

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

b) **Basis of Accounting:**

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

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

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

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

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

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

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

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

### Proprietary Funds

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

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

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

### Fiduciary Funds

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

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

### Account Groups

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

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

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) **Basis of Presentation - Fund Accounting:**

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

Governmental Funds

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

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to federal and state grants and entitlement programs for various educational objectives.



Exhibit 7

NOTES TO FINANCIAL STATEMENTS

Terrebonne Parish School Board

June 30, 1996

1) REPORTING ENTITY

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

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

The School Board is composed of a central office, 41 schools, and two educational support facilities. Student enrollment for the 1995/1996 year is approximately 20,620 regular and special education students. The School Board employs approximately 2,300 persons of which 2,011 are directly involved in the instructional and instructional support process. The remainder provide ancillary support such as general administration, repair and maintenance, bus transportation, etc. The regular school term normally begins during the latter half of August and runs until late May.

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Terrebonne Parish School Board

June 30, 1996

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COMBINED STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES  
Terrebonne Parish School Board  
For the Year Ended June 30, 1996

	Enterprise	Internal Service
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Cash received from rentals	\$ 56,773	\$ -
Cash paid for operating expenses	(28,450)	-
Other operating revenues	756	-
Interest income	89	-
Cash provided (used) by operating activities	<u>29,168</u>	<u>-</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>		
Premiums collected, received or recovered	-	10,619,217
Claim expenses paid	-	(8,356,838)
Reinsurance and administrative fees paid	-	(1,668,479)
Operating transfers from other funds	-	125,000
Dividends paid to other funds	(15,000)	-
Cash provided (used) by non-capital financing activities	<u>(15,000)</u>	<u>718,900</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Interest income	-	246,799
(Increase) decrease in investments	-	405,500
Cash provided (used) by investing activities	<u>-</u>	<u>652,299</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>		
Purchases of equipment	(29,945)	-
Cash provided (used) by capital and related financing activities	<u>(29,945)</u>	<u>-</u>
<b><u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u></b>	<b>(15,777)</b>	<b>1,371,199</b>
<b><u>CASH AND CASH EQUIVALENTS AT</u></b>		
Beginning of year	<u>51,243</u>	<u>3,577,918</u>
End of year	<u>\$ 35,466</u>	<u>\$ 4,949,117</u>
<b><u>CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTED OF</u></b>		
Cash	\$ 35,466	\$ 4,904,117
Cash with fiscal agent	-	45,000
	<u>\$ 35,466</u>	<u>\$ 4,949,117</u>
<b><u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>		
Operating income	<u>\$ 15,216</u>	
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	13,396	
Change in assets and liabilities:		
Interest receivable	89	
Prepaid expenses	(427)	
Accounts payable and other liabilities	894	
Total adjustments	<u>13,952</u>	
Cash provided (used) by operating activities	<u>\$ 29,168</u>	

See accompanying notes to combined financial statements.

COMBINED STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
Terrebonne Parish School Board  
For the Year Ended June 30, 1996

	Enterprise Fund	Internal Service Funds	Total
<b><u>OPERATING REVENUES</u></b>			
Property Rentals	\$ 56,773	\$ -	\$ 56,773
Other	756	-	756
Interest	-	-	-
Total operating revenues	<u>57,529</u>	<u>-</u>	<u>57,529</u>
<b><u>OPERATING EXPENSES</u></b>			
General administration	17,469	-	17,469
Purchased services	5,955	-	5,955
Insurance	5,493	-	5,493
Depreciation	13,396	-	13,396
Total operating expenses	<u>42,313</u>	<u>-</u>	<u>42,313</u>
Operating revenues	<u>15,216</u>	<u>-</u>	<u>15,216</u>
<b><u>NON-OPERATING REVENUES</u></b>			
Interest earned	-	228,052	228,052
Insurance premium billings	-	10,237,938	10,237,938
Recoveries of insurance cases	-	184,007	184,007
Total non-operating revenues	<u>-</u>	<u>10,649,997</u>	<u>10,649,997</u>
<b><u>NON-OPERATING EXPENSES</u></b>			
Claims expense	-	8,477,136	8,477,136
Reinsurance and administrative fees	-	1,668,479	1,668,479
Total non-operating expenses	<u>-</u>	<u>10,145,615</u>	<u>10,145,615</u>
Income before operating transfers	15,216	504,382	519,598
<b><u>OPERATING TRANSFERS</u></b>			
Operating transfers in	-	125,000	125,000
Net income	<u>15,216</u>	<u>629,382</u>	<u>644,598</u>
<b><u>RETAINED EARNINGS</u></b>			
Beginning of year	5,392	2,569,442	2,574,834
Dividends paid	<u>(15,000)</u>	<u>-</u>	<u>(15,000)</u>
End of year	<u>\$ 5,608</u>	<u>\$ 3,198,824</u>	<u>\$ 3,204,432</u>

See accompanying notes to combined financial statements.

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

Terrebonne Parish School Board  
 For the Year Ended June 30, 1996

	Debt Service		Capital Projects Funds		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>REVENUES</b>					
Local sources:					
Ad valorem tax	\$ 2,704,000	\$ 2,676,745	\$ -	\$ -	\$ -
Interest earned	61,224	60,569	25,608	25,608	-
Federal sources	-	-	35,715	35,715	-
Total revenues	<u>2,765,224</u>	<u>2,737,314</u>	<u>61,323</u>	<u>61,323</u>	<u>-</u>
<b>EXPENDITURES</b>					
Support services:					
General Administration	132,869	132,962	-	-	-
Plant services	488	487	970	970	-
Facilities acquisition	-	-	690,207	690,207	-
Debt service	2,731,405	2,730,882	-	-	-
Total expenditures	<u>2,864,762</u>	<u>2,864,331</u>	<u>691,177</u>	<u>691,177</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(99,538)	(127,017)	(629,854)	(629,854)	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	-	941,500	941,500	-
Operating transfers out	-	-	-	-	-
Other sources	-	-	-	-	-
Total other financing sources (uses)	-	-	941,500	941,500	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	(99,538)	(127,017)	(28,341)	311,646	-
<b>FUND BALANCES</b>					
Beginning of year	673,416	673,416	665,754	665,754	-
End of year	<u>\$ 573,878</u>	<u>\$ 546,399</u>	<u>\$ 977,400</u>	<u>\$ 977,400</u>	<u>\$ -</u>



COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES FUND BALANCE  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS, CONTINUED

Terrebonne Parish School Board  
For the Year Ended June 30, 1996

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Business services	761,901	762,746	(845)	87,540	85,884	1,656
Plant services	6,043,100	5,934,525	108,575	119,179	111,391	7,788
Food service	40,326	40,096	230	5,659,126	5,566,679	92,447
Student transportation	4,352,579	4,358,882	(6,303)	105,412	90,521	14,891
Central services	460,577	451,295	9,282	27,252	21,525	5,727
Community services	2,362	2,361	1	104,170	94,988	9,182
Facilities acquisition	68,885	45,441	23,444	112,401	106,127	6,274
Total expenditures	60,864,208	60,420,987	443,221	16,770,363	16,378,055	392,308
Excess (deficiency) of revenues over expenditures	(5,916,942)	(5,397,368)	366,868	7,348,865	7,629,116	504,365
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	7,761,494	7,678,443	(83,051)	668,717	668,238	2,521
Operating transfers out	(1,564,028)	(1,569,751)	(5,723)	(7,910,494)	(7,843,430)	67,064
Indirect costs received (paid)	252,525	223,652	(28,873)	(232,313)	(223,652)	8,661
Other sources (uses)	195,624	222,682	27,058	(48,734)	(46,378)	2,356
Total other financing sources (uses)	6,645,615	6,555,026	(90,589)	(7,525,824)	(7,445,222)	80,602
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	728,673	1,157,658	457,457	(176,959)	183,894	423,763
<b>FUND BALANCES</b>						
Beginning of year	4,159,875	4,159,875	-	2,063,570	2,063,570	-
Equity transfers:						
Incoming (Outgoing)	25,000	78,992	53,992	(145,444)	(78,992)	66,452
End of year	\$ 4,913,548	\$ 5,396,525	\$ 403,465	\$ 1,741,167	\$ 2,168,472	\$ 357,311

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES FUND BALANCE  
 BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUNDS

Terrebonne Parish School Board  
 For the Year Ended June 30, 1996

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>						
Local sources:						
Ad valorem tax	\$ 2,607,253	\$ 2,594,222	\$ (13,031)	\$ -	\$ -	\$ -
Sales and use tax	4,067,517	4,109,675	42,158	9,152,828	9,246,769	93,941
Deductions from parish taxes (1%) for contribution to Teachers Retirement System	286,015	286,016	1	-	-	-
Rents, leases, royalties	1,004,824	1,034,996	30,172	-	-	-
Tuition	301,639	290,275	(11,364)	-	-	-
Interest earned	495,633	507,107	11,474	160,763	150,294	(10,469)
Other local revenue	34,252	33,281	(971)	1,123,675	1,121,758	(1,917)
State sources:						
Equalization	44,669,348	44,669,348	-	1,017,850	1,022,283	4,433
Revenue sharing	244,663	244,663	-	-	-	-
Professional Improvement Program Support	684,179	684,101	(78)	-	-	-
Contribution to Teachers' Retirement System	94,540	95,293	753	-	-	-
Other state grants	416,403	432,886	16,483	598,266	600,604	2,338
Federal sources	41,000	41,756	756	12,065,846	11,865,463	(200,383)
Total revenues	54,947,266	55,023,619	76,353	24,119,228	24,007,171	(112,057)

**EXPENDITURES**

Current:

Instruction:

Regular	27,095,331	26,906,174	189,157	1,996,617	1,912,041	84,576
Special	9,186,496	9,154,372	32,124	466,836	460,774	6,062
Adult education	2,944	2,953	(9)	223,146	218,922	4,224
Vocational education	1,965,110	1,946,470	18,640	431,719	400,045	31,674
Other programs	1,410,527	1,383,892	26,635	4,531,265	4,525,209	6,056
Support services:						
Student services	2,036,015	2,032,352	3,663	1,230,785	1,170,509	60,276
Instructional staff	2,023,536	2,022,088	1,448	1,493,836	1,426,190	67,646
General administration	1,070,998	1,041,940	29,058	147,581	154,204	(6,623)
School administration	4,343,521	4,335,400	8,121	33,498	33,046	452

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, CONTINUED  
Terrebonne Parish School Board  
For the Year Ended June 30, 1996

	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only) Total
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in	7,678,443	668,238	-	941,500	9,288,181
Operating transfers out	(1,569,751)	(7,843,430)	-	-	(9,413,181)
Indirect costs (paid)	223,652	(223,652)	-	-	-
Other sources (uses)	222,682	(46,378)	-	-	176,304
Total other financing sources (uses)	<u>6,555,026</u>	<u>(7,445,222)</u>	<u>-</u>	<u>941,500</u>	<u>51,304</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>					
	1,157,658	183,894	(127,017)	311,646	1,526,181
<u>FUND BALANCES</u>					
Beginning of year	4,159,875	2,063,570	673,416	665,754	7,562,615
Equity transfers	78,992	(78,992)	-	-	-
End of year	<u>\$ 5,396,525</u>	<u>\$ 2,168,472</u>	<u>\$ 546,399</u>	<u>\$ 977,400</u>	<u>\$ 9,088,796</u>

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
Terrebonne Parish School Board  
For the Year Ended June 30, 1998

	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only) Total
<b>REVENUES</b>					
Local sources:					
Ad valorem tax	\$ 2,594,222	\$ -	\$ 2,676,745	\$ -	\$ 5,270,967
Sales and use tax	4,109,675	9,246,769	-	-	13,356,444
Deductions from parish taxes (1%) for contribution to Teachers Retirement	286,016	-	-	-	286,016
Rents, leases, royalties	1,034,996	-	-	-	1,034,996
Tuition	290,275	-	-	-	290,275
Interest earned	507,107	150,294	60,569	25,608	743,578
Other local revenue	33,281	1,121,758	-	-	1,155,039
State sources:					
Equalization	44,669,348	1,022,283	-	-	45,691,631
Revenue sharing	244,663	-	-	-	244,663
Professional Imp. Program Support	684,101	-	-	-	684,101
Contribution to Teachers Ret. System	95,293	-	-	-	95,293
Other state grants	432,886	600,604	-	-	1,033,490
Federal sources	41,756	11,865,463	-	35,715	11,942,934
<b>Total revenues</b>	<b>55,023,619</b>	<b>24,007,171</b>	<b>2,737,314</b>	<b>61,323</b>	<b>81,829,427</b>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Regular	\$ 26,906,174	\$ 1,912,041	\$ -	\$ -	\$ 28,818,215
Special	9,154,372	460,774	-	-	9,615,146
Adult education	2,953	218,922	-	-	221,875
Vocational education	1,946,470	400,045	-	-	2,346,515
Other programs:	1,383,892	4,525,209	-	-	5,909,101
Support services:					
Student services	2,032,352	1,170,509	-	-	3,202,861
Instructional staff	2,022,088	1,426,190	-	-	3,448,278
General Administration	1,041,940	154,204	132,962	-	1,329,106
School Administration	4,335,400	33,046	-	-	4,368,446
Business services	762,746	85,884	487	970	850,087
Plant Services	5,934,525	111,391	-	-	6,045,916
Food Service	40,096	5,566,679	-	-	5,606,775
Student transportation	4,358,882	90,521	-	-	4,449,403
Central services	451,295	21,525	-	-	472,820
Community services	2,361	94,988	-	-	97,349
Facilities acquisition	45,441	106,127	-	690,207	841,775
Debt Service:					
Principal retirement	-	-	2,020,000	-	2,020,000
Interest and bank charges	-	-	710,882	-	710,882
<b>Total expenditures</b>	<b>60,420,987</b>	<b>16,378,055</b>	<b>2,864,331</b>	<b>691,177</b>	<b>80,354,550</b>
Excess (deficiency) of revenues over expenditures	(5,397,368)	7,629,116	(127,017)	(629,854)	1,474,877



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

June 30, 1996

Exhibit 1  
Continued

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Type	Account Group		(Memorandum Only) Total
	General	Special Revenues	Debt Service	Capital Projects	Enterprise Fund	Internal Service Funds		Agency Funds	General Fixed Asset Account Group	
<b>LIABILITIES</b>										
Accounts payable	\$ 367,954	\$ 765,913	-	\$ 89,476	\$ 7,319	\$ 51,785	\$ -	\$ -	\$ -	\$ 1,302,947
Accrued salaries	7,285,602	-	-	-	-	-	-	-	-	7,285,602
Accrued employee benefits	1,691,223	166,007	-	-	-	1,555,893	-	-	-	3,413,123
Payroll deductions payable	551,752	-	-	-	-	229,699	-	-	-	551,752
Due to other funds	130,767	3,077,022	-	-	-	-	-	-	-	3,437,488
Due to other governments	2,872	24,539	-	-	-	-	-	-	-	27,411
Deferred revenues	3,052	39,415	-	-	-	-	-	-	-	42,467
Other liabilities	9,701	-	2,386	-	585	13,300	982,275	-	-	1,005,961
Matured bonds/interest payable	-	-	-	-	-	-	-	-	4,104,493	2,386
Accrued compensated absences	-	-	-	-	-	-	-	-	12,520,000	4,104,493
General obligation bonds payable	-	-	-	-	-	-	-	-	9,757	12,520,000
Capital leases payable	-	-	-	-	-	-	-	-	-	9,757
Estimated liability for judgments	-	-	-	-	-	-	-	-	-	9,757
<b>Total liabilities</b>	<b>10,062,923</b>	<b>4,072,896</b>	<b>2,386</b>	<b>89,476</b>	<b>8,404</b>	<b>1,850,677</b>	<b>982,275</b>	<b>-</b>	<b>17,559,696</b>	<b>34,628,723</b>
<b>FUND EQUITY</b>										
Contributed capital	-	-	-	-	-	-	-	-	-	-
Investment in General Fixed Assets	-	-	-	-	376,729	-	-	159,175,538	-	376,729
Retained earnings:										
Unreserved:										
Designated for uninsured losses	-	-	-	-	-	342,760	-	-	-	342,760
Designated for insurance	-	-	-	-	-	2,856,064	-	-	-	2,856,064
Undesignated	-	-	-	-	5,608	-	-	-	-	5,608
Fund balance:										
Reserved:										
Advance to Assessor's Salary Fund	216,873	-	-	-	-	-	-	-	-	216,873
Employee compensation	-	72,668	-	-	-	-	-	-	-	72,668
Capital contracts	33,557	-	-	558,322	-	-	-	-	-	591,879
Deposits	373,488	-	-	-	-	-	-	-	-	373,488
Debt service	5,574	-	546,399	-	-	-	-	-	-	551,973
Unreserved:										
Designated:										
Subsequent year's expenditures	200	60,888	-	-	-	-	-	-	-	60,888
Capital contracts	26,316	-	-	419,078	-	-	-	-	-	445,394
Instructional programs	-	1,180,224	-	-	-	-	-	-	-	1,180,224
Smoke detectors	150,000	-	-	-	-	-	-	-	-	150,000
Undesignated	4,590,517	854,892	-	-	-	-	-	-	-	5,445,409
Total fund equity	5,396,525	2,168,472	546,399	977,400	362,337	3,198,824	982,275	159,175,538	-	171,845,485
Total liabilities and fund equity	\$ 15,459,448	\$ 6,241,368	\$ 546,795	\$ 1,066,876	\$ 390,741	\$ 5,049,501	\$ 982,275	\$ 159,175,538	\$ 17,559,696	\$ 206,474,218

See accompanying notes to combined financial statements.

