1-1 through 1-10 and 3-2 through 3-8 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 nonmajor 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.

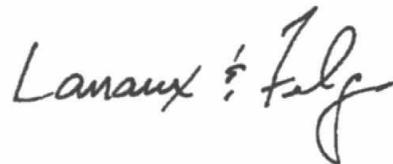
The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, the schedule of compensation paid to board members, and the schedule of compensation, benefits, and other payments to agency head or chief executive officer are the responsibility of management 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 nonmajor fund financial statements, the schedule of expenditures of federal awards, and the schedule of compensation paid to board members 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 a report dated December 27, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Terrebonne Parish School Board's internal control over financial reporting and compliance.

Houma, Louisiana  
December 27, 2017



STATEMENT OF NET POSITION  
Terrebonne Parish School Board  
June 30, 2017

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 44,840,817	\$ -	\$ 44,840,817
Cash with fiscal agents	87,418	-	87,418
Investments, at market	55,357,654	-	55,357,654
Receivables:			
Sales and use tax	9,158,297	-	9,158,297
Other receivables	631,573	-	631,573
Due from governments	4,427,223	-	4,427,223
Due from external parties (fiduciary fund)	221	-	221
Inventory, at cost	470,872	-	470,872
Prepaid expenses	1,672,047	-	1,672,047
Capital assets, net of accumulated depreciation	90,723,599	-	90,723,599
<b>TOTAL ASSETS</b>	<b>207,369,721</b>	<b>-</b>	<b>207,369,721</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>55,356,137</b>	<b>-</b>	<b>55,356,137</b>
<b>LIABILITIES</b>			
Accounts, salaries and other payables	31,069,794	-	31,069,794
Long-term liabilities due within one year	13,975,827	-	13,975,827
Long-term liabilities due in more than one year:			
Bonds and loans payable	40,983,104	-	40,983,104
Compensated absences	6,241,450	-	6,241,450
Other postemployment benefits	88,871,191	-	88,871,191
Net pension liabilities	227,734,982	-	227,734,982
<b>TOTAL LIABILITIES</b>	<b>408,876,348</b>	<b>-</b>	<b>408,876,348</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>8,013,022</b>	<b>-</b>	<b>8,013,022</b>
<b>NET POSITION</b>			
Net invested in capital assets	64,357,666	-	64,357,666
Restricted for:			
Capital projects	15,302,074	-	15,302,074
Debt service	12,699,154	-	12,699,154
Compensation	5,057,738	-	5,057,738
Technology	1,355,324	-	1,355,324
Instructional	1,475,910	-	1,475,910
Unrestricted	(254,411,378)	-	(254,411,378)
<b>TOTAL NET POSITION</b>	<b>\$ (154,163,512)</b>	<b>\$ -</b>	<b>\$ (154,163,512)</b>

STATEMENT OF ACTIVITIES  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
<b>Instruction:</b>						
Regular education	\$ 73,805,575	\$ 700,888	\$ 790,061	\$ (72,314,626)	\$ -	\$ (72,314,626)
Special education	20,231,328	-	476,660	(19,754,668)	-	(19,754,668)
Adult education	831,592	5,689	620,697	(205,206)	-	(205,206)
Career and technical education	4,084,183	-	170,524	(3,913,659)	-	(3,913,659)
Other programs	16,352,428	516,965	7,308,454	(8,527,009)	-	(8,527,009)
<b>Support Services:</b>						
Pupil support	12,124,251	-	2,446,774	(9,677,477)	-	(9,677,477)
Instructional staff	11,449,531	19,208	3,997,263	(7,433,060)	-	(7,433,060)
General administration	6,264,038	130,565	1,245,842	(4,887,631)	-	(4,887,631)
School administration	11,166,695	100,778	60,303	(11,005,614)	-	(11,005,614)
Business services	2,505,908	-	-	(2,505,908)	-	(2,505,908)
Plant services	16,443,101	17,978	536	(16,424,587)	-	(16,424,587)
Student transportation	12,387,166	-	905,977	(11,481,189)	-	(11,481,189)
Central services	2,295,794	-	360	(2,295,434)	-	(2,295,434)
<b>Non-instructional:</b>						
Food service	12,417,072	631,356	8,852,811	(2,932,905)	-	(2,932,905)
Interest and bond issuance costs	701,782	-	-	(701,782)	-	(701,782)
<b>Total Governmental Activities</b>	<b>203,060,444</b>	<b>2,123,427</b>	<b>26,876,262</b>	<b>(174,060,755)</b>	<b>-</b>	<b>(174,060,755)</b>
<b>Business-type activities:</b>						
Property rentals	18,622	37,753	-	-	19,131	19,131
<b>Total business-type activities</b>	<b>18,622</b>	<b>37,753</b>	<b>-</b>	<b>-</b>	<b>19,131</b>	<b>19,131</b>
<b>General Revenues</b>						
<b>Local Sources:</b>						
Ad valorem taxes				8,534,764	-	8,534,764
Sales and use taxes				53,790,406	-	53,790,406
Rentals, leases, and royalties				255,950	-	255,950
Earnings on Investments				561,173	439	561,612
Other local				588,765	356,796	945,561
<b>State sources:</b>						
Grants not specific to programs				866,047	-	866,047
Minimum Foundation Program				89,821,100	-	89,821,100
State revenue sharing				219,799	-	219,799
<b>Total general revenues</b>				<b>154,838,004</b>	<b>357,235</b>	<b>154,995,239</b>
<b>Change in net position</b>				<b>(19,422,751)</b>	<b>376,366</b>	<b>(19,046,385)</b>
<b>Net Position-- beginning</b>				<b>(135,543,740)</b>	<b>426,613</b>	<b>(135,117,127)</b>
<b>Equity Transfer</b>				<b>802,979</b>	<b>(802,979)</b>	<b>-</b>
<b>Net Position--ending</b>				<b>\$ (154,163,512)</b>	<b>\$ -</b>	<b>\$ (154,163,512)</b>

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
Terrebonne Parish School Board  
June 30, 2017

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Building Fund	Capital Projects Fund Series 2016 Bonds	Non-major Funds	Total
<b>ASSETS</b>							
Cash	\$ 11,978,982	\$ 5,804,371	\$ 428,527	\$ 875,230	\$ 5,052,692	\$ 6,535,851	\$ 30,675,653
Investments - at market	4,095,105	3,132,814	5,221,357	14,445,078	12,022,632	9,547,170	48,464,156
Receivables:							
Sales and use tax	1,183,887	3,551,061	2,663,336	-	-	1,760,213	9,158,297
Other receivables	517,791	-	6,201	-	-	98,607	622,599
Due from other funds	22,318,657	13,489	-	147,174	-	2,162,564	24,641,884
Due from other governmental units:							
State Department of Education	-	-	-	-	-	4,047,392	4,047,392
United States Department of Education	-	-	-	-	-	95,279	95,279
Other units	4,289	-	-	-	-	280,263	284,552
Inventory, at cost	-	-	-	-	-	470,872	470,872
Prepaid expenses	21,682	255,921	584,532	-	-	650,105	1,512,240
<b>Total assets</b>	<b>\$ 40,120,193</b>	<b>\$ 12,757,656</b>	<b>\$ 8,903,953</b>	<b>\$ 15,467,482</b>	<b>\$ 17,075,324</b>	<b>\$ 25,648,316</b>	<b>\$ 119,972,924</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 170,149	\$ 288,173	\$ 19,147	\$ 5,699	\$ 174,333	\$ 20,691	\$ 678,192
Accrued salaries	13,698,060	-	-	-	-	-	13,698,060
Accrued employee benefits	6,161,859	-	-	-	-	-	6,161,859
Payroll deductions payable	1,272,257	-	-	-	-	-	1,272,257
Due to other funds	5,382,266	5,800,500	6,626,674	13,489	1,598,917	8,161,030	27,582,876
<b>Total liabilities</b>	<b>26,684,591</b>	<b>6,088,673</b>	<b>6,645,821</b>	<b>19,188</b>	<b>1,773,250</b>	<b>8,181,721</b>	<b>49,393,244</b>

See accompanying notes to the financial statements.

BALANCE SHEET  
GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
June 30, 2017

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Building Fund	Capital Projects Fund Series 2016 Bonds	Non-major Funds	Total
<b>Fund balance:</b>							
Nonspendable:							
Inventory	-	-	-	-	-	470,872	470,872
Prepaid expenses	21,682	255,921	584,533	-	-	16,896	879,032
Restricted for:							
Capital projects	-	-	-	-	15,302,074	-	15,302,074
Debt service	-	-	-	-	-	9,547,196	9,547,196
Compensation	-	5,057,738	-	-	-	3,151,958	8,209,696
Technology	-	1,355,324	-	-	-	-	1,355,324
Instructional	-	-	1,475,910	-	-	-	1,475,910
Committed to:							
Band uniforms	-	-	197,689	-	-	-	197,689
Capital projects	200,000	-	-	-	-	-	200,000
Assigned to:							
Instructional programs	-	-	-	-	-	2,814,566	2,814,566
Capital projects	-	-	-	15,448,294	-	-	15,448,294
Child nutrition	-	-	-	-	-	1,466,321	1,466,321
Unassigned	13,213,920	-	-	-	-	(1,214)	13,212,706
Total fund balances	<u>13,435,602</u>	<u>6,668,983</u>	<u>2,258,132</u>	<u>15,448,294</u>	<u>15,302,074</u>	<u>17,466,595</u>	<u>70,579,680</u>
Total liabilities and fund balance	<u>\$ 40,120,193</u>	<u>\$ 12,757,656</u>	<u>\$ 8,903,953</u>	<u>\$ 15,467,482</u>	<u>\$ 17,075,324</u>	<u>\$ 25,648,316</u>	<u>\$ 119,972,924</u>

See accompanying notes to the financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
Terrebonne Parish School Board  
June 30, 2017

Total fund balances - Governmental Funds		\$ 70,579,680
Cost of capital assets at June 30, 2017	179,365,325	
Less: Accumulated Depreciation as of June 30, 2017		
Buildings and improvements	(80,542,382)	
Furniture and equipment	(4,490,573)	
Vehicles	<u>(3,608,771)</u>	90,723,599
Consolidation of internal service funds		15,229,478
Elimination of interfund assets and liabilities		
Due from other funds	27,858,977	
Due to other funds	<u>(27,858,977)</u>	-
Deferred outflows of resources related to pension plans		55,356,137
Deferred inflows of resources related to pension plans		(8,013,022)
Accrued interest payable on long-term debt		(232,830)
Long-term liabilities at June 30, 2017		
QSCB Bonds 2009	(10,000,000)	
QSCB Bonds 2011	(10,000,000)	
QSCB Bonds 2012	(1,460,775)	
Series 2016 Bonds	(19,892,492)	
Compensated absences payable	(6,564,051)	
Other post employment benefits	(102,154,254)	
Net pension liabilities	<u>(227,734,982)</u>	<u>(377,806,554)</u>
Total net position - Governmental Activities		<u>\$ (154,163,512)</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Building Fund	Capital Projects Fund Series 2016 Bonds	Non-major Funds	Total
<b>REVENUES</b>							
Local sources:							
Ad valorem tax	\$ 8,534,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,534,764
Sales and use tax	6,975,445	20,926,335	15,694,751	-	-	10,193,875	53,790,406
Deductions from parish taxes (1%) for contribution to Teachers Retirement	910,404	-	-	-	-	-	910,404
Rents, leases, royalties	255,950	-	-	-	-	-	255,950
Tuition	675,637	-	-	-	-	-	675,637
Interest earned	46,427	28,489	19,597	32,233	68,098	201,259	396,103
Charges for services	-	-	-	-	-	627,727	627,727
Other local revenue	1,413,400	-	45,700	4,925	-	688,756	2,152,781
State sources:							
Equalization	89,001,894	-	-	-	-	819,206	89,821,100
Revenue sharing	219,799	-	-	-	-	-	219,799
Professional Imp. Program Support	46,713	-	-	-	-	-	46,713
Contribution to Teachers Ret. System	11,912	-	-	-	-	-	11,912
Other state grants	493,422	-	-	-	-	2,715,152	3,208,574
Federal sources	-	-	-	-	-	24,475,110	24,475,110
Total revenues	<u>108,585,767</u>	<u>20,954,824</u>	<u>15,760,048</u>	<u>37,158</u>	<u>68,098</u>	<u>39,721,085</u>	<u>185,126,980</u>
<b>EXPENDITURES</b>							
Current:							
Instruction:							
Regular education	51,806,194	6,523,258	2,567,386	-	-	6,154,745	67,051,583
Special education	14,489,959	1,912,287	9,760	-	-	1,851,491	18,263,497
Adult education	66,393	45,446	102	-	-	647,201	759,142
Career and technical education	2,779,376	321,323	73,149	-	-	512,324	3,686,172
Other programs	4,849,830	1,313,141	135,092	-	-	8,600,855	14,898,918
Support services:							
Pupil Support	6,980,812	1,033,318	5,186	-	-	3,074,048	11,093,364
Instructional staff	4,888,679	900,458	22,076	-	-	4,630,661	10,441,874
General Administration	1,437,839	270,691	147,731	21,761	7,889	114,358	2,000,269
School Administration	8,581,259	860,997	24,534	-	-	626,297	10,093,087
Business services	2,069,720	184,815	-	-	-	84,154	2,338,689
Plant Services	12,828,856	829,207	-	59,859	-	377,519	14,095,441

See accompanying notes to the financial statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Building Fund	Capital Projects Fund Series 2016 Bonds	Non-major Funds	Total
<b>EXPENDITURES (CONTINUED)</b>							
Student transportation	8,878,761	741,660	-	-	-	1,371,293	10,991,714
Central services	1,333,576	770,571	-	-	-	70,331	2,174,478
Non-instructional:							
Food Service	1,039,322	779,294	-	-	-	9,477,212	11,295,828
Facilities acquisition	146,000	285,855	-	53,375	4,747,901	-	5,233,131
Debt Service:							
Principal retirement	-	-	-	-	-	220,000	220,000
Bond issuance costs	-	-	-	-	-	-	-
Interest and bank charges	-	141,992	-	-	-	545,276	687,268
		-					
Total expenditures	122,176,576	16,914,313	2,985,016	134,995	4,755,790	38,357,765	185,324,455
Excess (deficiency) of revenues over expenditures	(13,590,809)	4,040,511	12,775,032	(97,837)	(4,687,692)	1,363,320	(197,475)
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	16,504,157	-	-	-	-	4,040,357	20,544,514
Operating transfers out	(1,863,704)	(4,054,941)	(14,091,195)	-	-	(2,000,000)	(22,009,840)
Indirect costs	1,247,929	-	-	-	-	(1,247,929)	-
Other sources	(383,322)	-	-	-	-	-	(383,322)
Total other financing sources (uses)	15,505,060	(4,054,941)	(14,091,195)	-	-	792,428	(1,848,648)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>							
	1,914,251	(14,430)	(1,316,163)	(97,837)	(4,687,692)	2,155,748	(2,046,123)
<b>FUND BALANCES</b>							
Beginning of year	11,521,351	6,683,413	3,574,295	14,743,152	19,989,766	15,310,847	71,822,824
Equity transfers	-	-	-	802,979	-	-	802,979
End of year	\$ 13,435,602	\$ 6,668,983	\$ 2,258,132	\$ 15,448,294	\$ 15,302,074	\$ 17,466,595	\$ 70,579,680

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF ACTIVITIES  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 2017

Total Net Changes in Fund Balance - Governmental Funds		\$ (2,046,123)
Capital Assets:		
Capital outlay	\$ 5,521,652	
Net book value of retired assets	(1,654,356)	
Depreciation expense	<u>(3,743,985)</u>	123,311
Change in net position of internal service funds		(3,780,931)
Net operating transfers to/(from) internal service funds		1,465,326
Long-Term Debt:		
Principal portion of debt service payments	220,000	
Excess of compensated absences earned over amounts used	175,337	
Excess of other post employment benefits accrued over paid	(12,159,394)	
Payments to pension plans in excess of pension expense	(3,405,763)	
Change in accrued interest payable	(161,467)	
Amortization of bond premium	<u>146,953</u>	<u>(15,184,334)</u>
Change in Net position - Governmental Activities		<u>\$ (19,422,751)</u>

STATEMENT OF NET POSITION  
 PROPRIETARY FUND TYPES  
 Terrebonne Parish School Board  
 June 30, 2017

	Enterprise Fund	Internal Service Funds	Total
<b><u>ASSETS</u></b>			
Cash	\$ -	\$ 14,165,164	\$ 14,165,164
Cash with fiscal agents	-	87,418	87,418
Investments	-	6,893,497	6,893,497
Other receivables	-	8,975	8,975
Due from other funds	-	3,217,314	3,217,314
Prepaid expenses	-	159,807	159,807
	<u>-</u>	<u>24,532,175</u>	<u>24,532,175</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	-	13,139	13,139
Accrued employee benefits	-	9,013,457	9,013,457
Due to other funds	-	276,101	276,101
	<u>-</u>	<u>9,302,697</u>	<u>9,302,697</u>
<b><u>NET POSITION</u></b>			
Restricted for:			
Future claims	-	15,229,478	15,229,478
	<u>-</u>	<u>15,229,478</u>	<u>15,229,478</u>
Total net position	<u>\$ -</u>	<u>\$ 15,229,478</u>	<u>\$ 15,229,478</u>

