

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

Comprehensive Annual Report

June 30, 2018



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TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA

2017 - 2018 Comprehensive Annual Financial Report

# INTRODUCTORY SECTION

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**School Board Members and Officials  
2017 - 2018**

**SCHOOL BOARD MEMBERS**

Roger Dale DeHart, President

Vicki Bonvillain, Vice-President

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

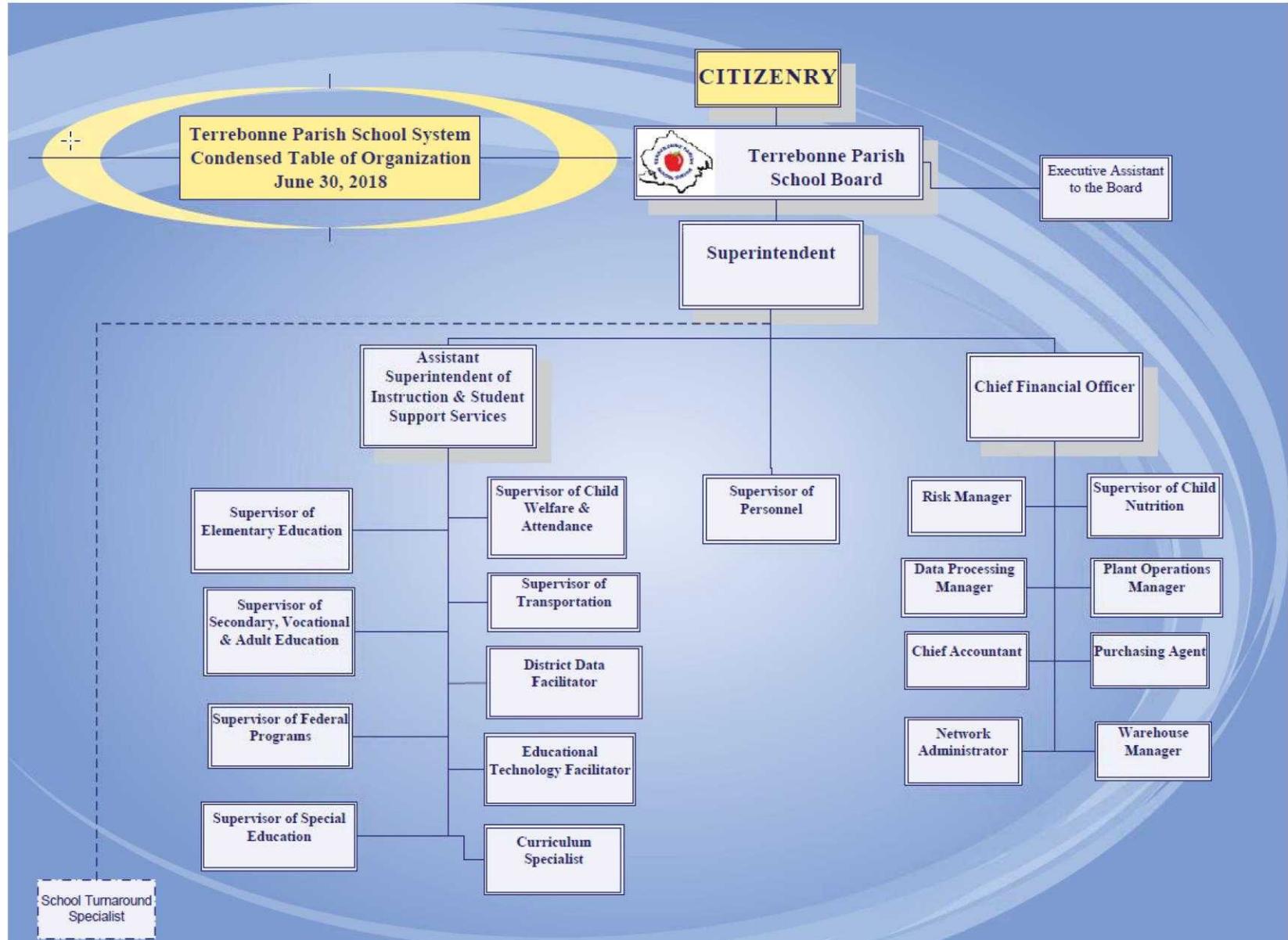
**OFFICIALS**

Philip Martin  
Superintendent

Rebecca Breaux  
Chief Financial Officer

TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA

2017 - 2018 Organizational Chart



TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA

2017 - 2018 Comprehensive Annual Financial Report

# FINANCIAL SECTION

## **Independent Auditor's Report**

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Terrebonne Parish School Board (the School Board) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Terrebonne Parish School Board, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 16, budgetary comparison information on pages 88 - 91, schedule of changes in the School Board's net other postemployment benefit (OPEB) liability and related ratios, schedule of School Board's proportionate share of the net pension liability, and schedule of contributions to pension plans on pages 92 - 94 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2019, on our consideration of the Terrebonne Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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.

**Emphasis of a Matter**

As discussed in Notes 1.V and 7 to the financial statements, the School Board adopted new accounting guidance, General Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. The adoption of GASB Statement No. 75 required the School Board to record its net OPEB liability and related OPEB expense and deferred outflows of resources and deferred inflows of resources related to the School Board's postemployment benefits. Adoption of this guidance required the School Board to restate beginning net position in its government-wide financial statements. Our opinion is not modified with respect to these matters.



A Professional Accounting Corporation

Houma, Louisiana  
January 16, 2019

**REQUIRED SUPPLEMENTARY INFORMATION  
(PART I)**

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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This management's discussion and analysis (MD&A) is a narrative overview and analysis of the financial activities of the Terrebonne Parish School Board (the School Board) for the fiscal year ended June 30, 2018. This section is intended to assist the reader in focusing on significant financial issues, provide an overview of the financial activity, and identify changes in the financial position and the ability of administration and management to address the next and subsequent years' challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns.

**FINANCIAL HIGHLIGHTS**

The financial highlights for the Terrebonne Parish School Board for fiscal year ended June 30, 2018, are:

- The School Board's governmental funds expended \$193.2 million in fiscal year ended June 30, 2018 on education for Terrebonne Parish (the Parish).
- The School Board's governmental fund revenues on a budgetary basis for fiscal year ended June 30, 2018, were approximately \$190.4 million. The largest single sources of non-federal funds were from the State of Louisiana Minimum Foundation Program (\$93.6 million), ad valorem taxes (\$8.8 million), and sales and use taxes (\$55.7 million).
- The liabilities and deferred inflows of the School Board exceeded its assets and deferred outflows at the close of the fiscal year by \$344.3 million, a change of \$1.6 million from 2017 (restated).
- The School Board's net position increased by \$1.6 million. There were increases in sales and use taxes of \$1.9 million and a \$3.8 million increase from the State of Louisiana through the Minimum Foundation Program and additional appropriations.
- The School Board's governmental funds reported combined ending fund balances of \$65.8 million, a decrease of \$4.8 million in comparison to the prior year.
- The School Board expended approximately \$10.9 million on capital projects in 2017-2018. The majority of these expenditures were on construction of a new school building.
- The School Board's General Fund on a budgetary basis had an increase of \$3.5 million in fund balance.
- As of June 30, 2018, the School Board had \$41.0 million in bonds outstanding, including unamortized bond premiums.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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

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

**Notes to Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 32 - 85 of this report.

**Other Information**

The combining statements of non-major governmental funds and internal service funds are presented as supplementary information following the notes to basic financial statements. Combining and individual fund statements and schedules can be found on pages 104 - 117 of this report.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

In 2017-2018, the School Board's financial position increased, with its net position increasing \$1.6 million from a \$346.0 deficit in 2016-2017 (restated) to a \$344.3 deficit in 2017-2018. \$65.5 million of the School Board's net position is invested in capital assets net of related debt, and \$29.8 million of the School Board's net position is restricted for debt service, operational purposes, and food service, leaving a deficit of \$439.6 million in unrestricted net position.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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

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

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

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

**Summary of Net Position  
June 30, 2018 and 2017**

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Current Assets	\$ 113,311,305	\$ 116,646,122
Capital Assets	190,566,368	179,365,325
Less Accumulated Depreciation	(92,264,537)	(88,641,726)
Capital Assets, Net of Depreciation	<u>98,301,831</u>	<u>90,723,599</u>
<b>Total Assets</b>	<u>211,613,136</u>	<u>207,369,721</u>
<b>Deferred Outflows of Resources</b>	<u>36,250,022</u>	<u>55,356,137</u>
<b>Liabilities</b>		
Current Liabilities	35,069,027	31,069,794
Long-Term Liabilities	<u>538,319,536</u>	<u>377,806,554</u>
<b>Total Liabilities</b>	<u>573,388,563</u>	<u>408,876,348</u>
<b>Deferred Inflows of Resources</b>	<u>18,818,421</u>	<u>8,013,022</u>
<b>Net Position</b>		
Net Investment in Capital Assets	65,483,529	64,357,666
Restricted	29,779,041	35,890,200
Unrestricted	<u>(439,606,396)</u>	<u>(254,411,378)</u>
<b>Total Net Position</b>	<u>\$ (344,343,826)</u>	<u>\$ (154,163,512)</u>

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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The largest portion of the School Board's net position is an unrestricted deficit of \$439.6 million. The unrestricted deficit is primarily made up of the net pension liability of \$195.8 million and the other postemployment benefit liability of \$295.9 million. This deficit is not expected to consume the resources of the School Board in the next fiscal year since the net pension liability and other postemployment benefit liability are long-term in nature. Payments for these liabilities will be budgeted in the year that actual payments are expected to be made.

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

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

Total current assets decreased approximately \$3.3 million from the previous year. Current assets (93.9% at June 30, 2018, 93.8% at June 30, 2017) consist primarily of cash, investments, and sales taxes receivable. The net book value of capital assets represents 46.4% and 43.8% of total assets for the years ended June 30, 2018 and 2017, respectively. Current liabilities (93.5% at June 30, 2018, 97.0% at June 30, 2017) consist primarily of amounts due for salaries and benefits payable in July and August for employees of the School Board.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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

**Summary of Changes in Net Position  
For the Year Ended June 30, 2018 and 2017**

	2018	2017
<b>Program Revenues</b>		
Charge for Services	\$ 2,056,527	\$ 2,161,180
Operating Grants and Contributions	27,148,895	26,876,262
<b>Total Program Revenues</b>	<b>29,205,422</b>	<b>29,037,442</b>
<b>General Revenues</b>		
Ad Valorem Taxes	8,797,316	8,534,764
Sales Taxes	55,733,558	53,790,406
Rental, Leases, and Royalties	173,286	255,950
Earnings on Investments	858,944	561,612
Other Local	1,577,826	945,561
Grants, Not Specific to Programs	374,511	866,047
Minimum Foundation Program	93,593,958	89,821,100
State Revenue Sharing	218,087	219,799
<b>Total General Revenues</b>	<b>161,327,486</b>	<b>154,995,239</b>
<b>Total Revenues</b>	<b>190,532,908</b>	<b>184,032,681</b>
<b>Expenses</b>		
Instructional Expenses	105,924,418	115,305,106
Support Service Expenses	70,767,246	74,636,484
Food Service Operations	11,492,420	12,417,072
Debt Service and Other Expenses	714,451	720,404
<b>Total Expenses</b>	<b>188,898,535</b>	<b>203,079,066</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ 1,634,373</b>	<b>\$ (19,046,385)</b>

The total cost of all programs and services decreased by 7.0% (\$14.2 million) and program revenues for these activities increased by 0.6% (\$168 thousand) compared to the previous year. The increase in net position for all activities was \$1.6 million at June 30, 2018, compared to a \$19.0 million decrease in net position at June 30, 2017.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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The total revenue to fund all activities this year was \$190.5 million compared to \$184.0 million last year, an increase of 3.5% 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 \$161.3 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 (\$27.1 million). Overall, the governmental program revenues increased from \$29.0 million to \$29.2 million (0.6%).

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

**FUND FINANCIAL STATEMENTS**

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

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

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

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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

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

**Financial Analysis of Governmental Funds**

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

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

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

Revenue Source	2018		2017	
	Amount	Percentage	Amount	Percentage
Local	\$ 69,049,989	36.27%	\$ 67,343,772	36.38%
State	96,493,561	50.68%	93,308,098	50.40%
Federal	24,841,890	13.05%	24,475,110	13.22%
<b>Total Revenues</b>	<b>\$ 190,385,440</b>	<b>100.00%</b>	<b>\$ 185,126,980</b>	<b>100.00%</b>

Local sources of revenues include property tax collections, sales and use taxes, local parish contributions to the Teachers' Retirement Plan, rents and royalties that are generated by various School Board properties, tuition, charges for services such as meal revenues, earnings on investments, and various reimbursements and contributions, for a total of \$69.0 million, an increase of 2.5% 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 Teachers' Retirement Plan, and grants from various other state programs, for a total of \$96.5 million, an increase of 3.4% from last year.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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 \$24.8 million, a decrease of 1.5% from last year.

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

Function	2018		2017	
	Amount	Percentages	Amount	Percentages
Instruction	\$ 105,358,158	54.52%	\$ 104,659,312	56.47%
Support Services	75,931,844	39.29%	74,524,744	40.21%
Facilities Acquisition	10,882,530	5.63%	5,233,131	2.82%
Debt Service	1,071,136	0.55%	907,268	0.49%
<b>Total Expenditures</b>	<b>193,243,668</b>	<b>100.00%</b>	<b>185,324,455</b>	<b>100.00%</b>

Instruction expenditures include regular, special, adult, vocational, and other various instructional expenditures such as alternative programs, music programs, extracurricular programs, and summer school programs. These expenditures increased 0.7% from last year.

Support services include pupil support, instructional staff, general administration, school administration, business services, plant services, child nutrition, student transportation, central services, and community services. These expenditures increased 1.9% from last year.

Facilities acquisition includes all expenditures for construction, engineer fees, land and site improvements, portable classrooms, and building improvements. These expenditures increased 108.0% from last year.

Debt service includes all debt principal, interest, and agent fees. These expenditures increased 18.1% from last year.

**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	
			2018	2017
Land	\$ 6,256,446	\$ -	\$ 6,256,446	\$ 6,256,446
Buildings and Improvements	159,042,963	83,813,504	75,229,459	78,039,121
Furniture and Equipment	6,165,570	4,817,739	1,347,831	1,399,502
Vehicles	3,736,720	3,633,294	103,426	92,581
Construction-in-Progress	15,364,669	-	15,364,669	4,935,949
<b>Total</b>	<b>\$ 190,566,368</b>	<b>\$ 92,264,537</b>	<b>\$ 98,301,831</b>	<b>\$ 90,723,599</b>

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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The original cost of capital assets is \$190,566,368, 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 \$92,264,537. Most capital asset acquisitions are financed through long-term debt.

Capital asset additions for the year were \$11,251,706 and disposals were \$50,663, net of amounts transferred from construction-in-progress. Depreciation expense for the year was \$3,673,474. At the end of the fiscal year, the amount expended for uncompleted construction projects is \$15,364,669.