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

June 30, 1996

Exhibit 1

ASSETS	Governmental Fund Types						Proprietary Fund Types		Fiduciary Fund Type	Account Group		(Memorandum Only) Total
	General	Special Revenues	Debt Service	Capital Projects	Enterprise Fund	Internal Service Funds	Agency Funds	General Fixed Asset Account Group		Long-Term Debt		
Cash	\$ 11,078,907	\$ 2,533,001	\$ 536,603	\$ 1,066,876	\$ 35,466	\$ 4,904,117	\$ 887,134	-	\$ -	\$ -	\$ 21,042,104	
Cash with fiscal agents	-	-	2,386	-	-	45,000	-	-	-	-	47,386	
Investments - at cost	-	-	-	-	-	-	95,065	-	-	-	95,065	
Receivables:												
Ad valorem tax	11,919	-	9,796	-	-	-	-	-	-	-	21,715	
Sales and use tax	368,142	830,769	-	-	-	-	-	-	-	-	1,198,911	
Accrued interest	3,386	829	-	-	67	1,209	-	-	-	-	5,491	
Rentals, leases and royalties	92,946	-	-	-	-	-	-	-	-	-	92,946	
Other receivables	83,962	45,237	-	-	-	27,361	-	-	-	-	156,560	
Due from other funds	3,100,780	331,369	-	-	-	5,263	76	-	-	-	3,437,488	
Due from other governmental units:												
State Department of Education	22,543	1,781,256	-	-	-	-	-	-	-	-	1,803,799	
United States Department of Education	-	-	-	-	-	-	-	-	-	-	-	
Other units	-	64,508	-	-	-	-	-	-	-	-	64,508	
Deposits	317,875	132,968	-	-	-	-	-	-	-	-	450,843	
Inventory, at cost	373,588	24,309	-	-	145	66,551	-	-	-	-	464,593	
Prepaid expenses	-	230,659	-	-	-	-	-	-	-	-	230,659	
Fixed Assets (net of \$97,470 accumulated depreciation)	5,400	266,463	-	-	2,841	-	-	-	-	-	274,704	
Amount available in Debt Service Funds	-	-	-	-	352,222	-	-	159,175,538	-	-	159,527,760	
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	546,399	-	546,399	
Amount to be provided for payment of judgments	-	-	-	-	-	-	-	-	16,087,851	-	16,087,851	
Total assets	\$ 15,459,448	\$ 6,241,368	\$ 548,785	\$ 1,066,876	\$ 390,741	\$ 5,049,501	\$ 982,275	\$ 159,175,538	\$ 17,559,686	\$ 206,474,218		

See accompanying notes to combined financial statements.

In our opinion, except for the effects of any adjustments that might have resulted if the scope of our examination had not been limited by our inability to obtain sufficient evidence regarding the completeness and valuation of furniture and equipment, and if buildings were valued at historical cost, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Terrebonne Parish School Board as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with "Government Auditing Standards", we have also issued a report dated November 27, 1996, on our consideration of the general purpose financial statements of the Terrebonne Parish School Board's internal control structure and a report dated November 27, 1996, on its compliance with laws and regulations.

Our report on our audit of the general purpose financial statements of the Terrebonne Parish School Board as of June 30, 1996 and for the year then ended was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed under the Supplementary Information Section in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Terrebonne Parish School Board. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Bergeron + Company*

November 27, 1996

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# Bergeron & Company

— CERTIFIED PUBLIC ACCOUNTANTS —  
A PROFESSIONAL CORPORATION

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

## INDEPENDENT AUDITOR'S REPORT

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited the accompanying general purpose financial statements of the Terrebonne Parish School Board as of and for the year ended June 30, 1996, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the Terrebonne Parish School System's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as disclosed in the next paragraph, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget circular A-128, "Audits of State and Local Governments". Those standards and OMB circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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

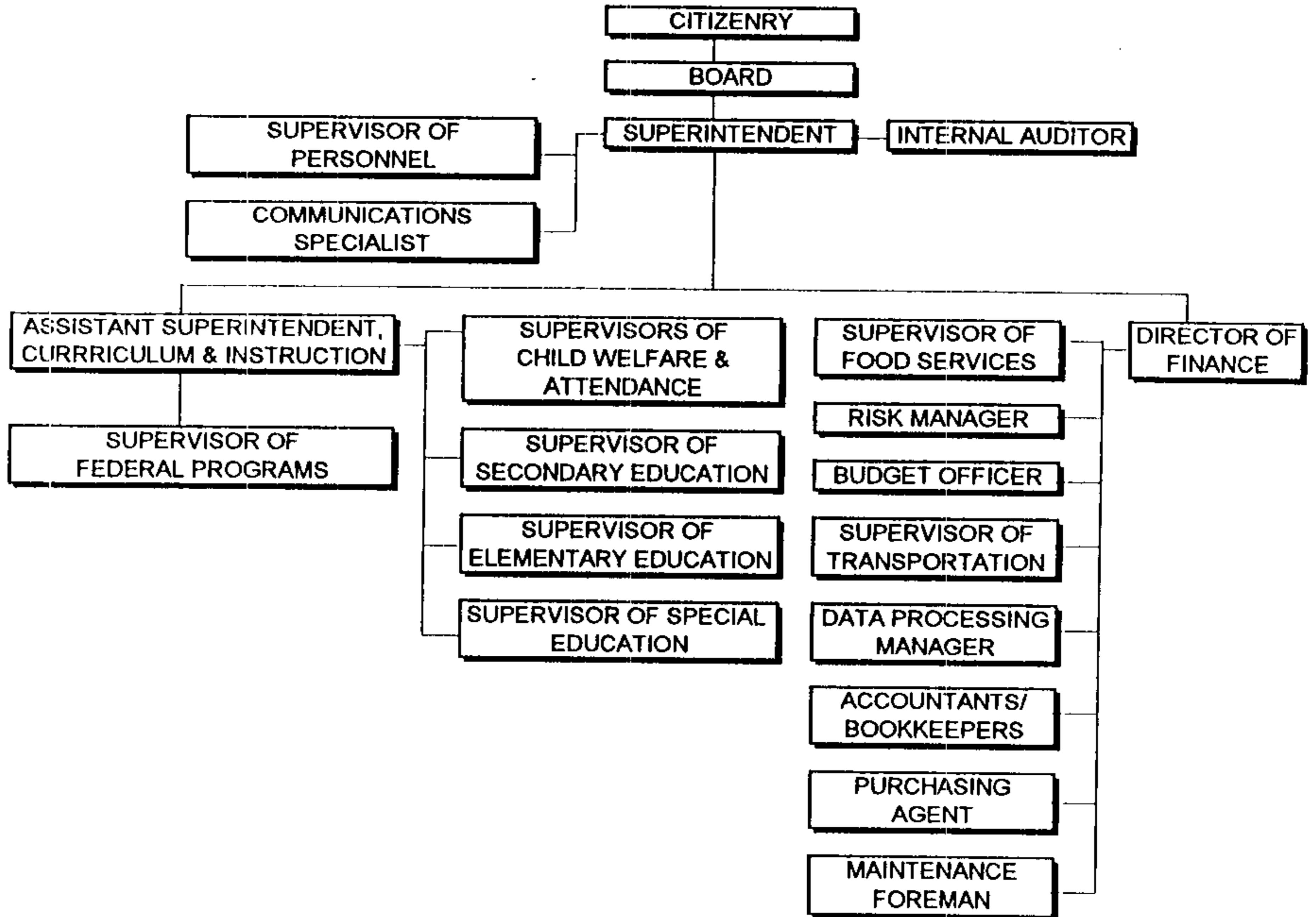


**FINANCIAL SECTION**



**TERREBONNE PARISH PUBLIC SCHOOLS  
CONDENSED TABLE OF ORGANIZATION**

**June 30, 1996**



**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**June 30, 1996**

**SCHOOL BOARD MEMBERS**

**Mr. Roger Dale DeHart, President**

**Mr. Rickie Pitre, Vice-President**

**Rev. Arthur V. Verrett, Jr.**

**Mr. Donald Verret**

**Mr. Donald "Don" Duplantis**

**Mr. Clark J. Bonvillain**

**Mr. Michael McIntire**

**Mr. Hayes Badeaux, Jr.**

**Mr. Roland A. Henry, Jr.**

**Mr. Peter Rhodes**

**Mr. Charlie Vandercook**

**Mr. John Pizzolatto**

**Mr. Todd A. Pellegrin**

**Mrs. Frances Modisette**

**Mr. Nelson Kramer, Jr.**

**OFFICIALS**

**Dr. Frank D. Fudesco**

**Superintendent**

**Mr. L. P. Bordelon, III**

**Assistant Superintendent,  
Curriculum and Instruction**

**Mr. Harris Henry**

**Director of Finance**



**INTRODUCTORY SECTION**



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**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

**June 30, 1996**

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**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

*Comprehensive Annual Report*

*Year Ended June 30, 1996*

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**TERREBONNE PARISH SCHOOL BOARD  
HOUMA, LOUISIANA**

*Comprehensive Annual Report*

*Year Ended June 30, 1996*

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

Release Date FEB 26 1997

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THOMAS J. LANAUX, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE  
GENERAL REQUIREMENTS APPLICABLE TO FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited the general purpose financial statements of the Terrebonne Parish School Board as of and for the year ended June 30, 1996 and have issued our report thereon dated November 27, 1996. That report was qualified because buildings presented in the General Fixed Asset Account Group were reported at insured values rather than historical cost and because furniture and equipment presented in the General Fixed Asset Group were not audited.

We have applied procedures to test the Terrebonne Parish School Board's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996: political activity, civil rights, cash management, allowable costs/cost principles, Drug-Free Workplace, federal financial reports, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Terrebonne Parish School Board's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Terrebonne Parish School Board had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management, and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

November 27, 1996

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This report is intended for the information of management and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

*Bergeron & Company*

November 27, 1996



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited the general purpose financial statements of the Terrebonne Parish School Board as of and for the year ended June 30, 1996 and have issued our report thereon dated November 27, 1996. That report was qualified because buildings presented in the General Fixed Asset Account Group were reported at insured values rather than historical cost and because furniture and equipment presented in the General Fixed Asset Group were not audited.

We have also audited the Terrebonne Parish School Board's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; reporting; and special test and provisions that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of the Terrebonne Parish School Board is responsible for the School Board's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Terrebonne Parish School Board's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any instances of noncompliance with the requirements referred to above.

In our opinion, the Terrebonne Parish School Board complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort or earmarking; reporting; and special tests and provisions that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF  
GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited the general purpose financial statements of the Terrebonne Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated November 27, 1996. That report was qualified because buildings presented in the General Fixed Asset Account Group were reported at insured values rather than historical cost and because furniture and equipment presented in the General Fixed Asset Group were not audited.

We conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Terrebonne Parish School Board is the responsibility of the School Board's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Terrebonne Parish School Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

This report is intended for the information of management, the cognizant audit agency, and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

November 27, 1996

*Bergeron & Company*

**Specific Requirements:**

- Types of services
- Eligibility
- Matching and level of effort
- Special test and provisions

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Terrebonne Parish School Board expended 83% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Terrebonne Parish School Board's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that non-compliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and other regulatory agencies. However, this report is a matter of public record and its distribution is not limited.

November 27, 1996



The management of the Terrebonne Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- Cash
- Investments
- Revenue, Receivables and Receipts
- Expenditures for Goods and Services and Accounts Payable
- Inventories
- Capital Expenditures
- Debt and Debt Service Expenditures
- Payroll and Related Liabilities
- Grant and Similar Programs

Controls used in administering individual federal financial assistance programs

General Requirements:

- Political activity
- Civil rights
- Cash management
- Allowable costs/cost principles
- Drug Free Workplace
- Federal financial reports
- Administrative requirements

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**INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL  
CONTROL STRUCTURE USED  
IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited the general purpose financial statements of the Terrebonne Parish School Board as of and for the year ended June 30, 1996, and have issued our report thereon dated November 27, 1996. That report was qualified because buildings presented in the General Fixed Asset Account Group were reported at insured values rather than historical cost and because furniture and equipment presented in the General Fixed Asset Group were not audited. We also audited the Compliance of the Terrebonne Parish School Board with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 27, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128 "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Terrebonne Parish School Board complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1996, we considered the internal control structure of the Terrebonne Parish School Board in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and on the compliance of the Terrebonne Parish School Board with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 27, 1996.

procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management and other agencies. However, this report is a matter of public record and its distribution is not limited.

*Bergeron + Company*

November 27, 1996



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED  
ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited the general purpose financial statements of the Terrebonne Parish School Board for the year ended June 30, 1996, and have issued our report thereon dated November 27, 1996. That report was qualified because buildings presented in the General Fixed Asset Account Group were reported at insured values rather than historical cost and because furniture and equipment presented in the General Fixed Asset Group were not audited.

We have conducted our audit in accordance with generally accepted auditing standards and 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 of material misstatement.