STATEMENT OF CHANGES IN NET POSITION  
 PROPRIETARY FUND TYPES  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 2017

	Enterprise Fund	Internal Service Funds	Total
<b><u>OPERATING REVENUES</u></b>			
Property rentals	\$ 37,753	\$ -	\$ 37,753
Insurance premium billings	-	42,677,920	42,677,920
Recoveries of insurance cases	-	1,361,778	1,361,778
Other revenues	-	746,656	746,656
	<u>37,753</u>	<u>44,786,354</u>	<u>44,824,107</u>
<b><u>OPERATING EXPENSES</u></b>			
General administration	591	21,139	21,730
Purchased services	6,729	-	6,729
Insurance	6,289	-	6,289
Reinsurance and administrative fees	-	3,599,693	3,599,693
Depreciation	5,013	-	5,013
Claims expense	-	45,111,523	45,111,523
Total operating expenses	<u>18,622</u>	<u>48,732,355</u>	<u>48,750,977</u>
Operating income (loss)	19,131	(3,946,001)	(3,926,870)
<b><u>NON-OPERATING REVENUES</u></b>			
Interest earned	439	165,070	165,509
Gain on sale of property	356,796	-	356,796
Operating transfers in	-	1,465,326	1,465,326
Total non-operating revenues	<u>357,235</u>	<u>1,630,396</u>	<u>1,987,631</u>
Change in net position	376,366	(2,315,605)	(1,939,239)
<b><u>NET POSITION</u></b>			
Beginning	426,613	17,545,083	17,971,696
Residual equity transfer	(802,979)	-	(802,979)
Ending	<u>\$ -</u>	<u>\$ 15,229,478</u>	<u>\$ 15,229,478</u>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPES  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 2017

	Enterprise	Internal Service
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Received from rentals	\$ 33,517	\$ -
Received from assessments made to other funds	-	42,813,539
Received from insurance companies and others	-	2,293,737
Payments for claims	-	(45,390,844)
Payments for reinsurance and administrative fees	-	(3,780,639)
Payments for operating expenses	(7,658)	-
Cash provided (used) by operating activities	<u>25,859</u>	<u>(4,064,207)</u>
<b><u>CASH FLOWS FROM NON-OPERATING ACTIVITIES</u></b>		
Operating transfers to other funds	-	7,098
Cash provided (used) by non-operating activities	<u>-</u>	<u>7,098</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of investments	-	(2,646,516)
Proceeds from sale of investments	-	2,559,920
Proceeds from sale of property	598,807	-
Interest income	439	165,070
Cash provided (used) by investing activities	<u>599,246</u>	<u>78,474</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Equity transfers to other funds	(802,979)	-
Cash provided (used) by financing activities	<u>(802,979)</u>	<u>-</u>
<b><u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>	<b>(177,874)</b>	<b>(3,978,635)</b>
<b><u>CASH AND CASH EQUIVALENTS AT</u></b>		
Beginning of year	<u>177,874</u>	<u>18,346,286</u>
End of year	<u>\$ -</u>	<u>\$ 14,367,651</u>
<b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTED OF</u></b>		
Cash	\$ -	\$ 14,165,164
Cash with fiscal agent	-	87,418
Cash equivalents included in investments	-	115,069
	<u>\$ -</u>	<u>\$ 14,367,651</u>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>		
Operating income (loss)	\$ 19,131	\$ (3,946,001)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	5,013	-
Change in assets and liabilities:		
Receivables	1,524	175,272
Prepaid expenses	7,351	-
Accounts payable and other liabilities	(7,160)	(293,478)
Total adjustments	<u>6,728</u>	<u>(118,206)</u>
Net cash provided (used) by operating activities	<u>\$ 25,859</u>	<u>\$ (4,064,207)</u>

STATEMENT OF FIDUCIARY NET POSITION  
Terrebonne Parish School Board  
June 30, 2017

	Employee Benefit Trust Fund - IRC Section 125 Plan	Agency Fund - School Activity Fund	Totals
<b><u>ASSETS</u></b>			
Cash	\$ 67,431	\$ 2,354,888	\$ 2,422,319
Other	-	8,544	8,544
<b>Total assets</b>	<b><u>\$ 67,431</u></b>	<b><u>\$ 2,363,432</u></b>	<b><u>\$ 2,430,863</u></b>
<b><u>LIABILITIES</u></b>			
Due to other funds	\$ 221	\$ -	\$ 221
Other liabilities	-	2,363,432	2,363,432
<b>Total liabilities</b>	<b><u>221</u></b>	<b><u>\$ 2,363,432</u></b>	<b><u>2,363,653</u></b>
<b><u>NET POSITION</u></b>			
Held in trust for employee benefits	<b><u>\$ 67,210</u></b>		<b><u>\$ 67,210</u></b>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 2017

	Employee Benefit Trust Fund - IRC Section 125 Plan
<b><u>ADDITIONS</u></b>	
Contributions by employees	\$ 37,368
 <b><u>DEDUCTIONS</u></b>	
Disbursements for employee claims	29,030
Change in net position	8,338
Net Position - beginning	58,872
Net Position - ending	\$ 67,210

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**Terrebonne Parish School Board**  
**June 30, 2017**

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Terrebonne Parish School Board  
June 30, 2017

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NOTES TO FINANCIAL STATEMENTS  
Terrebonne Parish School Board  
June 30, 2017

1) REPORTING ENTITY

The Terrebonne Parish School Board (School Board) is a legislative body created under Louisiana Revised Statute 17:51. The School Board has the power to make rules and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the State Board of Elementary and Secondary Education. The School Board consists of 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 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, 2 alternative schools, 22 elementary schools, 3 middle schools, 3 junior high schools, and 4 high schools. Student enrollment for the 2016/2017 year is approximately 18,200 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 provides 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.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the School Board conform to accounting principles accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

a) Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Terrebonne Parish School Board. For the most part, the effect of the interfund activity has been removed from these statements. The statements distinguish governmental activities, generally supported by taxes and other general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

b) **Measurement Focus, Basis of Accounting and Financial Statement Presentation:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales and use tax revenues are recognized in the period in which the underlying exchange transaction has occurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Other financing sources (uses) are shown in the fund financial statements and represent non-revenue inflows and non-expenditure outflows that affect fund balance. This section includes items such as transfers between funds that are not expected to be repaid, capital lease transactions, insurance proceeds, debt extinguishments, long-term debt proceeds, et cetera. These other financing sources (uses) are recognized at the time the underlying events occur.

c) **Fund Types and Major Funds:**

Governmental Funds:

Governmental Funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable resources are accounted for through governmental funds.

MAJOR 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 Footnote 4c.

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

$\frac{3}{4}$  Cent Sales Tax Fund – accounts for the proceeds of a three quarters of one percent local sales tax dedicated as described in Footnote 4b.

Building Fund – accounts for expenditures for construction, renovation and acquisition of buildings, equipment and other capital assets.

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

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.

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.

Enterprise Fund – accounts for operations that are financed through fees charged to external parties and operated in a manner similar to private business enterprises. The School Board maintains an enterprise fund to account for Terrebonne Construction Company, an equity investment received as a donation.

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.

The effect of interfund activity has been eliminated from the government-wide financial statements.

Program revenues included in the Statement of Activities are derived directly from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provide by a given function. Program revenues also include grants and contributions that are restricted to meeting the

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The School Board reports all direct expense by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expense of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses 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 of the Statement of Activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service funds are charges to the other funds for workers compensation insurance. The operating cost of the internal service fund includes the claims and reinsurance expenses of the program. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

d) Operating Budgetary Data and Encumbrances:

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 (LA-R.S. 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.

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 original proposed budgets for the fiscal year beginning July 1, 2016, and ending June 30, 2017 were presented to the Board Finance Committee on its regularly scheduled meeting on May 16, 2016 at the Central Office. A public inspection copy of the budget was made available on May 17, 2016 at the Central Office. Subsequent to adoption, an appropriate public notice was published in the official journal. Pursuant to publication of a public notice, public hearings were conducted on June 14, 2016. The final adoption by the Board was at its regular meeting on July 5, 2016. The General Fund Budget was approved by the State Department of Education.

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 board and its principal operating officers to effect amendments to the original operating budgets. As it

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

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

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

e) Cash and Investments:

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

f) Cash Equivalents:

For purposes of the Statement of Cash Flows – Proprietary Fund Types, all investments with an original maturity date of 3 months or less are considered cash equivalents.

g) Inventory:

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

h) Capital Assets:

Land, land improvements and vehicles are stated at cost. Buildings constructed or acquired prior to June 30, 1996 are stated at estimated historical cost. Buildings constructed, acquired or improved subsequent to June 30, 1996 are stated at cost. Furniture and equipment are stated at cost, or at estimated historical cost when costs could not be determined from available records. All future acquisitions of general fixed assets will be recorded at cost. No interest has been capitalized.

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Terrebonne Parish School Board**  
**Houma, Louisiana**

Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Type</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Furniture and Fixtures	5 – 12
Vehicles	5 – 15

i) **Compensated Absences:**

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

1. **Sick Leave** - Upon the beginning of a new year, each employee is entitled to one day of sick leave per month employed in a fiscal year, with a minimum of ten days allowed per year. Sick leave may be accumulated without limit; however, employees are reimbursed only for accumulated sick leave up to twenty-five days upon death or retirement. Sick leave benefits are accrued in the period in which earned at the most recent base rate of pay, exclusive of supplemental pay.
2. **Sabbatical Leave** - A certified teacher with a valid teaching certificate is entitled, subject to approval by the School Board, to sabbatical leave as follows:
  - a. One semester after completion of six or more consecutive semesters of employment in the Parish;
  - b. Two semesters after completion of twelve or more consecutive semesters of employment in the Parish.

Leave may be granted for rest and recuperation or professional and cultural improvement. Sabbatical leave benefits are recorded as an expenditure of the period in which paid.

3. **Annual Leave** - All 12 month full-time employees earn 5 to 20 days of annual leave depending on date of employment and length of service with the School Board. Effective July 1, 2010, annual leave could no longer be accumulated.

The cost of current sick leave privileges is recognized as current year expenditures in the governmental funds when leave is taken. The liability for these sick leave privileges not requiring current resources is recorded as long-term debt in the Government-Wide Financial Statements.

j) **Long-Term Obligations:**

Bond premiums and discounts are recognized in the period the bonds are issued. Bond proceeds are reported as other financing sources. Long-term obligations expected to be financed from governmental funds are accounted for as liabilities in the Government-

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

Wide Financial Statements (GWFS). Expenditures for principal and interest payments for long-term debt are recognized in the governmental funds when due.

k) Pensions:

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 position of the Teachers' Retirement System, School Employees' Retirement System and State Employees' Retirement System ("the Plans"), and additions to/deductions from the Plans' fiduciary net position 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.

l) Equity Classifications:

Equity is classified as net assets and displayed in three components in the Government-Wide Financial Statements as follows:

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

In the fund financial statements, governmental fund equity is classified as fund balance. The following describes the different classifications available for fund balances of governmental funds:

- a) Non-spendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.
- b) Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c) Committed – Amounts that can be used only for specific purposes determined by a formal action of the Terrebonne Parish School Board, which is the highest level of decision making authority. Commitments may be established, modified or rescinded only through resolutions approved by the School Board.
- d) Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Amounts can only be assigned by the School Board.
- e) Unassigned – all other spendable amounts.

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

When both restricted and unrestricted fund balances are available for use, it is the Board's policy to use restricted fund balance first, followed by committed, assigned, and unassigned amounts, respectively.

m) 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 and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3) 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, 2017 were as follows:

	Book Balances	Bank Balances
<u>Cash:</u>		
Governmental funds	\$ 30,675,653	\$ 32,274,960
Proprietary funds	14,165,164	15,734,518
Agency funds	2,422,319	2,488,129
Total Cash	47,263,136	50,497,607
<u>Cash Equivalents (included in Investments):</u>		
Governmental funds	4,718,741	4,718,741
Proprietary funds	115,069	115,069
Total Cash Equivalents	4,833,810	4,833,810
TOTAL	\$ 52,096,946	\$ 55,331,417

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. School Board 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, 2017, there were no bank deposits subject to custodial credit risk.

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

**INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The School Board has the following investments at year end:

Investment Type	Credit Risk Rating	Interest Risk - Maturity Duration in Years			Total
		Less Than 1	1 to 5	Greater than 5	
<b>Governmental Funds:</b>					
US Government Agencies	Aaa	\$ 10,413,820	\$ 6,856,170	\$ -	\$ 17,269,990
US Treasury	Aaa	7,940,896.50	9,129,569	7,958,673	25,029,139
Municipal obligations	AA	538,048	201,728	206,510	946,286
Certificates of deposit	-	500,000	-	-	500,000
Cash equivalents	-	4,718,741	-	-	4,718,741
Total governmental funds		24,111,506	16,187,467	8,165,183	48,464,156
<b>Proprietary Funds:</b>					
US Government Agencies	Aaa	1,668,813	1,098,700	-	2,767,513
US Treasury	Aaa	1,272,528	1,463,012	1,275,375	4,010,915
Cash equivalents	-	115,069	-	-	115,069
Total proprietary funds		3,056,410	2,561,712	1,275,375	6,893,497
Total investments		\$ 27,167,916	\$ 18,749,179	\$ 9,440,558	\$ 55,357,653

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 market prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

The School Board has the following recurring fair value measurements as of June 30, 2017:

- U.S. Treasury securities totaling \$29,040,054 are valued using quoted market prices (Level 1 inputs).
- U. S. Government Agency and municipal obligations totaling \$20,983,789 are valued using market prices for similar securities (Level 2 inputs).

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

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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. Investments of a single issuer representing more than 5 percent of the School Board's total investments at June 30, 2017 are as follows:

Investment Type	Issuer	%
UST-SLG Certificate	US Treasury	57%
US Government Agencies	Federal National Mortgage Association	20%
US Government Agencies	Federal Home Loan Mtg. Corp.	13%
US Government Agencies	Federal Home Loan Bank	7%

4) 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.

- a) The School Board levies a one-third of one percent sales and use tax, with the receipts deposited in the General Operating Fund; the tax is dedicated to the payment of salaries of teachers and other board employees. This revenue was \$6,975,445 for the year ended June 30, 2017.
- b) Beginning on April 1, 2015, the School Board levied 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 \$10,193,875 for the year ended June 30, 2017.
- c) 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 \$15,694,751 for the year ended June 30, 2017. These sales tax proceeds are dedicated and used as follows:

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

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

Twenty percent of the tax revenues are for the costs and expenses of an instructional program for the Terrebonne Parish Public School System based upon per-pupil allotments to each school as well as non-allotment general instructional expenditures for teaching materials, supplies and equipment;

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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 Operating Fund and other funds. In any fiscal year in which the dedicated expenditures described above exceed the current year's allocated revenue, equity transfers may include such additional amounts as are necessary and available to fund fully such expenditures. An analysis of activity in the ¼ Cent Sales Tax Special Revenue Fund follows:

	Total	Salaries & Fringe Benefits	Plant Operations & Debt Service	Instructional Programs
<b>Revenues</b>				
Sales and use tax	\$ 15,694,751	\$ 7,847,376	\$ 4,708,425	\$ 3,138,950
Interest earned	19,597	19,597	-	-
Contributions and Donations	45,700	-	-	45,700
<b>Total revenues</b>	<u>15,760,048</u>	<u>7,866,973</u>	<u>4,708,425</u>	<u>3,184,650</u>
<b>Expenditures</b>	<u>2,985,016</u>	<u>70,146</u>	<u>42,088</u>	<u>2,872,782</u>
Revenues over expenditures	12,775,032	7,796,827	4,666,337	311,868
Other sources (uses) of funds	<u>(14,091,195)</u>	<u>(7,796,827)</u>	<u>(4,666,337)</u>	<u>(1,628,031)</u>
 Increase (decrease) in fund balance	 (1,316,163)	 -	 -	 (1,316,163)
<b>Fund balance</b>				
Beginning of year	3,574,295	-	-	3,574,295
End of year	<u>\$ 2,258,132</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,258,132</u>

Sales tax revenues collected in the ¼ Cent Sales Tax Fund are being collected, separated and expended in accordance with the proposition passed by the voters of Terrebonne Parish.

- d) 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, 2017 is \$20,926,335 and dedicated as follows:
- 1) 83% of revenues for paying increased compensation and related employment costs of teachers and other full-time personnel except management positions;
  - 2) 8 1/2% for providing operating and maintaining computers and high technology;
  - 3) 8 1/2% for replacement, repair and maintenance of roofs and mechanical equipment.