**Debt**

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

<b>Category</b>	<b>Original Proceeds</b>	<b>Ending Balance</b>	
		<b>2018</b>	<b>2017</b>
Bonds Payable	\$ 41,720,220	\$ 40,983,105	\$ 41,353,267
Compensated Absences	N/A	6,340,999	6,564,051
Other Postemployment Benefits	N/A	295,894,702	102,154,254
Net Pension Liabilities	N/A	195,843,376	227,734,982
<b>Total</b>	<b>\$ 41,720,220</b>	<b>\$ 539,062,182</b>	<b>\$ 377,806,554</b>

Additional information regarding these bonds is included in Note 8 to the financial statements. At year-end, the School Board had approximately \$41.0 million in bonds and notes outstanding (not including compensated absences and other postemployment benefits) versus approximately \$41.4 million last year. Debt service expenditures totaled \$1,071,136, or 0.6%, of general governmental expenditures compared to 0.5% in the prior year.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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**GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS**

**General Fund Balance**

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

<b>Original Budget Revenues</b>	<b>\$ 109,676,481</b>
Amendments were Made for:	
Increase in Ad Valorem Tax Received	254,663
Increase in Sales and Use Tax Revenue Received	212,034
Increase in Deductions from Parish Taxes for Contribution to Teachers Retirement System	28,000
Increase in Rentals, Leases, and Royalties	25,000
Increase in Tuition Received	(10,900)
Increase in Interest Earned	7,000
Increase in Other Local Revenue	132,500
Decrease in Equalization	(70,064)
Increase in Other State Revenues	18,700
	<hr/>
<b>Total Revenue Amendments</b>	<b>596,933</b>
	<hr/>
<b>Amended Budget Revenues</b>	<b>\$ 110,273,414</b>
	<hr/>
<b>Original Budget Expenditures</b>	<b>\$ 123,646,448</b>
Amendments were Made for:	
Increase in Instructional Expenditures	626,732
Increase in Support Service Expenditures	1,526,409
Increase in Food Service Expenditures	166,621
	<hr/>
<b>Total Expenditure Amendments</b>	<b>2,319,762</b>
	<hr/>
<b>Amended Budget Expenditures</b>	<b>\$ 125,966,210</b>
	<hr/>

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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

Highlights of the July 1, 2018 through June 30, 2019 Original Annual Operating Budget follow:

	<b>GENERAL</b>	<b>OTHER</b>
Local Revenues	\$ 18,229,040	\$ 48,826,020
State Revenues	93,929,408	3,493,743
Federal Revenues	-	26,866,026
Other Sources	16,035,009	1,339,516
<b>Total Revenues</b>	<b>128,193,457</b>	<b>80,525,305</b>
Instruction	73,224,696	32,332,992
Support Services	50,067,238	29,029,267
Debt Service	-	876,255
Transfers Out	4,886,735	17,634,195
<b>Total Expenditures</b>	<b>128,178,669</b>	<b>79,872,709</b>
Excess (Deficiency) of Revenues	14,788	652,596
Beginning Fund Balances	12,394,190	14,255,443
<b>Ending Fund Balances</b>	<b>\$ 12,408,978</b>	<b>\$ 14,908,039</b>

Some of the most important features of the 2018-2019 budget are:

- Ending General Fund balance is estimated at 9.7% of revenues.
- The estimate for MFP revenues for 2018-2019 maintains the same level of per-pupil funding as 2017-2018. The proposed formula does not vary significantly from the formula in effect for the previous year.
- Salaries and benefits are budgeted at \$155,020,383, which is 84% of total expenditures.
- Normal step progression and longevity advances are estimated to cost \$900,000.
- The Louisiana School Employees' Retirement System (LSERS) employer contribution rate will be 28.0% for 2018-2019, for an estimated cost of \$2,233,869.
- The Teachers' Retirement System of Louisiana (TRSL) employer contribution rate will be 26.7% for 2018-2019, for an estimated cost of \$21,525,521.
- Total employer health insurance costs are estimated at approximately \$32,000,000.
- Sales tax collections are budgeted equal to the 2017-2018 revised budget for sales tax collections.
- Workers' compensation rates are budgeted to remain the same as the 2017-2018 rates.
- A \$2,000,000 transfer from the General Fund to the Building Fund is budgeted to fund future capital and building projects.
- Thirteen positions have been eliminated district wide. These reductions are a result of either lost grant funding or change in student numbers and/or needs.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Management's Discussion and Analysis**

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**REQUEST FOR INFORMATION**

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

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

TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Statement of Net Position  
June 30, 2018

Statement A

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$ 48,721,233
Cash with Fiscal Agents	87,418
Investments, at Market	47,843,924
Receivables	
Sales and Use Tax	9,780,439
Other Receivables	410,998
Due from Governments	5,702,913
Due from External Parties (Fiduciary Fund)	6,157
Inventory, at Cost	362,340
Prepaid Expenses	395,883
Capital Assets, Net of Accumulated Depreciation	<u>98,301,831</u>
<b>Total Assets</b>	<u>211,613,136</u>
<b>Deferred Outflows of Resources</b>	<u>36,250,022</u>
<b>Liabilities</b>	
Accounts, Salaries, and Other Payables	34,326,381
Long-Term Liabilities Due Within One Year	742,646
Long-Term Liabilities Due in More Than One Year	
Bonds and Loans Payable	40,609,773
Compensated Absences	5,971,685
Other Postemployment Benefits	295,894,702
Net Pension Liabilities	<u>195,843,376</u>
<b>Total Liabilities</b>	<u>573,388,563</u>
<b>Deferred Inflows of Resources</b>	<u>18,818,421</u>
<b>Net Position</b>	
Net Invested in Capital Assets	65,483,529
Restricted for:	
Capital Projects	5,632,104
Debt Service	10,979,508
Compensation	9,945,434
Technology	1,238,601
Instructional	1,983,394
Unrestricted	<u>(439,606,396)</u>
<b>Total Net Position</b>	<u>\$ (344,343,826)</u>

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

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended June 30, 2018**

**Statement B**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>		<b>Net (Expense) Revenue and Changes in Net Position</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	
<b>Governmental Activities</b>				
Instruction:				
Regular Education	\$ 67,479,642	\$ 699,956	\$ 864,659	\$ (65,915,027)
Special Education	18,461,760	-	436,325	(18,025,435)
Adult Education	713,938	6,873	583,555	(123,510)
Career and Technical Education	4,017,159	-	183,999	(3,833,160)
Other Programs	15,251,919	493,735	7,404,656	(7,353,528)
Support Services:				
Pupil Support	11,340,121	-	2,564,831	(8,775,290)
Instructional Staff	10,859,719	11,335	4,270,542	(6,577,842)
General Administration	6,274,351	116,023	1,374,373	(4,783,955)
School Administration	10,496,798	103,815	4,459	(10,388,524)
Business Services	2,318,371	-	-	(2,318,371)
Plant Services	16,124,520	18,463	724	(16,105,333)
Student Transportation	11,464,082	-	832,754	(10,631,328)
Central Services	1,889,284	-	240	(1,889,044)
Non-Instructional:				
Food Service	11,492,420	606,327	8,627,778	(2,258,315)
Interest and Bond Issuance Costs	714,451	-	-	(714,451)
<b>Total Governmental Activities</b>	<b>\$ 188,898,535</b>	<b>\$ 2,056,527</b>	<b>\$ 27,148,895</b>	<b>(159,693,113)</b>
<b>General Revenues</b>				
Local Sources:				
Ad Valorem Taxes				8,797,316
Sales and Use Taxes				55,733,558
Rentals, Leases, and Royalties				173,286
Earnings on Investments				858,944
Other Local				1,577,826
State Sources:				
Grants not Specific to Programs				374,511
Minimum Foundation Program				93,593,958
State Revenue Sharing				218,087
<b>Total General Revenues</b>				<b>161,327,486</b>
<b>Change in Net Position</b>				<b>1,634,373</b>
<b>Net Position, Beginning</b>				<b>(154,163,512)</b>
<b>Change in Accounting Principle</b>				<b>(191,814,687)</b>
<b>Net Position, Beginning (Restated)</b>				<b>(345,978,199)</b>
<b>Net Position, Ending</b>				<b>\$ (344,343,826)</b>

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

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

TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Governmental Funds - Balance Sheet  
June 30, 2018

Statement C

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Building Fund	Non-Major Funds	Total
<b>Assets</b>						
Cash	\$ 13,040,506	\$ 5,953,455	\$ 3,894,231	\$ 469,751	\$ 9,612,431	\$ 32,970,374
Investments - at Market	4,132,775	3,161,241	1,244,860	14,578,533	17,769,616	40,887,025
Receivables						
Sales and Use Tax	1,262,235	3,786,705	2,840,069	-	1,891,430	9,780,439
Other Receivables	80,574	232,384	-	-	95,298	408,256
Due from Other Funds	23,536,266	13,489	-	-	1,443,848	24,993,603
Due from Other Governmental Units						
State Department of Education	-	-	-	-	5,280,438	5,280,438
United States Department of Education	-	-	-	-	279,160	279,160
Other Units	-	-	-	-	143,315	143,315
Inventory, at Cost	-	-	-	-	362,340	362,340
Prepaid Expenses	17,172	354,494	-	-	24,217	395,883
<b>Total Assets</b>	<b>\$ 42,069,528</b>	<b>\$ 13,501,768</b>	<b>\$ 7,979,160</b>	<b>\$ 15,048,284</b>	<b>\$ 36,902,093</b>	<b>\$ 115,500,833</b>
<b>Liabilities</b>						
Accounts Payable	\$ 697,066	\$ 2,724	\$ 713	\$ 5,028	\$ 1,331,423	\$ 2,036,954
Accrued Salaries	13,459,952	-	-	-	-	13,459,952
Accrued Employee Benefits	3,050,349	-	-	-	-	3,050,349
Payroll Deductions Payable	6,036,057	-	-	-	-	6,036,057
Due to Other Funds	1,924,435	5,812,023	5,788,258	526,845	11,092,735	25,144,296
<b>Total Liabilities</b>	<b>25,167,859</b>	<b>5,814,747</b>	<b>5,788,971</b>	<b>531,873</b>	<b>12,424,158</b>	<b>49,727,608</b>

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

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Governmental Funds - Balance Sheet (Continued)**  
**June 30, 2018**

Statement C

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Building Fund	Non-Major Funds	Total
<b>Fund Balances</b>						
Nonspendable						
Inventory	-	-	-	-	362,340	362,340
Prepaid Expenses	17,172	354,494	-	-	24,217	395,883
Restricted for:						
Capital Projects	-	-	-	-	5,632,104	5,632,104
Debt Service	-	-	-	-	10,979,508	10,979,508
Compensation	-	6,093,926	-	-	3,851,508	9,945,434
Technology	-	1,238,601	-	-	-	1,238,601
Instructional	-	-	1,983,394	-	-	1,983,394
Committed to:						
Band Uniforms	-	-	206,795	-	-	206,795
Capital Projects	200,000	-	-	-	-	200,000
Assigned to:						
Instructional Programs	-	-	-	-	1,481,720	1,481,720
Capital Projects	-	-	-	14,516,411	-	14,516,411
Child Nutrition	-	-	-	-	2,170,755	2,170,755
Unassigned	16,684,497	-	-	-	(24,217)	16,660,280
<b>Total Fund Balances</b>	<b>16,901,669</b>	<b>7,687,021</b>	<b>2,190,189</b>	<b>14,516,411</b>	<b>24,477,935</b>	<b>65,773,225</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 42,069,528</b>	<b>\$ 13,501,768</b>	<b>\$ 7,979,160</b>	<b>\$ 15,048,284</b>	<b>\$ 36,902,093</b>	<b>\$ 115,500,833</b>

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

TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA

Statement D

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2018

<b>Total Fund Balances - Governmental Funds</b>		<b>\$ 65,773,225</b>
Cost of Capital Assets at June 30, 2018	\$ 190,566,368	
Less: Accumulated Depreciation as of June 30, 2018		
Buildings and Improvements	(83,813,504)	
Furniture and Equipment	(4,817,739)	
Vehicles	<u>(3,633,294)</u>	98,301,831
Consolidation of Internal Service Funds		13,458,006
Elimination of Interfund Assets and Liabilities		
Due from Other Funds	25,764,291	
Due to Other Funds	<u>(25,764,291)</u>	-
Deferred Outflows of Resources Related to Pension Plans		36,250,022
Deferred Inflows of Resources Related to Pension Plans		(15,234,812)
Deferred Inflows of Resources Related to Other		
Postemployment Benefits		(3,583,609)
Accrued Interest Payable on Long-Term Debt		(246,307)
Long-Term Liabilities at June 30, 2018		
QSCB Bonds 2009	(10,000,000)	
QSCB Bonds 2011	(10,000,000)	
QSCB Bonds 2012	(1,460,775)	
Series 2016 Bonds	(19,522,330)	
Compensated Absences Payable	(6,340,999)	
Other Post Employment Benefits	(295,894,702)	
Net Pension Liabilities	<u>(195,843,376)</u>	(539,062,182)
<b>Total Net Position - Governmental Activities</b>		<b><u>\$ (344,343,826)</u></b>

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Statement E**

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
For the Year Ended June 30, 2018**

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Building Fund	Non-Major Funds	Total
<b>Revenues</b>						
Local Sources:						
Ad Valorem Tax	\$ 8,797,316	\$ -	\$ -	\$ -	\$ -	\$ 8,797,316
Sales and Use Tax	7,207,381	21,622,142	16,216,607	-	10,687,428	55,733,558
Deductions from Parish Taxes (1%) for						
Contribution to Teachers' Retirement	938,336	-	-	-	-	938,336
Rents, Leases, and Royalties	173,286	-	-	-	-	173,286
Tuition	652,066	-	-	-	-	652,066
Interest Earned	116,770	63,090	37,198	158,422	340,032	715,512
Charges for Services	-	-	-	-	602,011	602,011
Other Local Revenue	413,258	244,197	-	90,048	690,401	1,437,904
State Sources:						
Equalization	92,270,816	-	-	-	1,323,142	93,593,958
Revenue Sharing	218,087	-	-	-	-	218,087
Professional Improvement Program Support	36,754	-	-	-	-	36,754
Contribution to Teachers' Retirement System	9,372	-	-	-	-	9,372
Other State Grants	-	-	-	-	2,635,390	2,635,390
Federal Sources	-	-	-	-	24,841,890	24,841,890
<b>Total Revenues</b>	<b>110,833,442</b>	<b>21,929,429</b>	<b>16,253,805</b>	<b>248,470</b>	<b>41,120,294</b>	<b>190,385,440</b>
<b>Expenditures</b>						
Current:						
Instruction:						
Regular Education	50,550,308	6,920,692	2,114,604	-	7,503,467	67,089,071
Special Education	14,416,360	1,878,588	5,755	-	2,026,563	18,327,266
Adult Education	73,548	38,133	-	-	611,050	722,731
Career and Technical Education	2,935,756	339,969	41,414	-	701,717	4,018,856
Other Programs	4,943,682	1,302,042	120,775	-	8,833,735	15,200,234

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

TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA

Statement E

Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
For the Year Ended June 30, 2018

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	Building Fund	Non-Major Funds	Total
<b>Expenditures (Continued)</b>						
Support Services:						
Pupil Support	7,082,666	1,047,839	5,342	-	3,207,877	11,343,724
Instructional Staff	4,963,099	898,363	107,524	-	4,813,929	10,782,915
General Administration	1,503,782	226,255	125,914	22,381	116,704	1,995,036
School Administration	8,949,110	879,345	10,800	-	584,102	10,423,357
Business Services	2,046,150	171,155	-	-	89,762	2,307,067
Plant Services	13,186,394	861,791	-	63,543	378,331	14,490,059
Student Transportation	9,150,422	736,099	-	-	1,295,734	11,182,255
Central Services	1,409,481	509,748	-	-	69,461	1,988,690
Non-Instructional						
Food Service	1,051,292	772,343	-	-	9,595,106	11,418,741
Facilities Acquisition	-	-	-	1,094,429	9,788,101	10,882,530
Debt Service						
Principal Retirement	-	-	-	-	225,000	225,000
Interest and Bank Charges	-	141,873	-	-	704,263	846,136
<b>Total Expenditures</b>	<b>122,262,050</b>	<b>16,724,235</b>	<b>2,532,128</b>	<b>1,180,353</b>	<b>50,544,902</b>	<b>193,243,668</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(11,428,608)</b>	<b>5,205,194</b>	<b>13,721,677</b>	<b>(931,883)</b>	<b>(9,424,608)</b>	<b>(2,858,228)</b>
<b>Other Financing Sources (Uses)</b>						
Operating Transfers In	15,882,055	-	133,426	-	3,592,315	19,607,796
Operating Transfers Out	(1,775,159)	(4,187,156)	(13,923,046)	-	(1,092,435)	(20,977,796)
Indirect Costs	1,366,006	-	-	-	(1,366,006)	-
Other Sources (Uses)	(578,227)	-	-	-	-	(578,227)
<b>Total Other Financing Sources (Uses)</b>	<b>14,894,675</b>	<b>(4,187,156)</b>	<b>(13,789,620)</b>	<b>-</b>	<b>1,133,874</b>	<b>(1,948,227)</b>
<b>Net Change in Fund Balances</b>	<b>3,466,067</b>	<b>1,018,038</b>	<b>(67,943)</b>	<b>(931,883)</b>	<b>(8,290,734)</b>	<b>(4,806,455)</b>
<b>Fund Balances, Beginning of Year</b>	<b>13,435,602</b>	<b>6,668,983</b>	<b>2,258,132</b>	<b>15,448,294</b>	<b>32,768,669</b>	<b>70,579,680</b>
<b>Fund Balances, End of Year</b>	<b>\$ 16,901,669</b>	<b>\$ 7,687,021</b>	<b>\$ 2,190,189</b>	<b>\$ 14,516,411</b>	<b>\$ 24,477,935</b>	<b>\$ 65,773,225</b>

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Statement F**

**Reconciliation of the Governmental Funds Statement of  
Revenues, Expenditures, and Changes in Fund Balances to the  
Statement of Activities  
For the Year Ended June 30, 2018**

<b>Total Net Changes in Fund Balances - Governmental Funds</b>		<b>\$ (4,806,455)</b>
Capital Assets		
Capital Outlay	\$ 11,251,706	
Net Book Value of Retired Assets	-	
Depreciation Expense	<u>(3,673,474)</u>	7,578,232
Change in Net Position of Internal Service Funds		(3,141,472)
Net Operating Transfers to/(from) Internal Service Funds		1,370,000
Long-Term Debt		
Principal Portion of Debt Service Payments	225,000	
Excess of Compensated Absences Earned Over Amounts Used	223,052	
Excess of Other Postemployment Benefits Accrued Over Paid	(5,509,370)	
Net Pension Expense in Excess of Payments to Pension Plans	5,563,701	
Change in Accrued Interest Payable	(13,477)	
Amortization of Bond Premium	<u>145,162</u>	<u>634,068</u>
<b>Change in Net Position - Governmental Activities</b>		<b>\$ <u>1,634,373</u></b>

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

**TERREBONNE PARISH SCHOOL BOARDS**  
**HOUMA, LOUISIANA**  
**Proprietary Fund**  
**Statement of Net Position**  
**June 30, 2018**

**Statement G**

	<b>Internal Service Funds</b>
<b>Assets</b>	
Cash	\$ 15,750,859
Cash with Fiscal Agents	87,418
Investments	6,956,899
Accounts Receivables	2,742
Due from Other Funds	<u>770,689</u>
<b>Total Assets</b>	<u>23,568,607</u>
<b>Liabilities</b>	
Accounts Payable	23,442
Accrued Employee Benefits	9,473,320
Due to Other Funds	<u>613,839</u>
<b>Total Liabilities</b>	<u>10,110,601</u>
<b>Net Position</b>	
Restricted	<u>13,458,006</u>
<b>Total Net Position</b>	<u><u>\$ 13,458,006</u></u>

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

**TERREBONNE PARISH SCHOOL BOARDS**  
**HOUMA, LOUISIANA**  
**Proprietary Fund**  
**Statement of Changes in Net Position**  
**For the Year Ended June 30, 2018**