The management of the Terrebonne Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Terrebonne Parish School Board, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 Terrebonne Parish School Board  
 For the year ended June 30, 1996

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
<u>Job Training Partnership Act - Adult Education</u>	Title II - C			
8% Computer Assisted Adult Education	100444	17.250	30,227	30,227
Title II - C Youth Education	100444	17.250	15,090	15,090
Title II - C Ellender GED Preparation Night Program - prior year	100415	17.250	406	406
Total United States Department of Labor			<u>229,811</u>	<u>256,804</u>
<u>DEPARTMENT OF SOCIAL SERVICES</u>				
<u>Pass through payments from State Department of Education</u>				
U.S. Child Care Block Grant	None	93.575	81,619	82,743
<u>DEPARTMENT OF DEFENSE</u>				
<u>Pass through payments from State Department of Treasury</u>				
Emergency Rehabilitation of Flood Control Works and Federally Authorized Coastal Protection Works Rehabilitation Act	None	12.102	414	414
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
<u>Pass through payments from State Military Department</u>				
Federal Emergency Management Association	various	83.516	35,715	35,715
Total program expenditures			<u>\$ 11,945,504</u>	<u>\$ 13,437,745</u>

\* Major Program

# Program which includes state and local funds

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Terrebonne Parish School Board

For the year ended June 30, 1996

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<u>Pass through payments from State Dept. of Health and Hospitals</u>				
Louisiana Medical Assistance Program	1701335	13.714	150,785	150,785
<u>DEPARTMENT OF LABOR</u>				
<u>Pass through payments from the state</u>				
<u>Job Training Partnership Act - Student Training</u>				
Houma Junior High Potential Dropout Training Program	100446	17.250	6,630	6,630
Evergreen Junior High Student Alternative Vocational Education	100446	17.250	10,054	10,054
Oaklawn Junior High Dropout Prevention Education Training Program	100446	17.250	9,590	9,590
Grand Caillou Middle School Dropout Prevention Program	100446	17.250	10,458	10,458
1989 Life Skills Center - Project Genesis - current	100441	17.250	144,040	171,033
1989 Life Skills Center - Project Genesis - prior year	100411	17.250	3,026	3,026
Project Mainstream Ellender Memorial High School - prior year	100421	17.250	191	191
CareerNet		17.250	100	100

\* Major Program

# Program which includes state and local funds



SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE  
 Terrebonne Parish School Board  
 For the year ended June 30, 1996

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
Goals 2000 - current	9276A0018	84.276A	147,108	147,108
Public Charter Schools - current	S282A50011	84.282A	6,366	6,366
Vocational Education:				
Carl D. Perkins Act				
Basic Grant - PL 101-392	28-96-CH-2B	84.048	196,615	196,615
Guidance Services	28-96-CH-2BG	84.048	22,361	22,361
School-to-Work	28-96-2-SW	17.249	1,999	1,999
Basic Grant - carryover	28-95-CH-2B-1995 C/O	84.048	9,934	9,934
Tech Prep - Region 3	1996 VEA	84.048	17,314	17,314
Tech Prep - Region 3 - liquidation	1995 VEA	84.048	94	94
PL 101-476 - Special Education - current	96-FT-55	84.027A	890,988 *	890,988 *
PL 101-476 - Special Education - liquidation	95-FT-55	84.027	77,763 *	77,763 *
PL 101-476 - Part H Funds - current	95-CIT5-55	84.181	1,901	1,901
PL 101-476 - Part H Funds - prior year	94-CIT5-55	84.181	3,250	3,250
PL 101-476 - Pre-school - current	96-PF-55	84.173A	111,535	111,535
PL 101-476 - Pre-school - liquidation	95-PF-55	84.173	47,498	47,498
Total United States Department of Education			<u>7,365,187</u>	<u>7,365,187</u>

\* Major Program

# Program which includes state and local funds

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE**

Terrebonne Parish School Board

For the year ended June 30, 1996

<u>Federal Granting Agency/Recipient State Agency/Grant Program</u>	<u>GRANT NUMBER</u>	<u>CFDA NUMBER</u>	<u>REVENUE RECEIVED</u>	<u>EXPENDITURE AMOUNT</u>
<u>Department of Agriculture</u>				
<u>Pass through payments from State Department of Agriculture</u>				
School Lunch Program	SL-4 SL-11	10.555	\$ 3,760,757	\$ 5,223,701 *
USDA Commodities	FY 95	10.550	321,216	322,396
Total - Department of Agriculture			<u>4,081,973</u>	<u>5,546,097</u>
<u>Department of Education</u>				
<u>Direct payments:</u>				
IASA Title IX Indian Education - current	S060A40646-95	84.060A	246,647	246,647
<u>Pass through payments from State Dept. of Education</u>				
IASA Title I - Capital Expenditure Grant Fund - current	FY96 CEG	84.216A	16,010	16,010
IASA Title I - Terrebonne Educational Enrichment - carryover	95-036-55 C/O to 96	84.010	462,059	462,059 *
IASA Title I - Terrebonne Educational Enrichment - liquidation	95-036-55	84.010	263,141	263,141 *
IASA Title I - Terrebonne Educational Enrichment - current	96-016-55	84.010	4,215,238	4,215,238 *
IASA Title I - Terrebonne Educational Enrichment - Support Teams	84.010A		19,369	19,369 *
IASA Title I - Migrant Education - current	FY 96-M-28-55-1	84.011	122,076	122,076
IASA Title VI - Elementary and Secondary Ed Act of 1965 -current	28-96-0055-2	84.151	100,595	100,595
IASA Title VI - Elementary and Secondary Ed Act of 1965 -carryover	28-95-0055-2 C/O to 96	84.151	30,564	30,564
IASA Title VI - Elementary and Secondary Ed Act of 1965 - prior year	28-95-0055-2	84.151	55	55
IASA Title II PL 100-297 - current	28-96-5055-II	84.164	104,612	104,612
IASA Title II PL 100-297 - carryover	28-95-5055-11 C/O to 96	84.164	364	364
Drug Free Schools and Community Act - current	28-96-7055-D	84.186	123,729	123,729
Drug Free Schools and Community Act - carryover	28-95-7055-D C/O to 96	84.186	3,056	3,056
IASA Title I - State Program for Handicapped Children - prior year	95-L313-55	84.009	2,422	2,422
IASA Title I - State Program for Handicapped Children	95-C313-55	84.009	431	431
IASA Title I - State Program for Handicapped Children	95-C313-55	84.009	19	19
Adult Basic Education - current	ABE 1966	84.002	120,073	120,073

\* Major Program

# Program which includes state and local funds

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— CERTIFIED PUBLIC ACCOUNTANTS —  
A PROFESSIONAL CORPORATION

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

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE  
OF FEDERAL FINANCIAL ASSISTANCE

To the Terrebonne Parish School Board  
Houma, Louisiana

We have audited the general purpose financial statements of the Terrebonne Parish School Board as of and for the year ended June 30, 1996 and have issued our report thereon dated November 27, 1996. That report was qualified because buildings presented in the General Fixed Asset Account Group were reported at insured values rather than historical cost and because furniture and equipment presented in the General Fixed Asset Group were not audited. These general purpose financial statements are the responsibility of the management of the Terrebonne Parish School Board. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Terrebonne Parish School Board taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

November 27, 1996

*Bergeron & Company*

**SUPPLEMENTARY FINANCIAL REPORTS**



SCHEDULE OF  
BLUEPRINT FOR PROGRESS CONSTRUCTION PROGRAM

Terrebonne Parish School Board

For the Year Ended June 30, 1996

<u>Description, continued</u>	<u>Expended to June 30, 1996</u>	<u>Reserved or Designated at June 30, 1996</u>
H. L. Bourgeois High School bleachers	\$ 151,035	\$ -
South Terrebonne High School bleachers	140,041	-
Acadian and Broadmoor Schools additions and renovations	1,651,441	-
Terrebonne Vocational Rehabilitation Center building relocation	1,600	-
LaCache, Schriever, West Park, Legion Park, and Houma Junior High Schools roofing work	333,704	-
Southdown Elementary School re-roofing	375,118	-
Evergreen Junior High School heating	7,818	36,782
Southdown Elementary School ceiling and lighting	5,029	-
H. L. Bourgeois High School roof	405,974	-
Ellender Memorial High School skylight	28,500	-
Houma Junior High School roofing	222,364	-
Terrebonne High School Library roofing	172,138	-
 Subtotal - construction	 24,329,193	 63,182
 Funds transferred to fire loss fund, net of funds returned of \$436,943	 63,057	 -
 Funds transferred to building fund for track resurfacing, net of transfer from building fund of \$39,750	 115,928	 -
 Funds transferred to building fund for Ellender Memorial High School roof	 70,000	 -
 Funds transferred to building fund for Upper Little Caillou roof	 130,000	 -
 Designated for major roof repair/replacement Subtotal	 - 24,708,178	 19,478 82,660
 Equity transfer to Building Fund for reserved or designated balances at June 30, 1996	 -	 (82,660)
 Totals	 \$ 24,708,178	 \$ -

SCHEDULE OF  
BLUEPRINT FOR PROGRESS CONSTRUCTION PROGRAM

Terrebonne Parish School Board

For the Year Ended June 30, 1996

During the year ended June 30, 1985, the citizens of Terrebonne Parish approved a proposition allowing the School Board to incur \$21,825,000 of debt and issue General Obligation School Bonds at an annual interest rate not exceeding 12% and with a maturity of fifteen years. Principal and interest will be paid from the levy and collection of ad valorem tax. Proceeds from the bond issue are to be used for acquiring and/or improving land, playgrounds, buildings, school related facilities and necessary equipment and furnishings.

The bonds were issued in December 1985 (Series of 1985) and June, 1986 (Series of 1986) with a partial refunding of both series made in March of 1993 (Series of 1993). Note 9, LONG-TERM DEBT, discloses the debt service requirements and terms of issue on these bonds.

As of June 30, 1996, the Blueprint for Progress Fund was closed and the remaining fund balance was transferred to the Building fund. Reserves and designations of fund balance for projects in progress were moved to or included in the ending fund balance of the Building Fund by an equity transfer of \$82,660.

Projects funded with bond proceeds and interest thereon were as follows:

<u>Description</u>	<u>Expended to June 30, 1996</u>	<u>Reserved or Designated at June 30, 1996</u>
Montegut Middle School, net of \$2,354,133 insurance recovery and \$10,604 section 16 land fund withdrawal	\$ 1,796,958	\$ -
Asbestos removal and testing	1,133,207	-
Parking lots at H. L. Bourgeois, Terrebonne High School, and Smith Stadium	505,282	-
Grand Caillou Middle School	2,463,429	-
Ellender Memorial High School	6,906,734	-
H. L. Bourgeois High School - Gymnasium	812,419	7,500
South Terrebonne High School - Gymnasium	1,287,376	18,900
South Terrebonne High School - Stadium	1,249,583	-
School for exceptional children:		
Multipurpose facility	333,293	-
Classroom addition, net of \$30,000 federal grant	58,813	-
Mulberry School addition	557,057	-
Evergreen School addition	539,052	-
East Houma School:		
Addition and canopy	241,027	-
West Park School addition	168,464	-
Honduras School addition	154,384	-
Bayou Black School addition	288,489	-
Vocational Technical High School and Terrebonne Vocational Rehabilitation Center renovations and additions	1,675,626	-
Auxiliary service complex improvement	123,972	-
South Terrebonne High School concrete improvement	346,860	-
H. L. Bourgeois High School faculty parking facility	192,406	-

SCHEDULE OF  
COMPENSATION PAID TO BOARD MEMBERS

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	<u>Amount</u>
Hayes Badeaux	\$ 9,600
Clark Bonvillain	10,200
Roger "Dale" DeHart	10,200
Donald Duplantis	9,600
Roland A. Henry, Jr.	9,600
Nelson J. Kramer	9,600
F. Travis Lavigne, Jr.	4,000
Michael J. McIntire	9,600
Frances Modisette	9,600
Todd A. Pellegrin	9,600
Rickie Pitre	9,600
John R. Pizzolatto	5,600
Joseph P. Rhodes	9,600
Charles D. Vandercook	9,600
Donald Verret	9,600
Arthur V. Verrett, Jr.	9,600
Total	<u>\$ 145,200</u>

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

COMBINING STATEMENT OF CHANGES IN ASSET BALANCES  
 FIDUCIARY FUND TYPE  
 AGENCY - SCHOOL ACTIVITY ACCOUNTS  
 Terrebonne Parish School Board  
 For the Year Ended June 30, 1996

Schools	Balance 6/30/95	Additions	Deletions	Balance 6/30/96
Acadian	\$ 51,416	\$ 90,879	\$ 83,529	\$ 58,766
Bayou Black	9,857	33,206	33,403	9,660
Bayou Cane - Adult Education	7,498	6,877	9,770	4,605
Boudreaux Canal	10,475	37,717	37,318	10,874
Bourg	4,272	73,870	70,453	7,689
H. L. Bourgeois	45,985	347,887	325,911	67,961
Broadmoor	11,438	106,576	102,932	15,082
Caldwell	15,307	47,694	43,492	19,509
Coleau Bayou Blue	5,497	77,966	82,112	1,351
Dularge Elementary	22,658	28,634	31,388	19,904
Dularge Middle	8,814	32,775	36,439	5,150
East Houma	7,972	41,432	40,137	9,267
East Street	252	10,436	10,609	79
Ellender Memorial High	80,247	370,066	332,376	117,937
Elysian Fields	35,610	75,009	85,483	25,136
Evergreen Jr. High	15,449	137,913	119,258	34,104
Genesis	3,258	11,130	12,209	2,179
Gibson	13,013	29,483	30,113	12,383
Grand Caillou Elementary	3,990	41,043	38,028	7,005
Grand Caillou Middle	10,623	59,801	66,196	4,228
Greenwood	3,618	32,485	32,369	3,734
Honduras	6,416	42,296	36,985	11,727
Houma Jr. High	49,912	181,359	205,500	25,771
Lacache	17,315	86,959	87,339	16,935
Legion Park	20,967	22,071	33,084	9,954
Lisa Park	22,560	101,898	93,969	30,489
Little Caillou	3,791	19,662	19,201	4,252
Montegut Elementary	6,679	38,534	35,515	9,698
Montegut Middle	31,953	101,529	111,398	22,084
Mulberry	33,594	145,628	146,460	32,762
Oaklawn Jr. High	49,179	90,982	79,448	60,713
Oakshire	16,838	63,685	70,232	10,291
Pointe-Aux-Chenes	16,103	45,320	45,511	15,912
Andrew Price	1,937	5,183	5,978	1,142
School for Exceptional Children	13,718	30,269	27,957	16,030
Schriever	12,469	68,304	67,072	13,701
Southdown Middle	15,382	28,010	25,861	17,531
South Terrebonne High	76,465	543,085	526,241	93,309
Terrebonne High	73,118	383,484	368,207	88,395
Terrebonne Vocational Rehabilitation Center	10,779	12,346	16,277	6,848
Upper Little Caillou	5,076	87,934	81,452	11,558
Village East	8,397	39,816	36,176	12,037
Vocational Technical High	7,301	58,082	52,436	12,947
West Park	7,797	38,061	37,428	8,430
<b>Total</b>	<b>\$ 874,995</b>	<b>\$ 3,927,376</b>	<b>\$ 3,833,252</b>	<b>\$ 969,119</b>



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

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	Balance 6/30/95		Balance 6/30/96			
	IRC Section 125 Employee Benefits	Activity Fund	Combined Total	IRC Section 125 Employee Benefits	School Activity Fund	Combined Total
<u>ASSETS</u>						
Cash and investments	\$ 17,994	\$ -	\$ 17,994	\$ 13,080	\$ -	\$ 13,080
Cash and investments	-	874,995	874,995	-	969,119	969,119
Due from other funds	17,994	874,995	892,989	13,080	969,119	982,199
	-	-	-	76	-	76
Total assets	\$ 17,994	\$ 874,995	\$ 892,989	\$ 13,156	\$ 969,119	\$ 982,275
<u>LIABILITIES</u>						
Due to other funds	\$ 102	\$ -	\$ 102	\$ -	\$ -	\$ -
	102	-	102	-	-	-
Other liabilities	17,892	-	17,892	13,156	-	13,156
Other liabilities	-	874,995	874,995	-	969,119	969,119
Total liabilities	\$ 17,994	\$ 874,995	\$ 892,989	\$ 13,156	\$ 969,119	\$ 982,275