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.

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
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An analysis of activity in the One Cent Sales Tax Fund of 1996 follows:

	Total	Compensation	Capital Projects & Technology
Revenues and other financing sources:			
Sales and use tax	\$ 20,926,335	\$ 17,368,858	\$ 3,557,477
Interest earned	28,489	28,489	-
Total revenues	<u>20,954,824</u>	<u>17,397,347</u>	<u>3,557,477</u>
Expenditures	<u>16,914,313</u>	<u>15,324,081</u>	<u>1,590,232</u>
Excess of revenues over expenditures	4,040,511	2,073,266	1,967,245
Other sources (uses) of funds	<u>(4,054,941)</u>	<u>(2,000,000)</u>	<u>(2,054,941)</u>
Increase (decrease) in fund balance	(14,430)	73,266	(87,696)
Fund balance			
Beginning of year	6,683,413	4,984,472	1,698,941
End of year	<u>\$ 6,668,983</u>	<u>\$ 5,057,738</u>	<u>\$ 1,611,245</u>

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

5) AD VALOREM TAXES AND TAX ABATEMENT AGREEMENTS

Ad Valorem taxes are levied on November 1 of each year on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. The taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be completed no less than every four years. The last re-evaluation was completed for the 2016 Tax Roll.

The assessed values of the Parish upon which the 2017 levy were based is as follows:

	ASSESSED VALUES
Gross	\$ 1,133,043,968
Less Homestead Exemption	181,919,325
Taxable Property	<u>\$ 951,124,643</u>

Total Ad Valorem tax revenue collected for the year ended June 30, 2016 was \$8,534,764.

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The following is a summary of the authorized and levied ad valorem tax millages and gross tax revenue assessed for the 2017 tax rolls:

	Authorized Millage	Levied Millage	Gross Tax Lew
Parish Wide Taxes:			
Constitutional tax	3.99	3.86	\$ 3,671,341
Special maintenance tax	5.60	5.41	5,145,584
Totals		9.27	\$ 8,816,925

The Constitutional tax millage and the Special Maintenance tax millage are to be used to maintain and operate the present school system. The Constitutional tax is authorized to be levied by the Board without referendum. The Special Maintenance tax is levied pursuant to a referendum for a period of ten years expiring in the year 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 system 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 \$219,799 for the year ended June 30, 2017.

As required by the State of Louisiana 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, 2017, \$880,215 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 \$599,658 for the year ended December 30, 2017

6) RISK MANAGEMENT AND INSURANCE

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

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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:

(In Thousands)				
Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
June 30, 2016	\$ 1,041	\$ 191	\$ 640	\$ 592
June 30, 2017	\$ 592	\$ 672	\$ 538	\$ 726

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, 2017. The School Board has obtained excess insurance coverage which limits its exposure to \$425,000 per claim per calendar year. An analysis of claims activities for the current year and prior year follows:

(In Thousands)				
Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
June 30, 2016	\$ 8,529	\$ 40,275	\$ 39,820	\$ 8,984
June 30, 2017	\$ 8,984	\$ 43,075	\$ 43,759	\$ 8,300

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 risk of loss due to torts and negligence

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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 and prior year follows:

(In Thousands)				
Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
June 30, 2016	\$ 8	\$ 1,309	\$ 1,298	\$ 19
June 30, 2017	\$ 19	\$ 1,364	\$ 1,383	\$ -

**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.

7) **CAPITAL ASSETS**

Capital assets reported in governmental activities for the year ended June 30, 2017 were as follows:

	Beginning Balance	Additions	Deletions	Accumulated Depreciation	Ending Balance
Land	\$ 6,275,596	\$ 146,000	\$ 165,150	\$ -	\$ 6,256,446
Construction in Progress	226,653	5,146,990	437,694	-	4,935,949
<b>Total Assets not Depreciated</b>	<b>6,502,249</b>	<b>5,292,990</b>	<b>602,844</b>	<b>-</b>	<b>11,192,395</b>
Buildings and Improvements	161,128,417	436,211	2,983,125	80,542,382	78,039,121
Furniture and Equipment	6,490,614	230,145	830,684	4,490,573	1,399,502
Vehicles	3,719,213	-	17,861	3,608,771	92,581
<b>Total Assets being Depreciated</b>	<b>171,338,244</b>	<b>666,356</b>	<b>3,831,670</b>	<b>88,641,726</b>	<b>79,531,204</b>
<b>Total Assets</b>	<b>\$ 177,840,493</b>	<b>\$ 5,959,346</b>	<b>\$ 4,434,514</b>	<b>\$ 88,641,726</b>	<b>\$ 90,723,599</b>

Capital asset additions reported above includes \$437,694 of prior period and current year construction costs moved out of Construction in Progress.

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Depreciation was charged to general administration services in the statement of activities and is recapped as follows:

	Current Expense	Accumulation
Buildings and improvements	\$ 3,278,983	80,542,382
Furniture and equipment	425,974	4,490,573
Vehicles	39,027	3,608,771
<b>Totals</b>	<b>\$ 3,743,984</b>	<b>88,641,726</b>

All capital assets used in business-type activities were sold during the year ended June 30, 2017. The School Board recognized a gain in the amount of \$356,796 on the sale. There are no remaining capital assets used in business-type activities as of June 30, 2017.

Depreciation expense of \$5,013 was reported in the statement of activities as business-type activities for the year ended June 30, 2017.

8) **CONSTRUCTION IN PROGRESS**

At June 30, 2017, the amounts restricted, committed and assigned for construction in progress were as follows:

<u>Fund and Project</u>	<u>Estimated Cost</u>	<u>Expended to June 30, 2017</u>	<u>Restricted Fund Balance</u>	<u>Assigned Fund Balance</u>
<b><u>Building Fund:</u></b>				
<b><u>High School Gym/Auditorium Repairs:</u></b>				
H. L. Bourgeois	\$ 5,000	\$ -	\$ -	\$ 5,000
Ellender Memorial High School	10,000	-	-	10,000
South Terrebonne High School	45,000	-	-	45,000
Terrebonne High School	5,000	-	-	5,000
Acadian Elementary - Drainage	60,000	5,700	-	54,300
Roof Replacement - Ellender	850,000	-	-	850,000
Louis Miller CTC - Building	436,850	32,979	-	403,871
School Security System	198,839	-	-	198,839
South Terrebonne High - Boiler	85,000	-	-	85,000
Exterior Door Replacements	81,091	-	-	81,091
PA/Intercom System	4,871	-	-	4,871
Assigned to Future Projects	-	-	-	13,705,322
<b>Total Building Fund</b>	<b>1,781,651</b>	<b>38,679</b>	<b>-</b>	<b>15,448,294</b>
<b><u>Capital Projects Fund - Series 2016 Bonds:</u></b>				
<b><u>School Construction:</u></b>				
Southdown Elementary School	20,199,343	4,897,269	15,302,074	-
<b>Total Capital Projects Fund</b>	<b>20,199,343</b>	<b>4,897,269</b>	<b>15,302,074</b>	<b>-</b>
<b>Total Construction In Progress</b>	<b>\$ 21,980,994</b>	<b>\$ 4,935,948</b>	<b>\$ 15,302,074</b>	<b>\$ 15,448,294</b>

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
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9) LONG-TERM OBLIGATIONS

a) 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, 2017:

	Payable at June 30, 2016	Additions	Reductions	Payable at June 30, 2017
QSCB Bonds:				
2009 Series	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
2011 Series	10,000,000	-	-	10,000,000
2012 Series	1,460,775	-	-	1,460,775
Tax Revenue Bond Series 2016	18,270,000		220,000	18,050,000
2016 Bond Premium	1,989,445		146,953	1,842,492
Compensated Absences	6,739,388	164,243	339,580	6,564,051
Other post employment benefits	89,994,860	25,442,457	13,283,063	102,154,254
Net pension liabilities	200,245,741	27,489,241	-	227,734,982
<b>Totals</b>	<b>\$ 338,700,209</b>	<b>\$ 53,095,941</b>	<b>\$ 13,989,596</b>	<b>\$ 377,806,554</b>

Additional information regarding other postemployment benefits is included in Note 14 to the financial statements and additional information regarding net pension liabilities is included in Note 10 to the financial statements.

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2017:

	Current	Long-Term	Totals
QSCB Bonds:			
2009 Series	\$ -	\$ 10,000,000	\$ 10,000,000
2011 Series	-	10,000,000	10,000,000
2012 Series	-	1,460,775	1,460,775
Tax Revenue Bond Series 2016	225,000	17,825,000	18,050,000
2016 Bond Premium	145,163	1,697,329	1,842,492
Compensated Absences	322,601	6,241,450	6,564,051
Other post employment benefits	13,283,063	88,871,191	102,154,254
Net pension liabilities	-	227,734,982	227,734,982
<b>Totals</b>	<b>\$ 13,975,827</b>	<b>\$ 363,830,727</b>	<b>\$ 377,806,554</b>

b) Qualified School Construction Bonds:

On October 6, 2009, the 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).

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This Bond represents 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.

This Bond is 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 Bond 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:

Year Ending June 30,	Required Principal Account Value
2018	\$ 4,666,666
2019	5,333,333
2020	6,000,000
2021	6,666,666
2022	7,333,333
2023 and 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).

This Bond represents 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.

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This Bond is 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 in 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:

<u>Year Ending June 30,</u>	<u>Required Principal Account Value</u>
2018	\$ 3,999,996
2019	4,666,662
2020	5,333,328
2021	5,999,994
2022	6,666,660
2023 and 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).

This Bond represents 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.

This Bond is 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 in 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

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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
2018	\$ 486,925
2019	584,310
2020	681,695
2021	779,080
2022	876,465
2023 and thereafter	1,460,775

- c) 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).

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 system, 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" (the 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 amount beginning on March 1, 2017 through March 1, 2036.

- d) The annual debt service requirements including interest to amortize all long-term obligations outstanding at June 30, 2017 other than compensated absences, pensions, and other postemployment benefits are as follows:

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Year Ending June 30,	QSCB 2009	QSCB 2011	QSCB 2012	Tax Revenue Bonds Series 2016	Total
2018	\$ 104,000	\$ 38,000	\$ -	\$ 929,263	\$ 1,071,263
2019	104,000	38,000	-	929,263	1,071,263
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
Thereafter	10,416,000	10,190,000	1,460,775	22,660,697	44,727,472
Totals	10,936,000	10,380,000	1,460,775	27,300,812	50,077,587
Less:					
Interest	936,000	380,000	-	9,250,812	10,566,812
Net Amount	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$ 1,460,775</u>	<u>\$ 18,050,000</u>	<u>\$ 39,510,775</u>

10) RETIREMENT SYSTEMS

The School Board's employees are provided with benefits through the following multiple-employer cost-sharing plans:

- Teachers' Retirement System of Louisiana provides retirement benefits to teachers and other eligible school employees.
- Louisiana School Employees' Retirement System ("LSERS") provides retirement benefits to school bus drivers, custodians, maintenance employees, and other regular school employees.
- Louisiana State Employees' Retirement System ("LASERS") provides retirement benefits to eligible state employees.

General information about the Plans:

Teachers' Retirement System of Louisiana (TRSL)

Plan Description

Teachers and other eligible employees of Terrebonne Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Chapter 2 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to 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).

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Benefits Provided

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

1. Retirement Benefits:

Regular Plan – Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age sixty-two with at least 5 years of service credit and are eligible of an actuarially reduced benefit with 20 years of service at any age. Members hired between January 1, 2011 and June 30, 2015 may retire with a 2.5% accrual rate after attaining age sixty 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% 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.

Plan B - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.0% benefit factor after attaining age sixty-two with at least 5 years of service credit and are eligible of an actuarially reduced benefit with 20 years of service at any age. Members hired before July 1, 2015 may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

Benefit Formula - 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 and Lunch Plan B 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 all other members, final average compensation is defined as the highest average 36-month period.

Payment Options - 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 members' 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

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age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

2. Deferred Retirement Option Program (DROP) - 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 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in 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.
3. 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 five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) 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.
4. Survivor Benefits - A surviving spouse with minor children of an active member with five 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 spouse's benefit reverts to a survivor benefit in accordance with the provisions for a surviving spouse with no minor child(ren). Benefits for the minor child(ren) cease when he/she is no longer eligible.

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 18, marriage, or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 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) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

5. Permanent Benefit Increases/Cost-of-Living Adjustments - As fully described in Title 11 of the Louisiana Revised Statutes, the System 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.

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6. Optional Retirement Plan (ORP) - 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.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System'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, 2016 are as follows:

	<u>Employee</u>	<u>Employer</u>
K-12 Regular Plan	8.0%	25.5%
Plan A	9.1%	30.7%
Optional Retirement Plan	8.0%	21.2%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 25.5% 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. Contributions to the pension plan totaled \$20,829,888 for the year ended June 30, 2017.

Louisiana School Employees' Retirement System (LSERS)

Plan Description

Eligible employees of Terrebonne Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana School Employees' Retirement System (LSERS). Louisiana Revised Statutes (La. R.S. 11:1001) grants to 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.lasers.net](http://www.lasers.net).

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Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement - A member who joined the System on or before June 30, 2010 is eligible for normal retirement if the member 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, 10 years of service and is at least age 60. A member who joined the system 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.

For members who joined the system prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3.33% of the average compensation for the three highest consecutive years of membership service, subject to a 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3.33% if the average compensation is used to calculate benefits, however, the calculation consists of the five highest consecutive years of membership service, subject to a 10% salary limitation. For members who join the System on or after July 1, 2010, 2.5% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary subject to a 15% salary limitation. The supplemental allowance was eliminated for members entering the System 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.

2. Deferred Retirement Option Plan (DROP) - Members of the System may elect to participate in DROP and defer the receipt of benefits. The election may be made only once 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 DROP, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in DROP. The monthly retirement benefits that would have been payable had the member elected to cease employment, are paid into the DROP fund account. The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may elect a lump sum payment or systematic distributions.
3. Initial Benefit Retirement Plan (IBRP) - Effective January 1, 1996, the state legislature authorized the System to establish an IBRP program. Members electing to participate in IBRP are ineligible for DROP. The IBRP program provides a one-time single sum payment of up to 36 months of a regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest credited and payments from IBRP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3).

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4. Permanent Benefit Increases/Cost-of-Living Adjustments - As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), which are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Contributions for all participation school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution. For the year ended June 30, 2017, the employer contribution rate contribution rate was 27.3%, and the employee contribution rate was either 7.5% or 8.0%, based on initial participation date.

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 27.3% 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. Contributions to the pension plan were \$1,982,064 for the year ended June 30, 2017.

Louisiana State Employees' Retirement System (LASERS)

Plan Description

Employees of Terrebonne Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to 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).

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. 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. The majority of LASERS rank and file members may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit. 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.

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

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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 benefits under any one of six different options providing for reduced retirement benefits payable throughout their 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 five 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 twelve 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. 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 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 but generally is ten years of service.

2. Deferred Retirement Benefits - The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters 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 DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System'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 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.

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Members eligible to retire and who do not choose to participate in 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 System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

3. Disability Benefits - All members with ten or more years of credited 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 disability retiree may receive a regular retirement benefit by making application to the Board of Trustees. For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.
4. Survivor's 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 five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty 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 ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.
5. Permanent Benefit Increases/Cost-of-Living Adjustments - As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), which are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

Contributions

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) and may be amended by the Louisiana Legislature. Employee and employer contributions are deducted from a member's salary and remitted to LASERS by participating employers. For the year ended June 30, 2017, the employer contribution rate in effect for participating School Board Employees was 35.8%, and the employee contribution rate was 7.5% or 8%, based on the initial participation date.

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 35.8% 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. Contributions to the pension plan were \$83,822 for the year ended June 30, 2017.

