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**TERREBONNE PARISH SCHOOL BOARD
HOUMA, LOUISIANA**

Comprehensive Annual Report

Year Ended June 30, 2004

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

Release Date 1-12-05

**TERREBONNE PARISH SCHOOL BOARD
HOUMA, LOUISIANA**

Comprehensive Annual Report

Year Ended June 30, 2004

**TERREBONNE PARISH SCHOOL BOARD
HOUMA, LOUISIANA**

June 30, 2004

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TERREBONNE PARISH SCHOOL BOARD
HOUMA, LOUISIANA

June 30, 2004

SCHOOL BOARD MEMBERS

Mr. Clark J. Bonvillain, President

Mr. L.P. Bordelon, III, Vice-President

Mr. Roosevelt Thomas
Mr. Gregory Harding
Mr. Richard Jackson
Mr. Rickie Pitre
Mr. Roger Dale Dehart
Mr. Donald Duplantis
Mr. Hayes Badeaux, Jr.

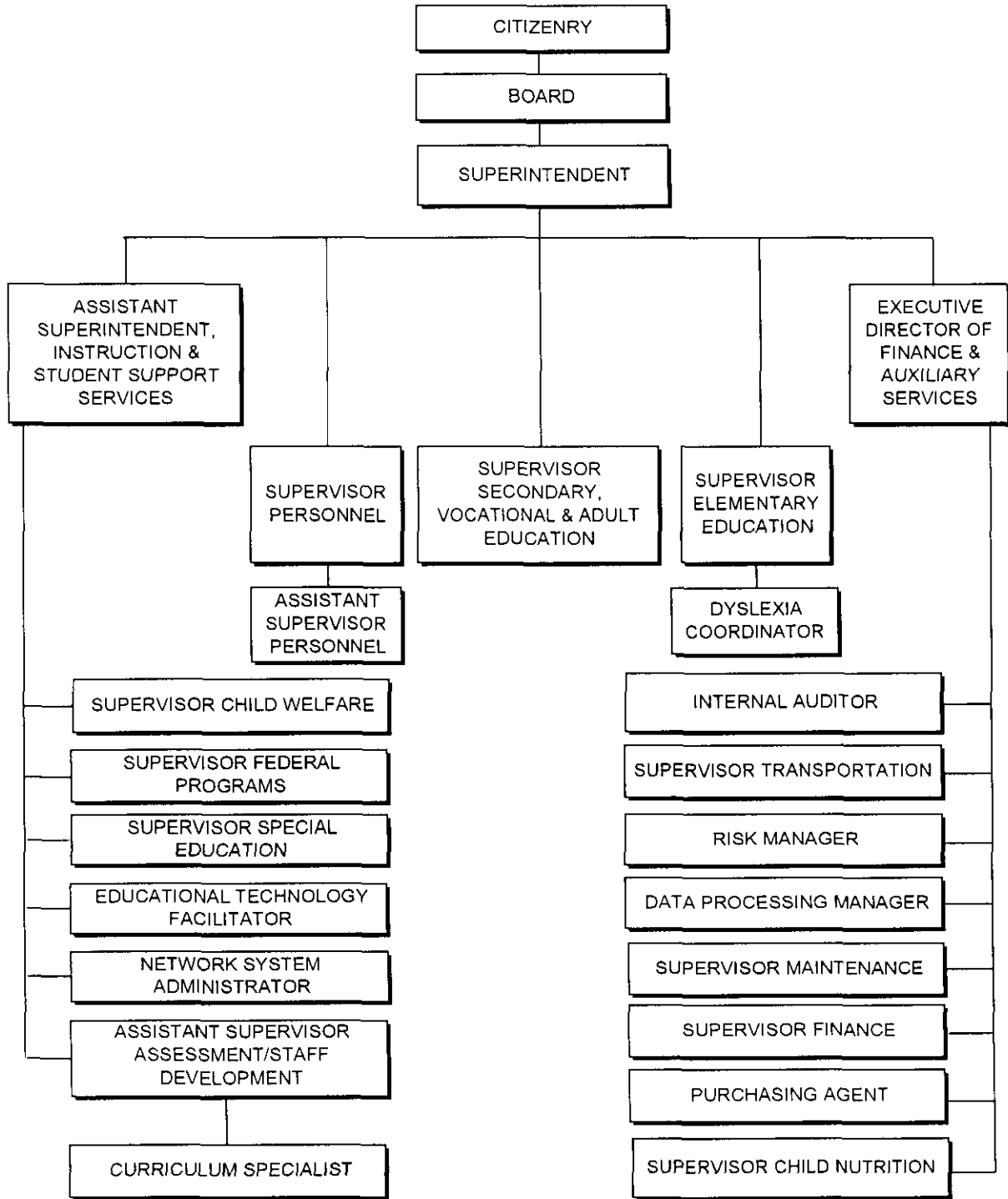
OFFICIALS

Mr. Ed Richard, Jr.
Superintendent

Mr. Harris Henry
Executive Director of Finance & Auxiliary Services

TERREBONNE PARISH PUBLIC SCHOOLS
CONDENSED TABLE OF ORGANIZATION

June 30, 2004



REQUIRED SUPPLEMENTARY INFORMATION
(PART 1)

TERREBONNE PARISH SCHOOL BOARD

Management's Discussion and Analysis

For the Year Ended June 30, 2004

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is a narrative overview and analysis of the financial activities of the Terrebonne Parish School Board for the fiscal year ended June 30, 2004. This section is intended to assist the reader in focusing on significant financial issues, provide an overview of the financial activity, identify changes in the financial position and the ability of administration and management to address the next and subsequent year challenges. It also identifies any material deviations from the financial plan and identifies individual fund issues or concerns.

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

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

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

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

FUND FINANCIAL STATEMENTS: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund statements are similar to financial presentations of years past, but the new focus is on the Major Funds, rather than fund types as in the past. The two Account Groups: *General Fixed Assets and General Long-Term Debt* are no longer reported. Consistent with previous years, the fund statements are reported using the modified accrual method of accounting. Fund Financial Statements provide more in-depth data on the most significant funds that are considered "Major Funds". All of the funds of the School Board can be divided into three categories: government funds, proprietary funds and fiduciary funds.

TERREBONNE PARISH SCHOOL BOARD

Management's Discussion and Analysis
For the Year Ended June 30, 2004

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

Because the focus of Fund Financial Statements is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's *near-term financing decisions*. Both the *Governmental Fund Balance Sheet* and the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

TERREBONNE PARISH SCHOOL BOARD
Management's Discussion and Analysis
For the Year Ended June 30, 2004

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business-type Activities	
	2004	2003	2004	2003
ASSETS				
Current assets	\$ 40,295,081	\$ 38,639,819	\$ 65,901	\$ 66,845
Capital assets	112,333,030	110,058,771	511,088	509,592
Less accumulated depreciation	<u>(62,012,332)</u>	<u>(57,329,078)</u>	<u>(155,626)</u>	<u>(138,612)</u>
Capital assets, net of depreciation	<u>50,320,698</u>	<u>52,729,693</u>	<u>355,462</u>	<u>370,980</u>
 Total assets	 90,615,779	 91,369,512	 421,363	 437,825
LIABILITIES				
Current liabilities	22,725,541	21,974,242	1,522	1,943
Long-term liabilities	<u>10,091,420</u>	<u>11,644,055</u>	<u>-</u>	<u>-</u>
 Total liabilities	 32,816,961	 33,618,297	 1,522	 1,943
NET ASSETS				
Invested in capital assets, net of related debt	46,338,637	47,253,768	355,462	370,980
Restricted	1,781,631	2,198,032	-	-
Unrestricted	<u>9,678,550</u>	<u>8,299,415</u>	<u>64,379</u>	<u>64,902</u>
 Total net assets	 <u>\$ 57,798,818</u>	 <u>\$ 57,751,215</u>	 <u>\$ 419,841</u>	 <u>\$ 435,882</u>

Net assets of the governmental activities increased by 0.08 percent (\$57.8 million compared to \$57.7 million in the prior year). Unrestricted net assets—the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—changed from a \$8.3 million at June 30, 2003, to \$9.6 million at the end of this year.

This increase in unrestricted governmental net assets arose primarily because of a decrease in the amount invested in capital assets of approximately \$1 million and an increase in net assets of approximately \$48 thousand shown on the Statement of Activities. Net assets of the business-type activities decreased by 3.68 percent (\$419,841 compared to \$435,882 in the prior year). Although business-type activities reflected an decrease in net assets during the year, Terrebonne Construction Company declared a \$25,000 dividend reflected as a decrease in total ending net assets. Fifty-six percent (56%) as compared to fifty-six percent (57%) in the prior year of total assets consist of the net book value of capital assets. Current liabilities

TERREBONNE PARISH SCHOOL BOARD

Management's Discussion and Analysis
For the Year Ended June 30, 2004

consist primarily (69% at June 30, 2004, 67% at June 30, 2003) of amounts due for salaries and benefits payable in July and August for employees of the School System.

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

- The amount representing the investment in capital assets (\$50,320,698) less the debt associated with those assets (\$3,982,061) is \$46,338,637, a decrease of 1.9 percent from the prior year.
- Total restricted assets of \$1,781,631 consist of a reserve for capital contracts of \$644,263, and various designations of \$1,137,368, a decrease of 18.1 percent from the prior year.
- The remaining of \$9,678,550 is unrestricted. The unrestricted balance is an accumulation of prior year' operating results. This balance is directly affected each year by the operating results, as discussed above.

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

Program revenues	2004	2003
Charges for services	\$ 2,400,449	\$ 2,193,359
Operating grants and contributions	23,763,822	21,790,090
Total program revenue	<u>26,164,271</u>	<u>23,983,449</u>
General revenues		
Ad valorem taxes	3,940,153	4,162,536
Sales taxes	34,042,132	33,949,616
Rental, leases, and royalties	307,210	267,136
Earnings on investments	212,758	336,917
Other local	1,144,145	3,339,907
State grants, not specific to program	356,942	410,573
Minimum Foundation Program	68,454,174	66,778,771
State revenue sharing	230,842	227,217
Total general revenue	<u>108,688,356</u>	<u>109,472,673</u>
Total revenues	<u>134,852,627</u>	<u>133,456,122</u>
Expenses		
Instructional expenses	81,314,054	82,708,197
Support service expenses	45,510,575	45,625,434
Food service operations	7,806,776	7,991,216
Debt service and other expenses	189,660	302,756
Total expenses	<u>134,821,065</u>	<u>136,627,603</u>
Increase (decrease) in net assets	<u>\$ 31,562</u>	<u>\$ (3,171,481)</u>

Most of the activities were governmental. The business-type activities generated \$60,034 from charges for services and \$51,075 in expenses for net program revenue for the year ending June 30, 2004 of \$8,959. The total revenues increased by almost 1 percent (\$1.4 million). The

TERREBONNE PARISH SCHOOL BOARD

Management's Discussion and Analysis

For the Year Ended June 30, 2004

total cost of all programs and services decreased by \$1.8 million, or approximately 1 percent. Revenues for these activities increased by 9.1 percent (\$2.2 million). The increase in net assets for activities was \$32 thousand in June 30, 2004. This compares to a \$3.2 million decrease in net assets at June 30, 2003.

The cost of all activities this year was \$134.8 million compared to \$136.6 million last year. However, as shown in the Statement of Activities, the amount that taxpayers ultimately financed for these activities through taxes, rental, leases, and royalties, earnings on investments, the minimum foundation program, and state revenue sharing was \$109 million because some of the cost was paid by those who directly benefited from the programs (\$2.4 million) or by other governments and organizations that subsidized certain programs with grants and contributions (\$23.8 million). Overall, the governmental program revenues increased from \$24 million to \$26.2 million based on increases in fees charged for services and increased grant funding for certain programs.

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

The following is a recap of the percentages of revenues by source for all governmental fund types (Fund Financial Statements):

REVENUE SOURCE	2004		2003	
	amount	percentage	amount	percentage
Local	\$ 41,859,479	31.09%	\$ 41,702,815	31.91%
State	73,758,145	54.79%	71,512,290	54.72%
Federal	19,003,631	14.12%	17,477,167	13.37%
Total revenues	\$ 134,621,255	100.00%	\$ 130,692,272	100.00%

TERREBONNE PARISH SCHOOL BOARD

Management's Discussion and Analysis
For the Year Ended June 30, 2004

Local sources of revenues include property tax collections, sales and use taxes, local parish contributions to the Teacher's Retirement Plan, rents and royalties that are generated by various School Board properties, tuition, charges for services such as meal revenues, earnings on investments, and various reimbursements and contributions for a total of \$41,859,478, an increase of 0.4% from last year.

State sources of revenues include monies from the Minimum Foundation Program, revenue sharing, Professional Improvement Program support for teachers, state contributions to the Teacher's Retirement System, and grants from various other state programs, for a total of \$73,758,145, an increase of 3.1% from last year.

Federal sources of revenues include monies from various federal programs such as the Disadvantaged Education Program, Meal Reimbursement Program, Special Education Fund, and various other federal programs, for a total of \$19,003,631, an increase of 8.7% from last year.

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

FUNCTION	2004		2003	
	amount	percentages	amount	percentages
Instruction	\$ 82,516,684	60.95%	\$ 80,291,846	60.28%
Support Services	48,962,028	36.16%	47,709,005	35.82%
Facilities acquisition	2,217,724	1.64%	3,306,139	2.48%
Debt Service	1,690,717	1.25%	1,900,937	1.43%
Total expenditures	\$ 135,387,153	100.00%	\$ 133,207,927	100.00%

Instruction expenditures include: regular, special, adult, vocational, and other various instructional expenditures such as alternative programs, music programs, extracurricular programs and summer school programs for a total of \$82,516,684, an increase of 2.77% from last year.

Support services include: pupil support, instructional staff, general administration, school administration, business services, plant services, food service, student transportation, central services and community services for a total of \$48,962,028, an increase of 2.63% from last year.

Facilities acquisition includes all expenditures for construction, engineer fees, land and site improvements, portable classrooms and building improvements totaled \$2,217,724, a decrease of 32.92% from last year.

Debt service includes all debt principal, interest and paying agent fees of \$1,690,717, a decrease of 11.06% from last year.

TERREBONNE PARISH SCHOOL BOARD
 Management's Discussion and Analysis
 For the Year Ended June 30, 2004

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The following is a recap of the capital asset categories and balances for Governmental Activities:

CATEGORY	COST	ACCUMULATED DEPRECIATION	NET BALANCE	
			2004	2003
Land	\$ 2,935,633	\$ -	\$ 2,935,633	\$ 4,434,658
Buildings and Improvements	92,355,782	50,198,322	42,157,460	41,623,084
Furniture and Equipment	12,411,449	9,273,882	3,137,567	4,009,649
Vehicles	3,901,977	2,540,128	1,361,849	1,649,541
Construction in Progress	728,189	-	728,189	1,012,761
Total	\$ 112,333,030	\$ 62,012,332	\$ 50,320,698	\$ 52,729,693

The original cost of capital assets is \$112,333,030, which is an accumulation of capital assets year after year less any disposals. The accumulated depreciation is the accumulation of depreciation expense since acquisition. In accordance with generally accepted accounting principles, depreciation expense is recorded on the original cost of the asset, less an estimated salvage value, expensed over the estimated useful life of the asset. Total accumulated depreciation is \$62,012,332. Most capital asset acquisitions are financed through long-term debt.

Capital asset additions for the year were \$6,357,093 and reductions were \$4,082,834. Depreciation expense for the year was \$4,683,254. At the end of the fiscal year, the amount reserved and committed for construction projects is \$728,189.