**Statement H**

	<b>Internal Service Funds</b>
<b>Operating Revenues</b>	
Insurance Premium Billings	\$ 42,226,801
Recoveries of Insurance Cases	1,877,015
Other Revenues	<u>317,097</u>
<b>Total Operating Revenues</b>	<u>44,420,913</u>
<b>Operating Expenses</b>	
General Administration	23,154
Reinsurance and Administrative Fees	4,324,165
Claims Expense	<u>43,358,498</u>
<b>Total Operating Expenses</b>	<u>47,705,817</u>
<b>Operating Loss</b>	<u>(3,284,904)</u>
<b>Non-Operating Revenues</b>	
Interest Earned	143,432
Operating Transfers In	<u>1,370,000</u>
<b>Total Non-Operating Revenues</b>	<u>1,513,432</u>
<b>Change in Net Position</b>	(1,771,472)
<b>Net Position, Beginning</b>	<u>15,229,478</u>
<b>Net Position, Ending</b>	<u>\$ 13,458,006</u>

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

**TERREBONNE PARISH SCHOOL BOARDS**  
**HOUMA, LOUISIANA**  
**Proprietary Fund**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2018**

Statement I

	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities</b>	
Received from Assessments Made to Other Funds	\$ 41,650,721
Received from Insurance Companies and Others	2,200,345
Payments for Claims	(42,390,787)
Payments for Reinsurance and Administrative Fees	<u>(4,347,319)</u>
<b>Net Cash Used in Operating Activities</b>	<u>(2,887,040)</u>
<b>Cash Flows from Non-Operating Activities</b>	
Operating Transfers from Other Funds	<u>4,392,705</u>
<b>Net Cash Provided by Non-Operating Activities</b>	<u>4,392,705</u>
<b>Cash Flows from Investing Activities</b>	
Proceeds from Sale of Investments	1,830,767
Interest Income	<u>143,432</u>
<b>Net Cash Provided by Investing Activities</b>	<u>1,974,199</u>
<b>Net Increase in Cash and Cash Equivalents</b>	3,479,864
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>14,367,651</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 17,847,515</u>
<b>Cash and Cash Equivalents at End of Year Consisted of:</b>	
Cash	\$ 15,750,859
Cash with Fiscal Agent	87,418
Cash Equivalents Included in Investments	<u>2,009,238</u>
<b>Total</b>	<u>\$ 17,847,515</u>
<b>Reconciliation of Operating Loss to Net Cash Used in Operating Activities</b>	
Operating Loss	\$ (3,284,904)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities	
Change in Assets and Liabilities	
Receivables and Other Assets	(410,040)
Accounts Payable and Other Liabilities	<u>807,904</u>
<b>Net Cash Used in Operating Activities</b>	<u>\$ (2,887,040)</u>

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

**TERREBONNE PARISH SCHOOL BOARDS**  
**HOUMA, LOUISIANA**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2018**

Statement J

	Employee Benefit Trust Fund - IRC Section 125 Plan	Agency Fund - School Activity Fund	Totals
<b>Assets</b>			
Cash	\$ 81,566	\$ 2,379,173	\$ 2,460,739
Other	-	5,329	5,329
<b>Total Assets</b>	<b>\$ 81,566</b>	<b>\$ 2,384,502</b>	<b>\$ 2,466,068</b>
<b>Liabilities</b>			
Due to Other Funds	\$ 6,157	-	\$ 6,157
Other Liabilities	-	2,384,502	2,384,502
<b>Total Liabilities</b>	<b>\$ 6,157</b>	<b>\$ 2,384,502</b>	<b>\$ 2,390,659</b>
<b>Net Position</b>			
Held in Trust for Employee Benefits	<u>\$ 75,409</u>		<u>\$ 75,409</u>

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

**TERREBONNE PARISH SCHOOL BOARDS**  
**HOUMA, LOUISIANA**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2018**

Statement K

	Employee Benefit Trust Fund - IRC Section 125 Plan
<hr/>	
<b>Additions</b>	
Contributions by Employees	\$ 37,716
<b>Deductions</b>	
Disbursements for Employee Claims	<u>29,517</u>
<b>Change in Net Position</b>	8,199
<b>Net Position, Beginning</b>	<u>67,210</u>
<b>Net Position, Ending</b>	<u><u>\$ 75,409</u></u>

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Notes to Financial Statements**

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

- A. Financial Reporting Entity
- B. Basis of Presentation - Fund Accounting
- C. Measurement Focus/Basis of Accounting
- D. Budget and Budgetary Accounting
- E. Cash and Cash Equivalents and Investments
- F. Intergovernmental Receivables
- G. Interfund Receivables/Payables and Interfund Transfers
- H. Inventory
- I. Prepaid Expenses
- J. Capital Assets
- K. Deferred Outflows/Inflows of Resources
- L. Compensated Absences
- M. Long-Term Obligations
- N. Estimates
- O. Net Position Classifications
- P. Fund Balance
- Q. Claims and Judgments
- R. Ad Valorem Taxes
- S. Sales and Use Taxes
- T. Pensions
- U. Stewardship, Compliance, and Accountability
- V. Adoption of New Accounting Principles

**Note 2. Cash and Investments**

**Note 3. Sales Taxes**

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

**Note 5. Capital Assets**

**Note 6. Pension Plans**

**Note 7. Postemployment Benefits**

**Note 8. Long-Term Liabilities**

**Note 9. Risk Management and Insurance**

**Note 10. Interfund Balances**

**Note 11. Commitments and Contingencies**

**Note 12. Concentration**

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

**Note 14. Restricted Net Position**

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 1. Summary of Significant Accounting Policies

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

#### A. Financial Reporting Entity

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

The School Board administration and instruction facilities are composed of a central office, 20 elementary schools, 8 junior high and middle schools, 4 high schools, 1 alternative program site, 1 career and technical school, 1 special school, and 1 adult education center. Student enrollment for the 2017-2018 year is approximately 18,000 regular and special education students. The School Board employs approximately 2,300 persons of which 75% are directly involved in the instructional and instructional support process. The remainder provide ancillary support such as general administration, repair and maintenance, bus transportation, etc. The regular school term normally begins during the middle of August and runs until late May.

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

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

#### Governmental Fund Types

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

##### Governmental Fund Types (Continued)

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

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

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

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

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

##### Proprietary Fund Types

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

##### Fiduciary Fund Types

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

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

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

##### Internal Activities

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

##### Program Revenues

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

##### Allocation of Indirect Expenses

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

##### Fund Financial Statements (FFS)

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

##### Governmental Funds

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

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

##### Major Funds

The School Board reports the following major governmental funds:

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

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

*3/4 Cent Sales Tax Fund* - Accounts for the proceeds of a three quarters of one percent local sales tax dedicated as described in Note 3.

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

##### Non-Major Funds

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

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

##### Proprietary Funds

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

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

##### Fiduciary Funds

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

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

##### Revenues

Federal and state entitlements, which include the Minimum Foundation Program and state revenue sharing, are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Ad valorem, sales, and other taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis based on the assessed value on January 1, become due on December 31 of each year, and become delinquent on January 1 the following year. An enforceable lien attaches to the property as of January 10 the following year. The taxes were levied by the School Board on July 19, 2017. However, before the taxes can be collected, the tax rolls must be submitted to the State Tax Commission for approval.

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

##### Expenditures

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

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

#### D. Budget and Budgetary Accounting

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

The process of developing the operational budget begins in late February and ends with the adoption of the budget at the first board meeting of the fiscal year. The proposed budgets for fiscal year 2017-2018 were completed and made available for public inspection at the School Board office on May 16, 2017. A public hearing was held on June 13, 2017, for suggestions and comments from taxpayers. The proposed fiscal year 2017-2018 budgets were formally adopted by the School Board on July 11, 2017, and final amendment was adopted on May 1, 2018. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service, and Capital Projects Funds, were published in the official journal ten days prior to the public hearings.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

The budget was prepared on the modified accrual basis of accounting and included proposed expenditures and means of financing them. Budget amounts included in the accompanying financial statements include the original adopted budgets and all subsequent board approved amendments thereto. Budget amounts which are not expended or obligated through contract lapse at year-end.

The budget resolution defines by generic fund type the authority of the School Board and its principal operating officers to effect amendments to the original operating budgets. As it relates to the General Fund, the Superintendent and Director of Finance, jointly, are authorized to reallocate amounts within internal functional areas.

Budgets for state and federal special revenue funds are approved by the appropriate regulatory authority and subsequently adopted by the School Board. Expenditures may not exceed budgeted amounts unless a budget revision is approved by the regulatory authority. Encumbrances outstanding at year end are reported as reservations of fund balances because they do not constitute expenditures or liabilities.

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

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

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### F. Intergovernmental Receivables

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

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

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

#### H. Inventory

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

#### I. Prepaid Expenses

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

#### J. Capital Assets

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### J. Capital Assets (Continued)

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

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

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

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

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

#### L. Compensated Absences

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

#### Sick Leave

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### L. Compensated Absences (Continued)

##### Extended Sick Leave

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

##### Vacation

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

#### M. Long-Term Obligations

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

#### N. Estimates

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

#### O. Net Position Classifications

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

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

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

#### P. Fund Balance

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

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

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

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

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### P. Fund Balance (Continued)

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

#### Q. Claims and Judgments

The School Board provides for losses and anticipated expenses resulting from claims and judgments including claim adjustment expenditures/expenses, salvage, and subrogation. Losses resulting from claims and judgments are estimated by utilizing a case-by-case review of all claims in accordance with Governmental Accounting Standards Board Codification Section C50. The liability for such losses is recorded in the internal service fund. Incurred but not reported claims as of June 30, 2018, have been considered in determining the accrued liability.

#### R. Ad Valorem Taxes

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

The 2017 tax calendar is as follows:

Millage Rates Adopted/Levy Date	July 19
Bills Mailed	November 30
Due Date	December 31
Lien Date	January 10

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

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

#### S. Sales and Use Taxes

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

#### T. Pensions

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

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

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

##### Deposit and Investment Laws and Regulations

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### V. Adoption of New Accounting Principles

##### **Statement No. 75 of the Governmental Accounting Standards Board**

##### *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions -*

This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. This Statement is effective for fiscal years beginning after June 15, 2017, and as a result, was adopted during the year ended June 30, 2018. A cumulative effect of the change in accounting principle in the amount of \$191,814,687 was recorded on July 1, 2017.

##### **Statement No. 85 of the Governmental Accounting Standards Board**

*Omnibus 2017* - This Statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017.

##### **Statement No. 86 of the Governmental Accounting Standards Board**

*Certain Debt Extinguishment Issues* - This Statement establishes standards of accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources - that is, resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the purpose of extinguishing debt. This Statement also amends accounting and financial reporting requirements for prepaid insurance associated with debt that is extinguished. Finally, this Statement establishes an additional disclosure requirement related to debt that is defeased in substance. This Statement is effective for periods beginning after June 15, 2017.

### Note 2. Cash and Investments

#### **Cash**

Under state law, the School Board may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States.

TERREBONNE PARISH SCHOOL BOARD

Notes to Basic Financial Statements

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

Deposits are stated at cost, which approximates market. Balances of interest-bearing demand deposits at June 30, 2018, were as follows:

	<b>Book Balances</b>	<b>Bank Balances</b>
<b>Cash</b>		
Governmental Funds	\$ 32,970,374	\$ 35,092,072
Proprietary Funds	15,750,859	16,837,087
Agency Funds	2,460,739	2,552,896
<b>Total Cash</b>	<b>51,181,972</b>	<b>54,482,055</b>
<b>Cash Equivalents (Included in Investments)</b>		
Governmental Funds	11,608,496	11,608,496
Proprietary Funds	2,009,238	2,009,238
<b>Total Cash Equivalents</b>	<b>13,617,734</b>	<b>13,617,734</b>
<b>Total</b>	<b>\$ 64,799,706</b>	<b>\$ 68,099,789</b>

Custodial credit risk for deposits is the risk that in the event of a failure of a depository institution, the School Board may not recover its deposits or the securities pledged as collateral by a third-party custodian. The School Board's policy and state law require all deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the bank. At June 30, 2018, there were no bank deposits subject to custodial credit risk.

**Investments and Fair Value Measurements**

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

Investment Type	Interest Risk - Maturity Duration in Years			
	Less Than 1	1 to 5	Greater than 5	Total
<b>Governmental Funds</b>				
US Government Agencies	\$ 8,292,384	\$ 2,738,410	\$ -	\$ 11,030,793
US Treasury	8,568,199	1,593,850	7,885,507	18,047,556
Municipal Obligations	200,180	-	-	200,180
Cash Equivalents	11,608,496	-	-	11,608,496
<b>Total Governmental Funds</b>	<b>28,669,259</b>	<b>4,332,260</b>	<b>7,885,507</b>	<b>40,887,025</b>
<b>Proprietary Funds</b>				
US Government Agencies	1,410,943	465,938	-	1,876,882
US Treasury	1,457,873	271,193	1,341,713	3,070,779
Cash Equivalents	2,009,238	-	-	2,009,238
<b>Total Proprietary Funds</b>	<b>4,878,054</b>	<b>737,131</b>	<b>1,341,713</b>	<b>6,956,899</b>
<b>Total Investments</b>	<b>\$ 33,547,313</b>	<b>\$ 5,069,391</b>	<b>\$ 9,227,220</b>	<b>\$ 47,843,924</b>

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

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

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

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

#### Fair Value Measurement

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

The following table sets forth by level within the fair value hierarchy the School Board's assets at fair value as of June 30, 2018:

	Total	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
US Government Agencies	\$ 12,907,676	\$ 7,459,052	\$ 5,448,624	\$ -
US Treasury	21,118,334	12,631,413	8,486,921	-
Municipal Obligations	200,180	-	200,180	-
Cash Equivalents	13,617,734	13,077,547	540,187	-
<b>Total</b>	<b>\$ 47,843,924</b>	<b>\$ 33,168,012</b>	<b>\$ 14,675,912</b>	<b>\$ -</b>

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 3. Sales Taxes

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

The School Board levies a one-third of one percent sales and use tax, with the receipts deposited in the General Fund; the tax is dedicated to the payment of salaries of teachers and other board employees. This revenue was \$7,207,381, for the year ended June 30, 2018.

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 \$10,687,428, for the year ended June 30, 2018.

The School Board also levies a three-quarters of one percent sales and use tax with the receipts being deposited in the 3/4 Cent Sales Tax Special Revenue Fund of 1975. This revenue was \$16,216,607, for the year ended June 30, 2018. These sales tax proceeds are dedicated and used as follows:

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

30% of the net tax collections are for acquiring, constructing, and installing air conditioning equipment and facilities in the public schools and payment of the costs and expenses of operating utilities, maintenance and operations, replacement of equipment, and assistance to the maintenance and operation of the entire physical plant of the Terrebonne Parish School Board. In addition, the ordinance allows the sales tax to fund bonds used for the purpose of acquiring, constructing, and installing air conditioning equipment and facilities.

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

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

**Note 3. Sales Taxes (Continued)**

Operating transfers are made from these allocations to the General Fund and other funds. In any fiscal year in which the dedicated expenditures described above exceed the current year's allocated revenue, equity transfers may include such additional amounts as are necessary and available to fully fund such expenditures. An analysis of activity in the 3/4 Cent Sales Tax Special Revenue Fund follows:

	Total	Salaries and Fringe Benefits	Plant Operations and Debt Service	Instructional Programs
<b>Revenues</b>				
Sales and Use Tax	\$ 16,216,607	\$ 8,108,304	\$ 4,864,982	\$ 3,243,321
Interest Earned	37,198	37,198	-	-
<b>Total Revenues</b>	16,253,805	8,145,502	4,864,982	3,243,321
<b>Expenditures</b>				
	2,532,128	-	-	2,532,128
<b>Revenues Over Expenditures</b>	13,721,677	8,145,502	4,864,982	711,193
<b>Other Sources (Uses) of Funds</b>	(13,789,620)	(8,145,502)	(4,864,982)	(779,136)
<b>Decrease in Fund Balance</b>	(67,943)	-	-	(67,943)
<b>Fund Balance, Beginning of Year</b>	2,258,132	-	-	2,258,132
<b>Fund Balance, End of Year</b>	\$ 2,190,189	\$ -	\$ -	\$ 2,190,189

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

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, 2018, was \$21,622,142 and dedicated as follows:

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

8 1/2% for providing operating and maintaining computers and high technology;

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.

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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**Note 3. Sales Taxes (Continued)**

An analysis of activity in the One Cent Sales Tax Fund of 1996 follows:

	<b>Total</b>	<b>Compensation</b>	<b>Capital Projects and Technology</b>
<b>Revenues and Other Financing Sources</b>			
Sales and Use Tax	\$ 21,622,142	\$ 17,946,378	\$ 3,675,764
Interest Earned	63,090	63,090	-
Other Local Revenue	244,197	244,197	-
<b>Total Revenues</b>	<b>21,929,429</b>	<b>18,253,665</b>	<b>3,675,764</b>
<b>Expenditures</b>	<b>16,724,235</b>	<b>15,217,477</b>	<b>1,506,758</b>
<b>Revenues Over Expenditures</b>	<b>5,205,194</b>	<b>3,036,188</b>	<b>2,169,006</b>
<b>Other Sources (Uses) of Funds</b>	<b>(4,187,156)</b>	<b>(2,000,000)</b>	<b>(2,187,156)</b>
<b>Increase (Decrease) in Fund Balance</b>	<b>1,018,038</b>	<b>1,036,188</b>	<b>(18,150)</b>
<b>Fund Balance, Beginning of Year</b>	<b>6,668,983</b>	<b>5,057,738</b>	<b>1,611,245</b>
<b>Fund Balance, End of Year</b>	<b>\$ 7,687,021</b>	<b>\$ 6,093,926</b>	<b>\$ 1,593,095</b>

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.