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Pension liabilities, pension expense and deferred outflows of resources and deferred inflows of resources:

As of June 30, 2017, the School Board reported a total of \$227,734,962 for its proportionate shares of the net pension liability of the Plans, as follows:

Plan	
TRSL	\$ 207,551,358
LSERS	19,297,621
LASERS	886,003
Total	\$ 227,734,982

The net pension liability was measured as of June 30, 2016, 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 was based on a projection of the School Board's long-term contributions to the plans relative to the projected contributions of all participating employers, actuarially determined. For the plan years ended June 30, 2016 and 2015, the School Board's proportions of each plan were as follows:

Plan	Proportionate share	
	6/30/2016	6/30/2015
TRSL	1.76835%	1.71376%
LSERS	2.55819%	2.37648%
LASERS	0.01128%	0.01334%

For the fiscal year ended June 30, 2017, the School Board recognized pension expense as follows:

Plan	Pension Expense
TRSL	\$ 23,867,097
LSERS	2,873,635
LASERS	239,596
Total	\$ 26,980,328

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In addition, 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
<u>TRSL:</u>		
Changes in proportion	\$ 11,441,025	\$ 2,692,917
Differences between expected and actual experience	-	4,097,642
Net difference between projected and actual earnings on pension plan investments	15,109,256	-
Difference between employer contributions and proportionate share of contributions	1,978,338	-
Contributions subsequent to the measurement date	20,829,888	-
	<u>49,358,507</u>	<u>6,790,559</u>
<u>LSERS:</u>		
Changes in proportion	910,393	-
Differences between expected and actual experience	-	526,616
Net difference between projected and actual earnings on pension plan investments	2,444,686	-
Changes in assumptions	457,162	510,052
Difference between employer contributions and proportionate share of contributions	1,704	20,477
Contributions subsequent to the measurement date	1,982,064	-
	<u>5,796,009</u>	<u>1,057,145</u>
<u>LASERS:</u>		
Changes in proportion	-	157,101
Differences between expected and actual experience	513	8,217
Net difference between projected and actual earnings on pension plan investments	110,353	-
Difference between employer contributions and proportionate share of contributions	6,933	-
Contributions subsequent to the measurement date	83,822	-
	<u>201,621</u>	<u>165,318</u>
Totals	<u>\$ 55,356,137</u>	<u>\$ 8,013,022</u>

The deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date will be recognized as a reduction of the net

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pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	
2018	\$ 3,510,492
2019	3,540,466
2020	11,601,955
2021	5,794,438

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Actuarial assumptions:	TRSL	LSERS	LASERS
Inflation	2.50%	2.65%	3.00%
Discount rate used to measure pension liability	7.75%	7.125%	7.75%
Salary increases	3.5% - 10%, varies by duration of service	Varies based on years of service	4% - 13%
Investment rate of return	7.75% net of investment expenses	7.125%, net of investment expenses	7.75%, net of investment expenses
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization approach	Closed	Closed	Closed
Expected remaining service lives	5 years	3 years	3 years
Cost of living adjustments	None	None	None

Actuarial assumptions used in the June 30, 2016 valuations were based on the results of actuarial experience studies as follows:

- TRSL for the period July 1, 2007 to June 30, 2012.
- LSERS for the period July 1, 2008 to June 30, 2012.
- LASERS for the period July 1, 2009 to June 30, 2013.

The discount rate and the investment rate of return for LSERS was changed from 7.0% for the June 30, 2015 measurement date to 7.125% for the June 30, 2016 measurement date.

Mortality rates for TRSL were based on the RP-2000 Mortality Table with projection to 2025 using Scale AA. Mortality rate for LSERS were based on the RP-2000 Sex Distinct Mortality Table. Mortality rates for LASERS were based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 for non-disabled members, and on the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement for disabled members.

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For TRSL and LASERS, the long-term expected rate of return on 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 expense 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. For LSERS, the long-term expected rates of return on 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.

The best estimates of real rates of return for each major asset class included in the pension plans' target asset allocations, as of June 30, 2016, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
<b>TRSL:</b>		
Domestic equity	31.0%	4.50%
International equity	19.0%	5.31%
Domestic fixed income	14.0%	2.45%
International fixed income	7.0%	3.28%
Private equity	29.0%	6.80%
<b>LSERS:</b>		
Fixed Income	30.0%	1.82%
Equity	51.0%	3.10%
Alternatives	13.0%	0.79%
Real assets	6.0%	0.36%
<b>LASERS:</b>		
Cash	0.0%	-0.24%
Domestic equity	25.0%	4.31%
International equity	32.0%	5.48%
Domestic fixed income	8.0%	1.63%
international fixed income	6.0%	2.47%
Alternative investments	22.0%	7.42%
Global asset allocation	7.0%	2.92%

Rates of return are presented as arithmetic means for TRSL and geometric means for LSERS and LASERS.

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
 Terrebonne Parish School Board  
 Houma, Louisiana

The investment rates of return were determined based on expected cash flows which assume that contributions from plan members will be made at current contribution rates and that contributions from the participating employers will be made at the actuarially determined rates approved by the Louisiana Public Retirement Systems' Actuarial Committee, taking into consideration the recommendation of the System's actuary. Based on these assumptions, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the investment rate of return on plan investments was applied as the discount rate to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the of the School Board's proportionate share of the net pension liabilities to changes in the discount rate:

The following presents the School Board's proportionate shares of the net pension liabilities of the plans, calculated using the discount rates as shown above, as well as what the School Board's proportionate shares of the net pension liabilities 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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
TRSL (current rate 7.75%)	\$ 258,880,071	\$ 207,551,358	\$ 163,874,093
LSERS (current rate 7.125%)	25,332,400	19,297,621	14,127,378
LASERS (current rate 7.75%)	1,088,537	886,003	713,913
Total	<u>\$ 285,301,008</u>	<u>\$ 227,734,982</u>	<u>\$ 178,715,384</u>

Pension plan fiduciary net position:

Detailed information about the Plans' fiduciary net position is available in the separate issued financial statements of the Plans.

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 their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2017, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$675,393 for its participation in TRSL.

Payables to the pension plans:

At June 30, 2017, amounts due to the pension plans for employer and employee required contributions are as follows:

TRSL	\$ 6,609,484
LSERS	416,071
LASERS	25,893
Total	<u>\$ 7,051,448</u>

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

11) DEFERRED COMPENSATION PLAN

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

12) DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at June 30, 2017 are as follows:

	Due From	Due To
<b>GENERAL FUND:</b>		
3/4% Sales Tax Fund	\$ 6,626,674	\$ -
1% Sales Tax Fund	5,709,913	-
Capital Project Fund	1,598,917	147,174
Nonmajor Funds	8,106,831	2,162,564
Proprietary Funds	276,101	3,072,528
Fiduciary Funds	221	-
Total	<u>22,318,657</u>	<u>5,382,266</u>
<b>3/4% SALES TAX FUND</b>		
General Fund	-	6,626,674
<b>1% SALES TAX FUND</b>		
General Fund	-	5,709,913
Building Fund	13,489	-
Proprietary Funds	-	90,587
Total	<u>13,489</u>	<u>5,800,500</u>
<b>BUILDING FUND</b>		
General Fund	147,174	-
1% Sales Tax Fund	-	13,489
Total	<u>147,174</u>	<u>13,489</u>
<b>CAPITAL PROJECT FUND</b>		
General Fund	-	1,598,917
<b>NONMAJOR FUNDS</b>		
General Fund	2,162,564	8,106,831
Proprietary Funds	-	54,199
Total	<u>2,162,564</u>	<u>8,161,030</u>
<b>PROPRIETARY FUNDS</b>		
General Fund	3,072,528	276,101
1% Sales Tax Fund	90,587	-
Nonmajor Funds	54,199	-
Total	<u>3,217,314</u>	<u>276,101</u>
<b>FIDUCIARY FUNDS</b>		
General Fund	-	221
<b>TOTALS</b>	<u>\$ 27,859,198</u>	<u>\$ 27,859,198</u>

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

Due to/from general fund represents cost paid from the general fund bank account on behalf of individual funds that do not have checking accounts. These receivables and payables reverse in the normal course of operations.

13) TRANSFERS AND OTHER FINANCING SOURCES AND USES

Certain activities reported in specific funds are supported by transfers of current revenue from the General Fund, the 3/4% Sales Tax Fund and the 1% Sales Tax Fund. Transfers during the year ended June 30, 2017 consisted of:

	Transfers	
	In	Out
<b>GENERAL FUND:</b>		
3/4% Sales Tax Fund	\$ 12,504,157	\$ -
1% Sales Tax Fund	2,000,000	-
Nonmajor funds	2,000,000	398,378
Internal Service Funds	-	1,465,326
<b>Total</b>	<b>16,504,157</b>	<b>1,863,704</b>
<b>3/4% SALES TAX FUND</b>		
General Fund	-	12,504,157
Nonmajor funds	-	1,587,038
<b>Total</b>	<b>-</b>	<b>14,091,195</b>
<b>1% SALES TAX FUND</b>		
General Fund	-	2,000,000
Nonmajor funds	-	2,054,941
<b>Total</b>	<b>-</b>	<b>4,054,941</b>
<b>NONMAJOR FUNDS</b>		
General Fund	398,378	2,000,000
3/4% Sales Tax Fund	1,587,038	-
1% Sales Tax Fund	2,054,941	-
<b>Total</b>	<b>4,040,357</b>	<b>2,000,000</b>
<b>INTERNAL SERVICE FUNDS</b>		
General Fund	1,465,326	-
<b>Total</b>	<b>1,465,326</b>	<b>-</b>
<b>Totals</b>	<b>\$ 22,009,840</b>	<b>\$ 22,009,840</b>

Other financing sources (uses) consisted of:

	General Fund
Property disposals	\$ 1,398
Other Public Schools	(383,820)
SDE Admin Fee	(900)
<b>Total governmental funds</b>	<b>\$ (383,322)</b>

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
 Terrebonne Parish School Board  
 Houma, Louisiana

14) POST EMPLOYMENT BENEFITS

Plan Description. The Terrebonne Parish School Board Employee Benefit Group Insurance Plan extends post employment medical and life insurance benefits to qualifying retirees. Eligibility is achieved upon completion of thirty (30) years of service (any age), twenty-five (25) years of service if 55, or ten (10) years of service (if 60 or older). The Employee Benefit Group insurance Plan is a self-funded, single-employer defined benefit plan administered by Gilsbar, Inc. The plan covers approximately 3,700 participants of which approximately 1,600 are retired and receiving benefits. The plan does not issue a stand-alone financial report.

Contribution Rates. The contribution requirements of plan members and the School Board are established and may be amended by the Board. The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal years ended June 30, 2017 and 2016, the School Board contributed \$12,498,577 (75.4%) and \$12,508,654 (76.0%), respectively, of the cost of benefits. Retirees contributed \$4,069,901 (24.6%) and \$4,016,731 (24.0%) of the total cost through their required contribution of \$158 per month for retiree-only coverage and \$443 for retiree and spouse coverage for the years ended June 30, 2017 and 2016, respectively.

Certain retirees pay less than the full required monthly contribution shown above. Retirees with Medicare coverage pay only 60% of the monthly premium. Retirees who retired before March 1, 1977 or who had thirty (30) years of service at July 1, 1989 pay no premiums. Employees with more than ten (10) years but less than thirty (30) years of service at July 1, 1989 pay between 3.43% and 66.67% of the monthly premium based on their years of service at July 1, 1989.

Funding Policy. The School Board funds these benefits on a pay-as-you-go basis through premiums paid by the general fund to the group insurance internal service fund. There are no plan assets under GASB reporting standards.

Annual Required Contribution. The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is equal to the normal cost plus an amount necessary to amortize the Unfunded Actuarial Liability over a period of thirty (30) years. A level dollar, open amortization period has been used. The total ARC for the fiscal year beginning July 1, 2016, is \$27,047,074 as set forth below:

Normal cost		\$ 7,940,902
30-year UAL amortization amount		19,106,172
Annual required contribution (ARC)		\$ 27,047,074

**NOTES TO FINANCIAL STATEMENTS, CONTINUED**  
**Terrebonne Parish School Board**  
**Houma, Louisiana**

Net Post Employment Benefit Obligation. The School Board's Net Other Post Employment Benefit (OPEB) Obligation for the fiscal year ended June 30, 2017, follows:

Net OPEB obligation at July 1, 2016	\$ 89,994,860
Annual required contribution	27,047,074
Interest on net OPEB obligation	3,599,794
ARC adjustment	<u>(5,204,411)</u>
OPEB cost	25,442,457
Current year retiree cost paid	<u>(13,283,063)</u>
Current change in OPEB obligation	<u>12,159,394</u>
Net OPEB obligation at June 30, 2017	<u>\$ 102,154,254</u>

The annual post employment benefits cost, percentage of the cost contributed, and the net unfunded post employment benefits liability (asset) for the fiscal years ended June 30, 2017 and 2016, follow:

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical and Life	June 30, 2017	\$ 25,442,457	52.21%	\$ 102,154,254
Medical and Life	June 30, 2016	\$ 24,621,901	49.95%	\$ 89,994,860

Funded Status and Funding Progress. The School Board has not established a benefit plan trust and has made no contributions to this plan other than its current share of retiree premiums. At June 30, 2017, the plan has no assets and its funded ratio is zero. At July 1, 2016, the date of its most recent actuarial valuation, the Actuarial Accrued Liability (AAL) – The portion of the actuarial present value of postemployment benefits not provided by normal cost – was \$343,600,451. Since the plan has no assets, the entire AAL is unfunded. Covered payroll of active plan members was \$90,213,092 and the Unfunded AAL (UAAL) was 381% of covered payroll.

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2016 actuarial valuation, the Projected Unit Credit Cost Method was used. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover. The actuarial assumptions included a 4 percent investment return and an annual healthcare cost trend rate of 8 percent initially, reduced gradually to an ultimate rate of 5 percent after 10 years. There were no plan assets at the time of the initial valuation but it is anticipated that in future valuations, a smoothed market value consistent with Actuarial Standards Board ASOP 6 will be used, as provided in paragraph number 125 of GASB 45.

15) MINIMUM FOUNDATION PROGRAM

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

The formula is a statistical model using data from parish financial reports, weighted student population counts, a relative wealth indicator, and a base amount per pupil to allocate funds to parishes under a basic assumption of a 65/35 percent state/parish funding split, subject to the effects of the relative wealth factor. The current year pupil population count is based on data as of October 1, 2016.

The school board must ensure that seventy percent of the state funds are expended on instruction. The definitions of instruction shall provide for: (1) salaries, employee benefits, purchased professional and technical services, instructional materials and supplies, and instructional equipment; (2) pupil support activities; and (3) instructional staff activities. Further, the state minimum salary schedules for teachers must continue to be implemented.

Equalization funding received from the State of Louisiana for the year ended June 30, 2017 was \$89,821,100. Of that total, \$89,001,894 was allocated to the General Fund and \$819,206 was allocated to Special Revenue Funds.

16) 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 general purpose financial statements, and accordingly, no provision for losses has been recorded.

NOTES TO FINANCIAL STATEMENTS, CONTINUED  
Terrebonne Parish School Board  
Houma, Louisiana

Federal and State Grant Awards:

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

17) RESTRICTED NET POSITION

The government-wide statement of net position reports \$35,890,200 of restricted net position, of which \$12,079,073 is restricted by enabling legislation.

18) ADOPTION OF NEW ACCOUNTING STANDARD

The School Board adopted the provisions of GASB Statement No. 77, *Tax Abatement Disclosures*, which requires the disclosure of information about the nature and magnitude of tax abatements to make these transactions more transparent to financial statement users. The implementation of this Statement did not have any impact on the amounts reported in the financial statements.

19) IMPACT OF RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 75, *Accounting and financial Reporting for Postemployment Benefits Other Than Pensions*, was issued to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB) and to improve information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement will be effective for years beginning after June 15, 2017. The impact of the implementation of this Statement on the School Board's financial statements has not been assessed at this time.

20) SUBSEQUENT EVENTS

Management evaluates events subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 27, 2017, the date the financial statements were available for issuance.

**REQUIRED SUPPLEMENTARY INFORMATION PART II**

REQUIRED SUPPLEMENTAL INFORMATION  
MAJOR FUND TYPE  
FUND DESCRIPTIONS

Terrebonne Parish School Board

June 30, 2017

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 1-cent sales tax, a local funding source, therefore this fund is classified as a Local Special Revenue Fund.

¾ Cent Sales Tax Fund (1976)

This fund is used to monitor collections and uses of a ¾ 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 expenses, and support of plant operation and instruction related expenditures. Fund expenditures include various instruction and instruction support items. This fund is classified as a Local Special Revenue Fund because of its local funding sources.

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).

Capital Project Fund – Tax Revenue Bonds, Series 2016

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.