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

CATEGORY	ORIGINAL PROCEEDS	ENDING BALANCE	
		2004	2003
QZAB Loan	\$ 1,030,218	\$ 861,637	\$ 936,562
Certificates of Indebtedness:			
Series 1998	4,600,000	-	2,985,000
Series 2003	2,570,000	2,570,000	-
Installment Purchase Agreement #1	3,146,991	257,665	1,142,567
Installment Purchase Agreement #2	626,314	292,759	411,797
Compensated Absences	N/A	6,109,359	6,168,129
Total	\$ 11,973,523	\$ 10,091,420	\$ 11,644,055

At year-end, the School Board had \$4.0 million in bonds and notes outstanding (not including compensated absences) versus \$5.5 million last year—a decrease of 27 percent. Debt service expenditures totaled \$1,690,717, or 1.25% of general governmental expenditures – a decrease of 0.18% from last year.

The Board's current bond rating from Moody's Investors Service is Aaa and from Standard and Poor's is AAA.

TERREBONNE PARISH SCHOOL BOARD
Management's Discussion and Analysis
For the Year Ended June 30, 2004

GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS

General Fund Balance: The Budgetary Comparison Schedules for the Major Funds display original, final, and actual budget columns with a variance column showing the favorable or (unfavorable) difference of the actual with the final budget. The following shows the significant amendments to the original general fund budget:

Original Budget Revenues	\$ 79,729,139
Amendments were made for:	
Increased ad valorem tax revenue received	243,633
Decreased sales and use tax revenue received	(314,717)
Increased deductions for local contribution to Teachers Retirement System	27,219
Increased rentals, leases, royalties	116,700
Increased tuition received	16,500
Decrease in interest earned	(131,373)
Increase in other local revenue	336,358
Increase in MFP revenue	395,964
Decrease in Professional Improvement Program support	(54,388)
Decrease in state contribution to Teachers Retirement System	(4,735)
Decrease in other state grants	(28,934)
Total revenue amendments	602,227
Amended budget revenues	\$ 80,331,366
Original Budget Expenditures	\$ 91,156,761
Amendments were made for:	
Increase in instructional expenditures	1,311,078
Increase in support service expenditures	1,126,609
Increase in facilities acquisition expenditures	104,941
Increase in debt service expenditures	8,390
Total expenditure amendments	2,551,018
Amended budget expenditures	\$ 93,707,779

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Highlights of the July 1, 2004 through June 30, 2005 Original Annual Operating Budget follows:

	GENERAL	OTHER
Local revenues	\$ 11,634,114	\$ 30,237,116
State revenues	71,309,731	2,176,578
Federal revenues	900	19,317,054
Other sources	11,002,302	1,617,547
Total revenues	93,947,047	53,348,295
Instruction	60,082,912	23,457,888
Support services	32,643,198	18,992,054
Debt Service	1,097,428	0
Transfers Out	1,369,388	12,007,675
Less Non-recurring capital outlay	(51,100)	(1,394,000)
Total Expenditures	95,141,826	53,063,617
Excess (Deficiency) of Revenues	(1,194,779)	284,678
Beginning Fund Balances	3,915,930	4,179,953
Ending Fund Balances	\$ 2,721,151	\$ 4,464,631

Some of the most important features of the 2004/2005 budget are:

- Ending General fund balance is estimated at 2.9% of expenditures.
- An increase in MFP is budgeted. Included in the increase are funds in the amount of \$569,361 for a raise for certificated personnel.
- Salaries and Benefits are budgeted at \$115,080,083.
- Normal step progression and longevity advances are estimated to cost \$689,893.
- Due to severe budget constraints, 92 positions are slated to be closed.
- The School Employees Retirement System rate has increased from 8.5% to 18.8%.
- The Teachers Retirement System employer contribution rate has increased from 13.8% to 17.3%.
- Sales Tax collections are budgeted equal to the 2003/2004 revised budget amount.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Terrebonne Parish School Board's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Mr. Harris Henry, Executive Director of Finance and Auxiliary Services
Terrebonne Parish School Board
201 Stadium Drive
Houma, LA 70360
(985) 876-7400

5779 HWY 311
P. O. BOX 3695
HOUMA, LOUISIANA 70361-3695
TELEPHONE (985) 851-0883
FAX (985) 851-3014

Bergeron & Lanoux

— CERTIFIED PUBLIC ACCOUNTANTS —
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA
MICHAEL D. BERGERON, CPA
MARK S. FELGER, CPA

CLAUDE E. BERGERON, CPA
(RETIRED)

INDEPENDENT AUDITOR'S REPORT

To the Terrebonne Parish School Board
Houma, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Terrebonne Parish School Board as of and for the year ended June 30, 2004, which collectively comprise the School Board's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Terrebonne Parish School System's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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.

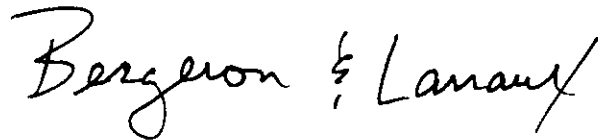
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Terrebonne Parish School Board as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 1, 2004, on our consideration of the Terrebonne Parish School Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis and the other Required Supplementary Information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Terrebonne Parish School Board taken as a whole. The statements and schedules listed under the Supplemental Information Section in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Terrebonne Parish School Board. Also, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U. S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

December 1, 2004

A handwritten signature in cursive script that reads "Bergeron & Lanoux". The signature is written in black ink and is positioned to the right of the date.

STATEMENT OF NET ASSETS
Terrebonne Parish School Board
June 30, 2004

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 27,674,823	\$ 63,159	\$ 27,737,982
Investments - at market	154,547	-	154,547
Rentals, leases and royalties	-	430	430
Receivables:			
Sales and use tax	5,870,427	-	5,870,427
Other receivables	598,458	-	598,458
Due from governments	3,895,171	-	3,895,171
Internal balances	1,248	(1,248)	-
Due from external parties (fiduciary fund)	200	-	200
Deposits	100	145	245
Inventory, at cost	312,955	-	312,955
Prepaid expenses	1,787,152	3,415	1,790,567
Capital assets, net of accumulated depreciation	50,320,698	355,462	50,676,160
	<u>90,615,779</u>	<u>421,363</u>	<u>91,037,142</u>
TOTAL ASSETS			
LIABILITIES			
Accounts, salaries and other payables	22,655,013	672	22,655,685
Deferred revenues	69,997	-	69,997
Long-term liabilities:			
Due within one year	1,717,954	-	1,717,954
Due in more than one year	8,373,466	-	8,373,466
Other liabilities	531	850	1,381
	<u>32,816,961</u>	<u>1,522</u>	<u>32,818,483</u>
TOTAL LIABILITIES			
NET ASSETS			
Invested in capital assets, net of related debt	46,338,637	355,462	46,694,099
Restricted for:			
Capital improvements	644,263	-	644,263
Other	1,137,368	-	1,137,368
Unrestricted	9,678,550	64,379	9,742,929
	<u>\$ 57,798,818</u>	<u>\$ 419,841</u>	<u>\$ 58,218,659</u>
TOTAL NET ASSETS			

STATEMENT OF ACTIVITIES
Terrebonne Parish School Board
For the Year Ended June 30, 2004

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 48,724,002	\$ 374,854	\$ 4,253,801	\$ (44,095,347)	\$ -	\$ (44,095,347)
Special	18,167,404	-	938,922	(17,228,482)	-	(17,228,482)
Adult education	522,898	-	429,044	(93,854)	-	(93,854)
Vocational education	3,582,857	-	259,245	(3,323,612)	-	(3,323,612)
Other programs	10,316,893	362,481	7,188,862	(2,765,550)	-	(2,765,550)
Support Services:						
Pupil support	6,059,161	-	1,791,292	(4,267,869)	-	(4,267,869)
Instructional staff	7,397,299	-	2,410,753	(4,986,546)	-	(4,986,546)
General administration	6,724,108	260,738	21,917	(6,441,453)	-	(6,441,453)
School administration	6,211,209	1,120	119,437	(6,090,652)	-	(6,090,652)
Business services	1,425,807	-	607	(1,425,200)	-	(1,425,200)
Plant services	10,122,354	-	178,166	(9,944,188)	-	(9,944,188)
Food service	7,806,776	1,326,535	5,127,379	(1,352,862)	-	(1,352,862)
Student transportation	6,433,829	14,297	757,084	(5,662,448)	-	(5,662,448)
Central services	1,031,625	390	557	(1,030,678)	-	(1,030,678)
Community services	105,183	-	195,289	90,106	-	90,106
Facilities acquisitions	-	-	91,467	91,467	-	91,467
Interest and bank charges	138,585	-	-	(138,585)	-	(138,585)
Total Governmental Activities	134,769,990	2,340,415	23,763,822	(108,665,753)	-	(108,665,753)
Business-type activities:						
Property rentals	51,075	60,034	-	-	8,959	8,959
Total business-type activities	51,075	60,034	-	-	8,959	8,959
General Revenues						
Local Sources:						
Ad valorem taxes				3,940,153	-	3,940,153
Sales and use taxes				34,042,132	-	34,042,132
Rentals, leases, and royalties				307,210	-	307,210
Earnings on investments				212,758	-	212,758
Other local				1,144,145	-	1,144,145
State sources:						
Grants not specific to programs				356,942	-	356,942
Minimum Foundation Program				68,454,174	-	68,454,174
State revenue sharing				230,842	-	230,842
Total general revenues				108,688,356	-	108,688,356
Change in net assets				22,603	8,959	31,562
Net Assets-- beginning				57,751,215	435,882	58,187,097
Equity transfer				25,000	(25,000)	-
Net Assets--ending				\$ 57,798,818	\$ 419,841	\$ 58,218,659

BALANCE SHEET
GOVERNMENTAL FUNDS
Terrebonne Parish School Board
June 30, 2004

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	School Food Service Fund	NCLB Title I Disadvantaged Schoolwide Fund	Other Governmental Funds	Total
ASSETS							
Cash	\$ 11,107,284	\$ 2,662,498	\$ 2,387,922	\$ 1,161,852	\$ -	\$ 210,358	\$ 17,529,914
Investments - at market	5,358	61,771	-	-	-	-	67,129
Receivables:							
Sales and use tax	939,268	2,817,805	2,113,354	-	-	-	5,870,427
Other receivables	417,187	123,688	-	24	-	7,598	548,497
Due from other funds	9,573,143	68,525	7,133	127,982	-	849,758	10,626,541
Due from other governmental units:							
State Department of Education	58,000	-	-	18,558	1,282,158	2,351,556	3,710,272
United States Department of Education	-	-	-	-	-	122,127	122,127
Education	49,927	-	-	-	12,845	-	62,772
Other units	100	-	-	-	-	-	100
Deposits	-	-	-	312,955	-	-	312,955
Inventory, at cost	-	-	-	40,071	-	-	40,071
Prepaid expenses	432,082	13,077	-	-	-	999,672	1,484,902
Total assets	\$ 22,582,349	\$ 5,747,364	\$ 4,508,409	\$ 1,661,442	\$ 1,295,003	\$ 4,541,069	\$ 40,335,636
LIABILITIES							
Accounts payable	\$ 260,514	\$ 213,568	\$ 28,605	\$ 4,421	\$ 37,113	\$ 42,621	\$ 586,842
Accrued salaries	12,434,203	-	-	-	-	-	12,434,203
Accrued employee benefits	2,877,348	-	-	-	-	-	2,877,348
Payroll deductions payable	970,679	-	-	-	-	-	970,679
Due to other funds	1,157,093	1,996,078	2,769,926	383,026	1,226,141	3,162,987	10,695,251
Deferred revenues	-	-	-	-	31,749	38,248	69,997
Other liabilities	531	-	-	-	-	-	531
Total liabilities	17,700,368	2,209,646	2,798,531	387,447	1,295,003	3,243,856	27,634,851

See accompanying notes to the financial statements.

BALANCE SHEET
GOVERNMENTAL FUNDS
Terrebonne Parish School Board
June 30, 2004

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	School Food Service Fund	NCLB Title I Disadvantaged Schoolwide Fund	Other Governmental Funds	Total
<u>Fund balance:</u>							
<u>Reserved:</u>							
Capital contracts	-	483,295	-	-	-	160,968	644,263
Deposits	100	-	-	-	-	-	100
Unreserved:							
Designated:							
Subsequent year's expenditures							
Capital contracts	-	-	460,555	-	-	-	460,555
Employee compensation	500,000	225,809	-	-	-	37,728	763,537
Instructional programs	-	1,712,504	-	-	-	-	1,712,504
Technology	-	-	1,249,323	-	-	206,833	1,456,156
Undesignated	-	1,116,110	-	-	-	-	1,116,110
Total fund balances	4,381,881	3,537,718	1,709,878	1,273,995	-	891,684	6,547,560
	4,881,981	3,537,718	1,709,878	1,273,995	-	1,297,213	12,700,785
Total liabilities and fund equity	\$ 22,582,349	\$ 5,747,364	\$ 4,508,409	\$ 1,661,442	\$ 1,295,003	\$ 4,541,069	\$ 40,335,636

See accompanying notes to the financial statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
Terrebonne Parish School Board
June 30, 2004

Total fund balances - Governmental Funds		\$ 12,700,785
Cost of capital assets at June 30, 2004	112,333,030	
Less: Accumulated Depreciation as of June 30, 2004		
Buildings and improvements	(50,198,322)	
Furniture and equipment	(9,273,882)	
Vehicles	<u>(2,540,128)</u>	50,320,698
Consolidation of internal service funds		4,902,755
Elimination of interfund assets and liabilities		
Due from other funds	10,775,917	
Due to other funds	<u>(10,775,917)</u>	-
Long-term liabilities at June 30, 2004		
Certificates of indebtedness	(2,570,000)	
Installment purchase agreements	(550,424)	
QZAB Loans	(861,637)	
Compensated absences payable	<u>(6,109,359)</u>	(10,091,420)
Accrued interest payable		<u>(34,000)</u>
Total net assets - Governmental Activities		<u>\$ 57,798,818</u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

	General Fund	One Cent Sales Tax Fund	3/4 Cent Sales Tax Fund	School Food Service Fund	NCLB Title I Disadvantaged Schoolwide Fund	Other Governmental Funds	Total
REVENUES							
Local sources:							
Ad valorem tax	\$ 3,938,788	\$ -	\$ -	\$ -	\$ -	\$ 1,365	\$ 3,940,153
Sales and use tax	5,446,858	16,339,844	12,255,430	-	-	-	34,042,132
Deductions from parish taxes (1%) for contribution to Teachers Retirement	406,588	-	-	-	-	-	406,588
Rents, leases, royalties	345,758	-	-	-	-	-	345,758
Tuition	434,068	-	-	-	-	-	434,068
Interest earned	140,692	42,442	18,522	7,585	-	3,517	212,758
Charges for services	-	-	-	1,317,395	-	-	1,317,395
Other local revenue	645,271	181,136	10,925	9,141	475	313,679	1,160,627
State sources:							
Equalization	68,137,187	-	-	316,987	-	831,986	69,286,160
Revenue sharing	230,842	-	-	-	-	-	230,842
Professional Imp. Program Support	324,957	-	-	-	-	-	324,957
Contribution to Teachers Ret. System	31,467	-	-	-	-	-	31,467
Other state grants	355,084	-	-	-	-	3,529,635	3,884,719
Federal sources	1,051	-	-	5,127,379	5,822,487	8,052,714	19,003,631
Total revenues	80,438,611	16,563,422	12,284,877	6,778,487	5,822,962	12,732,896	134,621,255
EXPENDITURES							
Current:							
Instruction:							
Regular	38,723,390	5,904,934	1,167,432	-	124,762	3,620,423	49,540,941
Special	15,018,491	2,255,891	1,313	-	-	1,104,682	18,380,377
Adult education	53,406	58,997	-	-	-	414,233	526,636
Vocational education	2,889,427	378,608	95,872	-	-	259,245	3,623,152
Other programs	2,741,073	929,635	51,347	-	4,309,052	2,414,471	10,445,578
Support services:							
Pupil Support	3,789,588	565,503	7,077	-	304,206	1,487,087	6,153,461
Instructional staff	4,195,665	653,163	29,563	-	551,181	2,124,876	7,554,448
General Administration	1,217,655	171,107	119,060	-	1,815	5,993	1,515,630
School Administration	5,608,293	605,633	4,300	-	9,454	79,005	6,306,685
Business services	1,216,989	110,367	13	-	35,798	56,572	1,419,739
Plant Services	9,417,284	657,243	-	-	88,310	91,545	10,254,382