**Note 4. 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.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

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

	<b>Assessed Values</b>
Gross	\$ 1,129,696,943
Less Homestead Exemption	<u>181,469,945</u>
Taxable Property	<u>\$ 948,226,998</u>

Total ad valorem tax revenue collected for the year ended June 30, 2018, was \$8,797,316.

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

	<b>Authorized Millage</b>	<b>Levied Millage</b>	<b>Gross Tax Levy</b>
Parish Wide Taxes			
Constitutional Tax	3.99	3.86	\$ 3,660,156
Special Maintenance Tax	5.60	<u>5.41</u>	<u>5,129,908</u>
<b>Totals</b>		<u>9.27</u>	<u>\$ 8,790,064</u>

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

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

Property taxes are recorded as revenue by the School Board in the year the taxes are levied. Property taxes which are paid under protest are recorded as unearned revenue in the year the taxes are received and are held until settled. Property tax revenues are accrued at year-end to the extent that they are measurable and estimated to become available to finance current operations.

Delinquent taxes considered to be uncollectible are not recorded as revenues; consequently, no allowance for uncollected taxes is considered necessary. Such revenues are based on total tax levies less exempt taxes due to the general homestead exemption. A portion of exempt taxes due to homestead exemptions relating to constitutional and special school taxes are reimbursed to the School Board through state revenue sharing. Such revenue sharing was \$218,087, for the year ended June 30, 2018.

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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

As required by Louisiana Revised Statutes, prescribed deductions are made from the School Board's property tax receipts and revenue sharing for contributions to various pension funds. For the year ended June 30, 2018, \$938,336 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 \$527,978 for the year ended June 30, 2018.

**Note 5. Capital Assets**

A summary of changes in capital assets for the 2018 fiscal year is as follows:

<b>Governmental Activities</b>	<b>Balance June 30, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2018</b>
<b>Capital Assets, Not Being Depreciated</b>				
Land	\$ 6,256,446	\$ -	\$ -	\$ 6,256,446
Construction-in-Progress	4,935,949	10,890,180	461,460	15,364,669
<b>Total Capital Assets, Not Being Depreciated</b>	<b>11,192,395</b>	<b>10,890,180</b>	<b>461,460</b>	<b>21,621,115</b>
<b>Capital Assets, Being Depreciated</b>				
Buildings and Improvements	158,581,503	461,460	-	159,042,963
Furniture and Equipment	5,890,075	309,387	33,892	6,165,570
Vehicles	3,701,352	52,139	16,771	3,736,720
<b>Total Capital Assets, Being Depreciated</b>	<b>168,172,930</b>	<b>822,986</b>	<b>50,663</b>	<b>168,945,253</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings and Improvements	80,542,382	3,271,122	-	83,813,504
Furniture and Equipment	4,490,573	361,058	33,892	4,817,739
Vehicles	3,608,771	41,294	16,771	3,633,294
<b>Total Accumulated Depreciation</b>	<b>88,641,726</b>	<b>3,673,474</b>	<b>50,663</b>	<b>92,264,537</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>79,531,204</b>	<b>(2,850,488)</b>	<b>-</b>	<b>76,680,716</b>
<b>Total Assets</b>	<b>\$ 90,723,599</b>	<b>\$ 8,039,692</b>	<b>\$ 461,460</b>	<b>\$ 98,301,831</b>

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

### Note 5. Capital Assets (Continued)

Capital asset additions reported above includes \$461,460 of prior period and current year construction costs moved out of construction-in-progress.

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

At June 30, 2018, construction-in-progress consisted of the following:

Fund and Project	Estimated Cost	Expended to June 30, 2018	Restricted Fund Balance	Assigned Fund Balance
<b>Building Fund</b>				
High School Gym/Auditorium Repairs				
H. L. Bourgeois	\$ 5,000	\$ -	\$ -	\$ 5,000
Ellander Memorial High School	10,000	-	-	10,000
South Terrebonne High School	45,000	-	-	45,000
Terrebonne High School	5,000	-	-	5,000
Louis Miller CTC - Building	700,000	679,299	-	20,701
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	-	-	-	14,060,909
<b>Total Building Fund</b>	1,134,801	679,299	-	14,516,411
<b>Capital Projects Fund - Series 2016 Bonds</b>				
School Construction				
Southdown Elementary School	20,317,474	14,685,370	5,632,104	-
<b>Total Capital Projects Fund</b>	20,317,474	14,685,370	5,632,104	-
<b>Total Construction-in-Progress</b>	\$ 21,452,275	\$ 15,364,669	\$ 5,632,104	\$ 14,516,411

### Note 6. Pension Plans

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

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

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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

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

###### *Plan Description*

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

###### *Benefits Provided*

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

###### Normal Retirement

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

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

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

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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

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

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

##### Normal Retirement (Continued)

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

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

##### Deferred Retirement Option Program

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

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

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

##### Disability Benefits

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have 5 or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (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.

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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

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

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

##### Survivor Benefits

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

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

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

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

##### Optional Retirement Plan

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

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

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

##### **Contributions**

The employer contribution rate is established annually under LRS 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the School Board's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan. The rates in effect during the fiscal year ended June 30, 2018, are as follows:

2018 TRSL Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	26.6%
Plan A	9.1%	26.6%
Optional Retirement Plan	8.0%	28.4%

The School Board's contractually required composite contribution rate for the year ended June 30, 2018, was 26.6% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Employer contributions to TRSL from the School Board were \$21,026,699, for the year ended June 30, 2018.

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

##### **Plan Description**

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

##### **Benefits Provided**

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

##### Normal Retirement

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

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

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

###### Benefit Formula

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

###### Disability Benefits

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

###### Survivor Benefits

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

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

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

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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

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

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

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

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

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

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

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

###### *Contributions*

Contributions for members are established by state statute at 7.5% of their annual covered salary for members employed prior to July 1, 2010 and 8.0% for members employed subsequent to July 1, 2010. Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the State Constitution. The actuarially required contribution rate for June 30, 2018 was 27.6%. Employer contributions to LSERS from the School Board were \$2,023,102, for the year ended June 30, 2018.

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

###### *Plan Description*

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

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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

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

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

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

###### Normal Retirement

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

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

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

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

###### Normal Retirement (Continued)

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

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

###### Deferred Benefits

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

## TERREBONNE PARISH SCHOOL BOARD

### Notes to Basic Financial Statements

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

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

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

###### Deferred Benefits (Continued)

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

###### Disability Benefits

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

###### Survivor Benefits

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

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

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

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

##### *Contributions*

Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 (closed plan) and 8.0% of their annual covered salaries if hired after July 1, 2006, and the School Board is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2018, was 37.9% of annual covered payroll. Employer contributions paid to LASERS for the year ended June 30, 2018, were \$88,222.

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

The following table reflects the School Board's reported net pension liability, pension expense, proportionate share of the net pension liability, and the changes in proportion as of June 30, 2018:

<b>Plan</b>	<b>Pension Expense</b>	<b>Net Pension Liability at June 30, 2018</b>	<b>Rate at June 30, 2018</b>	<b>Increase Decrease on June 30, 2017 Rate</b>
TRSL	\$ 16,177,535	\$ 178,748,347	1.74357%	-0.02478%
LSERS	1,927,846	16,229,886	2.53621%	-0.02198%
LASERS	(367)	865,143	0.01229%	0.00101%
<b>Total</b>	<b>\$ 18,105,014</b>	<b>\$ 195,843,376</b>		

The net pension liabilities were measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School Board's proportion of the net pension liability for TRSL and LASERS was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The School Board's proportion of the net pension liability of LSERS was based on the School Board's historical contributions.

TERREBONNE PARISH SCHOOL BOARD

Notes to Basic Financial Statements

Note 6. Pension Plans (Continued)

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

At June 30, 2018, 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	\$ 8,031,787	\$ 3,673,763
Differences Between Expected and Actual Experience	-	5,875,746
Changes in Assumptions	1,884,905	-
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	4,616,747
Difference Between Employer Contributions		
and Proportionate Share of Contributions	2,358,479	-
Contributions Subsequent to the		
Measurement Date	21,026,699	-
	33,301,870	14,166,256
<u>LSERS:</u>		
Changes in Proportion	408,590	99,849
Differences Between Expected and Actual Experience	-	378,466
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	-	253,781
Changes in Assumptions	340,308	252,835
Difference Between Employer Contributions		
and Proportionate Share of Contributions	-	20,684
Contributions Subsequent to the		
Measurement Date	2,023,102	-
	2,772,000	1,005,615
<u>LASERS:</u>		
Changes in Proportion	52,769	47,067
Differences Between Expected and Actual Experience	-	15,874
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments	28,133	-
Changes in Assumptions	3,418	
Difference Between Employer Contributions		
and Proportionate Share of Contributions	3,610	-
Contributions Subsequent to the		
Measurement Date	88,222	-
	176,152	62,941
<b>Totals</b>	<b>\$ 36,250,022</b>	<b>\$ 15,234,812</b>

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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

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

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

Year Ending June 30,	Amortization Amounts		
	TRSL	LSERS	LASERS
2019	\$ (1,989,002)	\$ (205,321)	\$ (20,808)
2020	5,268,768	432,133	51,955
2021	(78,091)	106,976	11,258
2022	(5,092,760)	(590,505)	(17,416)
<b>Total</b>	<b>\$ (1,891,085)</b>	<b>\$ (256,717)</b>	<b>\$ 24,989</b>

**Actuarial Assumptions**

The total pension liability in the June 30, 2017 actuarial valuations for TRSL, LSERS, and LASERS were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Assumptions	TRSL	LSERS	LASERS
Actuarial Cost 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
Investment Rate of Return	7.70% net of investment expenses	7.125%, net of investment expenses	7.70%, net of investment expenses
Inflation Rate	2.50%	2.65%	2.75%
Discount Rate	7.70%	7.125%	7.70%
Salary Increases	3.5% - 10%	3.075% - 5.375%	3.8% - 12.8%
Cost-of-Living Adjustments	None	None	None
Mortality	RP-2000 Mortality Table with projection to 2025 using Scale AA	RP-2000 Sex Distinct Mortality Table	RP-2000 Combined Healthy Mortality Table
Termination and Disability	Based on a five year (2008 - 2012) experience study of the System's members	Based on a five year (2008 - 2012) experience study of the System's members	Based on a five year (2009 - 2013) experience study of the System's members

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

#### Actuarial Assumptions (Continued)

##### *TRSL Investments*

The long-term expected rate of return on TRSL pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. Best estimates of arithmetic real rates of return for each major asset class included in TRSL's target asset allocation as of June 30, 2017, are summarized in the following table:

<b>Asset Class</b>	<b>Target Asset Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	27.00%	4.28%
International Equity	19.00%	4.96%
Domestic Fixed Income	13.00%	1.98%
International Fixed Income	5.50%	2.75%
Private Equity	25.50%	8.47%
Other Private Assets	10.00%	3.51%
	<u>100.00%</u>	

##### *LSERS Investments*

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

#### Actuarial Assumptions (Continued)

##### *LASERS Investments (Continued)*

Best estimates of geometric real rates of return for each major asset class included in LASERS' target asset allocation as of June 30, 2017, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Core Fixed Income	8.00%	2.00%
High Yield	5.00%	4.43%
Emerging Markets Debt	7.00%	4.71%
Global Fixed Income	10.00%	1.38%
U.S. Equity	20.00%	6.44%
Developed Equity	18.00%	7.40%
Emerging Markets Equity	10.00%	9.42%
Global REITs	3.00%	5.77%
Private Equity	5.00%	10.47%
Hedge Fund of Funds	3.00%	3.75%
Real Estate	5.00%	5.00%
Timber	2.00%	5.67%
Oil and Gas	2.00%	10.57%
Infrastructure	2.00%	6.25%
	<u>100.00%</u>	

##### *LASERS Investments*

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 6. Pension Plans (Continued)

#### Actuarial Assumptions (Continued)

##### *LASERS Investments (Continued)*

Best estimates of arithmetic real rates of return for each major asset class included in LASERS' target asset allocation as of June 30, 2017, are summarized in the following table:

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

##### *Discount Rates*

The discount rates used to measure the total pension liabilities of TRSL, LSERS, and LASERS were 7.70%, 7.125%, and 7.70%, respectively. For TRSL and LASERS, the projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. For LSERS, the projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the plan's actuary. Based on those assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TERREBONNE PARISH SCHOOL BOARD

Notes to Basic Financial Statements

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Note 6. Pension Plans (Continued)

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

The following presents the School Board's proportionate share of the net pension liabilities of the Plans using the discount rates of 7.70%, 7.125%, and 7.70%, respectively, as well as what the School Board's proportionate share of the net pension obligations would be if they were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Pension Plan	1% Decrease	Current Discount Rate	1% Increase
TRSL	\$ 230,321,324	\$ 178,748,347	\$ 134,876,461
LSERS	22,249,266	16,229,886	11,060,649
LASERS	1,086,088	865,143	677,286
<b>Total</b>	<b>\$ 253,656,678</b>	<b>\$ 195,843,376</b>	<b>\$ 146,614,396</b>

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

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to its proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2018, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$675,858 (TRSL), \$-0- (LSERS), and \$-0- (LASERS) for its participation in the Plans.

***Pension Plan Fiduciary Net Position***

Detailed information about the pension plans' fiduciary net positions is available in the separately issued 2017 Comprehensive Annual Financial Reports at [www.trsl.org](http://www.trsl.org), [www.lasers.net](http://www.lasers.net), and [www.lasersonline.org](http://www.lasersonline.org).

**Payables to the Pension Plans**

At June 30, 2018, amounts due to the pension plans for employer required contributions are as follows:

TRSL	\$ 6,644,375
LSERS	424,823
LASERS	<u>27,404</u>
<b>Total</b>	<b><u>\$ 7,096,602</u></b>

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 7. Postemployment Benefits

#### General Information about the OPEB Plan

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

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

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

*Employees Covered by Benefit Terms* - At June 30, 2018, the following employees were covered by the benefit terms:

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 7. Postemployment Benefits (Continued)

#### Total OPEB Liability

The School Board's total OPEB liability of \$295,894,702 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs* - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2009 to June 30, 2018.

#### Changes in the Total OPEB Liability

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

Balance at June 30, 2017	\$ 293,968,941
Changes for the Year	
Service Cost	5,368,789
Interest	11,539,734
Differences Between Expected and Actual Experience	(4,031,560)
Benefit Payments and Net Transfers	<u>(10,951,202)</u>
Net Changes	<u>1,925,761</u>
<b>Balance at June 30, 2018</b>	<b><u>\$ 295,894,702</u></b>

TERREBONNE PARISH SCHOOL BOARD

Notes to Basic Financial Statements

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Note 7. Postemployment Benefits (Continued)

**Changes in the Total OPEB Liability (Continued)**

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* - The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.0%) or one percentage point higher (5.0%) than the current discount rate:

	1.0% Decrease (3.0%)	Current Discount Rate (4.0%)	1.0% Increase (5.0%)
Total OPEB Liability	\$ 346,785,829	\$ 295,894,702	\$ 255,559,533

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

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB Liability	\$ 255,383,095	\$ 295,894,702	\$ 346,358,570

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

For the year ended June 30, 2018, the School Board recognized OPEB expense of \$16,460,572. At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 3,583,609

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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

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

Year Ending June 30,	Amount
2019	\$ (447,951)
2020	(447,951)
2021	(447,951)
2022	(447,951)
2023	(447,951)
Thereafter	<u>(1,343,854)</u>
<b>Total</b>	<b><u>\$ (3,583,609)</u></b>

**Note 8. Long-Term Liabilities**

**Summary of General Long-Term Obligations**

The following is a summary of the changes in general long-term obligations for the year ended June 30, 2018:

	Payable at June 30, 2017	Additions	Reductions	Payable at June 30, 2018
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	18,050,000	-	225,000	17,825,000
2016 Bond Premium	1,842,492	-	145,162	1,697,330
Compensated Absences	6,564,051	146,262	369,314	6,340,999
Other Postemployment Benefits	293,968,941	12,876,963	10,951,202	295,894,702
Net Pension Liabilities	<u>227,734,982</u>	-	31,891,606	<u>195,843,376</u>
<b>Totals</b>	<b><u>\$ 569,621,241</u></b>	<b><u>\$ 13,023,225</u></b>	<b><u>\$ 43,582,284</u></b>	<b><u>\$ 539,062,182</u></b>

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### Summary of General Long-Term Obligations (Continued)

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of June 30, 2018:

	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	230,000	17,595,000	17,825,000
2016 Bond Premium	143,332	1,553,998	1,697,330
Compensated Absences	369,314	5,971,685	6,340,999
Other Postemployment Benefits	-	295,894,702	295,894,702
Net Pension Liabilities	-	195,843,376	195,843,376
<b>Totals</b>	<b>\$ 742,646</b>	<b>\$ 538,319,536</b>	<b>\$ 539,062,182</b>

#### Qualified School Construction Bonds

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

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

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### Qualified School Construction Bonds (Continued)

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
2019	\$ 5,333,333
2020	6,000,000
2021	6,666,666
2022	7,333,333
2023	8,000,000
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).

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

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### Qualified School Construction Bonds (Continued)

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
2019	\$ 4,666,662
2020	5,333,328
2021	5,999,994
2022	6,666,660
2023	7,333,326
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).