COMBINING BALANCE SHEET  
FIDUCIARY FUND TYPE  
AGENCY FUNDS

Terrebonne Parish School Board

June 30, 1996

	<u>IRC Section 125 Employee Benefits</u>	<u>School Activity Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 13,080	\$ 874,054	\$ 887,134
Investments	-	95,065	95,065
Due from other funds	76	-	76
	<u>76</u>	<u>-</u>	<u>76</u>
Total assets	<u>\$ 13,156</u>	<u>\$ 969,119</u>	<u>\$ 982,275</u>
<u>LIABILITIES</u>			
Other liabilities	<u>\$ 13,156</u>	<u>\$ 969,119</u>	<u>982,275</u>
Total liabilities	<u>\$ 13,156</u>	<u>\$ 969,119</u>	<u>\$ 982,275</u>

SUPPLEMENTAL INFORMATION  
FIDUCIARY FUND TYPE  
FUND DESCRIPTIONS

Terrebonne Parish School Board

June 30, 1996

IRC Section 125 Employee Benefits Fund

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

School Activity Accounts

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

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

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

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

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

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	Loss Fund	Workers Compensation Fund	Group Insurance Claims Fund	Total
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Premiums collected, received or recovered	\$ -	\$ 191,407	\$ 10,427,810	\$ 10,619,217
Claim expenses paid	(48,103)	(81,210)	(8,227,525)	(8,356,838)
Reinsurance and administrative fees paid	(482)	(157,723)	(1,510,274)	(1,668,479)
Operating transfers in	125,000	-	-	125,000
Cash provided (used) by non-capital financing activities	<u>76,415</u>	<u>(47,526)</u>	<u>690,011</u>	<u>718,900</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest income	13,599	30,654	202,546	246,799
(Increase) decrease in investments	-	405,500	-	405,500
Net cash provided (used) by investing activities	<u>13,599</u>	<u>436,154</u>	<u>202,546</u>	<u>652,299</u>
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	90,014	388,628	892,557	1,371,199
<u>CASH AND CASH EQUIVALENTS AT</u>				
Beginning of year	<u>252,746</u>	<u>55,323</u>	<u>3,269,849</u>	<u>3,577,918</u>
End of year	<u>\$ 342,760</u>	<u>\$ 443,951</u>	<u>\$ 4,162,406</u>	<u>\$ 4,949,117</u>
<u>CASH AND CASH EQUIVALENTS AT END OF THE YEAR CONSISTED OF:</u>				
Cash	342,760	398,951	4,162,406	4,904,117
Cash with fiscal agent	-	45,000	-	45,000
	<u>\$ 342,760</u>	<u>\$ 443,951</u>	<u>\$ 4,162,406</u>	<u>\$ 4,949,117</u>



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

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	Loss Fund	Workers Compensation	Group Insurance Claims Fund	Total
<b><u>NON-OPERATING REVENUES</u></b>				
Interest earned	\$ 13,599	\$ 25,393	\$ 189,060	\$ 228,052
Insurance premium billings	-	8,847	10,229,091	10,237,938
Recoveries of insurance cases	-	-	184,007	184,007
Total non-operating revenues	<u>13,599</u>	<u>34,240</u>	<u>10,602,158</u>	<u>10,649,997</u>
<b><u>NON-OPERATING EXPENSES</u></b>				
Claims expense	49,067	81,210	8,346,859	8,477,136
Reinsurance and administration fees	<u>482</u>	<u>157,723</u>	<u>1,510,274</u>	<u>1,668,479</u>
Total non-operating expenses	<u>49,549</u>	<u>238,933</u>	<u>9,857,133</u>	<u>10,145,615</u>
Income (loss) before operating transfers	(35,950)	(204,693)	745,025	504,382
<b><u>OPERATING TRANSFERS</u></b>				
Operating transfer in	<u>125,000</u>	-	-	<u>125,000</u>
<b><u>NET INCOME (LOSS)</u></b>	<u>89,050</u>	<u>(204,693)</u>	<u>745,025</u>	<u>629,382</u>
<b><u>RETAINED EARNINGS</u></b>				
Beginning of year	<u>253,710</u>	<u>313,107</u>	<u>2,002,625</u>	<u>2,569,442</u>
End of year	<u>\$ 342,760</u>	<u>\$ 108,414</u>	<u>\$ 2,747,650</u>	<u>\$ 3,198,824</u>

COMBINING BALANCE SHEET  
 PROPRIETARY FUND TYPE  
 INTERNAL SERVICE FUNDS

Terrebonne Parish School Board

June 30, 1996

	<u>Loss Fund</u>	<u>Workers Compensation</u>	<u>Group Insurance Claims Fund</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash	\$ 342,760	\$ 398,951	\$ 4,162,406	\$ 4,904,117
Cash with fiscal agents	-	45,000	-	45,000
Accrued interest	-	-	1,209	1,209
Other receivables	-	36	27,325	27,361
Due from other funds	-	5,263	-	5,263
Deposits	-	66,551	-	66,551
	<u>\$ 342,760</u>	<u>\$ 515,801</u>	<u>\$ 4,190,940</u>	<u>\$ 5,049,501</u>
Total current assets	<u>\$ 342,760</u>	<u>\$ 515,801</u>	<u>\$ 4,190,940</u>	<u>\$ 5,049,501</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable - claims	-	19,676	32,109	51,785
Accrued employee benefits - estimated liability for outstanding claims	-	144,712	1,411,181	1,555,893
Due to other funds	-	229,699	-	229,699
Other Liabilities	-	13,300	-	13,300
	<u>-</u>	<u>407,387</u>	<u>1,443,290</u>	<u>1,850,677</u>
Total current liabilities	<u>-</u>	<u>407,387</u>	<u>1,443,290</u>	<u>1,850,677</u>
<b>FUND EQUITY</b>				
Retained earnings:				
Unreserved:				
Designated for uninsured losses	342,760	-	-	342,760
Designated for insurance	-	108,414	2,747,650	2,856,064
	<u>342,760</u>	<u>108,414</u>	<u>2,747,650</u>	<u>3,198,824</u>
Total fund equity	<u>342,760</u>	<u>108,414</u>	<u>2,747,650</u>	<u>3,198,824</u>
Total liabilities and fund equity	<u>\$ 342,760</u>	<u>\$ 515,801</u>	<u>\$ 4,190,940</u>	<u>\$ 5,049,501</u>

SUPPLEMENTAL INFORMATION  
PROPRIETARY FUND TYPE  
INTERNAL SERVICE FUNDS

Terrebonne Parish School Board

June 30, 1996

Loss Fund

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

The School Board's present excess fire and extended coverage insurance policy has a \$250,000 per occurrence deductible.

Workers' Compensation Fund

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

Group Insurance Claims Fund

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

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	<u>Building Fund</u>	<u>Blueprint for Progress Fund</u>	<u>Total</u>
<u>REVENUES</u>			
Local sources:			
Interest earned	\$ 21,262	\$ 4,346	\$ 25,608
Federal sources	35,715	-	35,715
Total revenues	<u>56,977</u>	<u>4,346</u>	<u>61,323</u>
<u>EXPENDITURES</u>			
Support services:			
Business services	541	429	970
Facilities acquisition	648,656	41,551	690,207
Total expenditures	<u>649,197</u>	<u>41,980</u>	<u>691,177</u>
Excess (deficiency) of revenues over expenditures	<u>(592,220)</u>	<u>(37,634)</u>	<u>(629,854)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	941,500	-	941,500
Total other financing sources (uses)	<u>941,500</u>	<u>-</u>	<u>941,500</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	349,280	(37,634)	311,646
<u>FUND BALANCES</u>			
Beginning of year	545,460	120,294	665,754
Equity transfer	82,660	(82,660)	-
End of year	<u>\$ 977,400</u>	<u>\$ -</u>	<u>\$ 977,400</u>



COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS

Terrebonne Parish School Board

June 30, 1996

	<u>Building Fund</u>	<u>Blueprint for Progress Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 1,066,876	\$ -	\$ 1,066,876
Total assets	<u>\$ 1,066,876</u>	<u>\$ -</u>	<u>\$ 1,066,876</u>
<u>LIABILITIES</u>			
Accounts and contracts payable	\$ 89,476	\$ -	\$ 89,476
Total liabilities	<u>89,476</u>	<u>-</u>	<u>89,476</u>
<u>FUND BALANCES</u>			
Reserved:			
Capital contracts	558,322	-	558,322
Unreserved:			
Designated:			
Capital contracts	<u>419,078</u>	<u>-</u>	<u>419,078</u>
Total fund balances	<u>977,400</u>	<u>-</u>	<u>977,400</u>
Total liabilities and fund balances	<u>\$ 1,066,876</u>	<u>\$ -</u>	<u>\$ 1,066,876</u>

SUPPLEMENTAL INFORMATION  
CAPITAL PROJECTS FUND TYPE  
FUND DESCRIPTIONS

Terrebonne Parish School Board

June 30, 1996

Building Fund

This fund monitors expenditures for the acquisition of major capital facilities or major repairs or renovations financed by transfers from other funds, interest earnings, and/or insurance proceeds and governmental grants.

Investment income is used to finance fund expenditures.

Blueprint for Progress Fund

This fund was established to monitor expenditures of bond proceeds received from the Sale of General Obligation Bonds.

Expenditures include costs and fees associated with acquiring and/or improving land, playgrounds, buildings, school-related facilities and necessary equipment and furnishings.

Investment income is used to finance fund expenditures.

As of June 30, 1996, all bond proceeds had been expended and the fund was closed. The remaining equity balance was transferred to the Building Fund. Future project expenditures will be reported in the Building Fund.

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

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	3/4% Sales Tax Fund	Mineral Trust Fund	Childcare Program	Summer School Enhancement	8(g) Dyslexia Fund	Total
<b>REVENUES</b>						
Local sources						
Sales and use tax	\$ 9,246,769	\$ -	\$ -	\$ -	\$ -	\$ 9,246,769
Interest earned	107,112	771	-	-	-	107,883
Other	-	-	86,001	1,564	4,923	92,488
State sources	-	-	-	-	68,215	68,215
Total revenues	<u>9,353,881</u>	<u>771</u>	<u>86,001</u>	<u>1,564</u>	<u>73,138</u>	<u>9,515,355</u>
<b>EXPENDITURES</b>						
Instruction:						
Regular	1,141,113	-	-	-	-	1,226,792
Special	18,855	-	-	-	85,679	18,855
Vocational Education	141,330	-	-	-	-	141,330
Other programs	17,864	-	86,001	1,564	-	105,429
Support services	162	-	-	-	-	162
Instructional staff	32,798	-	-	-	-	32,798
General administration	148,686	-	-	-	91,826	124,624
School administration	3,326	-	-	-	-	148,686
Business Services	504	-	-	-	44	3,326
Plant services	3,230	-	-	-	-	548
Central services	2,583	-	-	-	-	3,230
Total expenditures	<u>1,510,451</u>	<u>-</u>	<u>86,001</u>	<u>1,564</u>	<u>177,549</u>	<u>1,775,565</u>
Excess (deficiency) of revenues over expenditures	7,843,430	771	-	-	(104,411)	7,739,790
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	3,129	-	-	104,411	107,540
Operating transfers out	(7,843,430)	-	-	-	-	(7,843,430)
Total other financing sources (uses)	<u>(7,843,430)</u>	<u>3,129</u>	<u>-</u>	<u>-</u>	<u>104,411</u>	<u>(7,735,890)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>						
	-	3,900	-	-	-	3,900
<b>FUND BALANCES</b>						
Beginning of year	1,305,492	68,768	-	-	-	1,374,260
Equity Transfer	(78,992)	-	-	-	-	(78,992)
End of year	<u>\$ 1,226,500</u>	<u>\$ 72,668</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,299,168</u>

CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
STATE FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	MFP Remediation Program	Early Childhood Program	MFP School Nurse Program	State Library Allotment	State Textbooks & Materials	8 (g) Block Grant	Total
<b>REVENUES</b>							
Local sources	-	-	-	-	-	-	-
State sources	72,833	69,276	62,109	55,693	577,830	2,339	2,339
Total revenues	<u>72,833</u>	<u>69,276</u>	<u>62,109</u>	<u>55,693</u>	<u>577,830</u>	<u>2,339</u>	<u>1,309,694</u>
<b>EXPENDITURES</b>							
Instruction:							
Regular	-	-	-	-	621,865	16,831	638,696
Special	-	-	-	-	-	-	69,171
Adult education	-	-	-	-	-	-	63,526
Vocational education	-	-	-	-	41,457	-	41,457
Other programs	54,996	69,229	-	-	-	115,512	239,737
Support services:							
Student services	-	-	103,823	-	-	-	169,608
Instructional staff	14,297	-	-	48,773	-	18,554	169,663
General administration	-	-	-	-	-	-	48
School administration	-	-	-	-	-	-	4,969
Business services	1,670	-	-	-	-	-	5,220
Plant services	275	39	-	-	-	-	16,388
Student transportation	1,595	-	-	-	-	79	18,574
Central Services	-	8	-	-	-	-	137
Total expenditures	<u>72,833</u>	<u>69,276</u>	<u>103,823</u>	<u>48,773</u>	<u>663,322</u>	<u>151,097</u>	<u>1,437,194</u>
Excess (deficiency) of revenues over expenditures	-	-	(41,714)	6,920	(85,492)	-	(125,161)
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	-	-	41,714	-	160,987	-	207,134
Indirect costs received (paid)	-	-	-	-	(4,373)	-	(4,373)
Other sources (uses)	-	-	-	-	(71,122)	-	(70,680)
Total other financing sources (uses)	-	-	41,714	-	85,492	-	132,081
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>							
	-	-	-	6,920	-	-	6,920
<b>FUND BALANCES</b>							
Beginning of year	-	-	-	7,492	-	-	7,492
End of year	-	-	-	<u>14,412</u>	-	-	<u>14,412</u>



CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS  
STATE FUNDS

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	Special Education Materials and Supplies	Gifted and Talented	Act 17 of 1996	MFP Allotment	State Adult Education	Superior Textbook 8(g)	Infant/Toddler Child Search Project
\$	\$	\$	\$	\$	\$	\$	\$
Local sources	22,482	7,869	59,088	58,900	91,012	70,548	13,296
State sources	22,482	7,869	59,088	58,900	91,012	70,548	13,296
Total revenues	22,482	7,869	59,088	58,900	91,012	70,548	13,296
<b>EXPENDITURES</b>							
Instruction:							
Regular							
Special	22,482	12,302	33,082	1,305			
Adult education					63,526		
Vocational education							
Other programs							
Support services:							
Student services			4,712	47,777			13,296
Instructional staff					17,491		
General administration					48		
School administration			4,690		279		
Business services					3,550		
Plant services				9,816	6,179		
Student transportation			16,979				
Central Services				2	6		
Total expenditures	22,482	12,302	59,463	58,900	91,079	70,548	13,296

Excess (deficiency) of  
revenues over expenditures

OTHER FINANCING SOURCES (USES)