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2004

	General Fund	One Cent Sales Tax		3/4 Cent Sales Tax		School Food Service		NCLB Title I Disadvantaged Schoolwide Fund		Other Governmental Funds	Total
		Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund		
<u>EXPENDITURES (CONTINUED)</u>											
Food Service	526,483	605,510	-	6,963,391	-	-	-	-	-	-	8,095,384
Student transportation	5,609,260	459,839	-	-	-	-	-	1,831	-	458,686	6,529,616
Central services	899,914	121,778	186	-	-	-	-	861	-	307	1,023,046
Community services	59	5,988	-	-	-	-	-	90,592	-	12,998	109,637
Facilities acquisition	278,202	1,531,642	-	-	-	-	-	32,520	-	375,360	2,217,724
Debt Service:											
Principal retirement	881,986	644,026	-	-	-	-	-	-	-	-	1,526,012
Interest and bank charges	143,521	21,184	-	-	-	-	-	-	-	-	164,705
Total expenditures	93,210,686	15,681,048	1,476,163	6,963,391	12,505,483	5,550,382	272,580	227,413			135,387,153
Excess (deficiency) of revenues over expenditures	(12,772,075)	882,374	10,808,714	(184,904)							(765,898)
<u>OTHER FINANCING SOURCES (USES)</u>											
Operating transfers in	12,045,167	-	-	358,287	775,054	-	-	-	-	-	13,178,508
Operating transfers out	(1,470,831)	(1,400,000)	(10,820,628)	-	(422,914)	-	-	-	-	-	(14,114,373)
Indirect costs	610,985	-	-	-	(338,405)	(272,580)	-	-	-	-	-
Other sources	190,769	-	-	-	5,570	-	-	-	-	5,570	196,339
Total other financing sources (uses)	11,376,090	(1,400,000)	(10,820,628)	358,287	19,305	(272,580)					(739,526)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(1,395,985)	(517,626)	(11,914)	173,383	246,718	-					(1,505,424)
<u>FUND BALANCES</u>											
Beginning of year	6,252,966	4,055,344	1,721,792	1,100,612	1,050,495	-	-	-	-	-	14,181,209
Equity transfer	25,000	-	-	-	-	-	-	-	-	-	25,000
End of year	\$ 4,881,981	\$ 3,537,718	\$ 1,709,878	\$ 1,273,995	\$ 1,297,213	\$ -	\$ -	\$ -	\$ -	\$ 1,297,213	\$ 12,700,785

See accompanying notes to the financial statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
 STATEMENT OF ACTIVITIES
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

Total Net Changes in Fund Balance - Governmental Funds		\$ (1,505,424)
Capital Assets:		
Capital outlay	\$ 2,915,152	
Loss on disposal of capital assets	(554,500)	
Depreciation expense for the year ended June 30, 2004	<u>(4,683,254)</u>	(2,322,602)
Change in net assets of internal service funds		1,422,402
Operating transfers in internal service funds		935,865
Long-Term Debt:		
Principal portion of debt service payments	1,526,012	
Excess of interest paid over interest accrued	26,120	
Excess of compensated absences over earned amounts used	<u>(59,770)</u>	<u>1,492,362</u>
Change in Net Assets - Governmental Activities		<u>\$ 22,603</u>

STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPES
 Terrebonne Parish School Board
 June 30, 2004

	Enterprise Fund	Internal Service Funds	Total
<u>ASSETS</u>			
Cash	\$ 63,159	\$ 10,144,909	\$ 10,208,068
Cash with fiscal agents	-	87,418	87,418
Accounts receivables	430	49,961	50,391
Due from other funds	-	150,823	150,823
Deposits	145	-	145
Prepaid expenses	3,415	302,250	305,665
Fixed assets (net of \$155,626 accumulated depreciation)	355,462	-	355,462
Total assets	<u>\$ 422,611</u>	<u>\$ 10,735,361</u>	<u>\$ 11,157,972</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 672	\$ 53,534	\$ 54,206
Accrued employee benefits	-	5,698,406	5,698,406
Due to other funds	1,248	80,666	81,914
Other liabilities	850	-	850
Total liabilities	<u>2,770</u>	<u>5,832,606</u>	<u>5,835,376</u>
<u>NET ASSETS</u>			
Reserved:			
Uninsured losses		1,137,268	1,137,268
Unreserved	419,841	3,765,487	4,185,328
Total net assets	<u>419,841</u>	<u>4,902,755</u>	<u>5,322,596</u>
Total liabilities and net assets	<u>\$ 422,611</u>	<u>\$ 10,735,361</u>	<u>\$ 11,157,972</u>

STATEMENT OF CHANGES IN NET ASSETS
 PROPRIETARY FUND TYPES
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

	Enterprise Fund	Internal Service Funds	Total
<u>OPERATING REVENUES</u>			
Property rentals	\$ 58,133	\$ -	\$ 58,133
Insurance premium billings	-	23,561,440	23,561,440
Recoveries of insurance cases	-	276,032	276,032
Other	1,901	54,664	56,565
	<u>60,034</u>	<u>23,892,136</u>	<u>23,952,170</u>
<u>OPERATING EXPENSES</u>			
General administration	17,918	6,000	23,918
Purchased services	9,916	-	9,916
Insurance	6,227	-	6,227
Depreciation	17,014	-	17,014
Food service	-	3,124	3,124
Reinsurance and administrative fee	-	3,014,302	3,014,302
Claims expense	-	19,537,825	19,537,825
Total operating expenses	<u>51,075</u>	<u>22,561,251</u>	<u>22,612,326</u>
Operating income (loss)	8,959	1,330,885	1,339,844
<u>NON-OPERATING REVENUES</u>			
Interest earned	-	91,517	91,517
Operating transfers in	-	935,865	935,865
Total non-operating revenues	<u>-</u>	<u>1,027,382</u>	<u>1,027,382</u>
Change in net assets	<u>8,959</u>	<u>2,358,267</u>	<u>2,367,226</u>
<u>NET ASSETS</u>			
Beginning	435,882	2,544,488	2,980,370
Equity transfers	(25,000)	-	(25,000)
Ending	<u>\$ 419,841</u>	<u>\$ 4,902,755</u>	<u>\$ 5,322,596</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

	Enterprise	Internal Service
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Received from rentals	\$ 58,364	\$ -
Received from assessments made to other funds		23,802,595
Payments for claims		(20,590,759)
Payments for reinsurance and administrative fees		(3,023,426)
Payments for operating expenses	(36,327)	-
Other operating revenues	1,901	90,408
Cash provided (used) by operating activities	23,938	278,818
<u>CASH FLOWS FROM NON-OPERATING ACTIVITIES</u>		
Operating transfers in	-	935,865
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest income	-	91,517
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Equity transfer to General Fund	(25,000)	-
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(1,062)	1,306,200
<u>CASH AND CASH EQUIVALENTS AT</u>		
Beginning of year	64,221	8,926,127
End of year	\$ 63,159	\$ 10,232,327
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR CONSISTED OF</u>		
Cash	\$ 63,159	\$ 10,144,909
Cash with fiscal agent	-	87,418
	\$ 63,159	\$ 10,232,327
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income (loss)	\$ 8,959	\$ 1,282,183
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	17,014	-
Change in assets and liabilities:		
Receivables	-	72,481
Other assets	(1,265)	-
Prepaid expenses	(250)	(302,250)
Accounts payable and other liabilities	(520)	(773,596)
Total adjustments	14,979	(1,003,365)
Net cash provided (used) by operating activities	\$ 23,938	\$ 278,818

STATEMENT OF FIDUCIARY NET ASSETS
Terrebonne Parish School Board
June 30, 2004

	Employee Benefit Trust Fund - IRC Section 125 Plan	Agency Fund - School Activity Fund	Totals
<u>ASSETS</u>			
Cash	\$ 15,554	\$ 1,955,658	\$ 1,971,212
Total assets	<u>\$ 15,554</u>	<u>\$ 1,955,658</u>	<u>\$ 1,971,212</u>
<u>LIABILITIES</u>			
Due to other funds	\$ 199	\$ -	\$ 199
Other liabilities	-	1,955,658	1,955,658
Total liabilities	<u>199</u>	<u>\$ 1,955,658</u>	<u>1,955,857</u>
<u>NET ASSETS</u>			
Held in trust for employee benefits	<u>\$ 15,355</u>		<u>\$ 15,355</u>

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

	<i>Employee Benefit Trust Fund - IRC Section 125 Plan</i>
<u>ADDITIONS</u>	
Contributions by employees	\$ 58,498
 <u>DEDUCTIONS</u>	
Disbursements for employee claims	60,592
Change in net assets	(2,094)
Net Assets - beginning	17,449
Net Assets - ending	\$ 15,355

CONTENTS OF NOTES TO FINANCIAL STATEMENTS
 Terrebonne Parish School Board
 June 30, 2004

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Terrebonne Parish School Board
June 30, 2004

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NOTES TO FINANCIAL STATEMENTS
Terrebonne Parish School Board
June 30, 2004

1) REPORTING ENTITY

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

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 administration and instruction facilities are composed of a central office, 41 schools and two educational support facilities. Student enrollment for the 2003/2004 year is approximately 19,591 regular and special education students. The School Board employs approximately 2,602 persons of which 2,294 are directly involved in the instructional and instructional support process. The remainder provides ancillary support such as general administration, repair and maintenance, bus transportation, etc. The regular school term normally begins during the middle of August and runs until late May.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Terrebonne Parish School Board. For the most part, the effect of the interfund activity has been removed from these statements. The statements distinguish governmental activities, generally supported by taxes and

other general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

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

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

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

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

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

Other financing sources (uses) are shown in the fund financial statements and represent non-revenue inflows and non-expenditure outflows that affect fund balance. This section includes items such as transfers between funds that are not expected to be repaid, capital lease transactions, insurance proceeds, debt

extinguishments, long-term debt proceeds, et cetera. These other financing sources (uses) are recognized at the time the underlying events occur.

c) Fund Types and Major Funds:

Governmental Funds:

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

MAJOR FUNDS

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

One Cent Sales Tax Fund -- accounts for the proceeds of a one cent local sales tax dedicated as described in Footnote 4c.

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

School Food Service Fund -- accounts for the operations of the School Board's lunch, breakfast and summer feeding programs.

NCLB Title I Disadvantaged Schoolwide Fund -- accounts for federally funded services provided to educationally disadvantaged children.

NON-MAJOR FUNDS

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

Capital Projects Funds -- account for the financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other government funds.

Debt Service Fund -- accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

Proprietary Funds:

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

Enterprise Fund - accounts for operations that are financed through fees charged to external parties and operated in a manner similar to private business enterprises. The School Board maintains as enterprise fund to

account for Terrebonne Construction Company, an equity investment received as a donation.

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

Fiduciary Funds:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The School Board has elected not to follow subsequent private-sector guidance.

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

Program revenues included in the Statement of Activities derive directly from parties outside the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provide by a given function. Program revenues also include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The School Board reports all direct expense by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expense of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense, which can be specifically identified by function, is included in the direct expenses of each function. Depreciation on buildings is assigned to the "General Administration" function due to the fact that school buildings serve many

purposes. Interest on general long-term debt is considered an indirect expense and is reported separately of the Statement of Activities.

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

d) 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, 2003, and ending June 30, 2004 were presented to the Board Finance Committee and made available for public inspection on May 6, 2003. Pursuant to publication of a public notice on May 8, 2003, public hearings were conducted and the Board adopted such budgets on July 1, 2003. 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 December 1, 2003.

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.

e) Cash and Investments:

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

f) Cash Equivalents:

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

g) Inventory:

Inventories of the School Food Service Fund are 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.

h) Capital Assets:

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

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

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

i) **Compensated Absences:**

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

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

Leave may be granted for rest and recuperation or professional and cultural improvement. Sabbatical leave benefits are recorded as an expenditure of the period in which paid.
3. Annual Leave - All 12 month full-time employees earn 5 to 20 days of annual leave depending on date of employment and length of service with the School Board. Annual leave may be accumulated without limit.

The cost of current sick leave privileges, computed in accordance with GASB Codification Section C60, is recognized as current year expenditures in the governmental funds when leave is taken. The liability for these sick leave privileges not requiring current resources is recorded as long-term debt in the Government-Wide Financial Statements

j) Long-Term Obligations:

Long-term obligations expected to be financed from governmental funds are accounted for as liabilities in the Government-Wide Financial Statements (GWFS). Expenditures for principal and interest payments for long-term debt are recognized in the governmental funds when due.

k) Equity Classifications:

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

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

Equity in the Fund Financial Statements (FFS) is classified as fund balance. Fund balances are further classified as reserved and unreserved.

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.

l) Estimates:

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

3) DEPOSITS AND INVESTMENTS

a) Deposits:

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.

Balances of interest-bearing demand deposits at June 30, 2004 were as follows:

	<u>Book</u> <u>Balances</u>	<u>Bank</u> <u>Balances</u>
Governmental funds	\$ 17,529,914	\$ 19,265,887
Proprietary funds	10,208,068	10,847,275
Agency funds	1,971,212	1,988,671
	<u>\$ 29,709,194</u>	<u>\$ 32,101,833</u>

These deposits are stated at cost, which approximates market. These deposits are secured from risk by \$100,000 of federal deposit insurance and \$32,721,951 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

While securities pledged in such a manner are considered uncollateralized under provisions of the Governmental Accounting Standards Boards, 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.

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 Louisiana Asset Management Pool (the "LAMP") is a custody pool. The LAMP is rated AAA by Standard and Poor's for safety of principal and low risk. An investment in LAMP is neither insured nor guaranteed by the US government or the State of Louisiana. LAMP was established and is administered by LAMP, Inc., a nonprofit corporation organized under the law of the State of Louisiana. Assets acquired by LAMP are held by a custodial bank which must be a financial institution with its principal place of business in Louisiana. Units issued by LAMP are not subject to regulation or registration under the Securities Act of 1933 because the units are issued by a type of public entity. LAMP is not a bank and an investment in LAMP constitutes a direct investment in the assets constituting the pool, not a deposit. Investments in LAMP are not insured by the FDIC or any other federal agency. Collateralization requirements are not applicable when participating in the pool.