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

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

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

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### Qualified School Construction Bonds (Continued)

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
2019	\$ 584,310
2020	681,695
2021	779,080
2022	876,465
2023	973,850
Thereafter	1,460,775

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

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

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

For the payment of the principal of the Bonds, a special fund known as "Parish School Board of the Parish of Terrebonne, State of Louisiana, Limited Tax Revenue Bonds, Series 2016, Sinking Fund", said Sinking Fund to be maintained with the regularly designated fiscal agent bank of the Issuer. The Bonds bear interest at varying amounts between 2% and 5%. The Bonds mature in varying amounts beginning on March 1, 2017 through March 1, 2036.

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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

The annual debt service requirements including interest to amortize all long-term obligations outstanding at June 30, 2018 other than compensated absences, pensions, and other postemployment benefits are as follows:

Year Ending June 30,	QSCB 2009	QSCB 2011	QSCB 2012	Tax Revenue Bonds Series 2016	Total
2019	\$ 104,000	\$ 38,000	\$ -	\$ 929,763	\$ 1,071,763
2020	104,000	38,000	-	925,163	1,067,163
2021	104,000	38,000	-	925,563	1,067,563
2022	104,000	38,000	-	930,863	1,072,863
2023	104,000	38,000	-	928,513	1,070,513
Thereafter	10,312,000	10,152,000	1,460,775	21,731,684	43,656,459
<b>Totals</b>	<b>10,832,000</b>	<b>10,342,000</b>	<b>1,460,775</b>	<b>26,371,549</b>	<b>49,006,324</b>
Less:					
Interest	832,000	342,000	-	8,546,549	9,720,549
<b>Net Amount</b>	<b>\$ 10,000,000</b>	<b>\$ 10,000,000</b>	<b>\$ 1,460,775</b>	<b>\$ 17,825,000</b>	<b>\$ 39,285,775</b>

**Note 9. Risk Management and Insurance**

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

**Commercial Insurance**

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

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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

**Self-Insurance Programs**

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

The workers' compensation program was established for the purpose of providing medical and indemnity payments as required by law for on-the-job related injuries. The plan administrator, Gulf South Risk Services, is responsible for claims processing and administration. The School Board has obtained excess insurance coverage with a deductible of \$500,000 per occurrence and a \$1,000,000 limit per claim. An analysis of the claims activities for the current year and prior year follows:

Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
(In Thousands)				
June 30, 2017	\$ 592	\$ 672	\$ 538	\$ 726
June 30, 2018	\$ 726	\$ 696	\$ 689	\$ 733

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, 2018. 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:

Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
(In Thousands)				
June 30, 2017	\$ 8,984	\$ 43,075	\$ 43,759	\$ 8,300
June 30, 2018	\$ 8,300	\$ 41,164	\$ 40,724	\$ 8,740

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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

#### Self-Insurance Programs (Continued)

The Loss Fund was established by the School Board to cover risks of loss related to damage to buildings and contents. The fund also serves to cover risks of loss due to torts and negligence by employees and board members. Auto liability is also included in the Loss Fund. The Fund covers all losses up to \$300,000. It is funded by operating transfers from the General Fund. In addition, this Fund serves to accumulate resources sufficient to handle property and casualty losses which fall within any deductible conditions or any self-insured retention program. Expenditures and claims liabilities are recorded when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The School Board has obtained a fire and extended coverage insurance policy with an all-perils deductible of \$100,000 per occurrence and a 3% deductible for wind damage for any named storm, with an aggregate deductible of \$100,000 per occurrence. Analysis of claims activities for the current year and prior year follows:

Year Ended	Beginning Liability	Current Year		Ending Liability
		Changes in Estimates	Actual Claim Payments	
			(In Thousands)	
June 30, 2017	\$ 19	\$ 1,364	\$ 1,383	\$ -
June 30, 2018	\$ -	\$ 1,498	\$ 1,498	\$ -

#### Unemployment Compensation

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

TERREBONNE PARISH SCHOOL BOARD

Notes to Basic Financial Statements

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**Note 10. Interfund Balances**

**Interfund Receivables/Payables**

During the course of normal operations, numerous transactions occur between funds for goods provided or services rendered. These receivables and payables, as well as short-term interfund loans, are classified as due from other funds or due to other funds, but are eliminated in the GWFS. Any residual balances outstanding between governmental activities and business-type activities are reported in the GWFS as internal balances. The following table shows the due from/due to other funds for the year ended June 30, 2018:

	Due from Other Funds	Due to Other Funds
<b>Governmental Funds</b>		
General Fund	\$ 24,740,207	\$ 1,924,435
Building Fund	-	526,845
3/4 Cent Sales Tax	-	5,788,258
Non-Major Funds	253,396	16,904,758
	<u>24,993,603</u>	<u>25,144,296</u>
<b>Proprietary Funds</b>		
Loss Fund	38,254	-
Group Insurance Claims	-	613,839
Workers Compensation Fund	732,435	-
Total Business-Type Activities	<u>770,689</u>	<u>613,839</u>
<b>Fiduciary Funds</b>		
Employee Spending	-	6,157
	<u>-</u>	<u>6,157</u>
<b>Total</b>	<u><u>\$ 25,764,292</u></u>	<u><u>\$ 25,764,292</u></u>

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 10. Interfund Balances (Continued)

#### Interfund Transfers

During the course of normal operations, numerous transactions occur between funds for goods provided or services rendered. Interfund transfers consisted of payments of indirect costs to the General Fund as well as a transfer to the School Food Service Fund for the year ended June 30, 2018, as follows:

	Transfers In	Transfers Out
<b>Governmental Funds</b>		
General Fund	\$ 15,923,046	\$ 1,775,159
3/4 Cent Sales Tax	92,435	13,923,046
1 Cent Sales Tax	-	4,187,156
Non-Major Funds	3,592,315	1,092,435
	<u>19,607,796</u>	<u>20,977,796</u>
<b>Proprietary Funds</b>		
Loss Fund	<u>1,370,000</u>	-
<b>Total</b>	<u>\$ 20,977,796</u>	<u>\$ 20,977,796</u>

### Note 11. Commitments and Contingencies

#### Litigation

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

#### Federal and State Grant Awards

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

### Note 12. Concentration

The School Board received 13% (\$24,841,890) and 49% (\$93,593,958) of its fiscal 2018 revenues from federal grants and the State of Louisiana Minimum Foundation Program, respectively. The MFP funding is allocated to the School Board through a formula based primarily on the student population.

# TERREBONNE PARISH SCHOOL BOARD

## Notes to Basic Financial Statements

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### Note 13. Recent Reporting and Disclosure Developments

As of June 30, 2018, the Governmental Accounting Standards Board has issued several statements not yet implemented by the School Board. The statements, which might impact the School Board, are as follows:

#### **Statement No. 84 of the Governmental Accounting Standards Board**

##### *Fiduciary Activities*

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

#### **Statement No. 87 of the Governmental Accounting Standards Board**

##### *Leases*

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

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

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

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

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

**TERREBONNE PARISH SCHOOL BOARD**

**Notes to Basic Financial Statements**

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**Note 14. Restricted Net Position**

The government-wide statement of net position reports \$29,779,041 of restricted net position, of which \$13,167,429 is restricted by enabling legislation.

**REQUIRED SUPPLEMENTARY  
INFORMATION (PART II)**

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

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**General Fund**

The General Fund is the primary operating fund of the School Board and receives most of the revenues derived by the School Board from local sources (principally property and sales taxes) and state sources (principally equalization funding). General Fund expenditures represent the costs of general school system operations and include functional categories of instructional and support services. The General Fund is used to account for all financial resources and expenditures except those that are required to be accounted for in another fund.

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

The Citizens of Terrebonne Parish authorized a 1% sales and use tax effective July 1, 1996. The sales tax is to provide for increased compensation and related employment costs of teachers and other full-time personnel except management positions; operating and maintaining computers and high technology; and replacement, repair, and maintenance of roofs and mechanical equipment. This fund accounts for the receipt and disbursement of the 1-cent sales tax, a local funding source; therefore, this fund is classified as a Local Special Revenue Fund.

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

This fund is used to monitor collections and uses of a 3/4 of 1% local sales and use tax. The fund serves partially as a conduit for the transfers of monies to other funds. Operating transfers are made to the General Fund for salary and benefit 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).

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Budgetary Comparison Schedule**  
**General Fund (Continued)**  
**For the Year Ended June 30, 2018**

**Schedule 1**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Local Sources				
Ad Valorem Tax	\$ 8,153,018	\$ 8,407,681	\$ 8,797,316	\$ 389,635
Sales and Use Tax	6,741,191	6,953,225	7,207,381	254,156
Deductions from Parish Taxes (1%) for				
Contribution to Teachers Retirement System	899,000	927,000	938,336	11,336
Rents, Leases, and Royalties	161,000	186,000	173,286	(12,714)
Tuition	660,900	650,000	652,066	2,066
Interest Earned	65,000	72,000	116,770	44,770
Other Local Revenue	500,600	633,100	413,258	(219,842)
State Sources				
Equalization	92,227,772	92,157,708	92,270,816	113,108
Revenue Sharing	207,000	207,000	218,087	11,087
Professional Improvement Program Support	48,200	48,200	36,754	(11,446)
Contribution to Teachers' Retirement System	12,800	12,800	9,372	(3,428)
Other State Grants	-	18,700	-	(18,700)
<b>Total Revenues</b>	<b>109,676,481</b>	<b>110,273,414</b>	<b>110,833,442</b>	<b>560,028</b>
<b>Expenditures</b>				
Current				
Instruction				
Regular Education	51,939,147	51,994,381	50,550,308	(1,444,073)
Special Education	14,850,056	15,088,341	14,416,360	(671,981)
Adult Education	66,411	76,728	73,548	(3,180)
Career and Technical Education	2,987,560	3,072,189	2,935,756	(136,433)
Other Programs	4,979,546	5,217,813	4,943,682	(274,131)
Support Services				
Pupil Support	7,179,152	7,288,614	7,082,666	(205,948)
Instructional Staff	5,157,123	5,234,040	4,963,099	(270,941)
General Administration	1,491,830	1,520,356	1,503,782	(16,574)
School Administration	8,842,258	9,380,200	8,949,110	(431,090)
Business Services	1,634,145	1,985,871	2,046,150	60,279
Plant Services	12,903,573	12,953,414	13,186,394	232,980
Student Transportation	9,149,871	9,547,787	9,150,422	(397,365)
Central Services	1,437,599	1,411,678	1,409,481	(2,197)
Non-Instructional				
Food Service	1,028,177	1,194,798	1,051,292	(143,506)
Facilities Acquisition	-	-	-	-
Debt Service				
Principal Retirement	-	-	-	-
Interest Expense on Debt	-	-	-	-
<b>Total Expenditures</b>	<b>123,646,448</b>	<b>125,966,210</b>	<b>122,262,050</b>	<b>3,704,160</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(13,969,967)</b>	<b>(15,692,796)</b>	<b>(11,428,608)</b>	<b>4,264,188</b>

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Budgetary Comparison Schedule  
General Fund (Continued)  
For the Year Ended June 30, 2018**

**Schedule 1**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	15,053,621	15,437,381	15,882,055	444,674
Operating Transfers Out	(1,743,278)	(1,763,705)	(1,775,159)	(11,454)
Indirect Costs	1,341,936	1,601,958	1,366,006	(235,952)
Other Sources	(311,854)	(583,259)	(578,227)	5,032
<b>Total Other Financing Sources (Uses)</b>	<b>14,340,425</b>	<b>14,692,375</b>	<b>14,894,675</b>	<b>202,300</b>
<b>Net Change in Fund Balance</b>	<b>370,458</b>	<b>(1,000,421)</b>	<b>3,466,067</b>	<b>4,466,488</b>
<b>Fund Balances, Beginning of Year</b>	<b>8,768,282</b>	<b>13,394,611</b>	<b>13,435,602</b>	<b>(40,991)</b>
<b>Fund Balances, End of Year</b>	<b>\$ 9,138,740</b>	<b>\$ 12,394,190</b>	<b>\$ 16,901,669</b>	<b>\$ 4,507,479</b>

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Budgetary Comparison Schedule  
One Cent Sales Tax Fund (1996)  
For the Year Ended June 30, 2018**

**Schedule 2**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Local Sources				
Sales and Use Tax	\$ 20,223,573	\$ 21,626,244	\$ 21,622,142	\$ (4,102)
Investment Earnings	45,000	45,000	63,090	18,090
Other Local Revenue	-	244,197	244,197	-
<b>Total Revenues</b>	<b>20,268,573</b>	<b>21,915,441</b>	<b>21,929,429</b>	<b>13,988</b>
<b>Expenditures</b>				
Current				
Instruction				
Regular Education	6,921,527	6,883,047	6,920,692	(37,645)
Special Education	1,970,196	1,981,070	1,878,588	102,482
Adult Education	46,560	37,854	38,133	(279)
Career and Technical Education	356,924	347,546	339,969	7,577
Other Programs	1,359,737	1,322,255	1,302,042	20,213
Support Services				
Pupil Support	1,065,399	1,070,613	1,047,839	22,774
Instructional Staff	926,166	927,743	898,363	29,380
General Administration	248,278	214,934	226,255	(11,321)
School Administration	891,685	879,337	879,345	(8)
Business Services	201,252	203,206	171,155	32,051
Plant Services	831,410	855,652	861,791	(6,139)
Student Transportation	775,219	754,286	736,099	18,187
Central Services	617,265	529,224	509,748	19,476
Non-Instructional				
Food Service	809,540	791,537	772,343	19,194
Facilities Acquisition	-	850,000	-	850,000
Debt Service				
Interest	876,255	876,255	141,873	734,382
<b>Total Expenditures</b>	<b>17,897,413</b>	<b>18,524,559</b>	<b>16,724,235</b>	<b>1,800,324</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,371,160</b>	<b>3,390,882</b>	<b>5,205,194</b>	<b>1,814,312</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers Out	(3,655,717)	(3,655,717)	(4,187,156)	531,439
<b>Total Other Financing Sources (Uses)</b>	<b>(3,655,717)</b>	<b>(3,655,717)</b>	<b>(4,187,156)</b>	<b>531,439</b>
<b>Net Change in Fund Balance</b>	<b>(1,284,557)</b>	<b>(264,835)</b>	<b>1,018,038</b>	<b>1,282,873</b>
<b>Fund Balances, Beginning of Year</b>	<b>5,313,940</b>	<b>6,668,983</b>	<b>6,668,983</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>\$ 4,029,383</b>	<b>\$ 6,404,148</b>	<b>\$ 7,687,021</b>	<b>\$ 1,282,873</b>

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

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Budgetary Comparison Schedule**  
**3/4 Cent Sales Tax Fund (1976)**  
**For the Year Ended June 30, 2018**

**Schedule 3**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Revenues</b>				
Local Sources				
Sales and Use Tax	\$ 15,167,681	\$ 15,644,755	\$ 16,216,607	\$ 571,852
Investment Earnings	38,000	38,000	37,198	(802)
Other Local Revenue	-	-	-	-
<b>Total Revenues</b>	<b>15,205,681</b>	<b>15,682,755</b>	<b>16,253,805</b>	<b>571,050</b>
<b>Expenditures</b>				
Current				
Instruction				
Regular Education	2,516,350	3,214,478	2,114,604	1,099,874
Special Education	16,000	19,488	5,755	13,733
Adult Education	1,600	1,600	-	1,600
Career and Technical Education	74,310	129,436	41,414	88,022
Other Programs	106,940	236,286	120,775	115,511
Support Services				
Pupil Support	5,500	5,500	5,342	158
Instructional Staff	110,160	268,081	107,524	160,557
General Administration	148,155	148,155	125,914	22,241
School Administration	15,000	15,000	10,800	4,200
<b>Total Expenditures</b>	<b>2,994,015</b>	<b>4,038,024</b>	<b>2,532,128</b>	<b>1,505,896</b>
<b>Excess (Deficiency) of Revenues         Over Expenditures</b>	<b>12,211,666</b>	<b>11,644,731</b>	<b>13,721,677</b>	<b>2,076,946</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	88,500	88,500	133,426	(44,926)
Operating Transfers Out	(13,053,620)	(13,432,881)	(13,923,046)	490,165
<b>Total Other Financing Sources (Uses)</b>	<b>(12,965,120)</b>	<b>(13,344,381)</b>	<b>(13,789,620)</b>	<b>445,239</b>
<b>Net Change in Fund Balance</b>	<b>(753,454)</b>	<b>(1,699,650)</b>	<b>(67,943)</b>	<b>1,631,707</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,022,282</b>	<b>2,299,123</b>	<b>2,258,132</b>	<b>40,991</b>
<b>Fund Balances, End of Year</b>	<b>\$ 268,828</b>	<b>\$ 599,473</b>	<b>\$ 2,190,189</b>	<b>\$ 1,590,716</b>

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

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Schedule of Changes in Net OPEB Liability**  
**and Related Ratios**  
**For the Year Ended June 30, 2018**

Schedule 4

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

**Notes to Schedule:**

*Benefit Changes.* There were no changes of benefit terms for the year ended June 30, 2018.

*Changes of Assumptions.* There were no changes of assumptions for the year ended June 30, 2018.