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Ad valorem tax	\$ 8,163,117	\$ 8,348,186	\$ 8,534,764	\$ 186,578
Sales and use tax	7,666,292	6,741,191	6,975,445	234,254
Deductions from parish taxes (1%) for contribution to Teachers Retirement System	880,000	880,000	910,404	30,404
Rents, leases, royalties	106,500	172,500	255,950	83,450
Tuition	730,560	729,250	675,637	(53,613)
Interest earned	88,000	88,000	46,427	(41,573)
Other local revenue	836,100	561,200	1,413,400	852,200
State sources:				
Equalization	90,600,698	89,791,838	89,001,894	(789,944)
Revenue sharing	223,367	210,896	219,799	8,903
Professional Improvement Program Support	50,000	6,713	46,713	40,000
Contribution to Teachers' Retirement System	14,349	12,032	11,912	(120)
Other state grants	100	100	493,422	493,322
Total revenues	<u>109,359,083</u>	<u>107,541,906</u>	<u>108,585,767</u>	<u>1,043,861</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular	53,221,377	52,897,768	51,806,194	1,091,574
Special	14,941,784	15,235,754	14,489,959	745,795
Adult education	76,264	66,399	66,393	6
Career and technical	2,975,909	3,022,409	2,779,376	243,033
Other programs	4,978,947	5,026,218	4,849,830	176,388
Support services:				
Pupil Support	7,111,682	7,124,126	6,980,812	143,314
Instructional staff	5,059,794	5,254,393	4,888,679	365,714
General administration	1,523,272	1,500,057	1,437,839	62,218
School administration	8,654,273	8,204,609	8,581,259	(376,650)
Business services	2,381,545	2,381,143	2,069,720	311,423
Plant services	12,286,277	12,892,987	12,828,856	64,131
Student transportation	9,134,992	9,512,750	8,878,761	633,989
Central services	1,378,998	1,415,711	1,333,576	82,135
Non-instructional:				
Food service	1,053,443	1,034,394	1,039,322	(4,928)
Facilities acquisition	-	-	146,000	(146,000)
Debt Service:				
Principal retirement	220,000	-	-	-
Interest Expense on Debt	545,276	-	-	-
Total expenditures	<u>125,543,833</u>	<u>125,568,718</u>	<u>122,176,576</u>	<u>3,392,142</u>
Excess (deficiency) of revenues over expenditures	(16,184,750)	(18,026,812)	(13,590,809)	4,436,003

BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	17,711,123	16,063,621	16,504,157	440,536
Operating transfers out	(1,871,191)	(1,819,960)	(1,863,704)	(43,744)
Indirect costs	1,448,732	1,341,936	1,247,929	(94,007)
Other sources	(366,316)	(311,854)	(383,322)	(71,468)
Total other financing sources (uses)	<u>16,922,348</u>	<u>15,273,743</u>	<u>15,505,060</u>	<u>231,317</u>
<u>EXCESS (DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES)</u>	737,598	(2,753,069)	1,914,251	4,667,320
<u>FUND BALANCES</u>				
Beginning of year	<u>1,304,477</u>	<u>11,521,351</u>	<u>11,521,351</u>	-
End of year	<u>\$ 2,042,075</u>	<u>\$ 8,768,282</u>	<u>\$ 13,435,602</u>	<u>\$ 4,667,320</u>

**BUGETARY COMPARISON SCHEDULE**  
**ONE CENT SALES TAX FUND (1996)**  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Local sources:				
Sales and use tax	\$ 22,998,878	\$ 20,223,573	\$ 20,926,335	\$ 702,762
Investment earnings	48,000	45,000	28,489	(16,511)
Total revenues	<u>23,046,878</u>	<u>20,268,573</u>	<u>20,954,824</u>	<u>686,251</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular education	6,730,077	6,806,647	6,523,258	283,389
Special education	1,990,373	2,028,052	1,912,287	115,765
Adult education	46,087	46,087	45,446	641
Career and technical education	352,563	360,681	321,323	39,358
Other programs	1,336,455	1,324,067	1,313,141	10,926
Support services:				
Pupil Support	1,057,194	1,055,823	1,033,318	22,505
Instructional staff	950,609	952,078	900,458	51,620
General administration	273,442	248,859	270,691	(21,832)
School administration	868,433	869,149	860,997	8,152
Business services	201,566	221,555	184,815	36,740
Plant services	854,475	860,980	829,207	31,773
Student transportation	772,747	773,912	741,660	32,252
Central services	559,785	654,968	770,571	(115,603)
Non-instructional:				
Food service	808,310	802,771	779,294	23,477
Facilities acquisition	420,828	399,675	285,855	113,820
Debt service interest	142,000	687,276	141,992	545,284
Total expenditures	<u>17,364,944</u>	<u>18,092,580</u>	<u>16,914,313</u>	<u>1,178,267</u>
Excess (deficiency) of revenues over expenditures	5,681,934	2,175,993	4,040,511	1,864,518
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-	-	-	-
Operating transfers out	(3,395,332)	(3,545,467)	(4,054,941)	509,474
Total other financing sources (uses)	<u>(3,395,332)</u>	<u>(3,545,467)</u>	<u>(4,054,941)</u>	<u>509,474</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>				
	2,286,602	(1,369,474)	(14,430)	1,355,044
<b>FUND BALANCES</b>				
Beginning of year	6,023,724	6,683,413	6,683,413	-
End of year	<u>\$ 8,310,326</u>	<u>\$ 5,313,939</u>	<u>\$ 6,668,983</u>	<u>\$ 1,355,044</u>

**BUDGETARY COMPARISON SCHEDULE**  
**3/4 CENT SALES TAX FUND (1976)**  
**Terrebonne Parish School Board**  
**For the Year Ended June 30, 2017**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b><u>REVENUES</u></b>				
Local sources:				
Sales and use tax	\$ 17,249,158	\$ 15,167,681	\$ 15,694,751	\$ 527,070
Investment earnings	47,000	48,000	19,597	(28,403)
Other local revenue	-	-	45,700	45,700
Total revenues	<u>17,296,158</u>	<u>15,215,681</u>	<u>15,760,048</u>	<u>544,367</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Instruction:				
Regular education	3,352,550	3,493,506	2,567,386	926,120
Special education	23,450	25,330	9,760	15,570
Adult education	1,600	1,600	102	1,498
Career and technical education	81,380	127,653	73,149	54,504
Other programs	117,070	213,251	135,092	78,159
Support services:				
Pupil Support	5,000	5,500	5,186	314
Instructional staff	24,500	87,562	22,076	65,486
General administration	169,004	148,155	147,731	424
School administration	11,700	14,475	24,534	(10,059)
Total expenditures	<u>3,786,254</u>	<u>4,117,032</u>	<u>2,985,016</u>	<u>1,132,016</u>
Excess (deficiency) of revenues over expenditures	13,509,904	11,098,649	12,775,032	1,676,383
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	-	-	-	-
Operating transfers out	(15,298,163)	(13,650,661)	(14,091,195)	440,534
Total other financing sources (uses)	<u>(15,298,163)</u>	<u>(13,650,661)</u>	<u>(14,091,195)</u>	<u>440,534</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u></b>	(1,788,259)	(2,552,012)	(1,316,163)	1,235,849
<b><u>FUND BALANCES</u></b>				
Beginning of year	3,896,463	3,574,295	3,574,295	-
End of year	<u>\$ 2,108,204</u>	<u>\$ 1,022,283</u>	<u>\$ 2,258,132</u>	<u>\$ 1,235,849</u>

SCHEDULE OF FUNDING PROGRESS  
 POSTEMPLOYMENT BENEFITS (OPEB)  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 2017

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2014	-	361,199,046	361,199,046	0%	89,911,823	402%
July 1, 2015	-	330,385,049	330,385,049	0%	97,401,259	339%
July 1, 2016	-	343,600,451	343,600,451	0%	90,213,092	339%

SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITIES  
Terrebonne Parish School Board  
Year ended June 30, 2017

Year Ended	Proportion of the net pension liability	Proportionate share of the net pension liability	Covered employee payroll	Share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
<u>Teachers' Retirement System of Louisiana:</u>					
June 30, 2015	1.619310%	\$ 166,375,110	\$ 72,914,095	228.18%	63.70%
June 30, 2016	1.713760%	\$ 184,268,550	\$ 76,987,172	239.35%	62.50%
June 30, 2017	1.768350%	\$ 207,551,358	\$ 83,581,607	248.32%	59.90%
<u>Louisiana School Employees' Retirement System:</u>					
June 30, 2015	2.343700%	\$ 13,617,019	\$ 6,569,367	207.28%	76.18%
June 30, 2016	2.376480%	\$ 15,069,870	\$ 6,666,544	226.05%	74.49%
June 30, 2017	2.558188%	\$ 19,297,621	\$ 7,268,557	265.49%	70.09%
<u>Louisiana State Employees' Pension System:</u>					
June 30, 2015	0.015980%	\$ 1,025,400	\$ 255,573	401.22%	65.00%
June 30, 2016	0.013340%	\$ 907,321	\$ 255,573	355.01%	62.70%
June 30, 2017	0.011280%	\$ 886,003	\$ 243,604	363.71%	57.70%

These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

SCHEDULES OF CONTRIBUTIONS  
TO PENSION PLANS  
Terrebonne Parish School Board  
Year ended June 30, 2017

Year Ended	Contractually required contribution	Contributions in relation to contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contribution as a percentage of covered employee payroll
<u>Teachers' Retirement System of Louisiana (TRSL):</u>					
June 30, 2015	\$ 21,560,667	\$ 21,560,667	\$ -	\$ 76,987,172	28.01%
June 30, 2016	\$ 21,925,329	\$ 21,925,329	\$ -	\$ 83,581,607	26.23%
June 30, 2017	\$ 20,829,888	\$ 20,829,888	\$ -	\$ 81,652,047	25.51%
<u>Louisiana School Employees' Retirement System (LSERS):</u>					
June 30, 2015	\$ 2,199,138	\$ 2,199,138	\$ -	\$ 6,666,544	32.99%
June 30, 2016	\$ 2,195,114	\$ 2,195,114	\$ -	\$ 7,268,557	30.20%
June 30, 2017	\$ 1,982,064	\$ 1,982,064	\$ -	\$ 7,260,315	27.30%
<u>Louisiana State Employees' Pension System (LASERS):</u>					
June 30, 2015	\$ 94,626	\$ 94,626	\$ -	\$ 255,573	37.03%
June 30, 2016	\$ 90,133	\$ 90,133	\$ -	\$ 243,604	37.00%
June 30, 2017	\$ 83,822	\$ 83,822	\$ -	\$ 230,903	36.30%

These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information

Changes in benefit terms:

TRSL - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age sixty-two with at least five years of service credit and are eligible for an actuarially reduced benefit with twenty years of service at any age. 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

LSERS - 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

LASERS - 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

Changes in benefit assumptions:

TRSL - No changes in benefit assumptions.

LSERS - Discount/valuation rate increased from 7.0% to 7.125%. Inflation rate decreased from 2.75% to 2.623%. Salary increases changed from a range of 3.2% - 5.5% to a range of 3.075% - 5.375%.

LASERS - No changes in benefit assumptions.

**SUPPLEMENTAL INFORMATION SECTION**

SUPPLEMENTAL INFORMATION  
NON-MAJOR GOVERNMENTAL FUNDS  
FUND DESCRIPTIONS  
Terrebonne Parish School Board  
June 30, 2017

FEDERAL FUNDS

NCLB – Title I Disadvantaged Schoolwide Fund

The No Child Left Behind (NCLB) Act of 2001 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 need of the individual school.

NCLB – 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.

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.

#### 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 cost, and the purchase of equipment and supplies.

#### NCLB - 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.

#### NCLB - 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.

#### NCLB – Title I School Improvement

The purpose of NCLB 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.

#### NCLB – 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.

#### NCLB 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.

#### NCLB 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

The 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.

#### 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 1/2 Cent Sales Tax was passed in 2014. The collections are accounted for in the 1/2 Cent Sales Tax Fund and are dedicated for employee Salaries & Benefits.

#### 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

The 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

The 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 2012 – Bank of New York Mellon

The 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

The 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.

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
June 30, 2017

	NCLB Title I Disadvantaged Schoolwide Fund	NCLB Title I Striving Readers	Federal Adult Education	Federal Vocational Education	NCLB Title VII Indian Education	Special Education PL 101-476	NCLB Title II	TANF Block Grant
<b>ASSETS</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-	-	-
Other receivables	-	-	1,355	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental units:								
State Department of Education	1,262,839	-	-	93,184	-	1,181,541	74,129	686,549
United States Department of Education	-	-	-	-	95,279	-	-	-
Other units	-	-	152,188	-	-	155	14,864	-
Inventory, at cost	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	1,214	-
<b>Total assets</b>	<b>\$ 1,262,839</b>	<b>\$ -</b>	<b>\$ 153,543</b>	<b>\$ 93,184</b>	<b>\$ 95,279</b>	<b>\$ 1,181,696</b>	<b>\$ 90,207</b>	<b>\$ 686,549</b>
<b>LIABILITIES</b>								
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,998	\$ -
Due to other funds	1,262,839	-	153,543	93,184	95,279	1,181,696	76,209	686,549
<b>Total liabilities</b>	<b>1,262,839</b>	<b>-</b>	<b>153,543</b>	<b>93,184</b>	<b>95,279</b>	<b>1,181,696</b>	<b>90,207</b>	<b>686,549</b>
<b>FUND BALANCE</b>								
Nonspendable:								
Inventory	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	1,214	-
Restricted for:								
Debt service	-	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Assigned to:								
Instructional programs	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Child nutrition	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(1,214)	-
<b>Total fund balances</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>\$ 1,262,839</b>	<b>\$ -</b>	<b>\$ 153,543</b>	<b>\$ 93,184</b>	<b>\$ 95,279</b>	<b>\$ 1,181,696</b>	<b>\$ 90,207</b>	<b>\$ 686,549</b>

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
June 30, 2017

	NCLB Title I School Improvement	NCLB Title III	NCLB Title X	Child Nutrition Fund	Child Care and Development Funds	NCLB Title I Migrant Education	Special Ed IDEA Pre-School	State Adult Education
<b>ASSETS</b>								
Cash	\$ -	\$ -	\$ -	\$ 1,798,611	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-	-	-
Other receivables	-	-	-	38	-	-	-	1,324
Due from other funds	-	-	-	-	-	-	-	-
Due from other governmental units:								
State Department of Education	50,030	17,289	15,324	-	9,092	-	35,869	-
United States Department of Education	-	-	-	-	-	-	-	-
Other units	-	-	-	-	-	38,996	-	74,060
Inventory, at cost	-	-	-	470,872	-	-	-	-
Prepaid expenses	790	-	-	15,682	-	-	-	-
<b>Total assets</b>	<b>\$ 50,820</b>	<b>\$ 17,289</b>	<b>\$ 15,324</b>	<b>\$ 2,285,203</b>	<b>\$ 9,092</b>	<b>\$ 38,996</b>	<b>\$ 35,869</b>	<b>\$ 75,384</b>
<b>LIABILITIES</b>								
Accounts payable and other liabilities	\$ 3,410	\$ -	\$ -	\$ 3,240	\$ -	\$ -	\$ -	\$ -
Due to other funds	47,410	17,289	15,324	329,088	9,092	38,996	35,869	75,384
<b>Total liabilities</b>	<b>50,820</b>	<b>17,289</b>	<b>15,324</b>	<b>332,328</b>	<b>9,092</b>	<b>38,996</b>	<b>35,869</b>	<b>75,384</b>
<b>FUND BALANCE</b>								
Nonspendable:								
Inventory	-	-	-	470,872	-	-	-	-
Prepaid expenses	-	-	-	15,682	-	-	-	-
Restricted for:								
Debt service	-	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Assigned to:								
Instructional programs	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Child nutrition	-	-	-	1,466,321	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,952,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 50,820</b>	<b>\$ 17,289</b>	<b>\$ 15,324</b>	<b>\$ 2,285,203</b>	<b>\$ 9,092</b>	<b>\$ 38,996</b>	<b>\$ 35,869</b>	<b>\$ 75,384</b>

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
June 30, 2017

	MFP Level 4 Funding	LA 4 Pre K Fund	8 (g) Preschool Block Grant	State Library Allotment	State Textbooks and Materials	Education Excellence	Early Childhood Network Pilot	1/2 Cent Sales Tax Fund
<b>ASSETS</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,737,214
Investments	-	-	-	-	-	-	-	-
Sales tax receivable	-	-	-	-	-	-	-	1,760,213
Other receivables	-	-	-	-	881	-	-	-
Due from other funds	335,368	-	-	92,478	1,715,441	19,277	-	-
Due from other governmental units:								
State Department of Education	-	514,606	79,438	-	18,887	-	8,615	-
United States Department of Education	-	-	-	-	-	-	-	-
Other units	-	-	-	-	-	-	-	-
Inventory, at cost	-	-	-	-	-	-	-	-
Prepaid expenses	2,181	-	-	-	630,238	-	-	-
<b>Total assets</b>	<b>\$ 337,549</b>	<b>\$ 514,606</b>	<b>\$ 79,438</b>	<b>\$ 92,478</b>	<b>\$ 2,365,447</b>	<b>\$ 19,277</b>	<b>\$ 8,615</b>	<b>\$ 6,497,427</b>
<b>LIABILITIES</b>								
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ 43	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	514,606	79,438	-	-	142	8,615	3,345,469
<b>Total liabilities</b>	<b>-</b>	<b>514,606</b>	<b>79,438</b>	<b>43</b>	<b>-</b>	<b>142</b>	<b>8,615</b>	<b>3,345,469</b>
<b>FUND BALANCE</b>								
Nonspendable:								
Inventory	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-
Restricted for:								
Debt service	-	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-	3,151,958
Capital projects	-	-	-	-	-	-	-	-
Assigned to:								
Instructional programs	337,549	-	-	92,435	2,365,447	19,135	-	-
Capital projects	-	-	-	-	-	-	-	-
Child nutrition	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>337,549</b>	<b>-</b>	<b>-</b>	<b>92,435</b>	<b>2,365,447</b>	<b>19,135</b>	<b>-</b>	<b>3,151,958</b>
<b>Total liabilities and fund balances</b>	<b>\$ 337,549</b>	<b>\$ 514,606</b>	<b>\$ 79,438</b>	<b>\$ 92,478</b>	<b>\$ 2,365,447</b>	<b>\$ 19,277</b>	<b>\$ 8,615</b>	<b>\$ 6,497,427</b>

COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
June 30, 2017

	Childcare Program	Sinking Fund QSCB 2009	Sinking Fund QSCB 2011	Sinking Fund QSCB 2012	Sinking Fund QSCB 2016	Total
<b>ASSETS</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ 26	\$ 6,535,851
Investments	-	4,743,609	4,278,427	525,134	-	9,547,170
Sales tax receivable	-	-	-	-	-	1,760,213
Other receivables	95,009	-	-	-	-	98,607
Due from other funds	-	-	-	-	-	2,162,564
Due from other governmental units:						
State Department of Education	-	-	-	-	-	4,047,392
United States Department of Education	-	-	-	-	-	95,279
Other units	-	-	-	-	-	280,263
Inventory, at cost	-	-	-	-	-	470,872
Prepaid expenses	-	-	-	-	-	650,105
<b>Total assets</b>	<b>\$ 95,009</b>	<b>\$ 4,743,609</b>	<b>\$ 4,278,427</b>	<b>\$ 525,134</b>	<b>\$ 26</b>	<b>\$ 25,648,316</b>
<b>LIABILITIES</b>						
Accounts payable and other liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,691
Due to other funds	95,009	-	-	-	-	8,161,030
<b>Total liabilities</b>	<b>95,009</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,181,721</b>
<b>FUND BALANCE</b>						
Nonspendable:						
Inventory	-	-	-	-	-	470,872
Prepaid expenses	-	-	-	-	-	16,896
Restricted for:						
Debt service	-	4,743,609	4,278,427	525,134	26	9,547,196
Compensation	-	-	-	-	-	3,151,958
Capital projects	-	-	-	-	-	-
Assigned to:						
Instructional programs	-	-	-	-	-	2,814,566
Capital projects	-	-	-	-	-	-
Child nutrition	-	-	-	-	-	1,466,321
Unassigned	-	-	-	-	-	(1,214)
<b>Total fund balances</b>	<b>-</b>	<b>4,743,609</b>	<b>4,278,427</b>	<b>525,134</b>	<b>26</b>	<b>17,466,595</b>
<b>Total liabilities and fund balances</b>	<b>\$ 95,009</b>	<b>\$ 4,743,609</b>	<b>\$ 4,278,427</b>	<b>\$ 525,134</b>	<b>\$ 26</b>	<b>\$ 25,648,316</b>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	NCLB Title I Disadvantaged Schoolwide Fund	NCLB Title I Striving Readers	Federal Adult Education	Federal Vocational Education	NCLB Title VII Indian Education	Special Education PL 101-476	NCLB Title II	TANF Block Grant
<b>REVENUES</b>								
Local sources:								
Interest earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Other	-	-	1,355	-	-	-	-	-
Equalization	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	5,315,562	284,459	493,254	233,848	404,478	4,488,285	1,403,197	2,313,263
<b>Total revenues</b>	<b>5,315,562</b>	<b>284,459</b>	<b>494,609</b>	<b>233,848</b>	<b>404,478</b>	<b>4,488,285</b>	<b>1,403,197</b>	<b>2,313,263</b>
<b>EXPENDITURES</b>								
Instruction:								
Regular education	-	-	-	-	-	83,144	610,113	-
Special education	-	-	-	-	-	360,749	104,554	-
Adult education	-	-	465,417	-	-	-	-	-
Career and technical education	-	-	-	149,305	-	-	21,219	-
Other instructional programs	2,909,783	149,233	-	30,475	251,256	-	83,013	1,557,016
Support services:								
Pupil support	135,441	-	-	9,176	-	1,991,797	47,721	-
Instructional staff	1,816,571	112,566	6,468	44,827	116,712	1,294,155	372,560	57,628
General administration	1,385	-	115	65	113	1,225	210	-
School administration	-	-	-	-	-	3,409	48,681	-
Business services	-	-	-	-	-	-	-	-
Plant services	-	-	-	-	496	40	-	-
Food services	-	-	-	-	-	-	-	-
Student transportation	1,949	-	-	-	1,626	399,805	-	502,596
Central services	-	-	-	-	-	360	-	-
Debt Service:								
Principal Retirement	-	-	-	-	-	-	-	-
Interest and bank charges	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>4,865,129</b>	<b>281,799</b>	<b>472,000</b>	<b>233,848</b>	<b>370,203</b>	<b>4,134,684</b>	<b>1,288,071</b>	<b>2,117,240</b>
Excess (deficiency) of revenues over expenditures	450,433	22,660	22,609	-	34,275	353,601	115,126	196,023
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	-	-	272	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Indirect costs received (paid)	(450,433)	(22,660)	(22,609)	-	(34,275)	(353,601)	(115,126)	(196,023)
<b>Total other financing sources (uses)</b>	<b>(450,433)</b>	<b>(22,660)</b>	<b>(22,609)</b>	<b>-</b>	<b>(34,275)</b>	<b>(353,601)</b>	<b>(115,126)</b>	<b>(196,023)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>								
	-	-	-	-	-	-	-	-
<b>FUND BALANCES</b>								
Beginning of year	-	-	-	-	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	NCLB Title I School Improvement	NCLB Title III	NCLB Title X	Child Nutrition Fund	Child Care and Development Fund	NCLB Title I Migrant Education	Special Ed IDEA Pre-School	State Adult Education
<b>REVENUES</b>								
Local sources:								
Interest earned	\$ -	\$ -	\$ -	\$ 3,126	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	627,727	-	-	-	-
Sales taxes	-	-	-	-	-	-	-	-
Other	-	-	440	1,368	-	-	-	5,689
Equalization	-	-	-	145,314	-	-	-	-
State sources	-	-	-	-	-	-	-	205,461
Federal sources	103,208	84,002	105,300	8,852,811	31,725	211,239	150,479	-
<b>Total revenues</b>	<b>103,208</b>	<b>84,002</b>	<b>105,740</b>	<b>9,630,346</b>	<b>31,725</b>	<b>211,239</b>	<b>150,479</b>	<b>211,150</b>
<b>EXPENDITURES</b>								
Instruction:								
Regular education	-	-	-	-	-	-	-	-
Special education	-	-	-	-	-	-	11,356	-
Adult education	-	-	-	-	-	-	-	156,635
Career and technical education	-	-	-	-	-	-	-	-
Other instructional programs	36,020	81,439	65,874	-	4,936	73,607	-	-
Support services:								
Pupil support	-	-	29,272	-	-	118,411	115,229	-
Instructional staff	52,128	806	1,671	-	26,684	1,321	11,800	54,515
General administration	-	-	-	-	105	-	-	-
School administration	8,214	-	-	-	-	-	-	-
Business services	-	-	-	-	-	-	-	-
Plant services	-	-	-	-	-	-	-	-
Food services	-	-	-	9,088,192	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-
Central services	-	-	-	-	-	-	-	-
Debt Service:								
Principal Retirement	-	-	-	-	-	-	-	-
Interest and bank charges	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>96,362</b>	<b>82,245</b>	<b>96,817</b>	<b>9,088,192</b>	<b>31,725</b>	<b>193,339</b>	<b>138,385</b>	<b>211,150</b>
Excess (deficiency) of revenues over expenditures	6,846	1,757	8,923	542,154	-	17,900	12,094	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	398,105	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Indirect costs received (paid)	(6,846)	(1,757)	(8,923)	-	-	(17,900)	(12,094)	-
<b>Total other financing sources (uses)</b>	<b>(6,846)</b>	<b>(1,757)</b>	<b>(8,923)</b>	<b>398,105</b>	<b>-</b>	<b>(17,900)</b>	<b>(12,094)</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>								
	-	-	-	940,259	-	-	-	-
<b>FUND BALANCES</b>								
Beginning of year	-	-	-	1,012,616	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ 1,952,875	\$ -	\$ -	\$ -	\$ -

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	MFP Level 4 Funding	LA 4 PreK Fund	8(g) Preschool Block Grant	State Library Allotment	State Textbooks & Materials	Education Excellence	Early Childhood Network Pilot	1/2 Cent Sales Tax Fund
<b>REVENUES</b>								
Local sources:								
Interest earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,660
Charges for services	-	-	-	-	-	-	-	-
Sales Tax	-	-	-	-	-	-	-	10,193,875
Other	-	-	-	-	1,125	-	-	-
Equalization	673,892	-	-	-	-	-	-	-
State sources	-	1,862,937	204,930	-	96,804	314,000	31,020	-
Federal sources	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>673,892</b>	<b>1,862,937</b>	<b>204,930</b>	<b>-</b>	<b>97,929</b>	<b>314,000</b>	<b>31,020</b>	<b>10,211,535</b>
<b>EXPENDITURES</b>								
Instruction:								
Regular education	167,779	-	-	-	903,193	332,537	-	4,032,648
Special education	244,865	-	-	-	-	-	-	1,129,967
Adult education	-	-	-	-	-	-	-	25,149
Career and technical education	142,132	-	-	-	-	-	-	199,668
Other instructional programs	-	1,861,312	204,930	-	-	-	-	778,739
Support services:								
Pupil support	403	-	-	-	-	-	-	626,598
Instructional staff	16,319	1,520	-	84,408	-	-	31,020	507,774
General administration	-	105	-	-	-	-	-	111,035
School administration	-	-	-	-	-	-	-	465,215
Business services	-	-	-	-	-	-	-	84,154
Plant services	-	-	-	-	-	-	-	359,005
Food services	-	-	-	-	-	-	-	386,758
Student transportation	2,134	-	-	-	-	-	-	463,183
Central services	-	-	-	-	-	-	-	69,971
Debt Service:								
Principal Retirement	-	-	-	-	-	-	-	-
Interest and bank charges	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>573,632</b>	<b>1,862,937</b>	<b>204,930</b>	<b>84,408</b>	<b>903,193</b>	<b>332,537</b>	<b>31,020</b>	<b>9,239,864</b>
Excess (deficiency) of revenues over expenditures	100,260	-	-	(84,408)	(805,264)	(18,537)	-	971,671
<b>OTHER FINANCING SOURCES (USES)</b>								
Operating transfers in	-	-	-	87,040	1,500,000	-	-	-
Operating transfers out	-	-	-	-	-	-	-	(2,000,000)
Indirect costs received (paid)	-	-	-	-	(5,410)	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,040</b>	<b>1,494,590</b>	<b>-</b>	<b>-</b>	<b>(2,000,000)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>								
	100,260	-	-	2,632	689,326	(18,537)	-	(1,028,329)
<b>FUND BALANCES</b>								
Beginning of year	237,289	-	-	89,803	1,676,121	37,672	-	4,180,287
<b>End of year</b>	<b>\$ 337,549</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 92,435</b>	<b>\$ 2,365,447</b>	<b>\$ 19,135</b>	<b>\$ -</b>	<b>\$ 3,151,958</b>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	Childcare Program	Sinking Fund QSCB 2009	Sinking Fund QSCB 2011	Sinking Fund QSCB 2012	Sinking Fund QSCB 2016	Total
<b>REVENUES</b>						
Local sources:						
Interest earned	\$ -	\$ 98,086	\$ 73,926	\$ 8,435	\$ 26	\$ 201,259
Charges for services	-	-	-	-	-	627,727
Sales taxes	-	-	-	-	-	10,193,875
Other	678,779	-	-	-	-	688,756
Equalization	-	-	-	-	-	819,206
State sources	-	-	-	-	-	2,715,152
Federal sources	-	-	-	-	-	24,475,110
<b>Total revenues</b>	<b>678,779</b>	<b>98,086</b>	<b>73,926</b>	<b>8,435</b>	<b>26</b>	<b>39,721,085</b>
<b>EXPENDITURES</b>						
Instruction:						
Regular education	25,331	-	-	-	-	6,154,745
Special education	-	-	-	-	-	1,851,491
Adult education	-	-	-	-	-	647,201
Career and technical education	-	-	-	-	-	512,324
Other instructional programs	513,222	-	-	-	-	8,600,855
Support services:						
Pupil support	-	-	-	-	-	3,074,048
Instructional staff	19,208	-	-	-	-	4,630,661
General administration	-	-	-	-	-	114,358
School administration	100,778	-	-	-	-	626,297
Business services	-	-	-	-	-	84,154
Plant services	17,978	-	-	-	-	377,519
Food services	2,262	-	-	-	-	9,477,212
Student transportation	-	-	-	-	-	1,371,293
Central services	-	-	-	-	-	70,331
Debt Service:						
Principal Retirement	-	-	-	-	220,000	220,000
Interest and bank charges	-	-	-	-	545,276	545,276
<b>Total expenditures</b>	<b>678,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>765,276</b>	<b>38,357,765</b>
Excess (deficiency) of revenues over expenditures	-	98,086	73,926	8,435	(765,250)	1,363,320
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	572,373	629,899	87,392	765,276	4,040,357
Operating transfers out	-	-	-	-	-	(2,000,000)
Indirect costs received (paid)	-	-	-	-	-	(1,247,929)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>572,373</b>	<b>629,899</b>	<b>87,392</b>	<b>765,276</b>	<b>792,428</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>						
	-	670,459	703,825	95,827	26	2,155,748
<b>FUND BALANCES</b>						
Beginning of year	-	4,073,150	3,574,602	429,307	-	15,310,847
End of year	\$ -	\$ 4,743,609	\$ 4,278,427	\$ 525,134	\$ 26	\$ 17,466,595

SUPPLEMENTAL INFORMATION  
PROPRIETARY FUND TYPE  
INTERNAL SERVICE FUNDS

Terrebonne Parish School Board

June 30, 2017

Loss Fund

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

Workers' Compensation Fund

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

Group Insurance Claims Fund

The Group Insurance Claims Fund was created pursuant to Board direction to monitor operating results of a partially self-insured group health and dental insurance program for both active and retired personnel. 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.

COMBINING STATEMENT OF NET POSITION  
 PROPRIETARY FUND TYPE  
 INTERNAL SERVICE FUNDS  
 Terrebonne Parish School Board  
 June 30, 2017

	Loss Fund	Workers Compensation	Group Insurance Claims Fund	Total
<b><u>ASSETS</u></b>				
Cash	\$ 37,809	\$ 2,429,007	\$ 11,698,348	\$ 14,165,164
Cash with fiscal agents	42,418	45,000	-	87,418
Investments	-	-	6,893,497	6,893,497
Other receivables	-	8,975	-	8,975
Due from other funds	3,060,959	156,355	-	3,217,314
Prepaid Expenses	159,807	-	-	159,807
<b>Total assets</b>	<b>3,300,993</b>	<b>2,639,337</b>	<b>18,591,845</b>	<b>24,532,175</b>
<b><u>LIABILITIES</u></b>				
Accounts payable-claims	-	-	13,139	13,139
Accrued employee benefits - estimated liability for outstanding claims	-	726,293	8,287,164	9,013,457
Due to other funds	-	-	276,101	276,101
<b>Total liabilities</b>	<b>-</b>	<b>726,293</b>	<b>8,576,404</b>	<b>9,302,697</b>
<b><u>NET POSITION</u></b>				
Restricted for: Future claims	3,300,993	1,913,044	10,015,441	15,229,478
<b>Total net position</b>	<b>\$ 3,300,993</b>	<b>\$ 1,913,044</b>	<b>\$ 10,015,441</b>	<b>\$ 15,229,478</b>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND TYPE  
INTERNAL SERVICE FUNDS  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	Loss Fund	Workers Compensation	Group Insurance Claims Fund	Total
<b><u>OPERATING REVENUES</u></b>				
Insurance premium billings	\$ -	\$ 752,825	\$ 41,925,095	\$ 42,677,920
Recoveries and rebates	34,686	-	1,327,092	1,361,778
Other revenues	-	-	746,656	746,656
<b>Total operating revenues</b>	<b>34,686</b>	<b>752,825</b>	<b>43,998,843</b>	<b>44,786,354</b>
<b><u>OPERATING EXPENSES</u></b>				
Claims expense	1,364,117	672,560	43,074,846	45,111,523
General administration	-	-	21,138	21,138
Reinsurance and administration fees	24,000	153,588	3,422,106	3,599,694
<b>Total operating expenses</b>	<b>1,388,117</b>	<b>826,148</b>	<b>46,518,090</b>	<b>48,732,355</b>
<b>Operating income (loss)</b>	<b>(1,353,431)</b>	<b>(73,323)</b>	<b>(2,519,247)</b>	<b>(3,946,001)</b>
<b><u>NON-OPERATING REVENUES</u></b>				
Interest earned	3,341	96,585	65,144	165,070
Operating transfers in	1,465,326	-	-	1,465,326
Operating transfers out	-	-	-	-
<b>Total non-operating revenue</b>	<b>1,468,667</b>	<b>96,585</b>	<b>65,144</b>	<b>1,630,396</b>
<b>Change in net position</b>	<b>115,236</b>	<b>23,262</b>	<b>(2,454,103)</b>	<b>(2,315,605)</b>
<b><u>NET POSITION</u></b>				
Beginning	3,185,757	1,889,782	12,469,544	17,545,083
Ending	<b>\$ 3,300,993</b>	<b>\$ 1,913,044</b>	<b>\$ 10,015,441</b>	<b>\$ 15,229,478</b>