Balances at June 30, 2004 were as follows:

Securities Type	Credit Risk Category			Carrying Amount	Market Value
	1	2	3		
Louisiana Asset Management Pool	\$ 67,129	\$ -	\$ -	\$ 67,129	\$ 67,129

4) SALES TAXES

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

- a) The School Board levies a one-third of one percent sales and use tax, with the receipts deposited in the General Operating Fund; the tax is dedicated to the payment of salaries of teachers and other board employees. This revenue was \$5,446,858 for the year ended June 30, 2004.
- b) The School Board also levies a three-quarters of one percent sales and use tax with the receipts being deposited in the 3/4 Cent Sales Tax Special Revenue Fund of 1975. This revenue was \$12,255,430 for the year ended June 30, 2004. These sales tax proceeds are dedicated and used as follows:

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

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

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

Operating transfers are made from these allocations to the General Operating Fund and other funds. In any fiscal year in which the dedicated expenditures described above exceed the current year's allocated revenue, equity transfers may include such additional amounts as are necessary and available to fund fully such expenditures. An analysis of activity in the ¾ Cent Sales Tax Special Revenue Fund follows:

	Total	Salaries & Fringe Benefits	Plant Operations & Debt Service	Instructional Programs
Revenues				
Sales and use tax	\$ 12,255,430	\$ 6,127,715	\$ 3,676,629	\$ 2,451,086
Interest earned	18,522	18,522	-	-
Contributions and donations	10,925	-	-	10,925
Total revenues	<u>12,284,877</u>	<u>6,146,237</u>	<u>3,676,629</u>	<u>2,462,011</u>
Expenditures	<u>1,476,163</u>	<u>59,530</u>	<u>35,722</u>	<u>1,380,911</u>
Revenues over expenditures	10,808,714	6,086,707	3,640,907	1,081,100
Other financing sources (uses):				
Operating transfers out	<u>(10,820,628)</u>	<u>(6,086,707)</u>	<u>(3,640,907)</u>	<u>(1,093,014)</u>
Excess of revenues over expenditures and operating transfers out	(11,914)	-	-	(11,914)
Fund Balance:				
Beginning of year	<u>1,721,792</u>	<u>-</u>	<u>-</u>	<u>1,721,792</u>
End of year	<u>\$ 1,709,878</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,709,878</u>

Sales tax revenues collected in the ¾ Cent Sales Tax Fund are being collected, separated and expended in accordance with the proposition passed by the voters of Terrebonne Parish.

- c) On April 20, 1996, the citizens of Terrebonne Parish authorized a 1% sales tax effective for July 1, 1996 to be deposited into a new fund named the One Cent Sales Tax Fund of 1996. The revenue for the 1% sales tax at June 30, 2004 is \$16,339,844 and dedicated as follows:

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

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

	<u>Total</u>	<u>Fringe Benefits</u>	<u>Technology</u>	<u>Equipment</u>
Revenues				
Sales and use tax	\$ 16,339,844	\$ 13,562,070	\$ 1,388,887	\$ 1,388,887
Interest earned	42,442	41,768	674	-
Other revenues	181,136	-	181,136	-
Total revenues	<u>16,563,422</u>	<u>13,603,838</u>	<u>1,570,697</u>	<u>1,388,887</u>
Expenditures	<u>15,681,048</u>	<u>12,673,259</u>	<u>1,513,727</u>	<u>1,494,062</u>
Excess (deficit) of revenues over expenditures	882,374	930,579	56,970	(105,175)
Operating transfers in (out)	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>-</u>	<u>-</u>
Excess (deficit) of revenues and transfers in over expenditures	(517,626)	(469,421)	56,970	(105,175)
Fund Balance:				
Beginning of year	<u>4,055,344</u>	<u>2,181,925</u>	<u>1,059,141</u>	<u>814,278</u>
End of year	<u>\$ 3,537,718</u>	<u>\$ 1,712,504</u>	<u>\$ 1,116,111</u>	<u>\$ 709,103</u>

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

5) AD VALOREM TAXES

Ad Valorem taxes are levied on November 1 of each year on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. The taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A re-evaluation of all property is required to be completed no less than every four years. The last re-evaluation was completed for the 2000 Tax Roll.

The assessed values of the Parish upon which the 2003 levy were based is as follows:

ASSESSED VALUES	
Gross	\$ 571,075,180
Less Homestead Exemption	145,170,545
Taxable Property	\$ 425,904,635

Total Ad Valorem tax revenue collected for the year ended June 30, 2004 was \$3,940,153. Also included in ad valorem taxes on the financial statement is \$33,374 of prior year protest taxes collected and interest and penalties.

The following is a summary of the authorized and levied ad valorem tax millages and gross tax revenue assessed for the 2003 tax rolls:

	Authorized Millage	Levied Millage	Gross Tax Levy
Parish Wide Taxes:			
Constitutional tax	3.99	3.86	\$ 1,644,000
Special maintenance tax	5.6	5.41	2,304,155
Totals		9.27	\$ 3,948,155

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 2010.

The School Board levied taxes at \$9.27 per \$1,000 of assessed valuation on property within Terrebonne Parish for general school services and maintenance of school system operations. Of the total millage levy on the 2003 tax rolls, 9.27 mills were levied for Constitutional and Special Maintenance taxes.

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 deferred revenue in the year the taxes are received and are held until settled. Property tax revenues are accrued at year end to the extent that they are measurable and estimated to become available to finance current operations. Delinquent taxes considered to be uncollectible are *not recorded as revenues, consequently, no allowance for uncollected taxes* is considered necessary. Such revenues are based on total tax levies less exempt taxes due to the general homestead exemption. A portion of exempt taxes due to homestead exemptions relating to constitutional and special school taxes are reimbursed to the School Board through State Revenue Sharing. Such Revenue Sharing was \$230,842 for the year ended June 30, 2004.

As required by the State of Louisiana Statutes, prescribed deductions are made from the School Board's property tax receipts and revenue sharing for contributions to various pension funds. For the year ended June 30, 2004, \$406,588 was deducted from property tax receipts for amounts due to various pension funds.

6) DUE FROM OTHER GOVERNMENTAL UNITS – OTHER UNITS

Amounts due from other governmental units consist of receivables for reimbursement of expenditures under various programs and grants. All amounts are expected to be collected within the next twelve months and at June 30, 2004 consisted of the following:

	<u>Governmental Funds</u>
State of Louisiana	<u>\$ 62,772</u>

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, vehicles, 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 an external claims administrator to supervise and evaluate claims. Expenditures and claims liabilities are recognized when it is probable that a loss had occurred and the amount of the loss can be reasonably estimated. Claims incurred but not reported are not considered material. The School Board has obtained excess workers' compensation coverage with a retention (deductible) of \$300,000 per occurrence and approximately \$1,200,000 in the aggregate for the policy year ended June 30, 2004. Prior to July 1, 2003, workers' compensation coverage was provided under a guaranteed policy with Louisiana Workers' Compensation Corporation. An analysis of the claims activities for the current year and prior year follows:

(In Thousands)				
Year Ended	Beginning Liability	Current Year Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
June 30, 2003	\$ 95	\$ 96	\$ 93	\$ 98
June 30, 2004	\$ 98	\$ 586	\$ 407	\$ 277

The Employee Benefit Group Insurance Plan was established by board action during the June 1992 fiscal year. The plan administrator, Gilsbar, is responsible for claims processing and administration. Resources to pay claims are derived from employer and employee contributions. Employer contributions are partially funded by local, state and federal funds. The contributions are recorded as expenditures in each fund employing personnel qualified for group hospital insurance benefits and are recorded as non-operating revenues in the group insurance claims internal service fund. The amounts charged to the various funds and the liability for outstanding claims are estimated based on an actuarial projection of expected claims. These amounts consider claims which may have been incurred but not reported as of June 30, 2004. The School Board has obtained excess insurance coverage which limits its exposure to \$300,000 per calendar year and approximately \$19,748,265 in the aggregate. An analysis of claims activities for the current year and prior year follows:

Year Ended	Beginning Liability	Claims and Changes in Estimates	Actual Claim Payments	Ending Liability
June 30, 2003	\$ 3,288	\$ 24,162	\$ 23,000	\$ 4,450
June 30, 2004	\$ 4,450	\$ 19,657	\$ 18,686	\$ 5,421

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 \$1,000,000 per occurrence and \$30,000,000 limit per fiscal year. Analysis of claims activities for the current and prior year follows:

(In Thousands)	Beginning Liability	Current Year Claims and Changes in Estimate	Actual Claim Payments	Ending Liability
Year Ended				
June 30, 2003	\$ -	\$ 1,568	\$ 1,568	\$ -
June 30, 2004	\$ -	\$ 674	\$ 674	\$ -

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

8) CAPITAL ASSETS

Capital assets reported in governmental activities for the year ended June 30, 2004 were as follows:

	Beginning Balance	Additions	Deletions	Accumulated Depreciation	Net Ending Balance
Land	\$ 4,434,658	\$ 1,337	\$ 1,500,362	\$ -	\$ 2,935,633
Buildings and Improvements	88,432,742	3,923,040	-	50,198,322	42,157,460
Furniture and Equipment	12,316,509	564,345	469,405	9,273,882	3,137,567
Vehicles	3,862,101	47,200	7,324	2,540,128	1,361,849
Construction in Progress	1,012,761	1,821,171	2,105,743	-	728,189
Totals	<u>\$ 110,058,771</u>	<u>\$ 6,357,093</u>	<u>\$ 4,082,834</u>	<u>\$ 62,012,332</u>	<u>\$ 50,320,698</u>

Capital asset additions reported above includes \$2,105,743 of prior period and current year construction costs moved out of Construction in Progress.

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

	Current Expense	Accumulation
Buildings and improvements	\$ 3,388,664	\$ 50,198,322
Furniture and equipment	967,022	9,273,882
Vehicles	327,568	2,540,128
Totals	<u>\$ 4,683,254</u>	<u>\$ 62,012,332</u>

A loss on the disposal of assets of \$554,500 is reported on the Statement of Activities charged to general administration.

Capital assets reported in business-type activities for the year ended June 30, 2004 were as follows:

	Beginning Balance	Additions	Deletions	Accumulated Depreciation	Net Ending Balance
Land	\$ 145,613	\$ -	\$ -	\$ -	\$ 145,613
Buildings	362,071	1,496	-	153,718	209,849
Furniture and fixtures	1,908	-	-	1,908	-
Totals	<u>\$ 509,592</u>	<u>\$ 1,496</u>	<u>\$ -</u>	<u>\$ 155,626</u>	<u>\$ 355,462</u>

Depreciation expense of \$17,014 was reported in the statement of activities as business-type activities for the year ended June 30, 2004.

9) CAPITAL PROJECTS

At June 30, 2004, the components of construction in progress were as follows:

<u>Fund and Project</u>	<u>Estimated Cost</u>	<u>Expended to June 30, 2004</u>	<u>Reserved Fund Balance</u>	<u>Designated Fund Balance</u>
<u>General Fund</u>				
H. L. Bourgeois and Terrebonne High Schools 9th Grade Expansion Project Construction	\$ -	\$ -	\$ -	\$ 500,000
Total General Fund	\$ -	\$ -	\$ -	\$ 500,000
<u>Special Revenue Funds:</u>				
<u>1% Sales Tax Fund:</u>				
East Street School Roof Replacement Construction	\$ 568,162	\$ 315,214	\$ 252,948	\$ -
Professional fees	65,748	41,692	24,056	-
Allocation Balance	110,697	-	110,697	-
Total	744,607	356,906	387,701	-
Dularge Elementary School Roof Replacement Construction	331,251	331,251	-	-
Professional fees	33,992	28,178	5,814	-
Allocation Balance	2,780	-	2,780	-
Total	368,023	359,429	8,594	-
H.L. Bourgeois High School HVAC Construction	87,000	-	87,000	-
Total	87,000	-	87,000	-
Designated for Future Projects	225,809	-	-	225,809
Total Special Revenue Funds	\$ 1,425,439	\$ 716,335	\$ 483,295	\$ 225,809
<u>Debt Service Fund:</u>				
Future Projects	\$ 160,968	\$ -	\$ 160,968	\$ -

<u>Fund and Project</u>	<u>Estimated Cost</u>	<u>Expended to June 30, 2004</u>	<u>Reserved Fund Balance</u>	<u>Designated Fund Balance</u>
<u>Capital Project Funds:</u>				
<u>Building Fund:</u>				
H.L. Bourgeois High School HVAC				
Construction	\$ 7,000	\$ 870	\$ -	\$ 6,130
Total	<u>7,000</u>	<u>870</u>	<u>-</u>	<u>6,130</u>
Gibson Elementary Siding				
Construction	<u>24,939</u>	<u>10,984</u>	<u>-</u>	<u>13,955</u>
Exterior Door Replacements				
Various Schools				
Construction	<u>299</u>	<u>-</u>	<u>-</u>	<u>299</u>
Total	<u>299</u>	<u>-</u>	<u>-</u>	<u>299</u>
Mulberry Elementary Drainage				
Other Land Improvements	<u>6,650</u>	<u>-</u>	<u>-</u>	<u>6,650</u>
Total	<u>6,650</u>	<u>-</u>	<u>-</u>	<u>6,650</u>
Public Address/Intercom Systems				
Construction	<u>4,870</u>	<u>-</u>	<u>-</u>	<u>4,870</u>
Dularge Middle Drainage				
Other Land Improvements	<u>5,824</u>	<u>-</u>	<u>-</u>	<u>5,824</u>
Total	<u>5,824</u>	<u>-</u>	<u>-</u>	<u>5,824</u>
Total Building Fund	<u>\$ 49,582</u>	<u>\$ 11,854</u>	<u>\$ -</u>	<u>\$ 37,728</u>
Total Construction In Progress	<u>\$ 1,635,989</u>	<u>\$ 728,189</u>	<u>\$ 644,263</u>	<u>\$ 763,537</u>

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10) LONG-TERM OBLIGATIONS

a) Summary of General Long-term Obligations:

The following is a summary of the changes in general long-term obligations for the year ended June 30, 2004:

	Payable at June 30, 2003	Additions	Reductions	Payable at June 30, 2004
QZAB Loan Debt	\$ 936,562	\$ -	\$ 74,925	\$ 861,637
Certificates of Indebtedness:				
Series 1998	2,985,000	-	2,985,000	-
Series 2003	-	2,570,000	-	2,570,000
Installment Purchase				
Agreement #1	1,142,567	-	884,902	257,665
Installment Purchase				
Agreement #2	411,797		119,038	292,759
Compensated Absences	6,168,129	726,360	785,130	6,109,359
Totals	<u>\$ 11,644,055</u>	<u>\$ 3,296,360</u>	<u>\$ 4,848,995</u>	<u>\$ 10,091,420</u>

The following is a summary of the current (due in one year or less) and the long-term (due in more than one year) portions of long-term obligations as of June 30, 2004:

	QZAB Loan	Certificates of Indebtedness	Installment Purchase #1	Installment Purchase #2	Compensated Absences	Total
Current	\$ 74,925	\$ 485,000	\$ 257,665	\$ 122,842	\$ 777,522	\$ 1,717,954
Long-Term	786,712	2,085,000	-	169,917	5,331,837	8,373,466
Totals	<u>\$ 861,637</u>	<u>\$ 2,570,000</u>	<u>\$ 257,665</u>	<u>\$ 292,759</u>	<u>\$ 6,109,359</u>	<u>\$ 10,091,420</u>

- b) The annual debt service requirements including interest to amortize all long-term obligations outstanding at June 30, 2004 other than compensated absences are as follows:

Year Ending June 30,	Certificates of Indebtedness	Purchase Agreement #1	Purchase Agreement #2	QZAB Loan	Total
2005	567,382	267,712	135,000	74,925	1,045,019
2006	566,715	-	135,000	74,925	776,640
2007	564,935	-	45,000	74,925	684,860
2008	566,900	-	-	74,925	641,825
2009	567,488	-	-	74,925	642,413
2010	-	-	-	74,925	74,925
2011	-	-	-	74,925	74,925
2012	-	-	-	74,925	74,925
2013	-	-	-	74,925	74,925
2014	-	-	-	74,925	74,925
2015	-	-	-	74,925	74,925
2016	-	-	-	37,462	37,462
2017	-	-	-	-	-
Totals	2,833,420	267,712	315,000	861,637	4,277,769
Less:					
Interest	263,420	10,047	22,241	-	295,708
Net Amount	<u>\$ 2,570,000</u>	<u>\$ 257,665</u>	<u>\$ 292,759</u>	<u>\$ 861,637</u>	<u>\$ 3,982,061</u>

- c) Certificates of indebtedness:

On August 1, 1998, the School Board issued Certificates of Indebtedness in the amount of \$4,600,000 for the purpose of purchasing and installing certain energy conservation measures at schools and administrative buildings. The certificates will mature over a seven year period ending August 1, 2008 and bear interest at 3.08%, payable semiannually. These certificates were refunded on August 1, 2003 from the proceeds of the Series 2003 certificates.