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

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

FUND BALANCES

Beginning of year  
End of year

	(4,433)	(375)	(67)				
	4,433						
		375	67				
	4,433	375	67				

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

Terrebonne Parish School Board  
For the Year Ended June 30, 1996

	Safe & Drug-Free Schools & Communities	Special Education PL 101-476	IASA Title II	JTPA-Adult Education	Medicaid Reimbursement	U.S. Childcare Development Block Grant	Goals 2000	Public Charter Schools	Total
<b>REVENUES</b>									
Local sources:									
Interest earned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,411
Charges for services	-	-	-	-	-	-	-	-	1,024,362
Other	2,569	-	-	-	-	-	-	-	2,569
State sources	-	-	-	-	-	-	-	-	244,978
Federal sources	124,216	1,132,935	104,976	45,723	109,443	81,619	147,108	6,366	11,865,463
Total revenues	126,785	1,132,935	104,976	45,723	109,443	81,619	147,108	6,366	13,179,783
<b>EXPENDITURES</b>									
Instruction:									
Regular	-	-	-	-	-	-	46,553	-	46,553
Special	-	299,741	-	-	70,250	-	-	-	372,748
Adult education	-	-	-	43,330	-	-	-	-	155,396
Vocational education	-	-	-	-	-	-	-	-	217,258
Other programs	-	-	1,420	-	-	79,914	716	-	4,180,043
Support services:									
Student services	121,808	373,158	-	-	36,015	-	-	-	1,000,739
Instructional staff	534	295,146	97,924	211	-	-	98,321	4,551	1,131,903
General administration	100	1,776	52	-	54	-	25	1,370	5,470
School administration	-	226	-	220	-	-	-	122	24,751
Business services	-	49,327	1,860	-	-	-	-	85	80,116
Plant services	-	20,081	80	1,008	-	-	309	-	91,773
Food services	-	-	-	-	-	-	-	-	5,566,679
Student transportation	-	54,889	-	-	-	-	-	-	71,947
Central services	-	4,609	2	954	-	-	-	17	18,805
Community services	-	-	-	-	-	-	-	-	94,988
Facilities acquisition	-	-	-	-	-	-	1,184	-	106,127
Total expenditures	122,542	1,098,953	101,338	45,723	106,319	79,914	147,108	6,145	13,165,296
Excess (deficiency) of revenues over expenditures	4,243	33,982	3,638	-	3,124	1,705	-	221	14,487
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in	-	-	-	-	-	1,124	-	-	353,564
Indirect costs received (paid)	(4,243)	(36,339)	(3,638)	-	(3,124)	(2,829)	-	(221)	(219,279)
Other sources (uses)	-	2,357	-	-	-	-	-	-	24,302
Total other financing sources (uses)	(4,243)	(33,982)	(3,638)	-	(3,124)	(1,705)	-	(221)	158,587
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>									
	-	-	-	-	-	-	-	-	173,074
<b>FUND BALANCES</b>									
Beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 681,818
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 854,892

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

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	IASA Title I Disadvantaged Education	IASA Title I Migrant Education	ESEA Chapter I PL 89-313 Special Education	IASA Title VI Innovative Education	Food Service	Federal Adult Education	Federal Vocational Education	JTPA Student Training	IASA Title IX Indian Education
<b>REVENUES</b>									
Local sources:									
Interest earned	\$ -	\$ -	\$ -	\$ -	\$ 42,411	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	1,024,362	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	244,978	-	-	-	-
Federal sources	4,975,817	122,076	2,871	131,215	4,081,973	120,073	248,316	184,089	246,647
Total revenues	4,975,817	122,076	2,871	131,215	5,393,724	120,073	248,316	184,089	246,647
<b>EXPENDITURES</b>									
Instruction:									
Regular	-	-	-	-	-	-	-	-	-
Special	-	-	2,757	-	-	-	-	-	-
Adult education	-	-	-	-	-	112,066	-	-	-
Vocational education	-	-	-	-	-	-	195,729	-	-
Other programs	3,703,752	30,979	-	89,252	-	-	-	21,529	139,390
Support services:									
Student services	312,420	81,864	-	35,795	-	-	23,268	16,411	-
Instructional staff	508,341	931	-	-	-	-	29,733	-	96,111
General administration	1,600	79	18	100	-	-	142	-	154
School administration	5,694	-	-	-	-	-	-	-	-
Business services	22,005	2,243	-	-	-	1,385	182	18,489	-
Plant services	56,735	1,150	-	217	-	2,895	-	3,029	-
Food services	-	-	-	-	5,566,679	-	-	8,201	1,097
Student transportation	8,283	-	-	-	-	-	-	-	-
Central services	9,483	599	-	1,616	-	8	-	8,775	-
Community services	94,988	-	-	-	-	-	132	38	1,347
Facilities acquisition	104,943	-	-	-	-	-	-	-	-
Total expenditures	4,828,254	117,845	2,775	126,980	5,566,679	116,354	249,186	211,082	238,099
Excess (deficiency) of revenues over expenditures	147,563	4,231	96	4,235	(172,955)	3,719	(870)	(26,993)	8,548
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in	-	-	-	-	325,447	-	-	26,993	-
Indirect costs received (paid)	(148,056)	(4,231)	(96)	(4,235)	-	(3,719)	-	-	(8,548)
Other sources (uses)	493	-	-	-	20,582	-	870	-	-
Total other financing sources (uses)	(147,563)	(4,231)	(96)	(4,235)	346,029	(3,719)	870	26,993	(8,548)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>									
	-	-	-	-	173,074	-	-	-	-
<b>FUND BALANCES</b>									
Beginning of year	-	-	-	-	681,818	-	-	-	-
End of year	-	-	-	-	854,892	-	-	-	-

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

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	<u>Federal Funds</u>	<u>State Funds</u>	<u>Local Funds</u>	<u>Total</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	\$ 353,564	\$ 207,134	\$ 107,540	\$ 668,238
Operating transfers out	-	-	(7,843,430)	(7,843,430)
Indirect costs received (paid)	(219,279)	(4,373)	-	(223,652)
Other sources (uses)	<u>24,302</u>	<u>(70,680)</u>	<u>-</u>	<u>(46,378)</u>
Total other financing sources (uses)	<u>158,587</u>	<u>132,081</u>	<u>(7,735,890)</u>	<u>(7,445,222)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	173,074	6,920	3,900	183,894
<u>FUND BALANCES</u>				
Beginning of year Equity transfer	681,818	7,492	1,374,260	2,063,570
End of year	<u>\$ 854,892</u>	<u>\$ 14,412</u>	<u>\$ 1,299,168</u>	<u>\$ 2,168,472</u>



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

Terrebonne Parish School Board

For the Year Ended June 30, 1996

	<u>Federal Funds</u>	<u>State Funds</u>	<u>Local Funds</u>	<u>Total</u>
<b>REVENUES</b>				
Local sources:				
Sales and use tax	-	-	\$ 9,246,769	\$ 9,246,769
Interest earned	42,411	-	107,883	150,294
Charges for services	1,024,362	-	-	1,024,362
Other	2,569	2,339	92,488	97,396
State sources	244,978	1,309,694	68,215	1,622,887
Federal sources	11,865,463	-	-	11,865,463
Total revenues	<u>13,179,783</u>	<u>1,312,033</u>	<u>9,515,355</u>	<u>24,007,171</u>
<b>EXPENDITURES</b>				
Instruction:				
Regular	46,553	638,696	1,226,792	1,912,041
Special	372,748	69,171	18,855	460,774
Adult education	155,396	63,526	-	218,922
Vocational education	217,258	41,457	141,330	400,045
Other programs	4,180,043	239,737	105,429	4,525,209
Support services:				
Student services	1,000,739	169,608	162	1,170,509
Instructional staff	1,131,903	169,663	124,624	1,426,190
General administration	5,470	48	148,686	154,204
School administration	24,751	4,969	3,326	33,046
Business services	80,116	5,220	548	85,884
Plant services	91,773	16,388	3,230	111,391
Food services	5,566,679	-	-	5,566,679
Student transportation	71,947	18,574	-	90,521
Central services	18,805	137	2,583	21,525
Community services	94,988	-	-	94,988
Facilities acquisition	106,127	-	-	106,127
Total expenditures	<u>13,165,296</u>	<u>1,437,194</u>	<u>1,775,565</u>	<u>16,378,055</u>
Excess (deficiency) of revenues over expenditures	14,487	(125,161)	7,739,790	7,629,116

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
LOCAL FUNDS

Terrebonne Parish School Board

June 30, 1996

	3/4% Sales Tax Fund	Mineral Trust Fund	Childcare Program	Summer School Enhancement	8(g) Dyslexia Fund	Total
<b>ASSETS</b>						
Cash	\$ 1,622,321	\$ -	\$ -	\$ -	\$ -	\$ 1,622,321
Receivables:						
Sales and use tax	830,769	-	-	-	-	830,769
Accrued interest	450	-	-	-	-	450
Other	-	-	1,805	1,564	-	3,369
Due from other funds	-	72,668	-	-	10,163	82,831
Due from other governmental unit: State Department of Education	-	-	-	-	19,745	19,745
<b>Total assets</b>	<b>\$ 2,453,540</b>	<b>\$ 72,668</b>	<b>\$ 1,805</b>	<b>\$ 1,564</b>	<b>\$ 29,908</b>	<b>\$ 2,559,485</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 340,367	\$ -	\$ -	\$ -	\$ 10,469	\$ 350,836
Accrued employee benefits	-	-	-	-	1,465	1,465
Due to other funds	886,673	-	1,805	1,564	16,685	906,727
Deferred revenues	-	-	-	-	1,289	1,289
<b>Total liabilities</b>	<b>1,227,040</b>	<b>-</b>	<b>1,805</b>	<b>1,564</b>	<b>29,908</b>	<b>1,260,317</b>
<b>FUND BALANCES</b>						
Reserved for:						
Employee compensation	-	72,668	-	-	-	72,668
Designated for:						
Subsequent years' expenditures	60,688	-	-	-	-	60,688
Instructional programs	1,165,812	-	-	-	-	1,165,812
<b>Total fund balances</b>	<b>1,226,500</b>	<b>72,668</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,299,168</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,453,540</b>	<b>\$ 72,668</b>	<b>\$ 1,805</b>	<b>\$ 1,564</b>	<b>\$ 29,908</b>	<b>\$ 2,559,485</b>

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
STATE FUNDS

Terrebonne Parish School Board

June 30, 1996

	MFP Remediation Program	Early Childhood Program	MFP School Nurse Program	State Library Allotment	State Textbooks & Materials	8 (g) Block Grant	Total
Due from other funds	\$ 11,410	-	\$ -	\$ 15,163	\$ 160,987	\$ -	\$ 190,253
Due from other governmental unit: State Department of Education	-	17,979	-	-	-	54,119	123,061
Prepaid expenses, textbooks and materials	-	-	-	-	266,463	-	266,463
Total assets	\$ 11,410	\$ 17,979	\$ -	\$ 15,163	\$ 427,450	\$ 54,119	\$ 579,777
<u>LIABILITIES</u>							
Accounts payable	\$ 11,389	-	\$ -	\$ 751	\$ 273,702	\$ 5,432	\$ 295,634
Accrued employee benefits	-	1,344	-	-	-	1,567	3,634
Due to other funds	21	16,635	-	-	153,748	47,120	266,097
Deferred revenues	-	-	-	-	-	-	-
Total liabilities	11,410	17,979	-	751	427,450	54,119	565,365
<u>FUND BALANCES</u>							
Designated for: Instructional programs	-	-	-	14,412	-	-	14,412
Total liabilities and fund balances	\$ 11,410	\$ 17,979	\$ -	\$ 15,163	\$ 427,450	\$ 54,119	\$ 579,777

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
STATE FUNDS

Terrebonne Parish School Board

June 30, 1996

	Materials and Supplies	Special Education Gifted and Talented	Act 17 of 1996	MFP Allotment	State Adult Education	Superior Textbook 8(g)	Infant/Toddler Child Search Project
<u>ASSETS</u>							
Due from other funds	\$ -	\$ -	\$ 774	\$ 1,919	\$ -	\$ -	\$ -
Due from other governmental unit: State Department of Education	-	-	20,357	-	27,894	-	2,712
Prepaid expenses, textbooks and materials	-	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ 21,131	\$ 1,919	\$ 27,894	\$ -	\$ 2,712
<u>LIABILITIES</u>							
Accounts payable	\$ -	\$ -	\$ 28	\$ 1,900	\$ 1,398	\$ -	\$ 1,034
Accrued employee benefits	-	-	-	-	723	-	-
Due to other funds	-	-	21,103	19	25,773	-	1,678
Deferred revenues	-	-	-	-	-	-	-
Total liabilities	-	-	21,131	1,919	27,894	-	2,712
<u>FUND BALANCES</u>							
Designated for: Instructional programs	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ -	\$ -	\$ 21,131	\$ 1,919	\$ 27,894	\$ -	\$ 2,712



COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
FEDERAL FUNDS

Terrenbonne Parish School Board

June 30, 1996

	Safe & Drug-Free Schools & Communities	Special Education PL 101-476	IASA Title II	JTPA-Adult Education	Medicaid Reimbursement	U.S. Childcare Development Block Grant	Goals 2000	Public Charter Schools	Total
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 910,680
Receivables:									
Accrued interest	-	-	-	-	-	-	-	-	379
Other	-	-	-	-	-	-	-	-	41,868
Due from other funds	-	2,240	-	-	19,336	-	7,902	-	58,285
Due from other governmental units:									
State Department of Education	29,013	350,311	11,067	-	-	41,688	651	6,366	1,638,450
United States Department of Education	-	-	-	-	-	-	-	-	64,508
Other units	-	-	-	15,277	19,408	-	-	-	132,968
Deposits	-	-	-	-	-	-	-	-	24,309
Inventory, at cost	-	-	-	-	-	-	-	-	230,659
<b>Total assets</b>	<b>\$ 29,013</b>	<b>\$ 352,551</b>	<b>\$ 11,067</b>	<b>\$ 15,277</b>	<b>\$ 38,744</b>	<b>\$ 41,688</b>	<b>\$ 8,553</b>	<b>\$ 6,366</b>	<b>\$ 3,102,106</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 1,054	\$ 9,610	\$ 3,696	\$ -	\$ 1,322	\$ -	\$ 8,496	\$ 4,134	\$ 119,443
Accrued employee benefits	876	8,626	438	1,381	-	3,144	-	-	160,908
Due to other funds	27,079	334,315	6,933	13,896	2	38,544	57	2,232	1,904,198
Due to other governments	-	-	-	-	-	-	-	-	24,539
Deferred revenues	4	-	-	-	37,420	-	-	-	38,126
<b>Total liabilities</b>	<b>\$ 29,013</b>	<b>\$ 352,551</b>	<b>\$ 11,067</b>	<b>\$ 15,277</b>	<b>\$ 38,744</b>	<b>\$ 41,688</b>	<b>\$ 8,553</b>	<b>\$ 6,366</b>	<b>\$ 2,247,214</b>
<b>FUND BALANCES</b>									
Unreserved - undesignated	-	-	-	-	-	-	-	-	854,892
<b>Total liabilities and fund balances</b>	<b>\$ 29,013</b>	<b>\$ 352,551</b>	<b>\$ 11,067</b>	<b>\$ 15,277</b>	<b>\$ 38,744</b>	<b>\$ 41,688</b>	<b>\$ 8,553</b>	<b>\$ 6,366</b>	<b>\$ 3,102,106</b>

COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
FEDERAL FUNDS

Terrenbonne Parish School Board

June 30, 1996

	IASA Title I Disadvantaged Education	IASA Title I Migrant Education	ESEA Chapter I PL 89-313 Special Education	IASA Title VI Innovative Education	Food Service	Federal Adult Education	Federal Vocational Education	JTPA Student Training	IASA Title IX Indian Education
<b>ASSETS</b>									
Cash	\$ -	\$ -	\$ -	\$ -	\$ 910,680	\$ -	\$ -	\$ -	\$ -
Receivables:									
Accrued interest	-	-	-	-	379	-	-	-	-
Other	-	-	-	-	41,868	-	-	-	-
Due from other funds	402	2,293	-	-	25,176	-	936	-	-
Due from other governmental units:									
State Department of Education	1,072,153	-	431	28,029	-	51,615	47,126	-	-
United States Department of Education	-	-	-	-	-	-	-	-	64,508
Other units	-	-	-	-	21,736	-	-	76,547	-
Deposits	-	-	-	-	24,309	-	-	-	-
Inventory, at cost	-	-	-	-	230,659	-	-	-	-
<b>Total assets</b>	<b>\$ 1,072,555</b>	<b>\$ 2,293</b>	<b>\$ 431</b>	<b>\$ 28,029</b>	<b>\$ 1,254,807</b>	<b>\$ 51,615</b>	<b>\$ 48,062</b>	<b>\$ 76,547</b>	<b>\$ 64,508</b>
<b>LIABILITIES</b>									
Accounts payable	\$ 65,948	\$ 1,039	\$ -	\$ -	\$ 6,712	\$ 2,463	\$ 3,639	\$ 7,625	\$ 3,705
Accrued employee benefits	114,643	1,198	-	3,144	3,109	2,867	4,332	8,537	8,613
Due to other funds	891,964	56	431	24,885	365,555	46,285	40,066	59,709	52,189
Due to other governments	-	-	-	-	24,539	-	-	-	-
Deferred revenues	-	-	-	-	-	-	25	676	1
<b>Total liabilities</b>	<b>\$ 1,072,555</b>	<b>\$ 2,293</b>	<b>\$ 431</b>	<b>\$ 28,029</b>	<b>\$ 399,915</b>	<b>\$ 51,615</b>	<b>\$ 48,062</b>	<b>\$ 76,547</b>	<b>\$ 64,508</b>
<b>FUND BALANCES</b>									
Unreserved - undesignated	-	-	-	-	854,892	-	-	-	-
<b>Total liabilities and fund balances</b>	<b>\$ 1,072,555</b>	<b>\$ 2,293</b>	<b>\$ 431</b>	<b>\$ 28,029</b>	<b>\$ 1,254,807</b>	<b>\$ 51,615</b>	<b>\$ 48,062</b>	<b>\$ 76,547</b>	<b>\$ 64,508</b>

COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS

Terrebonne Parish School Board

June 30, 1996

	<u>Federal Funds</u>	<u>State Funds</u>	<u>Local Funds</u>	<u>Total</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 119,443	\$ 295,634	\$ 350,836	\$ 765,913
Accrued employee benefits	160,908	3,634	1,465	166,007
Due to other funds	1,904,198	266,097	906,727	3,077,022
Due to other governments	24,539	-	-	24,539
Deferred revenues	38,126	-	1,289	39,415
Total liabilities	<u>2,247,214</u>	<u>565,365</u>	<u>1,260,317</u>	<u>4,072,896</u>
<u>FUND BALANCES</u>				
Reserved for:				
Employee compensation	-	-	72,668	72,668
Designated for:				
Subsequent years' expenditures	-	-	60,688	60,688
Instructional programs	-	14,412	1,165,812	1,180,224
Unreserved - undesignated	854,892	-	-	854,892
Total fund balances	<u>854,892</u>	<u>14,412</u>	<u>1,299,168</u>	<u>2,168,472</u>
Total liabilities and fund balances	<u>\$ 3,102,106</u>	<u>\$ 579,777</u>	<u>\$ 2,559,485</u>	<u>\$ 6,241,368</u>

COMBINING BALANCE SHEET  
ALL SPECIAL REVENUE FUNDS

Terrebonne Parish School Board

June 30, 1996

	<u>Federal Funds</u>	<u>State Funds</u>	<u>Local Funds</u>	<u>Total</u>
<u>ASSETS</u>				
Cash	\$ 910,680	\$ -	\$ 1,622,321	\$ 2,533,001
Receivables:				
Sales and use tax	-	-	830,769	830,769
Accrued interest	379	-	450	829
Other	41,868	-	3,369	45,237
Due from other funds	58,285	190,253	82,831	331,369
Due from other governmental units:				
State Department of Education	1,638,450	123,061	19,745	1,781,256
United States Department of Education	64,508	-	-	64,508
Other units	132,968	-	-	132,968
Deposits	24,309	-	-	24,309
Inventory, at cost	230,659	-	-	230,659
Prepaid expenses, textbooks and materials	-	266,463	-	266,463
<b>Total assets</b>	<b>\$ 3,102,106</b>	<b>\$ 579,777</b>	<b>\$ 2,559,485</b>	<b>\$ 6,241,368</b>



## SPECIAL REVENUE FUND TYPE, CONTINUED

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

### State Library Allotment Fund

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

### State Textbooks and Materials

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

### 8(g) Block Grant

This fund was established to monitor expenditures of 8(g) monies made available by the Louisiana Board of Elementary and Secondary Education (BESE). These funds can only be used to implement programs recommended by the Department of Education and approved by BESE. The Early Childhood Project, the In-School Suspension/Saturday Detention Program, the Exemplary Center for Reading Instruction Program, the Multi-Sensory Reading: the High School that Work, the Teaching, Learning: A Matter of Style, the Direct Instruction of Mathematics, and the Flight Plan for Success (a thinking skills program) are included in the allocation of the funding from this grant.

## LOCAL FUNDS

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

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

## SPECIAL REVENUE FUND TYPE, CONTINUED

### 8(g) Superior Textbook, Library Book, Reference Material

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

### Infant/Toddler Child Search Project - Special Education

This project is funded with State funds allotted by the Louisiana State Legislature. The coordinator and/or coordinators are hired on a contract basis to make presentations, distribute fliers and posters throughout the parish, contact and interview referral source on each child referred for Childnet, contact and interview parent on each child, and ensure screening is completed on each child referral. The project's objectives are to identify all infants/toddlers with special needs within Terrebonne Parish, to ensure the multidisciplinary evaluation/assessment and development of an Initial Family Service Plan within 45 days, and to maintain records of referrals and resolutions of those referrals.

### MFP Remediation Program

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

### Early Childhood Program

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

### MFP School Nurse Program

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

## SPECIAL REVENUE FUND TYPE, CONTINUED

provide a strong phonology base for students in 1st grade classes who are not performing at expected levels in a traditional school setting

### STATE FUNDS

#### Special Education Materials and Supplies

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

#### Special Education Gifted and Talented

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

#### Special Education Act 17 of 1996

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

#### MFP Allotment

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

#### State Adult Education

This fund was established to monitor expenditures of state adult education monies received for two programs. 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.



## SPECIAL REVENUE FUND TYPE, CONTINUED

### Job Training Partnership Act - Adult Education Fund

The JTPA Adult Education Fund was established to monitor federally funded expenditures for programs which qualify for the 8% Funding Program. The program is a contract between the Terrebonne Parish School Board and the Terrebonne Parish Consortium. Also included in this fund is the Ellender Memorial High GED Prep Night Class.

Currently, the two programs include Youths (ages sixteen to twenty-one) and Adults (ages over 21). The purpose of each program is to provide upgrading in the basic skill areas, assistance in preparing for the GED test, teaching skills necessary to seek and hold employment in an extremely competitive market.

### Medicaid Reimbursement Fund

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

### U. S. Childcare Development Block Grant

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

### Goals 2000

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

### Public Charter School

Authorized by the Charter School Demonstration Law, the Terrebonne Parish School Board applied for approval from the BESE to solicit proposals to apply for a charter to operate a charter school. The Dyslexia Society of South Louisiana applied and was accepted to operate the Bayou Charter School beginning in the 1996-97 school year. The program will



## SPECIAL REVENUE FUND TYPE, CONTINUED

of academic training. The objective of the Genesis program is to provide eligible participants youth competencies at an acceptable level including pre-employment, basic education and work maturity skills training. There are also two Summer programs included in this fund.

### IASA Title IX Indian Education

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

### Safe and Drug Free Schools and Communities Act

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

### Special Education PL 101-476 Individuals With Disabilities Education Act (IDEA)

These Federal funds are allocated under Part B of the Education for the Handicapped Act as amended by PL 101-476. Such funds are awarded through the State Department of Education and are based on the number of identified handicapped students being served as of the December child count. Funds are used for salaries, contracted services, materials, supplies, travel, equipment, and other expenses necessary to provide full educational opportunities to exceptional children. Under PL 101-476 (IDEA), there are several other projects including the Very Special Arts Festival and the Pre-School Incentive Project.

### IASA Title II

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

## SPECIAL REVENUE FUND TYPE, CONTINUED

### IASA - Title VI - Innovative Education Program Strategies

Title VI funds are available to financially assist state and local educational agencies in improving education for elementary, secondary, and pre-school children attending public and private schools. Title VI funds are obtained from Federal grants through the State Department of Education. These funds are used to defray the cost for key teachers to be trained in the school improvement process and effective schools characteristics.

### Food Service Fund

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

### Federal Adult Education

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

### Federal Vocational Education

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

### JTPA Student Training

The JTPA Student Training Fund was established to monitor expenditures of funds made available for programs which qualify for the Title II-C Program for youth under a contract between the Terrebonne Parish School Board and the Terrebonne Parish Consortium.

Participants in the program are of ages 16 to 21 years, currently enrolled in grades seven through twelve, have been held back at least once or performed poorly in an academic environment, and are economically disadvantaged and/or handicapped.

The purpose of most of the programs (SAVE, DPE, PDRT, the Grand Caillou Middle program) is to identify junior high school students who have a potential for dropping out of school and provide them with a Supplemental program of academic redemption, pre-employment/work maturity skills training and job specific skills training. The purpose of the Mainstream Program is to identify potential dropouts and provide them with a program

SUPPLEMENTAL INFORMATION  
SPECIAL REVENUE FUND TYPE  
FUND DESCRIPTIONS

Terrebonne Parish School Board

June 30, 1996

FEDERAL FUNDS

IASA Title I Disadvantaged Education

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

IASA Title I Migrant Education

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

ESEA Chapter 1 Public Law 89-313 Special Education

These federal funds are allocated for exceptional children currently enrolled in an appropriate special education program operated by the School Board and previously enrolled in a state school. Funds are awarded based on the number of students being serviced as of the October child count and obtained by Federal grants through the State Department of Education. These funds are primarily used for instructional material, supplies and equipment.

**SUPPLEMENTARY INFORMATION SECTION**



JoAnn C. McKinley, et al v. Terrebonne Parish School Board. The district court rendered a \$700,000 consent judgment against the School Board and its insurer involving a personal injury case. The insurance company was experiencing financial difficulty and the State of New York issued a liquidation order. LIGA will assume responsibility for payment of the claim up to its limited principal liability of \$149,900, plus interest on that portion of the judgment for which it is responsible for. The remaining principal amount outstanding of \$550,100, plus \$84,793 of accrued legal interest through the balance sheet date is recorded as a liability in the General Long-Term Debt Account Group. Interest continues to accrue subsequent to the balance sheet.

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

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

#### Federal and State Grant Awards:

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

17) MINIMUM FOUNDATION PROGRAM

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

The formula is a statistical model using data from parish financial reports, weighted student population counts, a relative wealth indicator, and a base amount per pupil to allocate funds to parishes under a basic assumption of a 67/33 percent state/parish funding split, subject to the effects of the relative wealth factor. The current year pupil population count is based on data as of October 1, 1995.

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

Equalization funding received from the State of Louisiana for the year ended June 30, 1996 was \$45,691,631. Of that total, \$44,669,348 was allocated to the General Fund and \$1,022,283 was allocated to Special Revenue Funds.

18) COMMITMENTS AND CONTINGENCIES

Litigation:

Johnny R. Rochel, et al v. Terrebonne Parish School Board. The district court rendered a judgment against the School Board in a personal injury case for the principal sum of \$523,215. Appeals have been exhausted and judgment against the School Board is final. The judgment accrues legal interest from the date of judicial demand. Subsequent to the court's rendering the judgment, the School Board's insurer was liquidated and the Louisiana Insurance Guaranty Association (LIGA) paid its limited principal liability of \$149,900 plus interest on that portion of the judgment for which it was responsible. In August 1996, the School Board entered into a compromise settlement agreement, under which the School Board would pay \$300,000 in two equal annual installments, beginning August 31, 1996, in full satisfaction of this claim. The School Board has recorded a liability in the amount of \$290,543 (\$300,000 less imputed interest of \$9,457) in the General Long-Term Debt Account Group.

Designated for Instructional Programs:

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

16) RETIREMENT HOSPITALIZATION INSURANCE BENEFITS

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

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

The cost of providing for benefits earned prior to July 1, 1989, will be funded by contributions from the State Minimum Foundation Program and the School Board. The cost of providing benefits earned subsequent to July 1, 1989, will be paid by the State Minimum Foundation Program and the employee. The continuation of the contributions by the School Board will be dependent upon available funds in the General Fund and School Food Service Fund for respective retired employees. The hospitalization insurance cost is recognized as an expense as premiums are paid. For the year ended June 30, 1996, those costs by fund type were as follows:

<u>Funding Source</u>	<u>General Fund</u>	<u>Food Service Fund</u>
School and local contributions	<u>\$ 1,437,232</u>	<u>\$ 211,859</u>

At June 30, 1996, the average hospitalization insurance premium funded by the School Board per retired employee was approximately \$1,274. Approximately 777 retired personnel are provided with this benefit.



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

Reserved for the Advance to Assessor's Salary Fund:

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

Reserved for Employee Compensation:

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

Reserved for Capital Contracts:

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

Reserved for Deposits:

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

Reserved for Debt Service:

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

Designated for Capital Contracts:

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

Designated for Smoke Detection:

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



14) TAX-SHELTERED ANNUITY

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

15) FUND BALANCE RESERVES AND DESIGNATIONS

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

<u>Fund/Description</u>	<u>June 30, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 1996</u>
<b>GENERAL FUND:</b>				
Reserved:				
Advance to Assessor's salary fund	\$ 216,873	\$ -	\$ -	\$ 216,873
Other deposits	340,634	373,488	340,634	373,488
Debt service	1,286	4,288	-	5,574
Capital Contracts	4,011	36,684	7,138	33,557
Designated:				
Capital Contracts	-	26,316	-	26,316
Smoke Detection	300,000	-	150,000	150,000
Prepaid Expense	100	100	-	200
<b>SPECIAL REVENUE FUND:</b>				
Reserved:				
Employee compensation	68,768	3,900	-	72,668
Designated:				
Subsequent year's expenditure	189,284	60,688	189,284	60,688
Instructional programs	1,123,700	1,180,224	1,123,700	1,180,224
<b>DEBT SERVICE:</b>				
Reserved:				
Debt service	673,416	-	127,017	546,399
<b>CAPITAL PROJECTS:</b>				
Reserved:				
Capital Contracts	359,771	558,332	359,771	558,332
Designated:				
Capital Contracts	305,983	262,698	149,603	419,078

13) TRANSFERS AND OTHER FINANCING SOURCES AND USES

Transfers funded from current revenues during the year ended June 30, 1995 consisted of:

	Transfers	
	In	Out
<b>GENERAL FUND:</b>		
Special Revenue Funds	\$ 7,678,443	\$ 503,251
Capital Projects Funds	-	941,500
Internal Service Funds	-	125,000
Total	<u>7,678,443</u>	<u>1,569,751</u>
<b>SPECIAL REVENUE FUNDS:</b>		
General Fund	503,251	7,678,443
Special Revenue Fund	164,987	164,987
Total	<u>668,238</u>	<u>7,843,430</u>
<b>CAPITAL PROJECTS FUNDS:</b>		
General Fund	941,500	-
Total	<u>941,500</u>	<u>-</u>
<b>INTERNAL SERVICE FUNDS</b>		
General Fund	125,000	-
Total	<u>125,000</u>	<u>-</u>
Totals	<u>\$ 9,413,181</u>	<u>\$ 9,413,181</u>

Other financing sources and uses consisted of:

	General Fund	Special Revenue Fund
Workman's compensation rebate '96	\$ 187,597	\$ 24,744
Text books and instructional programs parochial schools	-	(72,457)
Administrative fee - Terrebonne Construction Co.	29,756	-
Property disposals	13,729	1,335
Various other sources (uses)	(8,400)	-
Total	<u>\$ 222,682</u>	<u>\$ (46,378)</u>

E. Historical Trend Information

Ten year historical trend information is presented in each Systems' Annual Financial Report . This information is useful in assessing the pension plan's accumulation of sufficient assets to pay pension benefits as they become due.