COMBINING STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 2017

	Loss Fund	Workers Compensation Fund	Group Insurance Claims Fund	Total
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Received from assessments made to other funds	\$ -	\$ 869,987	\$ 41,943,552	\$ 42,813,539
Received from insurance companies and others	36,404	167,589	2,089,744	2,293,737
Payments for claims	(1,383,523)	(524,973)	(43,482,348)	(45,390,844)
Payments for reinsurance and administrative fees	(183,807)	(153,588)	(3,443,244)	(3,780,639)
Cash provided (used) by operating activities	<u>(1,530,926)</u>	<u>359,015</u>	<u>(2,892,296)</u>	<u>(4,064,207)</u>
<b><u>CASH FLOWS FROM NON-OPERATING ACTIVITIES</u></b>				
Operating transfers from other funds	7,098	-	-	7,098
Cash provided (used) by non-operating activities	<u>7,098</u>	<u>-</u>	<u>-</u>	<u>7,098</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Purchase of investments	-	-	(2,646,516)	(2,646,516)
Proceeds from sale of investments	-	-	2,559,920	2,559,920
Interest on investments	3,341	96,585	65,144	165,070
Cash provided (used) by investing activities	<u>3,341</u>	<u>96,585</u>	<u>(21,452)</u>	<u>78,474</u>
<b><u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>	<b>(1,520,487)</b>	<b>455,600</b>	<b>(2,913,748)</b>	<b>(3,978,635)</b>
<b><u>CASH AND CASH EQUIVALENTS AT</u></b>				
Beginning of year	1,600,714	2,018,407	14,727,165	18,346,286
End of year	<u>\$ 80,227</u>	<u>\$ 2,474,007</u>	<u>\$ 11,813,417</u>	<u>\$ 14,367,651</u>
<b><u>CASH AND CASH EQUIVALENTS AT END OF THE YEAR CONSISTED OF:</u></b>				
Cash	\$ 37,809	\$ 2,429,007	\$ 11,698,348	\$ 14,165,164
Cash with fiscal agent	42,418	45,000	-	87,418
Cash equivalents included in investments	-	-	115,069	115,069
	<u>\$ 80,227</u>	<u>\$ 2,474,007</u>	<u>\$ 11,813,417</u>	<u>\$ 14,367,651</u>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>				
Operating Income (loss)	\$ (1,353,431)	\$ (73,323)	\$ (2,519,247)	\$ (3,946,001)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Receivables and other assets	(158,089)	298,908	34,453	175,272
Accounts payable and other liabilities	(19,406)	133,430	(407,502)	(293,478)
Net cash provided (used) by operating activities	<u>\$ (1,530,926)</u>	<u>\$ 359,015</u>	<u>\$ (2,892,296)</u>	<u>\$ (4,064,207)</u>

SUPPLEMENTAL INFORMATION  
FIDUCIARY FUND TYPE  
FUND DESCRIPTIONS

Terrebonne Parish School Board

June 30, 2017

IRC Section 125 Employee Benefits Fund

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

School Activity Accounts

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

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

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

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

COMBINING STATEMENT OF CHANGES IN ASSET BALANCES  
 FIDUCIARY FUND TYPE  
 AGENCY - SCHOOL ACTIVITY ACCOUNTS  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 2017

Schools	Balance 6/30/2016	Additions	Deletions	Balance 6/30/2017
Acadian	\$ 158,427	\$ 148,355	\$ 137,998	\$ 168,784
Bayou Black	14,465	31,477	37,698	8,244
Bayou Cane - Adult Education	34,030	10,223	9,409	34,844
Bourg	79,568	179,547	158,381	100,734
H.L. Bourgeois	177,674	715,109	645,308	247,475
Broadmoor	120,497	170,956	182,246	109,207
Caldwell	72,383	61,785	64,200	69,968
Coteau Bayou Blue	47,198	160,917	155,185	52,930
Dularge Elementary	69,755	69,229	66,859	72,125
East Houma	35,124	41,263	43,154	33,233
East Street	522	119	313	328
Ellender Memorial High	107,985	467,342	473,882	101,445
Elysian Fields	18,575	64,565	74,824	8,316
Evergreen Jr. High	149,487	208,600	202,351	155,736
Gibson	13,197	27,822	24,664	16,355
Grand Caillou Elementary	20,237	97,830	85,386	32,681
Grand Caillou Middle	8,086	50,957	55,270	3,773
Honduras	18,375	33,148	29,674	21,849
Houma Jr. High	88,007	281,884	265,113	104,778
Lacache	33,470	113,830	122,101	25,199
Legion Park	17,646	30,339	31,035	16,950
Lisa Park	85,321	206,639	212,776	79,184
Montegut Elementary	31,703	66,486	74,544	23,645
Montegut Middle	41,221	177,495	174,949	43,767
Mulberry	280,616	487,543	548,494	219,665
Oaklawn Jr. High	63,353	114,589	127,123	50,819
Oakshire	63,514	157,114	174,893	45,735
Pointe-Aux-Chenes	29,069	35,373	43,194	21,248
School for Exceptional Children	9,710	8,783	12,760	5,733
Schriever	57,641	73,468	72,246	58,863
Southdown	12,831	35,680	41,136	7,375
South Terrebonne High	275,126	579,453	587,455	267,124
Terrebonne High	88,341	508,086	552,231	44,196
Upper Little Caillou	82,967	173,231	168,322	87,876
Village East	4,464	31,298	32,499	3,263
Vocational Technical High	12,088	60,647	52,750	19,985
<b>Total</b>	<b>\$ 2,422,673</b>	<b>\$ 5,681,182</b>	<b>\$ 5,740,423</b>	<b>\$ 2,363,432</b>

SCHEDULE OF  
COMPENSATION PAID TO BOARD MEMBERS  
Terrebonne Parish School Board  
For the Year Ended June 30, 2017

	Amount
Debi Benoit	\$ 9,600
L.P. Bordelon III	9,600
Roger Dale Dehart	10,800
Donald Duplantis	9,600
Gregory Harding	9,600
Richard Jackson	9,600
Roosevelt Thomas	9,600
Brenda Leroux Babin	9,600
Vicki Bonvillain	9,600
	<u>\$ 87,600</u>

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

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
Terrebonne Parish School Board  
Year ended June 30, 2017

**Agency Head Name:**

Mr. Philip Martin, Superintendent

Purpose	Amount
Salary	\$ 188,957
Benefits-insurance	-
Benefits-retirement	49,842
Benefits-other (Medicare)	2,831
Car Allowance	6,500
Vehicle provided by agency	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	1,685
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

OTHER REQUIRED REPORTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Terrebonne Parish School Board  
 For the year ended June 30, 2017

Federal Granting Agency/Recipient State Agency/Grant Program	PASS-THROUGH ENTITY IDENTIFYING NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
<b><u>U.S. Department of Agriculture</u></b>				
<b><u>Pass through payments from State Department of Education</u></b>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
USDA Commodities	FY 17	10.555	\$ 751,119	\$ 751,119
National School Lunch Equipment Assistance Grant	FY 17	10.159	10,000	10,000
Cash Assistance:				
School Breakfast Program	05-SFS-110	10.553	1,979,208	1,979,208
School Lunch Program	05-SFS-110	10.555	6,112,484	6,112,484
Total Nutrition Cluster			<u>8,091,692</u>	<u>8,091,692</u>
Total - Department of Agriculture			<u>8,852,811</u>	<u>8,852,811</u>
<b><u>Department of Education</u></b>				
<b><u>Pass through payments from La. Community and Technical College System</u></b>				
Adult Education - Federal Funds / State Grant Program	V002A160018	84.002A	334,921	334,921
Adult Education - Federal Funds / State Grant Program - Prior	V002A150018	84.002A	45,989	45,989
Adult Education - Federal Funds / State Grant Program - Carry Over	V002A150018	84.002A	20,151	20,151
Adult Education - Federal English Language/Civics Education	V002A160018	84.002A	46,356	46,356
Adult Education - Federal English Language/Civics Education - Prior Year	V002A150018	84.002A	9,510	9,510
Adult Education - Federal English Language/Civics Education - Carry Over	V002A150018	84.002A	4,087	4,087
Adult Education - Federal Adult and Family Literacy	V002A160018	84.002A	14,892	14,892
Adult Education - Federal Leadership Funds	V002A160018	84.002A	3,527	3,527
Adult Education - Federal Leadership Funds - Carry Over	V002A150018	84.002A	5,878	5,878
Adult Education - Federal Leadership Funds - Carry Over	V002A140018	84.002A	7,943	7,943
Total - La Community & Technical College System			<u>493,254</u>	<u>493,254</u>
<b><u>Pass through payments from State Dept. of Education</u></b>				
NCLB Title I - Terrebonne Educational Enrichment - Current	S010A160018	84.010A	5,315,562	5,315,562
NCLB Title I - Migrant Education - Current	S011A160018	84.011A	211,239	211,239

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board

For the year ended June 30, 2017

Federal Granting Agency/Recipient <u>State Agency/Grant Program</u>	PASS-THROUGH ENTITY IDENTIFYING NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
NCLB Title I - Striving Readers Comprehensive Literacy Program-Prior	S371C110045	84.371C	284,459	284,459
NCLB Title I - School Improvement 1003a	S010A160018	84.010A	103,208	103,208
NCLB Title II, Part A, Teacher and Principal Training & Recruiting Fund - Current	S367A160017	84.367A	1,358,601	1,358,601
NCLB Title II, Part B, Mathematics and Science Partnership	S366B150019	84.366B	44,596	44,596
NCLB Title III - English Language Acquisition Grants - Current	S365A160018	84.365A	82,214	82,214
NCLB Title III - Immigrant Set Aside - Current	S365A150018	84.365A	572	572
NCLB Title III - Immigrant Youth	S365B150018	84.365B	1,216	1,216
NCLB Title VII Indian Education -Grants to Local Educational Agencies	S060A1606646	84.060A	404,478	404,478
NCLB Title X - Homeless Grant	1S196A160019	84.196A	105,300	105,300
Vocational Education:				
Carl Perkins Grant - FY 15-16 Reallocation	V0488A140018	84.048A	7,241	7,241
Career and Technical Education - Basic Grants to States	V0488A150018	84.048A	226,607	226,607
Special Education Cluster				
Special Education - Grants to States	H027A160033	84.027A	4,181,255	4,181,255
Special Education - Grants to States High Cost Services	H027A16003316A	84.027A	244,907	244,907
Special Education - Grants to States Believe and Prepare Cohort 3	H027A150033	84.027A	58,874	58,874
Special Education - Grants to States Believe and Prepare Transition Support	H027A160033	84.027A	3,000	3,000
Special Education - Grants to States Positive Behavior Interventions and Support	28-16-PA-47	84.027A	249	249
Special Education - Preschool Grants	H173A150082	84.173A	7,755	7,755
Special Education - Preschool Grants	H173A160082	84.173A	142,724	142,724
Office of Special Education and Rehabilitative Services				
Special Education - Rehabilitative Services	FY17	84.126A	94,860	94,860
Total United States Department of Education			<u>13,372,171</u>	<u>13,372,171</u>
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>				
<b><u>Pass through payments from State Department of Education</u></b>				
TANF Cluster				
Temporary Assistance for Needy Families (TANF) The Cecil J. Picard LA4 Early Childhood Program	G-61102LATANF	93.558B	2,213,263	2,213,263
Temporary Assistance for Needy Families (TANF)				

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Terrebonne Parish School Board  
 For the year ended June 30, 2017

Federal Granting Agency/Recipient <u>State Agency/Grant Program</u>	PASS-THROUGH ENTITY IDENTIFYING NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
Jobs for America's Graduates - LA	G-1005LATANF	93.558	5,140	5,140
CCDF Cluster Early Childhood Lead Agencies	28-16-CO-55	93.575	31,725	31,725
Total United States Department of Health and Human Services			2,250,128	2,250,128
Total program expenditures			\$ 24,475,110	\$ 24,475,110

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Terrebonne Parish School Board (TPSB) under programs of federal government for the year ended June 30, 2017. 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 TPSB, it is not intended to and does not present the financial position, changes in net position, or cash flows of TPSB.

**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**

TPSB 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  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2017

A. SUMMARY OF AUDIT 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:

NCLB – Title II	84.367
Child Nutrition Cluster	
School Breakfast Program	10.553
School Lunch Program	10.555
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Terrebonne Parish School Board was not determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT  
None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS  
AUDIT  
None

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# Lanoux & Felger

— CERTIFIED PUBLIC ACCOUNTANTS —  
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA  
MARK S. FELGER, CPA

INDEPENDENT AUDITORS' 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 as of and for the year ended June 30, 2017, 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, 2017.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Terrebonne Parish 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 Terrebonne Parish School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Terrebonne Parish 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.

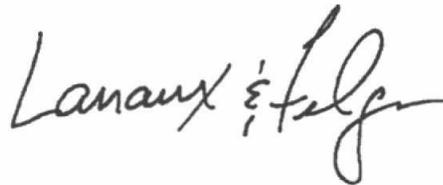
***Compliance and Other Matters***

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*.

***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.

Houma, Louisiana  
December 27, 2017

A handwritten signature in cursive script, reading "Lanoux & Felger". The signature is written in black ink and is positioned to the right of the date and location text.

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A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA  
MARK S. FELGER, CPA

INDEPENDENT AUDITORS' 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 Terrebonne Parish School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Terrebonne Parish School Board's major federal programs for the year ended June 30, 2017. The Terrebonne Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***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 Terrebonne Parish 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 Terrebonne Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion 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, 2017.

**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 Terrebonne Parish 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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Houma, Louisiana  
December 27, 2017



TERREBONNE PARISH SCHOOL BOARD  
SCHEDULE OF PRIOR YEAR FINDINGS  
For the Year Ended June 30, 2017

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

There were none.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

There were none.

**SECTION III MANAGEMENT LETTER**

There were none.

**TERREBONNE PARISH SCHOOL BOARD  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
For the Year Ended June 30, 2017**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENT**

No findings were reported which required a response from management.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

No findings were reported which required a response from management.

**SECTION III MANAGEMENT LETTER**

No management letter was issued for the year ended June 30, 2017.