On May 20, 2003 the Board approved a resolution for refinancing the existing certificates of indebtedness with Regions Bank at an estimated interest rate of 3.08% (from 4.2% to 4.5%). The resolution provided for the refunding of \$2,540,000 of the Issuer's Certificate of Indebtedness, Series 1998, maturing August 1, 2004 to August 1, 2008.

d) Installment Purchase Agreements:

On June 15, 1998, the School Board entered into an Installment Purchase Agreement #1 with GE Capital in the amount of \$7,100,000 for the purpose of purchasing school buses in the amount of \$1,600,000 and a district wide computer network system in the amount of \$5,500,000. The installment purchase agreement matures June 1, 2005 and bears interest at 4.832%, payable semiannually. Principal and interest on the installment purchase agreement will be paid from general fund revenues, 1 Cent Sales Tax Fund, and other special revenue fund revenues.

On October 15, 1999, the School Board entered into Installment Purchase Agreement #2 with GE Capital in the amount of \$788,597 for the purpose of purchasing school buses. The installment purchase agreement matures October 15, 2006 and bears interest at 5.28%, payable in equal monthly installments of \$11,250. Principal and interest on installment purchase agreement #2 will be paid from general fund revenues.

On May 20, 2003 the Board approved a resolution for the refinancing of existing leases with G.E. Capital in order to reduce the interest rates from 5.28% and 4.83% to 3.15% and 2.95% respectively.

e) Qualified Zone Academy Bonds:

On February 15, 2003, the School Board entered into a loan agreement with the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) in the amount of \$1,030,218 for the purpose of constructing various capital projects. The bonds will mature on November 15, 2015, and there is no interest element attached to the loan. The principal is due in quarterly payments of \$18,731.24 payable from general fund revenues.

11) RETIREMENT SYSTEMS

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

A. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consists of two membership plans: Regular Plan and Plan A. The TRS provides retirement benefits as well as disability and survivor benefits. Five years of service credit is required to become vested for retirement, disability and survivor benefits. Benefits are established and amended by state

statute. The TRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRS. That report may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

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

Contributions required and made to the TRS were as follows:

Fiscal year ended June 30,	2004	2003	2002
TRS Regular:			
Member contribution %	8.00%	8.03%	8.04%
Employer contribution %	13.80%	13.15%	13.10%
Member contribution \$	\$ 5,475,202	\$ 5,440,194	\$ 5,300,655
Employer contribution \$	\$ 9,444,648	\$ 8,908,345	\$ 8,637,772
TRS-Plan A:			
Member contribution %	9.10%	9.10%	9.10%
Employer contribution %	13.80%	13.10%	13.06%
Member contribution \$	\$ 47,652	\$ 54,642	\$ 60,733
Employer contribution \$	\$ 72,264	\$ 78,661	\$ 87,130

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

(in thousands of dollars)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
2001	\$ 12,062.1	\$ 15,390.4	78.4%	\$ 3,328.3	\$ 2,582.8	129%
2002	\$ 12,019.6	\$ 16,263.2	73.9%	\$ 4,243.7	\$ 2,777.7	153%
2003	\$ 11,826.9	\$ 17,173.3	68.9%	\$ 5,346.3	\$ 2,977.9	180%

B. Louisiana School Employees' Retirement System (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained in writing to the Louisiana School Employees' Retirement System, 8660 United Plaza Blvd., 1st Floor, Baton Rouge, Louisiana 70809, or by calling (225) 925-6484.

Funding Policy. Plan members are required to contribute a percentage of their annual covered salary and the school board is required to contribute at an actuarially determined rate. Member contributions and employer contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is funded by the State of Louisiana through annual appropriations. Because there are not sufficient funds in the Employer Credit Account to pay the 2003-2004 employer contributions to LSERS, the employer is required to remit a contribution for the 2003-2004 fiscal year.

Contributions required and made to the LSERS were as follows:

Fiscal year ended June 30,	2004	2003	2002
Member contribution %	7.50%	7.50%	7.50%
Employer contribution %	8.50%	0.00%	0.00%
Member contribution \$	\$ 448,058	\$ 459,904	\$ 437,480
Employer contribution \$	\$ 507,797	\$ -	\$ -

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

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability	(5) Annual Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
2001	\$ 1,516,236	\$ 1,472,423	103.0%	\$ -	\$ 249,674	0%
2002	\$ 1,433,859	\$ 1,582,071	90.6%	\$ 148,212	\$ 258,876	57%
2003	\$ 1,369,601	\$ 1,730,796	79.1%	\$ 361,195	\$ 268,656	134%

C. Other Plans

The School Board participates in the Parochial Employees' Retirement System. This plan covers 2 employees (members of the School Board) who are not included in one of the other plans. For the year ended June 30, 2004, the School Board made contributions of \$1,989 and the employees made contributions of \$1,938.

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 \$812,899 for the year ended June 30, 2004. There were 2,080 full-time employees covered under this plan.

12) DUE TO/FROM OTHER FUNDS

Amounts due to/from other funds at June 30, 2004 are as follows:

	<u>Due From</u>	<u>Due To</u>
GENERAL FUND:		
Special Revenue Funds	\$ 9,484,309	\$ 1,040,181
Fiduciary Funds	199	-
Internal Service Fund	80,665	103,695
Debt Service	950	-
Capital Projects	5,772	13,217
Enterprise Funds	1,248	-
SPECIAL REVENUE FUNDS:		
General Fund	1,040,181	9,484,309
Internal Service Fund	-	47,127
Special Revenue Funds	-	-
DEBT SERVICE:		
General Fund	-	950
CAPITAL PROJECTS:		
General Fund	13,217	5,772
Special Revenue Funds	-	-
	<u>10,626,541</u>	<u>10,695,251</u>
INTERNAL SERVICE FUND:		
General Fund	103,695	80,666
Special Revenue Fund	47,128	-
FIDUCIARY FUNDS:		
General Fund	-	199
ENTERPRISE FUND:		
General Fund	-	1,248
	<u>10,777,364</u>	<u>10,777,364</u>
TOTALS	<u>\$ 10,777,364</u>	<u>\$ 10,777,364</u>

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

13) TRANSFERS AND OTHER FINANCING SOURCES AND USES

Transfers funded from current revenues during the year ended June 30, 2004 consisted of:

	Transfers	
	In	Out
<u>GOVERNMENTAL FUNDS</u>		
<u>GENERAL FUND:</u>		
Special Revenue Funds	\$ 12,045,167	\$ 498,492
Debt Service Fund	-	36,474
Capital Projects Funds	-	935,865
Total	<u>12,045,167</u>	<u>1,470,831</u>
<u>SPECIAL REVENUE FUNDS:</u>		
General Fund	498,872	12,045,547
Special Revenue Fund	597,995	597,995
Total	<u>1,096,867</u>	<u>12,643,542</u>
<u>CAPITAL PROJECTS FUNDS:</u>		
General Fund	36,474	-
Total	<u>36,474</u>	<u>-</u>
Total Governmental Funds	<u>13,178,508</u>	<u>14,114,373</u>
<u>PROPRIETARY FUNDS</u>		
<u>INTERNAL SERVICE FUNDS:</u>		
General Fund	935,865	-
Totals	<u>\$ 14,114,373</u>	<u>\$ 14,114,373</u>

Other financing sources (uses) consisted of:

	General Fund	Special Revenue Funds	Totals
Property disposals	\$ 33,871	\$ 5,570	\$ 39,441
Judgment settlements	120,150	-	120,150
Administrative fee-Terrebonne			-
Construction	15,148	-	15,148
Honduras School	(8,400)	-	(8,400)
Proceeds from Certificate of Indebtedness	30,000	-	30,000
Total governmental funds	<u>\$ 190,769</u>	<u>\$ 5,570</u>	<u>\$ 196,339</u>

14) DEFERRED COMPENSATION PLAN

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

15) FUND BALANCE RESERVES AND DESIGNATIONS

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

<u>Fund/Description</u>	<u>June 30, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2004</u>
GENERAL FUND:				
Reserved:				
Deposits	\$ 100	\$ 100	\$ 100	\$ 100
Designated:				
Capital Contracts	-	500,000	-	500,000
 One Cent Sales Tax Fund:				
Reserved:				
Capital Contracts	516,072	483,295	516,072	483,295
Designated:				
Capital Contracts	298,206	225,809	298,206	225,809
Technology	1,059,141	1,116,110	1,059,141	1,116,110
Employee compensation	2,181,925	1,712,504	2,181,925	1,712,504
 3/4 Cent Sales Tax Fund:				
Designated:				
Subsequent Year's Expenditures	496,131	460,555	496,131	460,555
Instructional Programs	1,225,661	1,249,323	1,225,661	1,249,323
 NON-MAJOR FUNDS:				
Reserved:				
Capital Contracts	360,811	160,968	360,811	160,968
Designated:				
Capital Contracts	35,630	37,728	35,630	37,728
Instructional Programs	212,962	206,833	212,962	206,833

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 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 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 Capital Contracts:

This amount represents amounts in the One Cent Sales Tax, Debt Service and Building Funds reserved by the School Board for future expenditures on construction contracts and purchases of equipment.

Designated for Capital Contracts:

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

Designated for Employee Compensation:

This amount represents the amount in the One Cent Sales Tax Fund designated for paying increased compensation and related employment costs of teachers and other full time personnel except management positions.

Designated for Instructional Programs:

This amount represents the amounts in the ¾ Cent Sales Tax Fund, State Library Allotment Fund, and State Textbook and Materials Fund designated by the School Board for future expenditures for Instructional Programs.

Designated for Technology:

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

16) POST RETIREMENT 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 for respective retired employees. The hospitalization insurance cost is recognized as an expense as premiums are paid. For the year ended June 30, 2004, those costs in the General Fund were \$4,607,858.

At June 30, 2004, the average hospitalization insurance premium funded by the School Board per retired employee was approximately \$4,437. Approximately 1,039 retired personnel are provided with this benefit.

17) MINIMUM FOUNDATION PROGRAM

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

The formula is a statistical model using data from parish financial reports, weighted student population counts, a relative wealth indicator, and a base amount per pupil to allocate funds to parishes under a basic assumption of a 65/35 percent state/parish funding split, subject to the effects of the relative wealth factor. The current year pupil population count is based on data as of October 1, 2003.

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 \$24.32 be spent per pupil on textbooks and instructional materials. 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, 2004 was \$69,286,160. Of that total, \$68,137,187 was allocated to the General Fund and \$1,148,973 was allocated to Special Revenue Funds.

18) COMMITMENTS AND CONTINGENCIES

Litigation:

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

Federal and State Grant Awards:

The School Board received funding under grants from various federal and state governmental agencies. These grants specify the purpose for which the grant 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.

REQUIRED SUPPLEMENTAL INFORMATION SECTION

REQUIRED SUPPLEMENTAL INFORMATION
MAJOR FUND TYPE
FUND DESCRIPTIONS

Terrebonne Parish School Board

June 30, 2004

General Fund

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

One Cent Sales Tax Fund (1996)

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

¾ Cent Sales Tax Fund (1976)

This fund is used to monitor collections and uses of a ¾ of 1% local sales and use tax. The fund serves partially as a conduit for the transfers of monies to other funds. Operating transfers are made to the General Fund for salary and benefit expenses, and support of plant operation and instruction related expenditures. Fund expenditures include various instruction and instruction support items. This fund is classified as a Local Special Revenue Fund because of its local funding sources.

School Food Service Fund

The School Food Service Fund accounts for activities relating to the operations of the School Board's lunch, breakfast, and summer feedings programs. The meals are provided for free or at a reduced price through subsidies from the State and Federal Government. The bulk of the funding is from Federal sources; therefore, this fund is classified as a Federal Special Revenue Fund.

NCLB - Title I Disadvantaged Schoolwide Fund

The No Child Left Behind (NCLB) Act of 2001 is a reform based law that seeks to close entirely the achievement gap between disadvantaged and minority students and their peers and to increase academic achievement among all students.

This fund is used to monitor services provided to educationally-disadvantaged children attending schools in Terrebonne Parish that qualify as target areas because of low socio-economic factors. Funds are received through the State from federally-funded educational programs; therefore, this fund is classified as a Federal Special Revenue Fund. The primary activity is the instruction of students with some support services to assist the academic program in either a reading or math lab setting. All twenty-five Title I schools elected to enter a "Schoolwide Program." This program allows each school the opportunity to provide assistance to all students. These schools may change personnel, services, and/or support programs to fit the need of the individual schools.

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Terrebonne Parish School Board
For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources:				
Ad valorem tax	\$ 3,600,059	\$ 3,843,692	\$ 3,938,788	\$ 95,096
Sales and use tax	5,722,262	5,407,545	5,446,858	39,313
Deductions from parish taxes (1%) for contribution to Teachers Retirement System	369,015	396,234	406,588	10,354
Rents, leases, royalties	283,800	400,500	345,758	(54,742)
Tuition	423,100	439,600	434,068	(5,532)
Interest earned	271,440	140,067	140,692	625
Other local revenue	267,585	603,943	645,271	41,328
State sources:				
Equalization	67,741,223	68,137,187	68,137,187	-
Revenue sharing	252,004	252,004	230,842	(21,162)
Professional Improvement Program Support	378,185	323,797	324,957	1,160
Contribution to Teachers' Retirement System	34,566	29,831	31,467	1,636
Other state grants	385,000	356,066	355,084	(982)
Federal sources	900	900	1,051	151
Total revenues	<u>79,729,139</u>	<u>80,331,366</u>	<u>80,438,611</u>	<u>107,245</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	37,925,329	38,936,513	38,723,390	213,123
Special	14,766,520	15,013,152	15,018,491	(5,339)
Adult education	10,805	54,088	53,406	682
Vocational education	2,972,621	2,900,739	2,889,427	11,312
Other programs	2,652,957	2,734,818	2,741,073	(6,255)
Support services:				
Student services	3,576,646	3,895,485	3,789,588	105,897
Instructional staff	4,443,499	4,296,252	4,195,665	100,587
General administration	1,037,012	1,250,932	1,217,655	33,277
School administration	5,449,721	5,624,368	5,608,293	16,075
Business services	1,326,051	1,239,627	1,216,989	22,638
Plant services	8,936,149	9,308,230	9,417,284	(109,054)
Food service	469,153	519,032	526,483	(7,451)
Student transportation	5,472,563	5,680,153	5,609,260	70,893
Central services	887,710	911,034	899,914	11,120
Community services	-	-	59	(59)
Facilities acquisition	191,518	296,459	278,202	18,257
Debt Service				
Principal retirement	876,192	918,988	881,986	37,002
Interest and bank charges	162,315	127,909	143,521	(15,612)
Total expenditures	<u>91,156,761</u>	<u>93,707,779</u>	<u>93,210,686</u>	<u>497,093</u>
Excess (deficiency) of revenues over expenditures	(11,427,622)	(13,376,413)	(12,772,075)	604,338