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

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

TERREBONNE PARISH SCHOOL BOARD  
 HOUMA, LOUISIANA  
 Schedule of Proportionate Share of Net Pension Liabilities  
 For the Years Ended June 30, 2018 through 2015

Schedule 5

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

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

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

TERREBONNE PARISH SCHOOL BOARD  
 HOUMA, LOUISIANA  
 Schedule of School Board Contributions  
 For the Years Ended June 30, 2018 though 2015

Schedule 6

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

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

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Notes to Required Supplementary Information**

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**Note 1. Budgets**

**General Budget Practices**

The proposed budgets for fiscal year 2017-2018 were completed and made available for public inspection at the School Board office on May 16, 2017. A public hearing was held on June 13, 2017, for suggestions and comments from taxpayers. The proposed fiscal year 2017-2018 budgets were formally adopted by the School Board on July 11, 2017, and final amendment was adopted on May 1, 2018. The budgets, which included proposed expenditures and the means of financing them, for the General, Special Revenue, Debt Service, and Capital Projects Funds, were published in the official journal ten days prior to the public hearings.

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

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

**Budget Basis of Accounting**

The budgets for the General and Special Revenue Funds for fiscal year 2017-2018 were prepared on the modified accrual basis of accounting, consistent with generally accepted accounting principles (GAAP).

**Encumbrances**

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

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Notes to Required Supplementary Information**

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**Note 2. Pension Plan**

**Changes of Benefit Terms**

A member joining TRSL, LSERS, or LASERS on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62, or 20 years of creditable service regardless of age with an actuarially reduced benefit. The retirement age prior to the change in benefit terms was age 60.

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

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

**Changes of Assumptions**

Amounts reported in the actuary valuation dated June 30, 2014 for LSERS reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for LSERS was reduced by 0.25% to 7.25% in 2014.

Amounts reported in the actuary valuation dated June 30, 2015 for LSERS reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for LSERS was reduced by 0.25% to 7.00% in 2015.

Amounts reported in the actuary valuation dated June 30, 2016 for LSERS reflect an adjustment in the discount rate, inflation rate, and projected salary increases used to measure the total pension liability. The discount rate for LSERS was increased by 0.125% to 7.125%. Other changes were as follows:

Valuation Date	June 30, 2016	June 30, 2015
Inflation Rate	2.625%	2.750%
Projected Salary	3.075% - 5.375%	3.20% - 5.50%

The total pension liability for LSERS reported in the actuary valuation dated June 30, 2017 has been changed to recognize that a portion of future investment gains will be used to fund the System's Experience Account. Since neither the existing funds in the account nor future deposits to the account may be used to pay for existing benefits, the liability was added for one future cost-of-living increase to the System's liabilities. However, since it will take an act of the legislature to pay a cost-of-living increase from the Experience Account, and such an act will be dependent upon a range of economic and political factors, no pattern of future increases can be forecast on a reliable basis. Hence, no liability for payments beyond that of one future COLA is included in the total pension liability.

Amounts reported in the actuary valuation dated June 30, 2017 for TRSL reflect an adjustment in the discount rate used to measure the total pension liability. The discount rate for TRSL was reduced by 0.05% to 7.70% in 2017.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**Notes to Required Supplementary Information**

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

**Changes of Assumptions (Continued)**

Amounts reported in the actuary valuation dated June 30, 2017 for LASERS reflect an adjustment in the discount rate, inflation rate, and projected salary increases used to measure the total pension liability. The discount rate for LASERS was reduced by 0.05% to 7.70% in 2017. Other changes were as follows:

Valuation Date	June 30, 2017	June 30, 2016
Inflation Rate	2.750%	3.000%
Projected Salary	3.80% - 14.3%	3.00% - 14.50%

## **OTHER SUPPLEMENTARY INFORMATION**

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Non-Major Governmental Funds**  
**Fund Descriptions**

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**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 needs 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 costs, 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.

**FEDERAL FUNDS (Continued)**

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

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

**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.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Non-Major Governmental Funds  
Fund Descriptions (Continued)  
June 30, 2018**

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**FEDERAL FUNDS (Continued)**

**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.

**STATE FUNDS (Continued)**

**LA 4 Pre-Kindergarten Fund**

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

**8(g) Preschool/Block Grant Program Fund**

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

**State Library Allotment Fund**

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

**State Textbooks and Materials Fund**

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

**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.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Non-Major Governmental Funds  
Fund Descriptions (Continued)  
June 30, 2018**

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**LOCAL FUNDS**

**One Half Cent Sales Tax Fund**

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

**Child Care Program Fund**

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

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

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

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

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

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

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

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

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

**Capital Projects Fund - Series 2016 Bond**

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Combining Balance Sheet  
Non-Major Governmental Funds  
For the Year Ended June 30, 2018**

Schedule 7

	NCLB Title I Disadvantaged Schoolwide Fund	NCLB Title I Striving Readers Fund	Federal Adult Education Fund	Federal Vocational Education Fund	NCLB Title VII Indian Education Fund	Special Education PL 101-476 Fund	NCLB Title II Fund	TANF Block Grant Fund
<b>Assets</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Sales Tax Receivable	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
Due from Other Governmental Units								
State Department of Education	1,825,094	-	-	141,740	-	1,186,307	41,020	1,268,441
United States Department of Education	-	-	-	-	225,248	-	-	-
Other Units	-	-	83,963	-	-	-	-	-
Inventory, at Cost	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	12,704	-	-
<b>Total Assets</b>	<b>\$ 1,825,094</b>	<b>\$ -</b>	<b>\$ 83,963</b>	<b>\$ 141,740</b>	<b>\$ 225,248</b>	<b>\$ 1,199,011</b>	<b>\$ 41,020</b>	<b>\$ 1,268,441</b>
<b>Liabilities</b>								
Accounts Payable and								
Other Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,340	\$ -
Due to Other Funds	1,825,094	-	83,963	141,740	225,248	1,199,011	39,680	1,268,441
<b>Total Liabilities</b>	<b>1,825,094</b>	<b>-</b>	<b>83,963</b>	<b>141,740</b>	<b>225,248</b>	<b>1,199,011</b>	<b>41,020</b>	<b>1,268,441</b>
<b>Fund Balance</b>								
Nonspendable								
Inventory	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	12,704	-	-
Restricted for								
Debt Service	-	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-
Assigned to								
Instructional Programs	-	-	-	-	-	-	-	-
Child Nutrition	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(12,704)	-	-
<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>\$ 1,825,094</b>	<b>\$ -</b>	<b>\$ 83,963</b>	<b>\$ 141,740</b>	<b>\$ 225,248</b>	<b>\$ 1,199,011</b>	<b>\$ 41,020</b>	<b>\$ 1,268,441</b>

See independent auditors report.

TERREBONNE PARISH SCHOOL BOARD  
 HOUMA, LOUISIANA  
 Combining Balance Sheet  
 Non-Major Governmental Funds (Continued)  
 June 30, 2018

Schedule 7

	NCLB Title I School Improvement Fund	NCLB Title III Fund	NCLB Title IV Fund	NCLB Title X Fund	Child Nutrition Fund	Child Care and Development Fund	NCLB Title I Migrant Education Fund	Special Ed IDEA Preschool Fund	State Adult Education Fund
<b>Assets</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ 2,965,523	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Sales Tax Receivable	-	-	-	-	-	-	-	-	-
Other Receivables	-	-	-	-	10	-	-	-	1,665
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from Other Governmental Units									
State Department of Education	15,265	16,309	17,431	14,895	-	11,202	-	38,840	-
United States Department of Education	-	-	-	-	-	-	53,912	-	-
Other Units	-	-	-	-	-	-	-	-	59,352
Inventory, at Cost	-	-	-	-	362,340	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	11,513
<b>Total Assets</b>	<b>\$ 15,265</b>	<b>\$ 16,309</b>	<b>\$ 17,431</b>	<b>\$ 14,895</b>	<b>\$ 3,327,873</b>	<b>\$ 11,202</b>	<b>\$ 53,912</b>	<b>\$ 38,840</b>	<b>\$ 72,530</b>
<b>Liabilities</b>									
Accounts Payable and									
Other Liabilities	\$ 2,292	\$ -	\$ -	\$ -	\$ 1,963	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	12,973	16,309	17,431	14,895	792,815	11,202	53,912	38,840	72,530
<b>Total Liabilities</b>	<b>15,265</b>	<b>16,309</b>	<b>17,431</b>	<b>14,895</b>	<b>794,778</b>	<b>11,202</b>	<b>53,912</b>	<b>38,840</b>	<b>72,530</b>
<b>Fund Balances</b>									
Nonspendable									
Inventory	-	-	-	-	362,340	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-	11,513
Restricted for:									
Debt Service	-	-	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-	-	-	-
Assigned to:									
Instructional Programs	-	-	-	-	-	-	-	-	-
Child Nutrition	-	-	-	-	2,170,755	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	(11,513)
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,533,095</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 15,265</b>	<b>\$ 16,309</b>	<b>\$ 17,431</b>	<b>\$ 14,895</b>	<b>\$ 3,327,873</b>	<b>\$ 11,202</b>	<b>\$ 53,912</b>	<b>\$ 38,840</b>	<b>\$ 72,530</b>

See independent auditors report.

TERREBONNE PARISH SCHOOL BOARD  
 HOUMA, LOUISIANA  
 Combining Balance Sheet  
 Non-Major Governmental Funds (Continued)  
 June 30, 2018

Schedule 7

	MFP Level 4 Funding	LA 4 Pre K Fund	8 (g) Preschool Block Grant Fund	State Library Allotment Fund	State Textbooks and Materials Fund	Education Excellence Fund	Early Childhood Network Pilot Fund	One Half Cent Sales Tax Fund
<b>Assets</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,908,519
Investments	-	-	-	-	-	-	-	-
Sales Tax Receivable	-	-	-	-	-	-	-	1,891,430
Other Receivables	-	-	-	-	3,297	-	-	-
Due from Other Funds	253,396	-	-	-	1,162,911	27,541	-	-
Due from Other Governmental Units								
State Department of Education	20,400	586,510	72,773	-	14,219	-	9,992	-
United States Department of Education	-	-	-	-	-	-	-	-
Other Units	-	-	-	-	-	-	-	-
Inventory, at Cost	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 273,796</b>	<b>\$ 586,510</b>	<b>\$ 72,773</b>	<b>\$ -</b>	<b>\$ 1,180,427</b>	<b>\$ 27,541</b>	<b>\$ 9,992</b>	<b>\$ 7,799,949</b>
<b>Liabilities</b>								
Accounts Payable and Other Liabilities	\$ -	\$ -	\$ -	\$ -	\$ 44	\$ -	\$ -	\$ -
Due to Other Funds	-	586,510	72,773	-	-	-	9,992	3,948,441
<b>Total Liabilities</b>	<b>-</b>	<b>586,510</b>	<b>72,773</b>	<b>-</b>	<b>44</b>	<b>-</b>	<b>9,992</b>	<b>3,948,441</b>
<b>Fund Balance</b>								
Nonspendable								
Inventory	-	-	-	-	-	-	-	-
Prepaid Expenses	-	-	-	-	-	-	-	-
Restricted for:								
Debt Service	-	-	-	-	-	-	-	-
Compensation	-	-	-	-	-	-	-	3,851,508
Capital Projects	-	-	-	-	-	-	-	-
Assigned to:								
Instructional Programs	273,796	-	-	-	1,180,383	27,541	-	-
Child Nutrition	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>273,796</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,180,383</b>	<b>27,541</b>	<b>-</b>	<b>3,851,508</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 273,796</b>	<b>\$ 586,510</b>	<b>\$ 72,773</b>	<b>\$ -</b>	<b>\$ 1,180,427</b>	<b>\$ 27,541</b>	<b>\$ 9,992</b>	<b>\$ 7,799,949</b>

See independent auditors report.

TERREBONNE PARISH SCHOOL BOARD  
 HOUMA, LOUISIANA  
 Combining Balance Sheet  
 Non-Major Governmental Funds (Continued)  
 June 30, 2018

Schedule 7

	Child Care Program Fund	Sinking Fund QSCB 2009	Sinking Fund QSCB 2011	Sinking Fund QSCB 2012	Sinking Fund QSCB 2016	Capital Projects Fund 2016 Bond	Total
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 142	\$ 738,247	\$ 9,612,431
Investments	-	5,466,691	4,892,707	619,968	-	6,790,250	17,769,616
Sales Tax Receivable	-	-	-	-	-	-	1,891,430
Other Receivables	90,326	-	-	-	-	-	95,298
Due from Other Funds	-	-	-	-	-	-	1,443,848
Due from Other Governmental Units							
State Department of Education	-	-	-	-	-	-	5,280,438
United States Department of Education	-	-	-	-	-	-	279,160
Other Units	-	-	-	-	-	-	143,315
Inventory, at Cost	-	-	-	-	-	-	362,340
Prepaid Expenses	-	-	-	-	-	-	24,217
<b>Total Assets</b>	<b>\$ 90,326</b>	<b>\$ 5,466,691</b>	<b>\$ 4,892,707</b>	<b>\$ 619,968</b>	<b>\$ 142</b>	<b>\$ 7,528,497</b>	<b>\$ 36,902,093</b>
<b>Liabilities</b>							
Accounts Payable and							
Other Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,325,784	\$ 1,331,423
Due to Other Funds	90,326	-	-	-	-	570,609	11,092,735
<b>Total Liabilities</b>	<b>90,326</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,896,393</b>	<b>12,424,158</b>
<b>Fund Balance</b>							
Nonspendable							
Inventory	-	-	-	-	-	-	362,340
Prepaid Expenses	-	-	-	-	-	-	24,217
Restricted for:							
Debt Service	-	5,466,691	4,892,707	619,968	142	-	10,979,508
Compensation	-	-	-	-	-	-	3,851,508
Capital Projects	-	-	-	-	-	5,632,104	5,632,104
Assigned to:							
Instructional Programs	-	-	-	-	-	-	1,481,720
Child Nutrition	-	-	-	-	-	-	2,170,755
Unassigned	-	-	-	-	-	-	(24,217)
<b>Total Fund Balances</b>	<b>-</b>	<b>5,466,691</b>	<b>4,892,707</b>	<b>619,968</b>	<b>142</b>	<b>5,632,104</b>	<b>24,477,935</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 90,326</b>	<b>\$ 5,466,691</b>	<b>\$ 4,892,707</b>	<b>\$ 619,968</b>	<b>\$ 142</b>	<b>\$ 7,528,497</b>	<b>\$ 36,902,093</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2018**

Schedule 8

	NCLB Title I Disadvantaged Schoolwide Fund	NCLB Title I Striving Readers	Title I School Redesign	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	-	-	-	-	-	-	-	-	-
Equalization	-	-	-	-	-	-	-	-	-
State Sources	-	-	-	-	-	-	-	-	-
Federal Sources	5,956,611	80,739	15,000	428,144	234,171	946,768	4,598,250	1,143,648	2,140,644
<b>Total Revenues</b>	<b>5,956,611</b>	<b>80,739</b>	<b>15,000</b>	<b>428,144</b>	<b>234,171</b>	<b>946,768</b>	<b>4,598,250</b>	<b>1,143,648</b>	<b>2,140,644</b>
<b>Expenditures</b>									
Instruction									
Regular Education	-	-	-	-	-	-	61,004	707,379	-
Special Education	-	7,477	-	-	-	-	291,975	121,666	-
Adult Education	-	-	-	405,838	-	-	-	-	-
Career and Technical Education	-	-	-	-	183,999	-	-	-	-
Other Instructional Programs	3,196,188	62,963	-	-	15,558	460,879	54,073	15,218	1,431,104
Support Services									
Pupil Support	142,932	-	-	-	9,746	60,547	2,089,280	-	-
Instructional Staff	2,089,200	3,868	13,877	2,892	24,803	332,534	1,328,028	198,461	76,620
General Administration	1,525	-	-	140	65	128	1,285	400	518
School Administration	-	-	-	-	-	-	4,319	-	-
Business Services	-	-	-	-	-	-	-	-	-
Plant Services	-	-	-	-	-	694	30	-	-
Food Services	-	-	-	-	-	-	-	-	-
Student Transportation	1,179	-	-	-	-	8,447	379,608	-	443,520
Central Services	-	-	-	-	-	-	240	-	-
Facilities Acquisition	-	-	-	-	-	-	-	-	-
Debt Service									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Bank Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>5,431,024</b>	<b>74,308</b>	<b>13,877</b>	<b>408,870</b>	<b>234,171</b>	<b>863,229</b>	<b>4,209,842</b>	<b>1,043,124</b>	<b>1,951,762</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>525,587</b>	<b>6,431</b>	<b>1,323</b>	<b>19,274</b>	<b>-</b>	<b>83,539</b>	<b>388,408</b>	<b>100,524</b>	<b>188,882</b>
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Indirect Costs Received (Paid)	(525,587)	(6,431)	(1,323)	(19,274)	-	(83,539)	(388,408)	(100,524)	(188,882)
<b>Total Other Financing Sources (Uses)</b>	<b>(525,587)</b>	<b>(6,431)</b>	<b>(1,323)</b>	<b>(19,274)</b>	<b>-</b>	<b>(83,539)</b>	<b>(388,408)</b>	<b>(100,524)</b>	<b>(188,882)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
Non-Major Governmental Funds (Continued)  
For the Year Ended June 30, 2018**