**SCHOOL BOARD PERFORMANCE MEASURES**

TERREBONNE PARISH SCHOOL BOARD  
Houma, Louisiana

General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2017

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$ 54,248,918	
Other Instructional Staff Salaries	4,621,488	
Instructional Staff Employee Benefits	33,954,391	
Purchased Professional and Technical Services	68,551	
Instructional Materials and Supplies	2,220,952	
Instructional Equipment	31,274	
Total Teacher and Student Interaction Activities		\$ 95,145,574

Other Instructional Activities 2,171,504

Pupil Support Activities 8,646,318  
Less Equipment for Pupil Support Activities -  
Net Pupil Support Activities 8,646,318

Instructional Staff Services 6,525,977  
Less Equipment for Instructional Staff Services -  
Net Instructional Staff Services 6,525,977

School Administration 10,032,784  
Less Equipment for School Administration -  
Net School Administration 10,032,784

Total General Fund Instructional Expenditures: \$ 122,522,157

Total General Fund Equipment Expenditures \$ -

CERTAIN LOCAL REVENUE SOURCES

Local Taxation Sources:

Constitutional Ad Valorem Tax	\$ 3,547,994
Renewable Ad Valorem Tax	4,972,708
Up to 1% of Collections by the Sheriff on Taxes Other Than School Taxes	910,404
Sales and Use Taxes	53,790,406
Total Local Taxation Revenue	<u>\$ 63,221,512</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 254,825
Earnings from Other Real Property	1,126
Total Local Earnings on Investment in Real Property	<u>\$ 255,951</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 91,524
Revenue Sharing - Other Taxes	128,275
Total State Revenue in Lieu of Taxes	<u>\$ 219,799</u>

Non-public Textbook Revenue \$ 96,804

Non-public Transportation Revenue \$ -

TERREBONNE PARISH SCHOOL BOARD  
Houma, Louisiana

Educational Levels of Public School Staff  
As of October 1, 2016

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	12	1%	0	0%	0	0%	0	0%
Bachelor's Degree	711	74%	127	98%	0	0%	0	0%
Master's Degree	180	19%	3	2%	38	54%	0	0%
Master's Degree +30	59	6%	0	0%	29	41%	0	0%
Specialist in Education	2	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	1	0%	0	0%	3	4%	0	0%
<b>Total</b>	<b>965</b>	<b>100%</b>	<b>130</b>	<b>100%</b>	<b>70</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

TERREBONNE PARISH SCHOOL BOARD  
Houma, Louisiana

Number and Type of Public Schools  
For the Year Ended June 30, 2017

---

Type	Number
Elementary	22
Middle/Jr. High	6
Secondary	5
Combination	1
Total	34

TERREBONNE PARISH SCHOOL BOARD  
Houma, Louisiana

Experience of Public Principals and Full-time Classroom Teachers  
As of October 1, 2016

---

Type	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals			1	7	11	8	7	34
Principals			1	3	10	11	11	36
Classroom Teachers	143	124	240	130	197	117	144	1,095
Total	143	124	242	140	218	136	162	1,165

TERREBONNE PARISH SCHOOL BOARD  
Houma, Louisiana

Public School Staff Data  
For the Year Ended June 30, 2017

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	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teacher's Salary Including Extra Compensation	\$51,776	\$51,441
Average Classroom Teacher's Salary Excluding Extra Compensation	\$51,482	\$51,143
Number of Teacher Full-time Equivalent (FTEs) used in Computation of Average Salaries	1,194	1,141

TERREBONNE PARISH SCHOOL BOARD  
Houma, Louisiana

Class Size Characteristics  
As of October 1, 2016

Category	Class Size Range									
	1-20		21-26		27-33		34 or more		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary	1,637	41%	1,195	54%	119	21%	2	5%	2,953	43%
Elementary Activity Classes	308	8%	168	8%	15	3%	5	11%	496	7%
Middle/Jr. High	529	13%	316	14%	204	35%	7	16%	1,056	16%
Middle/Jr. High Activity Classes	146	4%	42	2%	39	7%	21	48%	248	4%
High	1,043	26%	442	20%	186	32%	3	7%	1,674	25%
High Activity Classes	231	6%	37	2%	16	3%	6	14%	290	4%
Combination	62	2%	0	0%	0	0%	0	0%	62	1%
Combination Activity Classes	12	0%	0	0%	0	0%	0	0%	12	0%
Total	3,968	100%	2,200	100%	579	100%	44	100%	6,791	100%

TERREBONNE PARISH SCHOOL BOARD  
Houma, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century  
Year Ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 3</b>						
Advanced	5%	2%	2%	8%	9%	7%
Mastery	45%	37%	36%	41%	39%	33%
Basic	23%	26%	28%	23%	25%	29%
Approaching Basic	15%	19%	19%	16%	16%	19%
Unsatisfactory	12%	16%	15%	12%	11%	12%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 4</b>						
Advanced	10%	7%	2%	5%	5%	1%
Mastery	41%	35%	37%	39%	35%	29%
Basic	26%	32%	34%	30%	30%	37%
Approaching Basic	15%	18%	19%	19%	24%	24%
Unsatisfactory	8%	8%	8%	7%	6%	9%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 5</b>						
Advanced	5%	2%	1%	4%	5%	3%
Mastery	41%	34%	33%	29%	25%	25%
Basic	29%	32%	33%	33%	30%	30%
Approaching Basic	18%	21%	24%	23%	28%	33%
Unsatisfactory	7%	11%	9%	11%	12%	9%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 6</b>						
Advanced	7%	6%	2%	4%	5%	3%
Mastery	38%	36%	41%	29%	28%	27%
Basic	28%	35%	38%	30%	32%	37%
Approaching Basic	20%	18%	13%	27%	27%	27%
Unsatisfactory	7%	5%	6%	10%	8%	6%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 7</b>						
Advanced	13%	12%	3%	2%	3%	2%
Mastery	31%	33%	29%	25%	24%	20%
Basic	27%	30%	35%	39%	41%	40%
Approaching Basic	18%	17%	22%	26%	27%	27%
Unsatisfactory	11%	8%	11%	8%	5%	11%
Total	100%	100%	100%	100%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
Students	Percent	Percent	Percent	Percent	Percent	Percent
<b>Grade 8</b>						
Advanced	11%	7%	3%	2%	1%	3%
Mastery	41%	43%	36%	25%	25%	25%
Basic	27%	30%	31%	28%	28%	24%
Approaching Basic	12%	14%	18%	29%	30%	27%
Unsatisfactory	9%	6%	12%	16%	16%	21%
Total	100%	100%	100%	100%	100%	100%

TERREBONNE PARISH SCHOOL BOARD  
Houma, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century  
Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
<b>Grade 3</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	8%	6%	4%	9%	N/A	1%
Mastery	23%	21%	19%	25%	N/A	16%
Basic	44%	46%	48%	24%	N/A	53%
Approaching Basic	19%	18%	21%	25%	N/A	19%
Unsatisfactory	8%	9%	8%	17%	N/A	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
<b>Grade 4</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5%	5%	4%	4%	N/A	2%
Mastery	20%	19%	18%	26%	N/A	15%
Basic	49%	52%	47%	29%	N/A	53%
Approaching Basic	19%	18%	23%	25%	N/A	18%
Unsatisfactory	7%	6%	8%	16%	N/A	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
<b>Grade 5</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4%	3%	3%	4%	N/A	3%
Mastery	16%	17%	16%	18%	N/A	11%
Basic	48%	44%	47%	25%	N/A	54%
Approaching Basic	21%	22%	23%	28%	N/A	20%
Unsatisfactory	11%	14%	11%	25%	N/A	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
<b>Grade 6</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	6%	5%	4%	7%	N/A	6%
Mastery	18%	18%	17%	15%	N/A	12%
Basic	45%	47%	48%	29%	N/A	46%
Approaching Basic	23%	22%	24%	25%	N/A	26%
Unsatisfactory	8%	8%	7%	24%	N/A	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
<b>Grade 7</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	7%	7%	3%	12%	N/A	4%
Mastery	26%	24%	21%	18%	N/A	13%
Basic	36%	37%	40%	24%	N/A	46%
Approaching Basic	20%	23%	24%	20%	N/A	25%
Unsatisfactory	11%	9%	12%	26%	N/A	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

District Achievement Level Results	Science			Social Studies		
	2017 LEAP	2016 LEAP	2015 LEAP	2017 LEAP	2016 LEAP	2015 LEAP
<b>Grade 8</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3%	2%	2%	11%	N/A	1%
Mastery	21%	19%	16%	26%	N/A	9%
Basic	44%	42%	39%	27%	N/A	43%
Approaching Basic	22%	25%	26%	21%	N/A	27%
Unsatisfactory	10%	12%	17%	15%	N/A	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>N/A</b>	<b>100%</b>

Note: The Louisiana Department of Education designates this schedule to report *i*/LEAP scores only. However, when reviewing the schedule requirements, we included LEAP scores for all student performance testing data (for "all testers") and noted it was a LEAP test at the top of each column for the appropriate grade. If not, all grades would report as N/A for all years, grades and subject as *i*/LEAP tests were not administered during these years.

## TERREBONNE PARISH SCHOOL BOARD

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

To the Terrebonne Parish School Board:

We have performed the procedures enumerated below, which were agreed to by the management of the Terrebonne Parish School Board; the Louisiana Department of Education, and the Legislative Auditor, on the performance and statistical data accompanying the annual financial statements of the Terrebonne Parish School Board for the fiscal year ended June 30, 2017; 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 24:514.1. Management of Terrebonne Parish School Board 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 differences were noted.

**Education Levels of Public School Staff (Schedule 2)**

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

No differences were noted.

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

No differences were noted.

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

No differences were noted.

**Number and Type of Public Schools (Schedule 3)**

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

No differences were noted.

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

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1<sup>st</sup> and traced the same sample used in procedure 2 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No differences were noted.

**Public School Staff Data: Average Salaries (Schedule 5)**

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

No differences were noted.

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

No differences were noted.

**Class Size Characteristics (Schedule 6)**

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

No differences were noted.

**Louisiana Educational Assessment Program (LEAP) (Schedule 7)**

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

No differences were noted.

**Graduation Exit Exam (GEE) (Schedule 8)**

11. The Graduation Examination (GEE) is no longer administered. This schedule is no longer applicable.

**iLEAP (Schedule9)**

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

No differences were noted.

This agreed upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to 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 on 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 Terrebonne Parish School Board, as required by Louisiana Revised Statute 24:514.1, and the results 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 Legislative Auditor as a public document.

Houma, Louisiana  
December 27, 2017



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

THOMAS J. LANAUX, CPA  
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**AGREED-UPON PROCEDURES REPORT**  
Terrebonne Parish School Board

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2016 - June 30, 2017**

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

We have performed the procedures enumerated below, which were agreed to by Terrebonne Parish School Board (the 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 period July 1, 2016 through June 30, 2017. The School Board's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of 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.

The procedures and associated results are as follows:

***Written Policies and Procedures***

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1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - 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.
- 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, and (5) monitoring card usage.
- 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. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results: The policies of the School Board address all of the functions listed, 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.

**Management's Response:**

Ethics Policy - 1(i) - Currently, all employees and board members are required to view a 1-hour ethics training video presented by the Louisiana Board of Ethics. Once the employee has viewed the video, they are required to print a certificate of participation and forward that certificate to the Personnel Department for filing in each employee's personnel file. This is an annual requirement. In Management's opinion, this video is much more in-depth than the board's ethics policy, and is clearer and easier to understand for all employees across all job categories.

Debt Service Policy - 1(j) - The board does have a debt service policy; however it does not cover all aspects required of the AUPs. The policy will be expanded to include all requirements.

**Board (or Finance Committee, if applicable)**

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- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
  - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g., approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results: The School Board met at least monthly. The minutes do not reference budget-to-actual comparisons on the General Fund or other major funds. The minutes reference approvals of bids, contracts and material purchases.

Management's Response:

Monthly budget to actual comparisons were not presented to the board during the 2016-2017 fiscal year; however, those comparisons will be presented through the Finance Committee of the board going forward.

***Bank Reconciliations***

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- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results: We obtained a listing of bank accounts from management and management's representation that the listing is complete.

- 4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three-year rotating basis (if more than five accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results: We selected seventeen (17) bank accounts and obtained bank statements and reconciliations. Criteria 4(a) and 4(c) were met without exception. While performing procedure 4(b), we noted that for five bank accounts, the reconciliation and review procedures were rotated

among the accountants in the central office, but there was no evidence of review by a member of management or a board member.

**Management's Response:**

Bank reconciliations will be reviewed by management on a monthly basis.

**Collections**

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5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: We obtained from management a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than five locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**

- a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
  - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: We selected twenty-five (25) collection locations for testing. Each person responsible for collecting cash is bonded. Duties were segregated for the central office location and the twelve school lunch collection locations tested per the policy. For the twelve student activity fund collection locations tested, the person responsible for collecting cash was also responsible for reconciling cash collections to the general ledger. The School Board has a formal process to

reconcile cash collections to the general ledger by a person who is not responsible for cash collections at the central office and for the school cafeterias. While performing procedure 6(c), we noted that of the 415 deposits tested, 34 were not deposited the same or next day. For the 34 not deposited the same or next day, the number of days from receipt to deposit ranged from 2 to 12 days. For eight of the deposits tested, supporting documentation was missing or incomplete. All of the exception related to procedure 6(c) occurred at school activity fund collection locations.

**Management's Response:**

Timeliness of deposits - Schools are directed to make daily deposits. Management will continue to work with school Principals to ensure that deposits are made daily.

Supporting documentation - Management will continue to work with school Principals so that they understand what documentation is required. An accountant from the central office has been assigned to assist Principals and school bookkeepers with the accounting function, and works with all schools on a regular basis to understand accounting procedures and requirements.

Segregation of duties - Lack of segregation of duties at schools is a result of the limited number of personnel in the school office. Management believes that the oversight of the Principal, as well as the accountant in the central office, should be sufficient to compensate for the lack of segregation of duties. The accountant in the central office reviews each school's financial statement and bank statement on a monthly basis to check for items such as daily deposits and proof of a bank reconciliation. The Principal is required to open each monthly bank statement and review it prior to giving it to the bookkeeper to reconcile. The school bookkeeper is not a signer on the school's checking account.

7. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who is not responsible for collections.

Results: The School Board has a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections.

***Disbursements - General (excluding credit card/debit card/fuel card/P-Card purchases or payments)***

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8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results: We obtained from management a disbursements listing and management's representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g., purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.

Results: We obtained supporting documentation for 25 disbursements. The criteria in steps 9(a), 9(b) and 9(c) were met for all 25 disbursements tested.

10. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results: The persons responsible for processing payments are prohibited from adding vendors to the School Board's purchasing disbursement system. Only the Chief Financial Officer and the Accounting Supervisor can add vendors to the purchasing system.

11. Using entity documentation (e.g., electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results: The persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results: No exceptions were identified as a result of these procedures.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results: No exceptions were identified as a result of these procedures.

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results: We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We obtained management's representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results: The monthly statements or combined statements and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder. No finance charges or late fees were assessed on the selected statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased).
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/ disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless of whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: Procedure 16(a) – Per policy, the School Board had no credit cards, bank debit cards, or P-Cards. For the ten fuel cards selected for testing, there were no itemized receipts or documentation of the business/public purpose of each individual charge. However, School Board policy does not require the cardholders to remit receipts for each charge due to the detailed statements provided by the fuel card merchant/vendor which reports the type of fuel purchased, number of gallons purchased, odometer readings on the vehicles, etc.

Procedures 16(b) and 16(c) - No exceptions were identified as a result of these procedures.

Management's Response:

No credit cards are issued in the school district's name, with the exception of fuel cards for the fleet. The fuel cards can only be used to purchase fuel, and a limit of the amount and type of fuel has been placed on each card. The fuel vendor provides detailed statements of purchases made on each fuel credit card. Those statements are reviewed by the Transportation department, and any statements related to other departments are forwarded to the appropriate supervisor for review and follow-up, if necessary. Management believes the detailed statement provided by the fuel vendor and the review of the statements by the appropriate supervisor are sufficient to document the business/public purpose of the purchases.

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained from management the general ledger and sorted/filtered for travel reimbursements. We obtained management's representation that the listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

Results: We obtained the School Board's written policies related to travel and expense reimbursement. No amounts that exceed GSA rates were noted.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
  - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions were identified as a result of these procedures.

### **Contracts**

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results: We obtained a listing of all contracts in effect during the fiscal period. We obtained management's representation that the listing is complete.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
  - a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g., Lawrason Act or Home Rule Charter).

Results: For the five contracts selected, a formal written contract supports the arrangement and the amounts paid. All five of the contracts selected were subject to public bid law and complied with all requirements thereof. For the largest payment from each of the five contracts, the supporting invoice and related payment complied with the terms and conditions of the contract. Each of the five contracts was properly approved according to School Board policy and the approval was reported in the board minutes.

### ***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results: We obtained a listing of employees with their related salaries, and we obtained management's representation that the listing is complete. For the five employees selected, payments were made in strict accordance with the terms and conditions of the pay rate structure. No changes were made during the fiscal period for the five employees selected.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results: We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. For procedure 23(a), all employees selected documented their daily attendance and leave in an electronic system maintained by the School Board. For procedure 23(b), vacation and sick leave for all employees selected were approved electronically or in writing. As per policy, daily attendance was not approved by a supervisor electronically or in writing during the period. For procedure 23(c), we noted the School Board maintained electronic leave records on those employees.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results: We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. The two largest termination payments made during the fiscal period were made in strict accordance with policy and were approved by management.

25. Obtain supporting documentation (e.g., cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results: We obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period. The employee and employer portions of payroll taxes and retirement contributions as well as the required reporting forms were submitted to the applicable agencies by the required deadlines.

### ***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results: For the three of the five employees selected, the School Board did not have documentation to demonstrate that required ethics training was completed.

#### **Management's Response:**

Employees are required to view the ethics video provided by the Louisiana Board of Ethics. Employees are sent a reminder at the beginning of each calendar year of this requirement. Those employees whose jobs do not require regular computer access are given

opportunity to log into a computer to view the video. The Personnel Department will monitor to ensure that all employees have fulfilled this requirement.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results: We inquired of management whether any alleged ethics violations were reported to the School Board during the fiscal period. Management has received no such allegations.

#### ***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results: This procedure is not applicable to the School Board.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results: The School Board made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results: This procedure is not applicable to the School Board.

#### ***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results: We inquired of management whether the School Board had any misappropriations of public funds or assets. Management reported the School Board has not had any misappropriations of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at

[www.lla.la.gov/hotline](http://www.lla.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: The School Board has posted on its premises and website the notice required by R.S. 24:523.1.

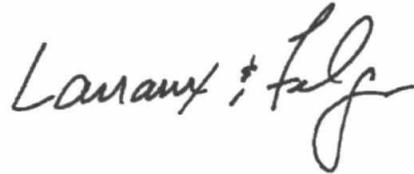
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results: No exceptions were identified as a result of these procedures.

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 those C/C areas identified in the SAUPs. 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.

Houma, LA  
December 27, 2017

A handwritten signature in black ink, appearing to read "L. L. Lamy". The signature is written in a cursive style with a large, stylized initial "L".