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Terrebonne Parish School Board
For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Operating transfers in	12,296,379	11,759,962	12,045,167	285,205
Operating transfers out	(1,732,649)	(1,523,658)	(1,470,831)	52,827
Indirect costs	617,669	762,876	610,985	151,891
Other sources	(8,400)	91,356	190,769	99,413
Total other financing sources (uses)	11,172,999	11,090,536	11,376,090	589,336
<u>EXCESS (DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	(254,623)	(2,285,877)	(1,395,985)	889,892
<u>FUND BALANCES</u>				
Beginning of year	4,378,725	6,252,966	6,252,966	-
Equity Incoming (Outgoing)	-	-	25,000	(25,000)
End of year	<u>\$ 4,124,102</u>	<u>\$ 3,967,089</u>	<u>\$ 4,881,981</u>	<u>\$ 864,892</u>

BUDGETARY COMPARISON SCHEDULE
 SCHOOL FOOD SERVICE FUND
 Terrebonne Parish School Board
 For the Year ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>REVENUES</u>				
Local sources:				
Charges for services	\$ 1,365,398	\$ 1,362,298	\$ 1,317,395	\$ (44,903)
Interest earned	-	-	7,585	7,585
Other local revenue	-	-	9,141	9,141
State sources	316,987	316,987	316,987	-
Federal sources	4,997,176	5,142,843	5,127,379	(15,464)
Total revenues	<u>6,679,561</u>	<u>6,822,128</u>	<u>6,778,487</u>	<u>(43,641)</u>
<u>EXPENDITURES</u>				
Food service	<u>7,319,639</u>	<u>7,190,481</u>	<u>6,963,391</u>	<u>227,090</u>
Excess (deficiency) of revenues over expenditures	(640,078)	(368,353)	(184,904)	183,449
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	411,123	358,198	358,287	89
Operating transfers out	-	-	-	-
Other uses	(230,000)	-	-	-
Total other financing sources (uses)	<u>181,123</u>	<u>358,198</u>	<u>358,287</u>	<u>89</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	(458,955)	(10,155)	173,383	183,538
<u>FUND BALANCES</u>				
Beginning of year	817,872	1,100,612	1,100,612	-
End of year	<u>\$ 358,917</u>	<u>\$ 1,090,457</u>	<u>\$ 1,273,995</u>	<u>\$ 183,538</u>

BUDGETARY COMPARISON SCHEDULE
 ONE CENT SALES TAX FUND
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources:				
Sales and use tax	\$ 17,152,270	\$ 16,020,862	\$ 16,339,844	\$ 318,982
Interest earned	104,000	40,800	42,442	1,642
Other local revenue	267,682	267,682	181,136	(86,546)
Total revenues	<u>17,523,952</u>	<u>16,329,344</u>	<u>16,563,422</u>	<u>234,078</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	5,237,751	6,122,719	5,904,934	217,785
Special	2,191,142	2,250,538	2,255,891	(5,353)
Adult education	46,368	59,874	58,997	877
Vocational education	399,369	382,765	378,608	4,157
Other programs	964,416	939,551	929,635	9,916
Support services:				
Student services	647,732	577,686	565,503	12,183
Instructional staff	624,227	664,449	653,163	11,286
General administration	128,597	163,862	171,107	(7,245)
School administration	596,407	595,750	605,633	(9,883)
Business services	112,922	110,368	110,367	1
Plant services	647,859	656,055	657,243	(1,188)
Food service	605,521	605,709	605,510	199
Student transportation	467,934	462,041	459,839	2,202
Central services	60,272	127,656	121,778	5,878
Community services	5,986	5,987	5,988	(1)
Facilities acquisition	2,494,331	2,200,223	1,531,642	668,581
Debt Service				
Principal retirement	644,026	644,026	644,026	-
Interest and bank charges	21,185	21,185	21,184	1
Total expenditures	<u>15,896,045</u>	<u>16,590,444</u>	<u>15,681,048</u>	<u>909,396</u>
Excess (deficiency) of revenues over expenditures	1,627,907	(261,100)	882,374	1,143,474
OTHER FINANCING SOURCES (USES)				
Operating transfers out	(1,400,000)	(1,400,000)	(1,400,000)	-
Total other financing sources (uses)	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>-</u>
EXCESS (DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES)	227,907	(1,661,100)	(517,626)	1,143,474
FUND BALANCES				
Beginning of year	2,423,066	4,055,344	4,055,344	-
End of year	<u>\$ 2,650,973</u>	<u>\$ 2,394,244</u>	<u>\$ 3,537,718</u>	<u>\$ 1,143,474</u>

BUDGETARY COMPARISON SCHEDULE
 3/4 CENT SALES TAX FUND
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources:				
Sales and use tax	\$ 12,896,444	\$ 12,166,977	\$ 12,255,430	\$ 88,453
Interest earned	59,000	16,000	18,522	2,522
Other local revenue	-	-	10,925	10,925
Total revenues	<u>12,955,444</u>	<u>12,182,977</u>	<u>12,284,877</u>	<u>101,900</u>
EXPENDITURES				
Current:				
Instruction:				
Regular	1,169,154	1,687,362	1,167,432	519,930
Special	3,164	6,938	1,313	5,625
Adult education	-	-	-	-
Vocational education	117,379	132,640	95,872	36,768
Other programs	91,631	111,445	51,347	60,098
Support services:				
Student services	50	7,127	7,077	50
Instructional staff	36,434	49,658	29,563	20,095
General administration	137,308	129,723	119,060	10,663
School administration	4,350	4,350	4,300	50
Business services	-	13	13	-
Central services	2,700	2,700	186	2,514
Total expenditures	<u>1,562,170</u>	<u>2,131,956</u>	<u>1,476,163</u>	<u>655,793</u>
Excess (deficiency) of revenues over expenditures	11,393,274	10,051,021	10,808,714	757,693
OTHER FINANCING SOURCES (USES)				
Operating transfers out	<u>(11,393,274)</u>	<u>(10,738,977)</u>	<u>(10,820,628)</u>	<u>(81,651)</u>
EXCESS (DEFICIENCY OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES)				
	-	(687,956)	(11,914)	676,042
FUND BALANCES				
Beginning of year	360,193	1,721,792	1,721,792	-
End of year	<u>\$ 360,193</u>	<u>\$ 1,033,836</u>	<u>\$ 1,709,878</u>	<u>\$ 676,042</u>

BUDGETARY COMPARISON SCHEDULE
 NCLB TITLE I DISADVANTAGED SCHOOLWIDE FUND
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Local sources:				
Other local revenue	\$ -	\$ 500	\$ 475	\$ (25)
Federal sources	5,650,622	6,107,747	5,822,487	(285,260)
Total revenues	<u>5,650,622</u>	<u>6,108,247</u>	<u>5,822,962</u>	<u>(285,285)</u>
EXPENDITURES				
Instruction:				
Regular	76,637	164,962	124,762	40,200
Other instructional programs	4,225,749	4,412,665	4,309,052	103,613
Support services:				
Pupil support	2,250	304,084	304,206	(122)
Instructional staff	820,412	653,120	551,181	101,939
General administration	1,730	1,830	1,815	15
School administration	17,310	10,560	9,454	1,106
Business services	32,000	33,259	35,798	(2,539)
Plant services	79,432	93,239	88,310	4,929
Student transportation	5,020	1,700	1,831	(131)
Central services	14,976	1,145	861	284
Community services	81,921	108,879	90,592	18,287
Facilities acquisition	2,748	22,560	32,520	(9,960)
Total expenditures	<u>5,360,185</u>	<u>5,808,003</u>	<u>5,550,382</u>	<u>257,621</u>
Excess (deficiency) of revenues over expenditures	290,437	300,244	272,580	(27,664)
OTHER FINANCING SOURCES (USES)				
Indirect costs	<u>(290,437)</u>	<u>(300,244)</u>	<u>(272,580)</u>	<u>27,664</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES				
	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTAL INFORMATION SECTION

SUPPLEMENTAL INFORMATION
NON-MAJOR GOVERNMENTAL FUNDS
FUND DESCRIPTIONS
Terrebonne Parish School Board
June 30, 2004

FEDERAL FUNDS

LAT Workforce Investment Fund

This contract was awarded to the School Board JAG (Jobs for America's Graduates) program. Funds are used to assist in providing training for job readiness, job development, and site development for high school students.

NCLB - Title V – Innovative Education Program Strategies Fund

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

Federal Adult Education Fund

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

Federal Vocational Education Fund

The Federal Vocational Educational Fund was established to monitor expenditures of monies received from Federal Vocational Education grants through the State Department of Education. Funding for this grant is through the Carl D. Perkins Act. Expenditures include salaries and benefits, administrative cost, and the purchase of equipment and supplies.

NCLB - Title VII Indian Education Fund

This fund is used to provide a program designed to assist deprived Indian students. Funds are obtained by Federal grants directly from the U. S. Department of Education, Office of Indian Education, and are provided for salaries and benefits, tutorial stipends with benefits, cultural presenters, instructional and cultural supplies, registration fees and travel.

National Community Service Trust Fund

The School Board received a grant from the Corporation for National and Community Service. Funds are allocated to the HIPPY (Home Instruction for Parents of Preschool Youngsters) home visitor who becomes a half-time Ameri-Corps member. Funds are used for travel, staff development, and HIPPY curriculum materials and supplies.

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

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

NCLB - Title II Fund – Part A and Part D

These Title II funds provide for 25% of the Staff Development Coordinator's Salary and benefits, professional development and travel, both in state and out of state.

NCLB - Title IV Fund, Part A and Part B

The 21st Century Community Learning Centers Program was established by Congress to award grants to rural and inner-city public schools, to enable them to plan, implement, or expand projects that benefit the educational, health, social services, cultural and recreational needs of the community. Grants awarded under this program may be used to plan, implement, or expand community learning centers.

Temporary Assistance for Needy Families (TANF) Block Grant Fund

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

NCLB – Title III English Language Acquisition, Enhancement, and Academic Achievement Fund

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

NCLB – Title X – McKinney/Vento Homeless Assistance Act

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

STATE FUNDS

MFP Special Education Materials and Supplies Fund

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

MFP Special Education Gifted Program Fund

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

State Special Education Act 23/24 Fund

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. This program funds salaries of teachers, paraprofessionals, bus drivers, bus attendants, a nurse, a physical therapist, and instructional materials.

MFP Appraisal Allotment Fund

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

State Adult Education Fund

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

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

The purpose of this program is to ensure the purchase of superior textbooks, and/or reference materials. The materials purchased are required to meet the needs of existing, as well as new and innovative, educational programs for the disabled, gifted/talented, special needs students, and remaining population of students.

State Starting Points TANF Matching Fund

The School Board was awarded State funding in the amount of \$800 to purchase mandated developing skills checklist testing material through the U.S. Child Care Development Block Grant.

State Remediation Program Fund

This fund was established to monitor expenditures of State funds. These funds were allocated to students in certain grade levels who scored less than the Louisiana standards on the language LEAP arts, mathematics, science and/or social studies test as mandated by Louisiana revised statutes. This fund also includes the LEAP 21 and GEE 21: Tutoring Programs and the LEAP 21: Summer Remediation Program. Both programs are funded through the Minimum Foundation Program.

8(g) Student Enhancement Block Grant Program Fund

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

State Library Allotment Fund

The State Library Allotment Fund was established to monitor expenditures of the 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 Fund

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

8(g) Block Grant Fund

This fund was established to monitor expenditures of 8(g) monies made available by the Louisiana Board of Elementary and Secondary Education (BESE). These funds can only be used to implement programs recommended by the Department of Education and approved by BESE.

Education Excellence Fund

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

K-3 Reading and Math Initiative Fund

The K-3 Reading and Math Initiative Fund was established to monitor funds allocated by the Louisiana Legislature to develop a balanced and comprehensive approach to improve reading and math performance of students in kindergarten through third grade. Expenditures include salaries, stipend pay for teachers involved in staff development, travel and the purchase of reading and math materials and supplies for grades K-3.

Classroom-Based Technology Fund

The Classroom Based Technology Fund was established to monitor state grants to utilize technology to improve student performance.

Teacher Assist/Assessment Program Fund

The Louisiana Teacher Assistance and Assessment Program (LaTAAP) is designed to help the new teacher become a competent, confident professional in the classroom and to ensure that he/she meets the performance standard established as a criterion for certification.

State School Improvement/Rewards Fund

Under the State Corrective Action, there are two types of funding: School Improvement and K-8 Accountability Rewards. The intention of the School Improvement portion of this funding is to carry out corrective actions and school improvement responsibilities under state accountability. This program helps schools implement programs based on reliable research and effective practices. The K-8 Accountability Rewards funding rewards those schools who met or surpassed their growth target. It also rewards schools when they show growth in the performance of students who are classified as high poverty students. Reward monies can be spent as school personnel see fit except that they can't be spent on salaries or stipends.

LOCAL FUNDS

Mineral Trust Fund

This fund was established pursuant to the Board's direction to accumulate mineral royalty revenues accruing to the School Board in excess of \$1,000,000 annually for the purpose of enhancing compensation in the form of deferred pay for professional school personnel at the building level with funds up to \$1,000,000 annually, as directed by the Board. The Mineral Trust Fund was closed in the 2003-2004 fiscal year.

Capturing Kid's Hearts Fund

This program trains teachers how to teach students leadership skills, personal responsibilities, principle-based decision making, attitude and social skills, emotional intelligence, choices have consequences, restating peer pressure, healthy relationships, and conflict resolution/peer mediation. Revenues are transferred from the General Fund.

Child Care Program Fund

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

Summer School Enhancement Fund

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

Medicaid Reimbursement Fund

These federal funds are received from the State Department of Health and Hospitals for reimbursement of services to medicaid eligible special education children. An outside individual provides services for medical screening, vision screening, hearing screening, and speech therapy services to children with special needs.

Debt Service Fund

This fund is 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

Building Fund

This fund was established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those projects financed by the proprietary fund).