Schedule 8

	NCLB Title I School Improvement	NCLB Title III	NCLB Title IV	NCLB Title X	Child Nutrition Fund	Child Care and Development Fund	NCLB Title I Migrant Education	Special Ed IDEA Preschool	State Adult Education
<b>Revenues</b>									
Local Sources									
Interest Earned	\$ -	\$ -	\$ -	\$ -	7,498	-	-	-	-
Charges for Services	-	-	-	-	602,011	-	-	-	-
Sales Taxes	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	1,714	-	-	-	12,229
Equalization	-	-	-	-	145,314	-	-	-	-
State Sources									236,743
Federal Sources	41,500	91,429	63,611	79,745	8,627,778	26,644	205,211	161,997	-
<b>Total Revenues</b>	<b>41,500</b>	<b>91,429</b>	<b>63,611</b>	<b>79,745</b>	<b>9,384,315</b>	<b>26,644</b>	<b>205,211</b>	<b>161,997</b>	<b>248,972</b>
<b>Expenditures</b>									
Instruction									
Regular Education	-	-	-	-	-	-	-	-	-
Special Education	-	-	-	-	-	-	-	15,207	-
Adult Education	-	-	-	-	-	-	-	-	184,590
Career and Technical Education	-	-	-	-	-	-	-	-	-
Other Instructional Programs	14,536	88,529	25,991	42,758	-	-	70,914	-	-
Support Services									
Pupil Support	-	-	99	28,824	-	-	114,501	118,902	-
Instructional Staff	26,964	676	31,908	1,127	-	26,644	1,689	14,210	64,382
General Administration	-	-	-	-	-	-	-	-	-
School Administration	-	-	-	-	-	-	-	-	-
Business Services	-	-	-	-	-	-	-	-	-
Plant Services	-	-	-	-	-	-	-	-	-
Food Services	-	-	-	-	9,209,254	-	-	-	-
Student Transportation	-	-	-	-	-	-	-	-	-
Central Services	-	-	-	-	-	-	-	-	-
Facilities Acquisition	-	-	-	-	-	-	-	-	-
Debt Service									
Principal Retirement	-	-	-	-	-	-	-	-	-
Interest and Bank Charges	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>41,500</b>	<b>89,205</b>	<b>57,998</b>	<b>72,709</b>	<b>9,209,254</b>	<b>26,644</b>	<b>187,104</b>	<b>148,319</b>	<b>248,972</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>2,224</b>	<b>5,613</b>	<b>7,036</b>	<b>175,061</b>	<b>-</b>	<b>18,107</b>	<b>13,678</b>	<b>-</b>
<b>Other Financing Sources (Uses)</b>									
Operating Transfers In	-	-	-	-	405,159	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-
Indirect Costs Received (Paid)	-	(2,224)	(5,613)	(7,036)	-	-	(18,107)	(13,678)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(2,224)</b>	<b>(5,613)</b>	<b>(7,036)</b>	<b>405,159</b>	<b>-</b>	<b>(18,107)</b>	<b>(13,678)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>580,220</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,952,875</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,533,095</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds (Continued)**  
**For the Year Ended June 30, 2018**

Schedule 8

	MFP Level 4 Funding	LA 4 PreK 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>Revenues</b>								
Local Sources								
Interest Earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,732
Charges for Services	-	-	-	-	-	-	-	-
Sales Taxes	-	-	-	-	-	-	-	10,887,428
Other	-	-	-	-	7,878	-	-	-
Equalization	1,177,828	-	-	-	-	-	-	-
State Sources	-	1,731,540	212,630	-	96,276	328,385	29,816	-
Federal Sources	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,177,828</b>	<b>1,731,540</b>	<b>212,630</b>	<b>-</b>	<b>104,154</b>	<b>328,385</b>	<b>29,816</b>	<b>10,713,160</b>
<b>Expenditures</b>								
Instruction								
Regular Education	263,836	-	-	-	2,283,838	319,979	-	3,819,541
Special Education	477,136	-	-	-	-	-	-	1,113,102
Adult Education	-	-	-	-	-	-	-	20,622
Career and Technical Education	306,826	-	-	-	-	-	-	210,892
Other Instructional Programs	170,193	1,713,315	212,630	-	-	-	-	774,732
Support Services								
Pupil Support	7,248	-	-	-	-	-	-	635,477
Instructional Staff	11,671	18,225	-	-	-	-	29,816	505,199
General Administration	-	-	-	-	-	-	-	98,391
School Administration	1,541	-	-	-	-	-	-	474,427
Business Services	-	-	-	-	-	-	-	89,762
Plant Services	-	-	-	-	-	-	-	359,144
Food Services	-	-	-	-	-	-	-	383,250
Student Transportation	3,130	-	-	-	-	-	-	459,850
Central Services	-	-	-	-	-	-	-	69,221
Facilities Acquisition	-	-	-	-	-	-	-	-
Debt Service								
Principal Retirement	-	-	-	-	-	-	-	-
Interest and Bank Charges	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,241,581</b>	<b>1,731,540</b>	<b>212,630</b>	<b>-</b>	<b>2,283,838</b>	<b>319,979</b>	<b>29,816</b>	<b>9,013,610</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(63,753)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,179,684)</b>	<b>8,406</b>	<b>-</b>	<b>1,699,550</b>
<b>Other Financing Sources (Uses)</b>								
Operating Transfers In	-	-	-	-	1,000,000	-	-	-
Operating Transfers Out	-	-	-	(92,435)	-	-	-	(1,000,000)
Indirect Costs Received (Paid)	-	-	-	-	(5,380)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(92,435)</b>	<b>994,620</b>	<b>-</b>	<b>-</b>	<b>(1,000,000)</b>
<b>Net Change in Fund Balances</b>	<b>(63,753)</b>	<b>-</b>	<b>-</b>	<b>(92,435)</b>	<b>(1,185,064)</b>	<b>8,406</b>	<b>-</b>	<b>699,550</b>
<b>Fund Balances, Beginning 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>
<b>Fund Balances, End of Year</b>	<b>\$ 273,796</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,180,383</b>	<b>\$ 27,541</b>	<b>\$ -</b>	<b>\$ 3,851,508</b>

See independent auditors report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS (Continued)  
For the Year Ended June 30, 2018**

**Schedule 8**

	Child Care Program	Sinking Fund QSCB 2009	Sinking Fund QSCB 2011	Sinking Fund QSCB 2012	Sinking Fund QSCB 2016	Capital Projects Fund 2016 Bond	Total
<b>Revenues</b>							
Local Sources							
Interest Earned	\$ -	\$ 108,027	\$ 59,987	\$ 6,289	\$ 116	\$ 132,383	\$ 340,032
Charges for Services	-	-	-	-	-	-	602,011
Sales Taxes	-	-	-	-	-	-	10,887,428
Other	668,580	-	-	-	-	-	690,401
Equalization	-	-	-	-	-	-	1,323,142
State Sources	-	-	-	-	-	-	2,635,390
Federal Sources	-	-	-	-	-	-	24,841,890
<b>Total Revenues</b>	<b>668,580</b>	<b>108,027</b>	<b>59,987</b>	<b>6,289</b>	<b>116</b>	<b>132,383</b>	<b>41,120,294</b>
<b>Expenditures</b>							
Instruction							
Regular Education	47,890	-	-	-	-	-	7,503,467
Special Education	-	-	-	-	-	-	2,026,563
Adult Education	-	-	-	-	-	-	611,050
Career and Technical Education	-	-	-	-	-	-	701,717
Other Instructional Programs	484,154	-	-	-	-	-	8,833,735
Support Services							
Pupil Support	321	-	-	-	-	-	3,207,877
Instructional Staff	11,335	-	-	-	-	-	4,813,929
General Administration	-	-	-	-	-	14,252	116,704
School Administration	103,815	-	-	-	-	-	584,102
Business Services	-	-	-	-	-	-	89,762
Plant Services	18,463	-	-	-	-	-	378,331
Food Services	2,602	-	-	-	-	-	9,595,106
Student Transportation	-	-	-	-	-	-	1,295,734
Central Services	-	-	-	-	-	-	69,461
Facilities Acquisition	-	-	-	-	-	9,788,101	9,788,101
Debt Service							
Principal Retirement	-	-	-	-	225,000	-	225,000
Interest and Bank Charges	-	-	-	-	704,263	-	704,263
<b>Total Expenditures</b>	<b>668,580</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>929,263</b>	<b>9,802,353</b>	<b>50,544,902</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>-</b>	<b>108,027</b>	<b>59,987</b>	<b>6,289</b>	<b>(929,147)</b>	<b>(9,669,970)</b>	<b>(9,424,608)</b>
<b>Other Financing Sources (Uses)</b>							
Operating Transfers In	-	615,055	554,293	88,545	929,263	-	3,592,315
Operating Transfers Out	-	-	-	-	-	-	(1,092,435)
Indirect Costs Received (Paid)	-	-	-	-	-	-	(1,368,006)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>615,055</b>	<b>554,293</b>	<b>88,545</b>	<b>929,263</b>	<b>-</b>	<b>1,133,874</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>723,082</b>	<b>614,280</b>	<b>94,834</b>	<b>116</b>	<b>(9,669,970)</b>	<b>(8,290,734)</b>
<b>Fund Balances, Beginning of Year</b>	<b>-</b>	<b>4,743,609</b>	<b>4,278,427</b>	<b>525,134</b>	<b>26</b>	<b>15,302,074</b>	<b>32,768,669</b>
<b>Fund Balances, End of Year</b>	<b>\$ -</b>	<b>\$ 5,466,691</b>	<b>\$ 4,892,707</b>	<b>\$ 619,968</b>	<b>\$ 142</b>	<b>\$ 5,632,104</b>	<b>\$ 24,477,935</b>

See independent auditors report.

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

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**Loss Fund**

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

**Workers' Compensation Claims Fund**

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

**Group Insurance Claims Fund**

The Group Insurance Claims Fund was created pursuant to Board direction to monitor operating results of a partially self-insured group health and dental insurance program for both active and retired personnel. Operating revenues of the fund include premiums charged to other system funds and insurance recoveries. Operating expenses include insurance claims paid, reinsurance costs, and administrative expenses. Non-operating revenues and expenses include interest earned on temporary investments and transfers to/from other funds.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Net Position**  
**Proprietary Fund Type**  
**Internal Service Funds**  
**For the Year Ended June 30, 2018**

**Schedule 9**

	<b>Loss Fund</b>	<b>Workers' Compensation Claims Fund</b>	<b>Group Insurance Claims Fund</b>	<b>Total</b>
<b>Assets</b>				
Cash	\$ 3,089,680	\$ 2,163,673	\$ 10,497,506	\$ 15,750,859
Cash with Fiscal Agents	42,418	45,000	-	87,418
Investments	-	-	6,956,899	6,956,899
Other Receivables	970	-	1,772	2,742
Due from Other Funds	38,254	732,435	-	770,689
<b>Total Assets</b>	<b>3,171,322</b>	<b>2,941,108</b>	<b>17,456,177</b>	<b>23,568,607</b>
<b>Liabilities</b>				
Accounts Payable - Claims	-	-	23,442	23,442
Accrued Employee Benefits - Estimated Liability for Outstanding Claims	-	733,349	8,739,971	9,473,320
Due to Other Funds	-	-	613,839	613,839
<b>Total Liabilities</b>	<b>-</b>	<b>733,349</b>	<b>9,377,252</b>	<b>10,110,601</b>
<b>Net Position</b>				
Restricted for: Future Claims	3,171,322	2,207,759	8,078,925	13,458,006
<b>Total Net Position</b>	<b>\$ 3,171,322</b>	<b>\$ 2,207,759</b>	<b>\$ 8,078,925</b>	<b>\$ 13,458,006</b>

See independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Revenues, Expenses,**  
**and Changes in Net Position**  
**Proprietary Fund Type**  
**Internal Service Funds**  
**For the Year Ended June 30, 2018**

**Schedule 10**

	<b>Loss Fund</b>	<b>Workers' Compensation Claims Fund</b>	<b>Group Insurance Claims Fund</b>	<b>Total</b>
<b>Operating Revenues</b>				
Insurance Premium Billings	\$ -	\$ 743,178	\$ 41,483,623	\$ 42,226,801
Recoveries and Rebates	16,386	359,132	1,501,497	1,877,015
Other Revenues	-	-	317,097	317,097
<b>Total Operating Revenues</b>	<b>16,386</b>	<b>1,102,310</b>	<b>43,302,217</b>	<b>44,420,913</b>
<b>Operating Expenses</b>				
Claims Expense	1,498,070	696,550	41,163,878	43,358,498
General Administration	-	-	23,154	23,154
Reinsurance and Administration Fees	24,000	120,584	4,179,581	4,324,165
<b>Total Operating Expenses</b>	<b>1,522,070</b>	<b>817,134</b>	<b>45,366,613</b>	<b>47,705,817</b>
<b>Operating Income (Loss)</b>	<b>(1,505,684)</b>	<b>285,176</b>	<b>(2,064,396)</b>	<b>(3,284,904)</b>
<b>Non-Operating Revenues</b>				
Interest Earned	6,013	9,539	127,880	143,432
Operating Transfers In	1,370,000	-	-	1,370,000
<b>Total Non-Operating Revenues</b>	<b>1,376,013</b>	<b>9,539</b>	<b>127,880</b>	<b>1,513,432</b>
<b>Change in Net Position</b>	<b>(129,671)</b>	<b>294,715</b>	<b>(1,936,516)</b>	<b>(1,771,472)</b>
<b>Net Position, Beginning</b>	<b>3,300,993</b>	<b>1,913,044</b>	<b>10,015,441</b>	<b>15,229,478</b>
<b>Net Position, Ending</b>	<b>\$ 3,171,322</b>	<b>\$ 2,207,759</b>	<b>\$ 8,078,925</b>	<b>\$ 13,458,006</b>

See independent auditor's report.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Combining Statement of Cash Flows  
Proprietary Fund Type  
Internal Service Funds  
For the Year Ended June 30, 2018**

**Schedule 11**

	<b>Loss Fund</b>	<b>Workers' Compensation Claims Fund</b>	<b>Group Insurance Claims Fund</b>	<b>Total</b>
<b>Cash Flows from Operating Activities</b>				
Received from Assessments Made to Other Funds	\$ -	\$ 167,098	\$ 41,483,623	\$ 41,650,721
Received from Insurance Companies and Others	15,416	368,107	1,816,822	2,200,345
Payments for Claims	(1,338,263)	(689,494)	(40,363,030)	(42,390,787)
Payments for Reinsurance and Administrative Fees	(24,000)	(120,584)	(4,202,735)	(4,347,319)
<b>Net Cash Used in Operating Activities</b>	<b>(1,346,847)</b>	<b>(274,873)</b>	<b>(1,265,320)</b>	<b>(2,887,040)</b>
<b>Cash Flows from Non-Operating Activities</b>				
Operating Transfers from Other Funds	4,392,705	-	-	4,392,705
<b>Net Cash Provided by Non-Operating Activities</b>	<b>4,392,705</b>	<b>-</b>	<b>-</b>	<b>4,392,705</b>
<b>Cash Flows from Investing Activities</b>				
Proceeds from Sale of Investments	-	-	1,830,767	1,830,767
Interest on Investments	6,013	9,539	127,880	143,432
<b>Net Cash Provided by Investing Activities</b>	<b>6,013</b>	<b>9,539</b>	<b>1,958,647</b>	<b>1,974,199</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>3,051,871</b>	<b>(265,334)</b>	<b>693,327</b>	<b>3,479,864</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>80,227</b>	<b>2,474,007</b>	<b>11,813,417</b>	<b>14,367,651</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 3,132,098</b>	<b>\$ 2,208,673</b>	<b>\$ 12,506,744</b>	<b>\$ 17,847,515</b>
<b>Cash and Cash Equivalents, End of Year Consisted of:</b>				
<b>Cash</b>	<b>\$ 3,089,680</b>	<b>\$ 2,163,673</b>	<b>\$ 10,497,506</b>	<b>\$ 15,750,859</b>
<b>Cash with Fiscal Agent</b>	<b>42,418</b>	<b>45,000</b>	<b>-</b>	<b>87,418</b>
<b>Cash Equivalents Included in Investments</b>	<b>-</b>	<b>-</b>	<b>2,009,238</b>	<b>2,009,238</b>
	<b>\$ 3,132,098</b>	<b>\$ 2,208,673</b>	<b>\$ 12,506,744</b>	<b>\$ 17,847,515</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities</b>				
<b>Operating Income (Loss)</b>	<b>\$ (1,505,684)</b>	<b>\$ 285,176</b>	<b>\$ (2,064,396)</b>	<b>\$ (3,284,904)</b>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities				
Changes in Assets and Liabilities				
Receivables and Other Assets	158,837	(567,105)	(1,772)	(410,040)
Accounts Payable and Other Liabilities	-	7,056	800,848	807,904
<b>Net Cash Used in Operating Activities</b>	<b>\$ (1,346,847)</b>	<b>\$ (274,873)</b>	<b>\$ (1,265,320)</b>	<b>\$ (2,887,040)</b>

See independent auditor's report.