F. Other Plans

The School Board participates in the Parochial Employees' Retirement System. This plan covers 8 employees (members of the School Board) who are not included in one of the other plans. For the year ended June 30, 1996, the School Board made contributions of \$6,013 and the employees made contributions of \$7,353.

Under the previous Public Law 99-272 (the Consolidated Omnibus Budget Reconciliation Act of 1985), all new employees hired after March 31, 1986 are required to be covered by Medicare Part A in addition to membership in any of the State retirement systems. The contribution rate is 1.45%, matched by the School Board. The School Board made contributions of \$284,865 for the year ended June 30, 1996. There were 1,159 full-time employees covered under this plan.

12) DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at June 30, 1996 are as follows:

	Due From	Due To
GENERAL FUND:		
Special Revenue Funds	\$ 2,900,609	\$ 130,691
Fiduciary Funds	-	76
Internal Service Fund	200,171	-
SPECIAL REVENUE FUNDS:		
General Fund	130,691	2,900,609
Special Revenue Fund	171,150	171,150
Internal Service Fund	29,528	5,263
INTERNAL SERVICE FUND:		
General fund	-	200,171
Special Revenue Fund	5,263	29,528
FIDUCIARY FUNDS		
General fund	76	-
	<u>\$ 3,437,488</u>	<u>\$ 3,437,488</u>
TOTALS	<u>\$ 3,437,488</u>	<u>\$ 3,437,488</u>

D. Analysis of Funding Progress

An analysis of the funding progress for TRS over the last three fiscal years follows:

(in millions of dollars)

Fiscal Year	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded	(4) Unfunded Pension Benefit Obligation	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1993	\$ 5,154.1	\$ 9,522.4	54.1%	\$ 4,368.3	\$2,181.4	200%
1994	\$ 5,694.6	\$ 9,928.5	57.4%	\$ 4,233.9	\$2,180.3	194%
1995	\$ 6,081.7	\$ 10,570.3	57.5%	\$ 4,488.6	\$2,201.6	204%

An analysis of the funding progress for LSERS over the last three fiscal years follows:

(in thousands of dollars)

Fiscal Year	(1) Net Assets Available for Benefits	(2) Pension Benefit Obligation	(3) Percentage Funded	(4) Unfunded Pension Benefit Obligation	(5) Annual Covered Payroll	(6) Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
1993	\$ 849,044	\$ 739,109	114.9%	\$ -	\$ 197,769	0%
1994	\$ 912,486	\$ 780,975	116.8%	\$ -	\$ 199,751	0%
1995	\$ 962,833	\$ 834,345	115.4%	\$ -	\$ 205,467	0%

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the System is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the System. Trends in unfunded pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the System.



Significant actuarial assumptions used in the valuation of the pension benefit obligation of the LSERS include:

- a) An effective annual rate of return of 7.5%, net of expenses.
- b) Projected salary increases due to inflation, merit, and seniority are based on 1981 to 1986 scale experience and increased .5% for the effects of inflation.
- c) Rates of withdrawal from service for reasons other than death are based on the 1981 to 1986 termination experience study.
- d) Disability rates are based on the 1981 to 1986 disability experience of the Retirement System. For mortality after disability, rates were based on the Eleventh Actuarial Valuation of the Railroad Retirement System for permanent disabilities.
- e) Pre-retirement deaths and post retirement life expectancies are projected based on the experience of the 1971 Sex Distinct Group Annuity Mortality Table.
- f) Retirement without reduction in benefits can occur at any given age after satisfying the service eligibility requirements. Absent from the plan is a traditional "Normal Retirement Age"

The Systems do not make separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at June 30, 1995 for the TRS and LSERS as a whole was as follows:

	(In Millions)	
	TRS	LSERS
<b>Pension benefit obligation:</b>		
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 5,119.8	\$ 430.3
<b>Current employees:</b>		
Accumulated employee contributions	1,489.5	127.2
Employer-financed vested	3,496.0	225.0
Employer-financed nonvested	465.0	51.8
Total pension benefit obligations	10,570.3	834.3
Net assets available for benefits, at cost	6,081.7	962.8
Unfunded pension benefit obligation	\$ 4,488.6	
Net assets in excess of actuarial present value of credited projected benefits		\$ 128.5

The Terrebonne Parish School Board's contribution requirement of \$474,493 represents approximately 1.89% of total contributions required of all employers. Contributions by employers and employees were made in accordance with actuarially determined contributions of the plan.

For each system, the actuarial assumptions and cost method used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation.

C. Funding Status and Progress

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service. The measure is the actuarial present value of credited projected benefits and is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the System. The pension benefit obligation was determined as part of an actuarial valuation.

Significant actuarial assumptions used in the valuation of the pension benefit obligation of the TRS include:

- a) rate of return on the investment of present and future assets of 8.25 percent per year compounded annually,
- b) projected salary increases of 3.5 percent which are attributable to inflation,
- c) additional projected salary increases ranging between 2.25 percent and 5.45 percent attributable to seniority and merit,
- d) mortality, pre-retirement deaths and post retirement life expectancies which are based on the 1983 Sex Distinct Graduated Group Annuity Mortality Table with female ages set at attained age plus one in 1993, and
- e) rates of withdrawal, disability and retirement which are based on a five year experience study of the System.

For the Louisiana School Employees Retirement System, member contributions are established by state statute as a percentage of earnable compensation and are deducted from the member's salary and remitted by the School Board. Employer contributions in accordance with LRS 11:1193 are computed on a rate determined by the board of trustees on the basis of the liabilities of the Retirement System as shown by the prior year actuarial valuation.

Contributions of covered payroll and rates as a % of earned compensation were made for each System as follow

	TRS	TRS-Plan A	LSERS
Member Contribution %	8.00%	9.10%	6.35%
Employer Contribution %	16.50%	16.50%	6.00%
Employees Contribution \$	\$3,206,114	\$80,332	\$243,920
Employer Contribution \$	\$6,627,099	\$145,886	\$230,573

A system's funding policy refers to the amounts and timing of contributions to be made by employers, employees and any other sources to provide the benefits a pension plan specifies.

For the Teachers Retirement System plan's year ended June 30, 1995, the unfunded actuarial accrued liability is \$4,405,746,210 and the following plan was adopted to amortize this actuarial liability:

Act 81 of the 1988 Legislative Session mandated that the unfunded accrued liability as of June 30, 1988, be amortized over a forty year period beginning July 1, 1989. Contributions are scheduled to increase at a rate of 4 percent per year and to decrease by .5 percent every fifth year. The System's contribution requirements are actuarially determined using the Projected Unit Credit method. This Act was amended by Act 257 of 1992 to require the outstanding balance of the unfunded accrued liability as of June 30, 1992 to be amortized over the remaining thirty-seven year period with payments forming an annuity at 4.5 percent per year.

The School Board's statutory contribution requirement for TRS Regular and TRS Plan A for 1996 was \$10,059,434. This represents approximately 2.82 percent of total contributions required of all employer groups.

The Louisiana School Employees Retirement System's contribution requirements are actuarially determined using the Entry Age Normal cost method. For the year ended June 30, 1995, the actuarial surplus for funding purposes is \$77,564,643. The method to be used is to receive contributions as a level percentage of total payroll.

All employees under age 60 employed by the School Board who work more than 20 hours a week as a school bus driver, school janitor, school custodian, school maintenance employee, or school bus aide must participate in the plan.

Employees are eligible for normal retirement who have at least thirty (30) years of creditable service regardless of age, 25 years of creditable service and are at least 55, or 10 years of creditable service and are at least 60.

The maximum retirement benefit is an amount equal to 2 1/2% of the average compensation for the three highest consecutive years of membership service, multiplied by the number of years of service, plus a supplementary allowance of \$24.00 per annum or \$2.00 per month for each year of service, not to exceed average final compensation. The supplemental allowance was eliminated for members entering the Retirement System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

Effective January 1, 1992, any member retiring on or after January 1, 1992 shall receive for their first 20 years of service a 2 1/2% accrual rate, with a 3% accrual rate for each year after 20 years.

The School Board's total payroll for the year ended June 30, 1996 was approximately \$48,257,345. The number of active employees and the payroll for covered employees for each system follows:

	TRS	LSERS
Number of active employees	1,854	294
Payroll for covered employees	\$ 40,959,265	\$ 3,841,273

**B. Contributions Required and Made**

Members and employer contributions for the System are established by Louisiana Revised Statutes and are determined by the plan in which the member is enrolled.



Service retirements are granted when the following eligibility requirements are met:

<u>Teachers' Regular Plan</u>			<u>Teacher's Plan A</u>		
<u>Years</u> <u>Service</u>	<u>Minimum</u> <u>Age</u>	<u>Formula</u> <u>Percentage</u>	<u>Years</u> <u>Service</u>	<u>Minimum</u> <u>Age</u>	<u>Formula</u> <u>Percentage</u>
10	60	2%	10	60	3%
20	Any Age	2%	25	55	3%
25	55	2-1/2%	30	Any Age	3%
30	Any Age	2-1/2%			
20	65	2-1/2%			

Disability benefits are payable if the employee has five years of service and certification of disability by the State Medical Disability Board. Employees become vested after ten years of service. Benefits are established by state statute.

2. Louisiana School Employee's Retirement System:

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost sharing multiple-employer public employee retirement plan established and provided for by R.S. 11:1001 of the Louisiana Revised Statutes.

The Louisiana School Employee's Retirement System provides retirement benefits for non-teacher school employees excluding those classified as lunch workers within the Public Educational System of Louisiana. At June 30, 1995 (latest available information), statewide Retirement System membership consisted of:

Current retirees and beneficiaries	7,340
Terminated vested members not yet receiving benefits	112
Terminated nonvested active employees who have not withdrawn contributions	352
Current employees covered	<u>14,991</u>
Total participants as of the valuation date	<u><u>22,795</u></u>

At June 30, 1995 (latest available information), membership consisted of:

Retirees and beneficiaries currently receiving benefits	37,952
Deferred retirement option plan participants (DROP)	1,959
Terminated employees entitled to benefits but not yet receiving them	460
Terminated nonvested employees who have not withdrawn contributions	7,949
Current employees:	
Vested	40,509
Nonvested	44,162
Post DROP participants	<u>441</u>
Total members with the plan	<u><u>133,432</u></u>

The School Board participates in TRS Regular and TRS Plan A which require mandatory enrollment for all employees that meet the following eligibility requirements:

TRS Regular - employees that meet the legal definition of a "teacher" in accordance with Louisiana Revised Statutes 11:701(23)(a).

TRS Plan A - employees paid with school food service funds in which the parish has withdrawn from Social Security coverage.

Teachers' Retirement System of Louisiana provides retirement, disability and survivor benefits. Service retirements vest after 10 years of credited service, disabilities after 5 years, provided the member is in active service at the time of filing application for disability retirement. The formula for annual maximum retirement benefits is 2 or 2 1/2 percent (Regular Plan), or 1 or 3 percent (Plan A) of final average salary for each year of credited service. Final average salary is based upon the members' highest consecutive thirty-six months of salary. Benefits are paid monthly for life. If a member leaves covered employment prior to vesting or dies prior to establishing eligibility for survivor benefits, accumulated member contributions are refunded.

d) Summary of General Long-term Debt:

The following is a summary of general long-term obligations transactions for the year ended June 30, 1996:

	(In Thousands)				
	Bonded Debt	Compensated Absences	Capital Leases	Judgements Payable	Total
Long-term obligations payable, June 30, 1995	\$ 14,540	\$ 4,087	\$ 89	\$ 1,093	\$ 19,809
Additions	-	190	-	54	244
Reductions	<u>(2,020)</u>	<u>(173)</u>	<u>(79)</u>	<u>(222)</u>	<u>(2,494)</u>
Total long-term obligations payable, June 30, 1996	<u>\$ 12,520</u>	<u>\$ 4,104</u>	<u>\$ 10</u>	<u>\$ 925</u>	<u>\$ 17,559</u>

11) RETIREMENT PLANS

Substantially all employees of the School System are required by State law to belong to retirement plans administered by the Teachers Retirement System (TRS) or the Louisiana School Employees Retirement System (LSERS), both of which are administered on a statewide basis.

Disclosures relating to these plans follow:

A. Plan Descriptions

1. Teachers Retirement System

The Teachers' Retirement System of Louisiana (TRS) is the administrator of a cost sharing multiple-employer plan established and provided for within Title 11, Chapter 2, of the Louisiana Revised Statutes. The System provides pension benefits to employees who meet the legal definition of a "teacher." The System is considered part of the State of Louisiana financial reporting entity and is included in the State's financial reports as a pension trust fund.

b) **Accrued Compensated Absences:**

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

	<u>General &amp; Special Revenue Funds</u>
Payable, June 30, 1995	\$ 4,087,089
Add: Amounts earned	190,200
Less: Amounts paid	<u>(172,796)</u>
 Payable, June 30, 1996	 <u><u>\$ 4,104,493</u></u>

c) **Capital Leases:**

Capital leases are comprised of office and telephone equipment. The obligations for the capital leases are included in the general long-term debt account group. The following schedule presents the future minimum lease payments under capital leases, with the present value of the net minimum lease payments as of June 30, 1996:

<u>Year Ending June 30,</u>	<u>Equipment</u>
1997	\$ 8,981
1998	<u>1,175</u>
Total minimum lease payments	\$ 10,156
 Less amount representing interest	 <u>(399)</u>
 Present value of minimum lease payments	 <u><u>\$ 9,757</u></u>



Debt Service requirements for bonds payable subsequent to June 30, 1996 follow:

<u>Year Ending</u> <u>June 30,</u>	<u>Payment</u> <u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	9/1/96	\$ -	\$ 302,602	\$ 302,602
	3/1/97	2,165,000	302,603	2,467,603
1997		<u>2,165,000</u>	<u>605,205</u>	<u>2,770,205</u>
	9/1/97	-	254,431	254,431
	3/1/98	2,310,000	254,432	2,564,432
1998		<u>2,310,000</u>	<u>508,863</u>	<u>2,818,863</u>
	9/1/98	-	200,727	200,727
	3/1/99	2,475,000	200,724	2,675,724
1999		<u>2,475,000</u>	<u>401,448</u>	<u>2,876,448</u>
	9/1/99	-	140,705	140,705
	3/1/00	2,660,000	140,705	2,800,705
2000		<u>2,660,000</u>	<u>281,410</u>	<u>2,941,410</u>
	9/1/00	-	74,205	74,205
	3/1/01	2,910,000	74,205	2,984,205
2001		<u>2,910,000</u>	<u>148,410</u>	<u>3,058,410</u>
		<u>\$ 12,520,000</u>	<u>\$ 1,945,336</u>	<u>\$ 14,465,336</u>

In prior years, the Terrebonne Parish School Board defeased a portion of the Series 1986 Ad Valorem Bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Terrebonne Parish School Board's financial statements.

The School Board is legally restricted from incurring long-term debt in excess of 35% of the total gross assessed value (before deductions of exempt property) of all real property in Terrebonne Parish. At June 30, 1996, the statutory limit was approximately \$128,900,000, and the outstanding bonded debt was \$12,520,000.