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
BY FUND TYPE
Terrebonne Parish School Board
June 30, 2004

	Special Revenue	Debt Service	Building Fund	Total
<u>ASSETS</u>				
Cash	\$ -	\$ 161,918	\$ 48,440	\$ 210,358
Receivables:				
Other receivables	6,728	-	870	7,598
Due from other funds	836,541	-	13,217	849,758
Due from other governmental units:				
State Department of Education	2,351,556	-	-	2,351,556
United States Department of Education	122,127	-	-	122,127
Other units	-	-	-	-
Prepaid expenses	999,672	-	-	999,672
Total assets	<u>\$ 4,316,624</u>	<u>\$ 161,918</u>	<u>\$ 62,527</u>	<u>\$ 4,541,069</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 36,481	\$ -	\$ 6,140	\$ 42,621
Due to other funds	3,156,265	950	5,772	3,162,987
Deferred revenues	38,248	-	-	38,248
Total liabilities	<u>3,230,994</u>	<u>950</u>	<u>11,912</u>	<u>3,243,856</u>
<u>FUND BALANCE</u>				
Reserved:				
Capital contracts	-	160,968	-	160,968
Unreserved:				
Designated:				
Capital contracts	-	-	37,728	37,728
Instructional programs	206,833	-	-	206,833
Undesignated	878,797	-	12,887	891,684
Total fund balances	<u>1,085,630</u>	<u>160,968</u>	<u>50,615</u>	<u>1,297,213</u>
Total liabilities and fund balances	<u>\$ 4,316,624</u>	<u>\$ 161,918</u>	<u>\$ 62,527</u>	<u>\$ 4,541,069</u>

COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 Terrebonne Parish School Board
 June 30, 2004

	LAT Workforce Investment Board	NCLB Title V	Federal Adult Education	Federal Vocational Education	NCLB Title VII Indian Education	National Community Service Trust	Special Education PL 101-476	NCLB Title II	NCLB Title IV
ASSETS									
Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governmental units:									
State Department of Education	62	30,650	82,324	80,633	-	-	766,449	540,466	176,699
United States Department of Education	-	-	-	-	84,917	-	-	-	37,210
Prepaid expenses	-	-	-	-	-	-	-	-	-
Total assets	\$ 62	\$ 30,650	\$ 82,324	\$ 80,633	\$ 84,917	\$ -	\$ 766,449	\$ 540,466	\$ 213,909
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 595	\$ -	\$ 13,598	\$ 918	\$ 406
Due to other funds	62	30,650	82,324	80,633	84,262	-	752,851	539,548	175,315
Deferred revenues	-	-	-	-	60	-	-	-	38,188
Total liabilities	62	30,650	82,324	80,633	84,917	-	766,449	540,466	213,909
FUND BALANCE									
Unreserved:									
Designated:									
Instructional programs	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 62	\$ 30,650	\$ 82,324	\$ 80,633	\$ 84,917	\$ -	\$ 766,449	\$ 540,466	\$ 213,909

COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
Terrebonne Parish School Board
June 30, 2004

	Temporary Assistance for Needy Families Block Grant	NCLB Title III	NCLB Title X	MFP Special Ed Materials and Supplies	MFP Special Ed Gifted Program	State Special Education Act 2324	MFP Appraisal Allotment	State Adult Education	8(g) Superior Textbook
ASSETS									
Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,819	\$ -
Due from other funds	-	-	-	-	665	-	872	-	-
Due from other governmental units:									
State Department of Education	6,229	13,883	19,186	-	-	41,252	-	21,191	237
United States Department of Education	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-
Total assets	\$ 6,229	\$ 13,883	\$ 19,186	\$ -	\$ 665	\$ 41,252	\$ 872	\$ 23,010	\$ 237
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 665	\$ -	\$ 856	\$ -	\$ -
Due to other funds	6,229	13,883	19,186	-	-	41,252	16	23,010	237
Deferred revenues	-	-	-	-	-	-	-	-	-
Total liabilities	6,229	13,883	19,186	-	665	41,252	872	23,010	237
FUND BALANCE									
Unreserved:									
Designated:									
Instructional programs	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-	-	-	-
Total liabilities and fund balances	\$ 6,229	\$ 13,883	\$ 19,186	\$ -	\$ 665	\$ 41,252	\$ 872	\$ 23,010	\$ 237

COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
Terrebonne Parish School Board
June 30, 2004

	State Starting PTS Tant Match	State Remediation Program	8(g) Student Enhancement Block Grant	State Library Allotment	State Textbooks & Materials	8 (g) Block Grant	Education Excellence	K-3 Reading & Math Initiative
ASSETS								
Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	10	-	-	3,255	-	-	700,686	-
Due from other governmental units:								
State Department of Education	-	270,170	72,337	-	1,224	63,227	-	76,557
United States Department of Education	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	999,672	-	-	-
Total assets	\$ 10	\$ 270,170	\$ 72,337	\$ 3,255	\$ 1,000,896	\$ 63,227	\$ 700,686	\$ 76,557
LIABILITIES								
Accounts payable	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ 133	\$ -	\$ -
Due to other funds	-	270,170	72,337	-	797,318	63,094	575	76,557
Deferred revenues	-	-	-	-	-	-	-	-
Total liabilities	10	270,170	72,337	-	797,318	63,227	575	76,557
FUND BALANCE								
Unreserved:								
Designated:								
Instructional programs	-	-	-	3,255	203,578	-	-	-
Undesignated	-	-	-	-	-	-	700,111	-
Total fund balances	-	-	-	3,255	203,578	-	700,111	-
Total liabilities and fund balances	\$ 10	\$ 270,170	\$ 72,337	\$ 3,255	\$ 1,000,896	\$ 63,227	\$ 700,686	\$ 76,557

COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
Terrebonne Parish School Board
June 30, 2004

	Classroom - Based Technology	Teacher Assist/ Assessment Program	State School Improvement Rewards	Mineral Trust	Capturing Kids' Hearts	Childcare Program	Summer School Enhancement	Medicaid Reimbursement	Total
ASSETS									
Other receivables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,909	\$ -	\$ 6,728
Due from other funds	-	-	115,709	-	15,194	150	-	-	836,541
Due from other governmental units:									
State Department of Education	-	21,727	67,053	-	-	-	-	-	2,351,556
United States Department of Education	-	-	-	-	-	-	-	-	122,127
Prepaid expenses	-	-	-	-	-	-	-	-	999,672
Total assets	\$ -	\$ 21,727	\$ 182,762	\$ -	\$ 15,194	\$ 150	\$ 4,909	\$ -	\$ 4,316,624
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ 7,802.00	\$ -	\$ 11,498	\$ -	\$ -	\$ -	\$ 36,481
Due to other funds	-	21,727	(30)	-	-	150	4,909	-	3,156,265
Deferred revenues	-	-	-	-	-	-	-	-	38,248
Total liabilities	-	21,727	7,772	-	11,498	150	4,909	-	3,230,994
FUND BALANCE									
Unreserved:									
Designated:									
Instructional programs	-	-	-	-	-	-	-	-	206,833
Undesignated	-	-	174,990	-	3,696	-	-	-	878,797
Total fund balances	-	-	174,990	-	3,696	-	-	-	1,085,630
Total liabilities and fund balances	\$ -	\$ 21,727	\$ 182,762	\$ -	\$ 15,194	\$ 150	\$ 4,909	\$ -	\$ 4,316,624

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
BY FUND TYPE

Terrebonne Parish School Board
For the Year Ended June 30, 2004

	Special Revenue	Debt Service	Building Fund	Total
<u>REVENUES</u>				
Local sources:				
Ad valorem tax	\$ -	\$ 1,365	\$ -	\$ 1,365
Interest earned	-	1,770	1,747	3,517
Other local revenue	313,679	-	-	313,679
State sources:				
Equalization	831,986	-	-	831,986
Other state grants	3,529,635	-	-	3,529,635
Federal sources	8,052,714	-	-	8,052,714
	<u>12,728,014</u>	<u>3,135</u>	<u>1,747</u>	<u>12,732,896</u>
Total revenues				
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular	3,620,423	-	-	3,620,423
Special	1,104,682	-	-	1,104,682
Adult education	414,233	-	-	414,233
Vocational education	259,245	-	-	259,245
Other programs	2,414,471	-	-	2,414,471
Support services:				
Pupil Support	1,487,087	-	-	1,487,087
Instructional staff	2,124,876	-	-	2,124,876
General Administration	5,033	950	10	5,993
School Administration	79,005	-	-	79,005
Business services	56,572	-	-	56,572
Plant Services	91,545	-	-	91,545
Student transportation	458,686	-	-	458,686
Central services	307	-	-	307
Community services	12,998	-	-	12,998
Facilities acquisition	59,979	-	315,381	375,360
	<u>12,189,142</u>	<u>950</u>	<u>315,391</u>	<u>12,505,483</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	538,872	2,185	(313,644)	227,413

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS
BY FUND TYPE

Terrebonne Parish School Board
For the Year Ended June 30, 2004

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Building Fund</u>	<u>Total</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	738,580	-	36,474	775,054
Operating transfers out	(422,914)	-	-	(422,914)
Indirect costs	(338,405)	-	-	(338,405)
Other sources	5,570	-	-	5,570
			-	
Total other financing sources (uses)	<u>(17,169)</u>	<u>-</u>	<u>36,474</u>	<u>19,305</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>				
	521,703	2,185	(277,170)	246,718
<u>FUND BALANCES</u>				
Beginning of year	<u>563,927</u>	<u>158,783</u>	<u>327,785</u>	<u>1,050,495</u>
End of year	<u>\$ 1,085,630</u>	<u>\$ 160,968</u>	<u>\$ 50,615</u>	<u>\$ 1,297,213</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2004

	LAT Workforce Investment Board	NCLB Title V	Federal Adult Education	Federal Vocational Education	NCLB Title VII Indian Education	National Community Service Trust	Special Education PL 101-476	NCLB Title II	NCLB Title IV
REVENUES									
Local sources									
Charges for services									
Other					1,102				14,327
State sources	889	147,486	317,188	281,883	346,292	2,146	3,615,222	1,764,205	1,173,476
Federal sources									
Total revenues	889	147,486	317,188	281,883	347,394	2,146	3,615,222	1,764,205	1,187,803
EXPENDITURES									
Instruction:									
Regular								1,280,830	
Special							854,369		19,431
Adult education			302,071						
Vocational education				254,286					
Other instructional programs	739	76,728			258,132	2,146		116	666,777
Support services:									
Pupil support		50,244			136		1,169,918		154,825
Instructional staff		13,303		1,363	71,853		823,975	420,044	193,464
General administration		45		120	121		1,217	355	3,145
School administration							532	5,587	535
Business services				239	780		50,534	24	4,707
Plant services					1,173		75,943	17	3,078
Student transportation					730		313,890		78,661
Central services	150	6	18	10	26		150	68	7
Community services					66				12,100
Facilities acquisition				25,875			31,644.00		
Total expenditures	889	140,326	302,089	281,893	333,017	2,146	3,322,172	1,707,041	1,136,730
Excess (deficiency) of revenues over expenditures		7,160	15,099	(10)	14,377		293,050	57,164	51,073
OTHER FINANCING SOURCES (USES)									
Operating transfers in				10				379	
Operating transfers out							(121,035)		
Indirect costs received (paid)		(7,160)	(15,099)		(14,377)		(172,015)	(57,543)	(51,073)
Other sources (uses)									
Total other financing sources (uses)		(7,160)	(15,099)	10	(14,377)		(293,050)	(57,164)	(51,073)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES									
FUND BALANCES									
Beginning of year									
End of year									

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2004

	Temporary Assistance for Needy Families Block Grant	NCLB Title III	NCLB Title X	MFP Special Ed Materials and Supplies	MFP Special Ed Gifted Program	State Special Education Act 22/23	MFP Appraisal Allotment	State Adult Education	8(g) Superior Textbook
REVENUES									
Local sources:									
Charges for services	\$ 700	-	-	\$ -	-	\$ -	-	\$ -	\$ -
Other	-	-	-	22,482	4,433	92,319	58,488	4,794	2,087
State sources	252,070	74,221	77,636	-	-	-	-	97,457	22,600
Federal sources	-	-	-	-	-	-	-	-	-
Total revenues	252,770	74,221	77,636	22,482	4,433	92,319	58,488	102,251	24,687
EXPENDITURES									
Instruction:									
Regular	77,797	-	-	-	-	-	-	-	24,687
Special	3,640	-	-	22,482	14,966	53,998	-	-	-
Adult education	5,291	-	-	-	-	-	-	87,440	-
Vocational education	-	-	-	-	-	-	-	-	-
Other instructional programs	149,206	71,606	18,742	-	-	-	-	-	-
Support services:									
Pupil support	-	-	52,197	-	-	-	49,402	-	-
Instructional staff	4,144	563	1,523	-	-	3,588	-	8,770	-
General administration	-	-	-	-	-	-	-	30	-
School administration	642	-	-	-	-	3,640	-	26,321	-
Business services	-	288	-	-	-	-	-	-	-
Plant services	-	563	-	-	-	-	9,082	216	-
Student transportation	-	-	46	-	-	30,893	-	-	-
Central services	-	-	-	-	-	-	-	4	-
Community services	-	-	-	-	-	-	-	-	-
Facilities acquisition	-	-	1,429	-	-	-	-	-	-
Total expenditures	240,720	73,020	73,937	22,482	14,966	92,319	58,488	122,781	24,687
Excess (deficiency) of revenues over expenditures	12,050	1,201	3,699	-	(10,533)	-	-	(20,530)	-
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	-	-	10,533	-	-	20,530	-
Operating transfers out	-	-	-	-	-	-	-	-	-
Indirect costs received (paid)	(12,050)	(1,201)	(3,699)	-	-	-	-	-	-
Other sources (uses)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(12,050)	(1,201)	(3,699)	-	10,533	-	-	20,530	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES									
FUND BALANCES									
Beginning of year	-	-	-	-	-	-	-	-	-
End of year	-	-	-	-	-	-	-	-	-

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2004

	State Starting PTS Tanf Match	State Remediation Program	8 (g) Preschool Block Grant Program	State Library Allotment	State Textbooks & Materials	8 (g) Block Grant	Education Excellence	K-3 Reading & Math Initiative	Classroom - Based Technology
REVENUES									
Local sources:									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	13,217	-	120	-	-
State sources	790	598,916	274,034	51,975	696,704	509,181	1,127,300	320,701	76,106
Federal sources	-	-	-	-	-	-	-	-	-
Total revenues	790	598,916	274,034	51,975	709,921	509,181	1,127,420	320,701	76,106
EXPENDITURES									
Instruction:									
Regular	-	-	-	-	1,309,606	219,249	157,974	301,246	73,602
Special	-	-	-	-	-	-	155,227	-	-
Adult education	-	-	-	-	-	4,959	-	-	-
Vocational education	-	-	-	-	-	39,273	84,793	-	-
Other instructional programs	790	504,582	274,034	-	-	-	-	-	-
Support services:									
Pupil support	-	8,265	-	-	-	2,100	-	-	-
Instructional staff	-	10,756	-	51,696	-	243,579	78,634	19,441	-
General administration	-	-	-	-	-	-	-	-	-
School administration	-	40,847	-	-	-	-	-	-	-
Business services	-	-	-	-	-	-	-	-	-
Plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	34,466	-	-	-	-	-	-	1,473
Central services	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	21	-	-	-
Facilities acquisition	-	-	-	-	-	-	-	-	1,031
Total expenditures	790	598,916	274,034	51,696	1,309,606	509,181	476,628	320,701	76,106
Excess (deficiency) of revenues over expenditures	-	-	-	279	(599,685)	-	650,792	-	-
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	-	-	591,895	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-	-
Indirect costs received (paid)	-	-	-	-	(4,188)	-	-	-	-
Other sources (uses)	-	-	-	-	5,570	-	-	-	-
Total other financing sources (uses)	-	-	-	-	593,277	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	-	-	-	279	(6,408)	-	650,792	-	-
FUND BALANCES									
Beginning of year	-	-	-	2,976	209,986	-	49,319	-	-
End of year	-	-	-	3,255	203,578	-	700,111	-	-

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
NON-MAJOR SPECIAL REVENUE FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2004