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

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**IRC Section 125 Employee Benefits Fund**

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

**School Activity Accounts**

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

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

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

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

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Combining Statement of Changes in Asset Balances**  
**Fiduciary Fund Type**  
**Agency Funds - School Activity Accounts**  
**For the Year Ended June 30, 2018**

Schedule 12

<b>Schools</b>	<b>Balance 6/30/2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2018</b>
Acadian	\$ 168,784	\$ 80,315	\$ 138,681	\$ 110,418
Bayou Black	8,244	28,516	30,349	6,411
Bayou Cane - Adult Education	34,844	10,102	11,260	33,686
Bourg	100,734	148,019	133,256	115,497
H.L. Bourgeois	247,475	660,661	668,667	239,469
Broadmoor	109,207	184,639	181,586	112,260
Caldwell	69,968	66,458	71,946	64,480
Coteau Bayou Blue	52,930	176,614	166,293	63,251
Dularge Elementary	72,125	73,936	74,840	71,221
East Houma	33,233	38,662	40,833	31,062
East Street	328	309	258	379
Ellender Memorial High	101,445	424,477	420,150	105,772
Elysian Fields	8,316	57,678	44,835	21,159
Evergreen Jr. High	155,736	220,125	201,397	174,464
Gibson	16,355	22,589	26,221	12,723
Grand Caillou Elementary	32,681	105,158	107,459	30,380
Grand Caillou Middle	3,773	44,592	38,867	9,498
Honduras	21,849	32,631	28,458	26,022
Houma Jr. High	104,778	177,209	158,577	123,410
Lacache	25,199	136,116	115,443	45,872
Legion Park	16,950	20,982	15,903	22,029
Lisa Park	79,184	190,465	214,654	54,995
Montegut Elementary	23,645	49,406	43,753	29,298
Montegut Middle	43,767	180,730	180,063	44,434
Mulberry	219,665	449,482	511,622	157,525
Oaklawn Jr. High	50,819	105,641	101,047	55,413
Oakshire	45,735	168,148	168,904	44,979
Pointe-Aux-Chenes	21,248	30,222	30,189	21,281
School for Exceptional Children	5,733	8,287	10,207	3,813
Schriever	58,863	65,498	55,661	68,700
Southdown	7,375	44,304	40,470	11,209
South Terrebonne High	267,124	587,742	552,426	302,440
Terrebonne High	44,196	531,358	524,161	51,393
Upper Little Caillou	87,876	163,350	154,450	96,776
Village East	3,263	25,686	25,326	3,623
Vocational Technical High	19,985	56,231	57,056	19,160
<b>Total</b>	<b>\$ 2,363,432</b>	<b>\$ 5,366,338</b>	<b>\$ 5,345,268</b>	<b>\$ 2,384,502</b>

See independent auditor's report.

TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Schedule of Compensation Paid to Board Members  
For the Year Ended June 30, 2018

Schedule 13

<u>Board Member</u>	<u>Compensation</u>
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.

See independent auditor's report.

TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA

Schedule 14

Schedule of Compensation, Benefits, and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended June 30, 2018

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Agency Head  
Philip Martin, Superintendent

Purpose	Amount
Salary	\$188,957
Benefits-Insurance	\$7,486
Benefits-Retirement	\$52,187
Benefits-Other (Medicare)	\$2,834
Car Allowance	\$6,500
Vehicle Provided by Agency	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$2,361
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA

2017 - 2018 Comprehensive Annual Financial Report

# **SINGLE AUDIT SECTION**

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

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Terrebonne Parish School Board (the School Board) as of and for the year ended June 30, 2018, 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 January 16, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Terrebonne Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002.

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

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

**Purpose of this Report**

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



A Professional Accounting Corporation

Houma, Louisiana  
January 16, 2019

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

To the Terrebonne Parish School Board  
Houma, Louisiana

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

We have audited the Terrebonne Parish School Board's (the School Board) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2018. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide legal determination of the Terrebonne Parish School Board's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Terrebonne Parish School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

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

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

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

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



A Professional Accounting Corporation

Houma, Louisiana  
January 16, 2019

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2018**

Federal Granting Agency/Recipient State Agency/Grant Program	PASS-THROUGH ENTITY IDENTIFYING NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
<u>U.S. Department of Agriculture</u>				
<u>Pass through payments from State Department of Education</u>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
USDA Commodities	FY 18	10.555	\$ 681,904	\$ 681,904
National School Lunch Equipment Assistance Grant		10.159	55,000	55,000
Cash Assistance:				
School Breakfast Program	05-SFS-110	10.553	1,935,112	1,935,112
School Lunch Program	05-SFS-110	10.555	5,948,864	5,948,864
Child and Adult Care Food Program	05-SFS-110	10.558	6,898	6,898
Total Nutrition Cluster			<u>7,890,874</u>	<u>7,890,874</u>
Total - Department of Agriculture			<u>8,627,778</u>	<u>8,627,778</u>
<u>Department of Education</u>				
<u>Pass through payments from La. Community and Technical College System</u>				
Adult Education - Federal Funds / State Grant Program	V002A170018	84.002A	372,579	372,579
Adult Education - Federal Funds / State Grant Program - Prior	V002A160018	84.002A	151	151
Adult Education - Federal English Language/Civics Education	V002A170018	84.002A	32,277	32,277
Adult Education - Federal Leadership Funds - Prior Year	V002A160018	84.002A	21,026	21,026
Adult Education - Federal Leadership Funds - Carry Over	V002A150018	84.002A	2,111	2,111
Total - La Community & Technical College System			<u>428,144</u>	<u>428,144</u>
<u>Pass through payments from State Dept. of Education</u>				
ESSA Title I - Terrebonne Educational Enrichment - Current	S010A170018	84.010A	5,971,611	5,971,611
ESSA Title I - Migrant Education - Current	S011A170018	84.011A	205,211	205,211
ESSA Title I - Striving Readers Comprehensive Literacy Program - Prior	S371C110045	84.371C	80,739	80,739
ESSA Title I - School Improvement 1003a	S010A170018	84.010A	41,500	41,500
ESSA Title II, Part A, Teacher and Principal Training & Recruiting Fund - Current	S367A170017	84.367A	1,138,923	1,138,923
ESSA Title II, Part B, Mathematics and Science Partnership	S366B150019	84.366B	4,725	4,725
ESSA Title III - English Language Acquisition Grants - Current	S365A170018	84.365A	84,621	84,621
NCLB Title III - Immigrant Set Aside - Current	S365A150018	84.365A	2,689	2,689
NCLB Title III - Immigrant Youth	S365B150018	84.365B	4,119	4,119
ESSA Title IV - Student Support and Academic Enrichment Program - Current	S424A170019	84.424A	63,611	63,611
ESSA Title VII Indian Education - Grants to Local Educational Agencies	S060A1706646	84.060A	400,949	400,949
ESSA Title VII Indian Education - Native Youth Community Program Grant	S299A170056	84.299A	545,819	545,819
ESSA Title IX, Part A - Homeless Grant	1S196A170019	84.196A	79,745	79,745

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

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Schedule of Expenditures of Federal Awards (Continued)  
For the Year Ended June 30, 2018**

Federal Granting Agency/Recipient State Agency/Grant Program	PASS-THROUGH ENTITY IDENTIFYING NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
Vocational Education:				
Carl Perkins Grant - FY 16-17 Reallocation	V0488A160018	84.048A	13,487	13,487
Career and Technical Education - Basic Grants to States	V0488A170018	84.048A	220,684	220,684
Jobs for America's Graduates	28-18-JSPT-55	84.126A	66,204	66,204
Special Education Cluster				
Special Education - Grants to States	H027A170033	84.027A	4,341,924	4,341,924
Special Education - Grants to States High Cost Services	H027A170033	84.027A	196,139	196,139
Special Education - Grants to States Positive Behavior Interventions and Support	28-18-PA-47	84.027A	187	187
Special Education - Grants to States JAG Aim High	027A170033	84.027A	60,000	60,000
Special Education - Preschool Grants	H173A1770082	84.173A	6,978	6,978
Special Education - Preschool Grants	H173A170082	84.173A	155,019	155,019
Total United States Department of Education			14,113,028	14,113,028
<b><u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u></b>				
<b><u>Pass through payments from State Department of Homeland Security</u></b>				
<b><u>DEPARTMENT OF DEFENSE</u></b>				
<b><u>Pass through payments from Louisiana Department of Education</u></b>				
Emergency Rehabilitation of Flood Control Works and Federally Authorized Coastal Protection Works Rehabilitation Act		12.102	-	-
<b><u>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</u></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	28-18-36-55	93.558	2,074,440	2,074,440
CCDF Cluster				
Early Childhood Lead Agencies	28-17-CO-55	93.575	26,644	26,644
Total United States Department of Health and Human Services			2,101,084	2,101,084
Total Program Expenditures			\$ 24,841,890	\$ 24,841,890

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

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2018**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the Terrebonne Parish School Board (the School Board) under programs of federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School Board.

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

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

**Note 3. Indirect Cost Rate**

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

**Note 4. USDA Commodities**

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

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

There were no awards passed through to sub recipients.

**TERREBONNE PARISH SCHOOL BOARD**  
**HOUMA, LOUISIANA**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2018**

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

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Terrebonne Parish School Board.
2. No deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Two 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:

Title I Grants to Local Educational Agencies	84.010A
Indian Education	84.299A
Special Education Cluster	
Special Education Grants to States	84.027A
Special Education Preschool Grants	84.173A
Temporary Assistance for Needy Families	93.558
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.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**

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**Part II - Financial Statement Findings**

**2018-001 Public Bid Law**

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

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

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

*Effect:* Noncompliance with public bid law.

*Recommendation:* We recommend that the School Board follow the provisions of the public bid law for all future public works projects.

*Management's Response:* See management's corrective action plan.

**2018-002 Audited Financial Statements**

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

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

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

*Effect:* Noncompliance with the Louisiana Audit Law.

*Recommendation:* We recommend that the School Board develop a plan along with the auditors to ensure compliance with the Louisiana audit law in future years.

*Management's Response:* See management's corrective action plan.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2018**

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

None.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Summary Schedule of Prior Year Findings  
For the Year Ended June 30, 2018**

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**Part I - Financial Statement Findings**

None.

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

None.

**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA  
Management's Corrective Action Plan  
For the Year Ended June 30, 2018**

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**2018-001 - Public Bid Law**

In an attempt to save money, the School District partnered with the Terrebonne Parish Sheriff's Office Inmate Work Program for the finishing of the inside of the building, including classrooms and restrooms. The initial estimate for the materials for this project was \$30,000, with all labor provided by the Inmate Work Program at no cost to the school district. All electrical wiring was planned as an in-school project for the electrical students at the Career & Technical High School, with the only cost being materials. Original estimates for additional costs for HVAC and plumbing put the project well within the allowed \$154,450 threshold for requiring a bid.

The interior finishing of the building has now exceeded the threshold for requiring a bid. Although the entire project was not bid as a single project, all vendors used in the interior finishing of the building for materials, supplies, and labor are current bid vendors, who were awarded bids through the District's annual Auxiliary Bid process and all invoicing was at the bid prices.

The School Board will review its policies regarding the public bid law and make any necessary revisions to insure compliance on all future public works projects.

**2018-002 - Audited Financial Statements**

The School Board believes that all issues regarding the software conversion have been resolved and no further action is necessary.

**TERREBONNE PARISH  
SCHOOL BOARD**

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

June 30, 2018

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

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

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

We have performed the procedures enumerated below, which were agreed to by the Terrebonne Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of Terrebonne Parish School Board for the fiscal year ended June 30, 2018; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of Terrebonne Parish School System is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

No findings were noted.

### Class Size Characteristics (Schedule 2)

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

No findings were noted.

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

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

Findings: LaPorte noted two (2) exceptions per our procedures. Two teachers' experience levels were not properly classified in the PEP report.

Management's Response: The exceptions noted were related to rehired teachers who worked partial years and did not earn a full year credit on the PEP report. Both teachers are properly classified on the 2018 PEP report.

Public School Staff Data: Average Salaries (No Schedule)

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

No findings were noted.

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

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



A Professional Accounting Corporation

Houma, LA  
January 16, 2019

**TERREBONNE PARISH SCHOOL BOARD**  
**Schedules Required by State Law**  
**(R.S. 24:514 - Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2018**

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

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

**Schedule 2 - Class Size Characteristics**

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

**TERREBONNE PARISH SCHOOL BOARD**  
**General Fund Instructional and Support Expenditures**  
**and Certain Local Revenue Sources**  
**For the Year Ended June 30, 2018**

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:	
Teacher and Student Interaction Activities:	
Classroom Teacher Salaries	\$ 52,627,992
Other Instructional Staff Salaries	4,467,499
Instructional Staff Employee Benefits	34,614,040
Purchased Professional and Technical Services	72,283
Instructional Materials and Supplies	4,187,452
Instructional Equipment	30,938
Total Teacher and Student Interaction Activities	\$ 96,000,204
Other Instructional Activities	2,084,629
Pupil Support Services	8,778,882
Less: Equipment for Pupil Support Services	-
Net Pupil Support Services	8,778,882
Instructional Staff Services	6,609,619
Less: Equipment for Instructional Staff Services	-
Net Instructional Staff Services	6,609,619
School Administration	10,419,034
Less: Equipment for School Administration	-
Net School Administration	10,419,034
<b>Total General Fund Instructional Expenditures</b>	<b>\$ 123,892,368</b>
<b>Total General Fund Equipment Expenditures</b>	<b>\$ 30,938</b>

**Certain Local Revenue Sources**

Local Taxation Revenue:	
Ad Valorem Taxes	
Constitutional Ad Valorem Tax	\$ 3,656,146
Renewable Ad Valorem Tax	5,124,287
Debt Service Ad Valorem Tax	-
Up to 1% Collections by the Sheriff on Taxes Other than School Taxes	938,336
Result of Court Ordered Settlement (Ad Valorem)	-
Penalties/Interest on Ad Valorem Taxes	16,883
Taxes Collected Due to Tax Incremental Financing (TIF)(Ad Valorem)	-
Sales Taxes	
Sales and Use Taxes	55,733,558
Sales/Use Taxes - Court Settlement	-
Penalties/Interest on Sales/Use Taxes	-
Sales/Use Taxes Collected Due to TIF	-
<b>Total Local Taxation Revenue</b>	<b>\$ 65,469,210</b>
Local Earnings on Investment in Real Property:	
Earnings from 16th Section Property	\$ 173,216
Earnings from Other Real Property	69
<b>Total Local Earnings on Investment in Real Property</b>	<b>\$ 173,285</b>
State Revenue in Lieu of Taxes:	
Revenue Sharing - Constitutional Tax	\$ 90,810
Revenue Sharing - Other Taxes	127,277
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
<b>Total State Revenue in Lieu of Taxes</b>	<b>\$ 218,087</b>
State Revenues for Non-Public Education	
Nonpublic Transportation Revenue	\$ 96,276
Nonpublic Textbook Revenue	-
<b>Total State Revenue for Nonpublic Education</b>	<b>\$ 96,276</b>

**TERREBONNE PARISH SCHOOL BOARD**  
**Class Size Characteristics**  
**As of October 1, 2017**

**Schedule 2**

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	46%	1,239	49%	1,325	6%	151	0%	1
Elementary Activity Classes	56%	268	39%	183	4%	21	0%	2
Middle/Jr. High	44%	398	36%	320	18%	165	2%	16
Middle/Jr. High Activity Classes	65%	151	11%	26	14%	32	11%	25
High	54%	893	27%	439	19%	307	2%	8
High Activity Classes	72%	215	17%	52	7%	22	3%	10
Combination	100%	57	0%	0	0%	0	0%	0
Combination Activity Classes	100%	7	0%	0	0%	0	0%	0
Other	0%	0	0%	0	0%	0	0%	0
Other Activity Classes	0%	0	0%	0	0%	0	0%	0

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

**AGREED-UPON PROCEDURES REPORT**  
Terrebonne Parish School Board

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

**For the Period July 1, 2017 - June 30, 2018**

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

We have performed the procedures enumerated below, which were agreed to by the Terrebonne Parish School Board (School Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The School Board's management is responsible for those C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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.
- 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 above, with the following exceptions. Policies for 1(i), ethics, do not appear to address a requirement to attest through signature verification that they have read the entity's ethics policy. Policies for 1(j), debt service, do not appear to address EMMA reporting requirements, debt reserve requirements, or debt service requirements.

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal periods, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Results: The School Board has met all criteria listed above without exception.

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

Results: We obtained a listing of bank accounts from management and management's representation that the listing is complete. We selected 5 bank accounts and obtained bank statements and reconciliations for each bank account. All criteria listed above was met without exception except for the following. While performing criteria 3(a), we noted that one of the bank accounts selected for testing did not show evidence of when the bank reconciliation was prepared.

## ***Collections***

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

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

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts to the deposit).
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

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

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

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

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the deposit per the bank statement to the general ledger.

Results: We noted that all criteria listed above were met with the exception of 7(a) and 7(d). While testing procedures 7(a), we noted that there are no pre-numbered receipts in the schools. Most cash is collected in the classrooms and receipts are not prepared. For procedure 7(d), we noted that collections are not clearly documented on the date they were collected. Therefore, we were unable to determine if the deposit was made within one business day of receipt.

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

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

9. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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) Observe that finance charges and late fees were not assessed on the selected statements.

Results: All procedures above were met without exception.

10. Using the monthly statements or combined statements selected under #9 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Results: This criteria was not applicable because the School Board only has fuel cards.

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

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11. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials from the listing and obtain ethics documentation from management, and:
  - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

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

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion. 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.

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



A Professional Accounting Corporation

Houma, LA  
January 16, 2019

# TERREBONNE

Parish School District

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

*Engage, Educate and Empower Every Student, Every Day*

January 30, 2019

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

RE: Statewide Agreed-Upon Procedures

Dear Sirs:

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

**Written Policies and Procedures**

Ethics and Debt Service Policies - The Ethics and Debt Service policies are currently under review and changes in the policies will be implemented upon completion of our review.

**Bank Reconciliations**

Date of Reconciliation - All school bookkeepers and principals will be reminded of School Board's policy regarding bank reconciliations, including documentation of the date the reconciliations are performed and reviewed.

**Collections**

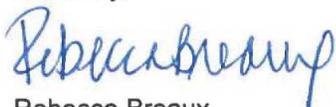
Segregation of Duties – At most schools, there are no additional personnel available to adequately segregate duties over cash collections. Compensating controls in place include oversight by the school principal and an accountant in the Finance Department who monitors activity at the schools. We will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

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

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

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

Sincerely,



Rebecca Breaux,  
Chief Financial Officer  
Terrebonne Parish School Board.