10) LONG-TERM DEBT

a) Bonds payable:

The following is a summary of changes in bonds payable:

<u>Description of Bonds Payable</u>	<u>Payable June 30, 1995</u>	<u>Retired</u>	<u>Payable June 30, 1996</u>	<u>Year End June 30, 1996 Interest Expense</u>
General Obligations:				
Ad Valorem Bonds:				
Series 1986	\$ 650,000	\$ (650,000)	\$ -	\$ 45,500
Series 1993	13,890,000	(1,370,000)	12,520,000	663,430
Total	<u>\$ 14,540,000</u>	<u>\$ (2,020,000)</u>	<u>\$ 12,520,000</u>	<u>\$ 708,930</u>

General obligation bonds payable are represented by the following issues:

<u>Description of Bonds Payable</u>	<u>Date of Issuance</u>	<u>Interest Rate</u>	<u>Original Amount of Issue</u>
General Obligations:			
Ad Valorem Bonds:			
Series 1986	5/1/86	7.00 - 10.00%	9,825,000
Series 1993	2/17/93	3.35 - 5.10%	14,390,000

Debt Service requirements for bonds payable for the year ending June 30, 1997 and to maturity follows:

<u>Description Bonds Payable</u>	<u>Year Ending June 30, 1997</u>		<u>July 1, 1997 to Maturity</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
General Obligations:				
Ad Valorem Bonds:				
Series 1993	<u>\$ 2,165,000</u>	<u>\$ 605,205</u>	<u>\$ 10,355,000</u>	<u>\$ 1,340,131</u>

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

<u>Fund and Project</u>	<u>Estimated Cost</u>	<u>Expended to June 30, 1995</u>	<u>Reserved Fund Balance</u>	<u>Designated Fund Balance</u>
<b>Capital Project Funds:</b>				
<b>Building Fund:</b>				
<b>Ellender Memorial High School Roofing:</b>				
Construction and testing services	\$ 393,283	\$ 393,283	\$ -	\$ -
Professional fees	37,847	37,847	-	-
Allocation balance	146,370	-	-	146,370
<b>Total</b>	<b>577,500</b>	<b>431,130</b>	<b>-</b>	<b>146,370</b>
<b>Oaklawn Library:</b>				
Construction and testing services	113,816	113,816	-	-
Professional fees	13,266	13,161	105	-
<b>Total</b>	<b>127,082</b>	<b>126,977</b>	<b>105</b>	<b>-</b>
<b>Gymnasium - H.L.B.:</b>				
Construction and testing services	752,753	745,253	7,500	-
Professional fees	66,988	66,988	-	-
Other	178	178	-	-
<b>Total</b>	<b>819,919</b>	<b>812,419</b>	<b>7,500</b>	<b>-</b>
<b>Gymnasium - S.T.H.S.:</b>				
Construction and testing services	1,204,033	1,185,133	18,900	-
Professional fees	98,565	98,565	-	-
Building relocation	3,500	3,500	-	-
Other	178	178	-	-
<b>Total</b>	<b>1,306,276</b>	<b>1,287,376</b>	<b>18,900</b>	<b>-</b>
<b>Evergreen Heating:</b>				
Construction and testing services	49,194	15,456	33,738	-
Professional fees	5,859	4,979	880	-
Allocation balance	1,765	-	-	1,765
<b>Total</b>	<b>56,818</b>	<b>20,435</b>	<b>34,618</b>	<b>1,765</b>
<b>Smoke Detection Systems:</b>				
Construction and testing services	121,901	-	-	121,901
Professional fees	28,099	8,000	20,099	-
<b>Total</b>	<b>150,000</b>	<b>8,000</b>	<b>20,099</b>	<b>121,901</b>
<b>East Houma School Roofing:</b>				
Construction and testing services	604,665	164,506	440,159	-
Professional fees	54,658	44,227	9,960	471
Allocation balance	65,677	-	-	65,677
<b>Total</b>	<b>725,000</b>	<b>208,733</b>	<b>450,119</b>	<b>66,148</b>
<b>Montegut Elementary - Roof Support:</b>				
Construction and testing services	24,978	-	24,978	-
Professional fees	5,752	3,749	2,003	-
Allocation balance	19,270	-	-	19,270
<b>Total</b>	<b>50,000</b>	<b>3,749</b>	<b>26,981</b>	<b>19,270</b>
<b>Total Construction in Progress</b>	<b>\$ 3,812,595</b>	<b>\$ 2,898,819</b>	<b>\$ 558,322</b>	<b>\$ 355,454</b>

8) FIXED ASSETS

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

A summary of fixed assets by major asset class follows:

Proprietary Fund Types:

		<u>Valuation Method</u>
Land	\$ 145,613	Cost or fair value at date of gift
Buildings	301,657	Cost or fair value at date of gift
Furniture and Fixtures	2,422	Cost or fair value at date of gift
	<u>449,692</u>	
Less Accumulated Depreciation	<u>(97,470)</u>	
 Total Proprietary Fund Fixed Assets	 <u>352,222</u>	

General Fixed Asset Account Group:

Land and Improvements	\$ 1,996,190	Cost or estimated costs
Buildings	147,919,722	Insured values
Furniture and Equipment (unaudited)	5,845,907	Cost or estimated costs
Vehicles	3,413,719	Cost
	<u>159,175,538</u>	
 Total fixed assets	 <u>\$ 159,527,760</u>	

9) CAPITAL PROJECTS

At June 30, 1996, construction in progress was composed of the following:



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, 1996. The School Board has obtained excess insurance coverage which limits its exposure to \$200,000 per claim and approximately \$8,367,151 in the aggregate per calendar year. An analysis of claims activities for the current year and prior year follows:

<u>(In Thousands)</u>				
<u>Year Ended</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Ending Liability</u>
June 30, 1995	\$ 1,550	\$ 8,220	\$ 8,448	\$ 1,322
June 30, 1996	\$ 1,322	\$ 8,347	\$ 8,258	\$ 1,411

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

<u>(In Thousands)</u>				
<u>Year Ended</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Ending Liability</u>
June 30, 1995	\$ -	\$ 114	\$ 114	\$ -
June 30, 1996	\$ -	\$ 49	\$ 49	\$ -

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

7) RISK MANAGEMENT AND INSURANCE

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

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

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

The workers' compensation program was established for the purpose of providing medical and indemnity payments as required by law for on-the-job related injuries. The School Board has a contract with Gulf South Risk Services (GSRS) to supervise and evaluate claims. Expenditures and claims liabilities are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claims incurred but not reported are not considered material and no provision is made for such claims. Under the program, the School Board has obtained excess workers' compensation coverage with a retention (deductible) for the policy of \$200,000 per claim or \$1,537,080 in the aggregate. GSRS estimates a reserve based on claims filed to the School Board. Workers' compensation claims expense is monitored by the risk manager at the Terrebonne Parish School Board. An analysis of claims activities for the current year and prior year follows:

<u>(In Thousands)</u>				
<u>Year Ended</u>	<u>Beginning Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Actual Claim Payments</u>	<u>Ending Liability</u>
June 30, 1995	\$ 323	\$ 394	\$ 391	\$ 326
June 30, 1996	\$ 326	\$ 31	\$ 212	\$ 145

The Employee Benefit Group Insurance Plan was established by board action during the June 1992 fiscal year. The plan administrator, Gilsbar, is responsible for claims processing and administration. Resources to pay claims are derived from employer and employee contributions. Employer contributions are partially funded by local, state and federal funds. The contributions are recorded as expenditures in each fund employing personnel qualified for group hospital insurance benefits and are recorded as non-operating revenues in the

The School Board levies taxes at \$19.49 per \$1,000 of assessed valuation on property within Terrebonne Parish for general school services, payment of principal and interest on long-term debt and maintenance of school system operations. Of the total millage levy on the 1995 tax rolls, 9.59 mills were levied for the Constitutional and Special Maintenance taxes and 9.90 mills were levied for bond amortization.

Property taxes are recorded as revenue by the School Board in the year the taxes are levied. Property taxes which are paid under protest are recorded as revenue in the year the taxes are received. Property tax revenues are accrued at year end to the extent that they are measurable and estimated to become available to finance current operations. Delinquent taxes considered to be uncollectible are not recorded as revenues, consequently, no allowance for uncollected taxes is considered necessary. Such revenues are based on total tax levies less exempt taxes due to the general homestead exemption. A portion of exempt taxes due to homestead exemptions relating to constitutional and special school taxes are reimbursed to the School Board through State Revenue Sharing. Such Revenue Sharing was \$244,663 for the year ended June 30, 1996.

As required by the State of Louisiana Statutes, prescribed deductions are made from the School Board's property tax receipts for contributions to cover the cost of the Assessor's Office and for contributions to various pension funds. For the year ended June 30, 1996, approximately \$258,449 had been deducted from property tax receipts for amounts due to various pension funds and cost of the Assessor's Office. As of June 30, 1996, the School Board had advanced \$216,873 to the Assessor's Office to cover the cost of collection of next year's tax.

6) DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consist of receivables for reimbursement of expenditures under various programs and grants, and advances to the Assessor's Office. All amounts are expected to be collected within the next twelve months and at June 30, 1996 consisted of the following:

	General Fund	Special Revenue Fund
Terrebonne Parish Assessor's Office	\$ 216,873	\$ -
State of Louisiana	8,737	19,408
Lafourche Parish School Board	92,265	-
Terrebonne Parish Consolidated Government	-	21,736
The Work Connection - Terrebonne Parish Consortium	-	91,824
Totals	\$ 317,875	\$ 132,968



5) PROPERTY TAXES

Property taxes are levied on November 1 of each year on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. The taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be completed no less than every four years. The last re-evaluation was completed for the 1992 Tax Roll. The assessed values of the Parish upon which the 1995 levy were based is as follows:

	<u>ASSESSED VALUES</u>
	<u>1995</u>
Gross	\$ 368,240,280
Homestead Exemption	94,694,955
Taxable Property	<u>\$ 273,545,325</u>

Ad Valorem tax revenue for the year ended June 30, 1996 was \$5,284,285.

The following is a summary of the authorized and levied ad valorem tax millages for the 1995 tax rolls:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Gross Tax Revenue</u>
Parishwide taxes:			
Constitutional tax	3.99	3.99	\$ 1,091,446
Special maintenance tax	5.60	5.60	1,531,854
Bond and interest tax	(1)	9.90	2,708,099
Totals		<u>19.49</u>	<u>\$ 5,331,399</u>

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

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



Operating transfers are made from these allocations to the General Operating Fund and other funds. In any fiscal year in which the dedicated expenditures described above exceed the current year's allocated revenue, equity transfers may include such additional amounts as are necessary and available to fund fully such expenditures. Such transfers for the year ended June 30, 1996 are delineated in the following analysis of changes in the fund balances of the Sales Tax Special Revenue Fund.

<u>Changes in Fund Balance</u>	<u>Total</u>	<u>Salaries &amp; Fringe Benefits</u>	<u>Plant Operations &amp; Debt Service</u>	<u>Instructional Programs</u>
<b>Revenues</b>				
Sales and use tax	\$ 9,246,769	\$ 4,623,385	\$ 2,774,031	\$ 1,849,354
Interest earned	107,112	107,112	-	-
State grant	-	-	-	-
<b>Total revenues</b>	<u>9,353,881</u>	<u>4,730,497</u>	<u>2,774,031</u>	<u>1,849,354</u>
<b>Expenditures</b>	<u>1,510,451</u>	<u>74,595</u>	<u>44,757</u>	<u>1,391,100</u>
<b>Revenues over expenditures</b>	7,843,430	4,655,902	2,729,274	458,254
<b>Operating transfers out:</b>				
General Fund	<u>7,843,460</u>	<u>4,655,902</u>	<u>2,729,274</u>	<u>458,254</u>
<b>Excess of revenues over     expenditures and operating     transfers out</b>	-	-	-	-
<b>Fund Balance:</b>				
Beginning of year	1,305,492	-	-	1,305,492
Equity transfer (to fund current year operating expenditures in the General Fund)	(78,992)	-	-	(78,992)
<b>End of year</b>	<u>\$ 1,226,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,226,500</u>

On April 20, 1996, the citizens of Terrebonne Parish authorized a 1% sales tax effective for July 1, 1996 to be deposited into a new fund named the 1% Sales Tax Fund of 1996. The 1% sales tax is dedicated as follows:

- 1) 83% of revenues for paying increased compensation and related employment costs of teachers and other full-time personnel except management positions;
- 2) 8 1/2% for providing operating and maintaining computers and high technology;
- 3) 8 1/2% for replacement, repair and maintenance of roofs and mechanical equipment.

Balances at June 30, 1996 were as follows:

Securities Type	Credit Risk Category			Carrying Amount	Market Value
	1	2	3		
Certificates of deposit	<u>\$ 95,065</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,065</u>	<u>\$ 95,065</u>

4) SALES AND USE TAX

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

The School Board levies a one-third of one percent sales and use tax, with the receipts deposited in the General Operating Fund; the tax is dedicated to the payment of salaries of teachers and other board employees. This revenue was \$4,109,675 for the year ended June 30, 1996.

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 \$9,246,769 for the year ended June 30, 1996. These sales tax proceeds are dedicated and used as follows:

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

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

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

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

Cash	\$ 21,042,104
Cash with fiscal agents	47,386
Certificates of deposit classified as investments	95,065
	<u>\$ 21,184,555</u>

Included in cash on the balance sheet, are repurchase agreements in the amount of \$21,880,000, collateralized by United States government agency securities.

b) Investments:

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

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

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

3) CASH AND INVESTMENTS

a) Cash

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

Balances at June 30, 1996 were as follows:

Credit Risk Category	<u>Carrying Balances</u>	<u>Bank Balances</u>
(1) Insured or collateralized by securities held by the School System or its agent in the School System's name	\$ 182,852	\$ 183,222
(2) Collateralized with securities held by the pledging institution's trust department in the School System's name	-	-
(3) Uncollateralized or collateralized with securities held by the pledging institution, but not in the School System's name	<u>21,001,703</u>	<u>22,746,361</u>
Totals	<u>\$ 21,184,555</u>	<u>\$ 22,929,583</u>



2. **Sabbatical Leave - A certified teacher with a valid teaching certificate is entitled, subject to approval by the School Board, to sabbatical leave as follows:**
  - a. **One semester after completion of six or more consecutive semesters of employment in the Parish;**
  - b. **Two semesters after completion of twelve or more consecutive semesters of employment in the Parish.**

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

At June 30, 1996, \$4,104,493 has been recorded in the general long-term obligations group of accounts which represents that portion of the estimated compensated absences for accumulated sick leave of the General Fund and Special Revenue Funds which may be taken or reimbursed after the balance sheet date.

All 12 month full-time employees earn 5 to 20 days of annual leave depending on date of employment and length of service with the School Board. Annual leave is credited at the end of the fiscal year and forfeited if not used by the end of the fiscal year subsequent to the year in which it was earned. Annual leave benefits are recorded as an expenditure/expense of the period in which paid. Annual leave may be accrued only under extenuating circumstances with the approval of the department head and superintendent to a maximum of twenty days. No employee may receive a salary from the School Board or accrue retirement benefits in exchange for accumulated annual leave days.

i) **Reserves and Designations of Fund Balance:**

Reserves on the governmental funds represent portions of fund balances which are not appropriable for expenditures or have been segregated for specific future uses, while designations of fund balances represent tentative plans for financial resource utilization in a future period.

j) **Total Column on the General Purpose Financial Statements - Overview:**

Memorandum Only is used to indicate that the total column is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

General Fixed Assets

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

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

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

h) **Compensated Absences:**

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

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

d) Cash and Investments:

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

e) Cash Equivalents:

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

f) Inventory:

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

g) Fixed Assets:

Proprietary Funds

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

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



c) Operating Budgetary Data and Encumbrances:

State law requires that parish school boards adopt a budget of expected revenues and probable expenditures not later than September 15. The proposed budgets for the fiscal year beginning July 1, 1995, and ending June 30, 1996, were presented to the Board Finance Committee and made available for public inspection on June 26, 1995. Pursuant to publication of a public notice on June 29, 1995, public hearings were conducted and the Board adopted such budgets on August 15, 1996. Subsequent to adoption, an appropriate public notice was published in the official journal. The General Fund Budget was approved by the State Department of Education by letter dated October 20, 1995.

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

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

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