	Classroom - Based Technology	Teacher Assist/ Assessment Program	State Corrective Action	Mineral Trust	Capturing Kids' Hearts	Childcare Program	Summer School Enhancement	Medicaid Reimbursement	Total
<u>REVENUES</u>									
Local sources:									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	10,525	257,687	9,120	-	313,679
State sources	76,106	97,283	310,852	-	-	-	-	-	4,437,727
Federal sources	-	-	-	-	-	-	-	-	8,052,714
Total revenues	76,106	97,283	310,852	-	10,525	257,687	9,120	-	12,804,120
<u>EXPENDITURES</u>									
Instruction:									
Regular	73,602	6,566	130,852	-	38,014	-	-	-	3,694,025
Special	-	-	-	-	-	-	-	-	1,104,682
Adult education	-	-	-	-	-	-	-	-	414,233
Vocational education	-	-	-	-	-	-	-	-	259,245
Other instructional programs	-	-	-	-	-	257,687	9,120	-	2,414,471
Support services:									
Pupil support	-	-	-	-	-	-	-	-	1,487,087
Instructional staff	-	90,717	3,648	-	83,815	-	-	-	2,124,876
General administration	-	-	-	-	-	-	-	-	5,033
School administration	-	-	701	-	-	-	-	-	79,005
Business services	-	-	-	-	-	-	-	-	56,572
Plant services	1,473	-	-	-	-	-	-	-	93,018
Student transportation	-	-	-	-	-	-	-	-	458,686
Central services	-	-	-	-	-	-	-	-	307
Community services	-	-	661	-	-	-	-	-	12,998
Facilities acquisition	1,031	-	-	-	-	-	-	-	61,010
Total expenditures	76,106	97,283	135,862	-	121,829	257,687	9,120	-	12,265,248
Excess (deficiency) of revenues over expenditures	-	-	174,990	-	(111,304)	-	-	-	538,872
<u>OTHER FINANCING SOURCES (USES)</u>									
Operating transfers in	-	-	-	233	115,000	-	-	-	738,580
Operating transfers out	-	-	(98,346)	-	-	-	-	(203,533)	(422,914)
Indirect costs received (paid)	-	-	-	-	-	-	-	-	(338,405)
Other sources (uses)	-	-	-	-	-	-	-	-	5,570
Total other financing sources (uses)	-	-	(98,113)	-	115,000	-	-	(203,533)	(17,169)
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>									
	-	-	174,990	(98,113)	3,696	-	-	(203,533)	521,703
<u>FUND BALANCES</u>									
Beginning of year	-	-	-	98,113	-	-	-	203,533	563,927
End of year	-	-	\$ 174,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,085,630

SUPPLEMENTAL INFORMATION
PROPRIETARY FUND TYPE
INTERNAL SERVICE FUNDS

Terrebonne Parish School Board

June 30, 2004

Loss Fund

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

Workers' Compensation Fund

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

Group Insurance Claims Fund

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

COMBINING STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPE
 INTERNAL SERVICE FUNDS
 Terrebonne Parish School Board
 June 30, 2004

	Loss Fund	Workers Compensation	Group Insurance Claims Fund	Total
<u>ASSETS</u>				
Cash	\$ 857,516	\$ 291,965	\$ 8,995,428	\$ 10,144,909
Cash with fiscal agents	42,418	45,000	-	87,418
Other receivables	425.00		49,536	49,961
Due from other funds	-	140,496	10,327	150,823
Prepaid expenses	302,250	-	-	302,250
Total assets	<u>\$ 1,202,609</u>	<u>\$ 477,461</u>	<u>\$ 9,055,291</u>	<u>\$ 10,735,361</u>
<u>LIABILITIES</u>				
Claims payable	\$ 41,704	\$ 11,830	\$ -	\$ 53,534
Due to other funds	23,637	57,029	-	80,666
Accrued employee benefits - estimated liability for outstanding claims	-	277,351	5,421,055	5,698,406
Total liabilities	<u>65,341</u>	<u>346,210</u>	<u>5,421,055</u>	<u>5,832,606</u>
<u>NET ASSETS</u>				
Restricted:				
Uninsured losses	1,137,268	-	-	1,137,268
Unrestricted:				
Designated for insurance	-	131,251	3,634,236	3,765,487
Total net assets	<u>1,137,268</u>	<u>131,251</u>	<u>3,634,236</u>	<u>4,902,755</u>
Total liabilities and net assets	<u>\$ 1,202,609</u>	<u>\$ 477,461</u>	<u>\$ 9,055,291</u>	<u>\$ 10,735,361</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE
INTERNAL SERVICE FUNDS
Terrebonne Parish School Board
For the Year Ended June 30, 2004

	Loss Fund	Workers Compensation	Group Insurance Claims Fund	Total
<u>OPERATING REVENUES</u>				
Federal sources	\$ 3,897	\$ -	\$ -	\$ 3,897
Insurance premium billings	25,694	647,646	22,888,100	23,561,440
Other local revenues	50,767	-	-	50,767
Recoveries of insurance cases	-	-	276,032	276,032
	<u>80,358</u>	<u>647,646</u>	<u>23,164,132</u>	<u>23,892,136</u>
<u>OPERATING EXPENSES</u>				
Claims expense	445,040	406,362	18,686,423	19,537,825
General administration	-	-	6,000	6,000
Food service	3,124	-	-	3,124
Reinsurance and administration fees	225,761	162,725	2,625,816	3,014,302
	<u>673,925</u>	<u>569,087</u>	<u>21,318,239</u>	<u>22,561,251</u>
Total operating expenses				
Operating income (loss)	(593,567)	78,559	1,845,893	1,330,885
<u>NON-OPERATING REVENUES</u>				
Interest earned	13,039	1,246	77,232	91,517
Other sources	48,702	-	-	48,702
Operating transfers in	494,860	-	441,005	935,865
	<u>556,601</u>	<u>1,246</u>	<u>518,237</u>	<u>1,076,084</u>
Total non-operating revenue				
Change in net assets	(36,966)	79,805	2,364,130	2,406,969
<u>NET ASSETS</u>				
Beginning	1,222,936	51,446	1,270,106	2,544,488
Ending	<u>\$ 1,185,970</u>	<u>\$ 131,251</u>	<u>\$ 3,634,236</u>	<u>\$ 4,951,457</u>

COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE - INTERNAL SERVICE FUND
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

	Loss Fund	Workers Compensation Fund	Group Insurance Claims Fund	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Received from assessments made to other funds	\$ -	\$ 647,646	\$ 23,154,949	\$ 23,802,595
Received from other sources	90,408			90,408
Payments for claims	(685,684)	(262,216)	(19,642,859)	(20,590,759)
Payments for reinsurance and administrative fees	(228,885)	(162,725)	(2,631,816)	(3,023,426)
Cash provided (used) by operating activities	(824,161)	222,705	880,274	278,818
<u>CASH FLOWS FROM NON-OPERATING ACTIVITIES</u>				
Operating transfers in	494,860	-	441,005	935,865
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest on investments	13,039	1,246	77,232	91,517
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(316,262)	223,951	1,398,511	1,306,200
<u>CASH AND CASH EQUIVALENTS AT</u>				
Beginning of year	1,216,196	113,014	7,596,917	8,926,127
End of year	\$ 899,934	\$ 336,965	\$ 8,995,428	\$ 10,232,327
<u>CASH AND CASH EQUIVALENTS AT END OF THE YEAR CONSISTED OF:</u>				
Cash	\$ 857,516	\$ 291,965	\$ 8,995,428	\$ 10,144,909
Cash with fiscal agent	42,418	45,000	-	87,418
	\$ 899,934	\$ 336,965	\$ 8,995,428	\$ 10,232,327
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>				
Operating Income (loss)	\$ (642,269)	\$ 78,559	\$ 1,845,893	\$ 1,282,183
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
Receivables	112,385	(20,394)	(19,510)	72,481
Prepaid expenses	(302,250)	-	-	(302,250)
Accounts payable and other liabilities	7,973	164,540	(946,109)	(773,596)
Net cash provided (used) by operating activities	\$ (824,161)	\$ 222,705	\$ 880,274	\$ 278,818

SUPPLEMENTAL INFORMATION
FIDUCIARY FUND TYPE
FUND DESCRIPTIONS

Terrebonne Parish School Board

June 30, 2004

IRC Section 125 Employee Benefits Fund

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

School Activity Accounts

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

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

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

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

COMBINING STATEMENT OF CHANGES IN ASSET BALANCES
 FIDUCIARY FUND TYPE
 AGENCY - SCHOOL ACTIVITY ACCOUNTS
 Terrebonne Parish School Board
 For the Year Ended June 30, 2004

Schools	Balance 6/30/03	Additions	Deletions	Balance 6/30/04
Acadian	\$ 34,977	\$ 153,204	\$ 162,952	\$ 25,229
Bayou Black	18,391	24,443	24,440	18,394
Bayou Cane - Adult Education	18,227	43,445	52,897	8,775
Boudreaux Canal	12,211	15,557	14,789	12,979
Bourg	27,477	120,127	114,024	33,580
H.L. Bourgeois	235,792	451,118	468,916	217,994
Broadmoor	51,495	159,404	146,006	64,893
Caldwell	54,685	163,852	164,424	54,113
Coteau Bayou Blue	58,802	120,295	118,391	60,706
Dularge Elementary	24,647	40,579	38,138	27,088
Dularge Middle	28,666	49,192	42,145	35,713
East Houma	20,199	60,109	58,122	22,186
East Street	1,135	648	1,102	681
Ellender Memorial High	87,546	414,731	417,329	84,948
Elysian Fields	10,799	57,941	57,264	11,476
Evergreen Jr. High	120,652	243,227	211,123	152,756
Gibson	5,236	25,534	26,870	3,900
Grand Caillou Elementary	20,636	64,231	61,785	23,082
Grand Caillou Middle	7,653	78,893	77,231	9,315
Greenwood	7,004	34,812	38,988	2,828
Honduras	26,601	54,525	50,164	30,962
Houma Jr. High	42,559	298,653	293,579	47,633
Lacache	34,303	94,640	86,758	42,185
Legion Park	12,667	25,183	21,161	16,689
Lisa Park	26,191	152,499	170,813	7,877
Little Caillou	12,451	24,001	21,938	14,514
Montegut Elementary	12,239	64,314	63,238	13,315
Montegut Middle	60,738	125,324	120,572	65,490
Mulberry	26,686	283,185	272,232	37,639
Oaklawn Jr. High	70,156	91,953	95,124	66,985
Oakshire	14,944	157,575	149,277	23,242
Pointe-Aux-Chenes	19,629	42,932	46,100	16,461
Andrew Price	274	444	1,063	(345)
School for Exceptional Children	70,647	17,073	14,466	73,254
Schriever	43,784	109,882	103,601	50,065
Southdown	11,448	73,956	75,176	10,228
South Terrebonne High	232,834	515,583	522,230	226,187
Terrebonne High	208,328	534,454	502,962	239,820
Upper Little Caillou	20,281	130,111	117,352	33,040
Village East	26,196	56,129	52,910	29,415
Vocational Technical High	26,544	54,554	52,907	28,191
West Park	8,277	45,569	41,671	12,175
Total	<u>\$ 1,854,007</u>	<u>\$ 5,273,881</u>	<u>\$ 5,172,230</u>	<u>\$ 1,955,658</u>

Schedule of
COMPENSATION PAID TO BOARD MEMBERS
Terrebonne Parish School Board
For the Year Ended June 30, 2004

	<u>Amount</u>
Hayes Badeaux, Jr.	\$ 9,600
Clark Bonvillain	10,800
L.P. Bordelon III	9,600
Roger Dale Dehart	9,600
Donald Duplantis	9,600
Gregory Harding	9,600
Richard Jackson	9,600
Thomas Roosevelt	9,600
Rickie Pitre	9,600
	<u>\$ 87,600</u>

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

OTHER REQUIRED REPORTS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board
For the year ended June 30, 2004

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
<u>Pass through payments from State Department of Agriculture</u>				
USDA Nutrition Cluster:				
School Breakfast Program	10.553		\$ 1,178,941	\$ 1,178,941
School Lunch Program	10.555		3,631,124	3,631,124
Total Nutrition Cluster			4,810,065	4,810,065
USDA Commodities (NOTE 2)				
Total - Department of Agriculture	FY 03	10.550	317,315	317,315
			5,127,380	5,127,380
<u>Department of Education</u>				
<u>Direct payments:</u>				
NCLB Title VII Indian Education - current	S060A030646	84.060A	334,670	334,670
NCLB Title IX Indian Education - prior year	S060A020646	84.060A	11,622	11,622
<u>Pass through payments from State Dept. of Education</u>				
NCLB Title I - Terrebonne Educational Enrichment - Current	04-T1-55	84.010A	4,782,686	4,782,686
NCLB Title I - Terrebonne Educational Enrichment - Prior Year	03-T1-55	84.010A	236,747	236,747
NCLB Title I - Terrebonne Educational Enrichment - Carryover	03-T1-55 C/O to 2004	84.010A	470,118	470,118
NCLB Title I - Comprehensive School Reform Program - Current	03-T6-55-C, 03-T7-55-C	84.332A	167,129	167,129
NCLB Title I - Comprehensive School Reform Program - Current	02-T6-55-C, 02-T7-55-C	84.332A	38,853	38,853
NCLB Title I - Migrant Education - Current	04-M1-29	84.011A	94,121	94,121
NCLB Title I - Migrant Education - Prior	03-M1-29	84.011A	25,381	25,381
NCLB Title I - Migrant Education - Carryover	02-M1-29-C	84.011A	7,452	7,452
NCLB Title II, Part A, Teacher and Principal Training & Recruiting	04-50-55	84.367A	1,403,080	1,403,080
NCLB Title II, PL 10297 - Prior Year	03-50-55	84.367A	150,189	150,189
NCLB Title II, PL 10297 - Carryover	03-50-55 C/O to 2004	84.367A	18,896	18,896
NCLB Title II-Part C-Teaching American History Grant - Current	S215X010155	84.215X	3,566	3,566
NCLB Title II - Enhancing Education Through Technology - Current	280449-55	84.318X	87,712	87,712
NCLB Title II - Enhancing Education Through Technology - Prior	0349-55	84.318X	79,586	79,586
NCLB Title II - Enhancing Education Through Technology - Carryover	0349-55 C/O to 2004	84.318X	21,176	21,176

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board
For the year ended June 30, 2004

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
NCLB Title III - Current	2804-60 55	84.365A	51,845	51,845
NCLB Title III - Prior	03-60-55	84.365A	19,692	19,692
NCLB Title III - Carryover	28-03-60 55-C	84.365A	2,683	2,683
NCLB Title IV-Community Learning Centers-Move I - Current	S287C020018A	84.287C	601,729	601,729
NCLB Title IV-Community Learning Centers-Move II - Current	S287B011699	84.287B	347,025	347,025
NCLB Title IV-Community Learning Centers-Move II - Prior	S287B011699	84.287B	42,832	42,832
NCLB Title IV-Drug Free Schools and Community Act - Current	S186A030019	84.186A	133,251	133,251
NCLB Title IV-Drug Free Schools and Community Act - Prior	S186A020019	84.186A	40,042	40,042
NCLB Title IV-Drug Free Schools and Community Act - Carryover	S186A020019-C/O to 2004	84.186A	8,597	8,597
NCLB Title V - Innovative Education Program Strategies - Current	04-80-55	84.298A	123,244	123,244
NCLB Title V - Innovative Education Program Strategies - Current	03-80-55	84.298A	8,462	8,462
NCLB Title V - Innovative Education Program Strategies - Prior	S215E000137	84.215E	15,779	15,779
NCLB Title V-Elementary School Counseling - Prior	0-H1-55	84.196A	49,111	49,111
NCLB Title X - Homeless Grant - Current	03-H1-55	84.196A	9,058	9,058
NCLB Title X - Homeless Grant - Prior	2803-H1-55C	84.196A	16,031	16,031
NCLB Title X - Homeless Grant - Carryover	02-H1-55-C	84.196A	3,436	3,436
Adult Basic Education - Current	0444-55	84.002A	176,830	176,830
Adult Basic Education - Prior	0344-55	84.002A	14,034	14,034
Adult Basic Education - Carryover	0244-55-C	84.002A	9,099	9,099
Adult Basic Education - English/Language/Civics - Current	0407-55	84.002A	24,559	24,559
Adult Basic Education - English/Language/Civics - Prior	0307-55	84.002A	808	808
Adult Basic Education - Family Literacy - Current	0443-55	84.002A	91,561	91,561
Adult Basic Education - Family Literacy - Prior	0343-55	84.002A	297	297

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terbonne Parish School Board
For the year ended June 30, 2004

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
<u>Vocational Education:</u>				
<i>Carl D. Perkins Act</i>				
Basic Grant - PL 101-392	0402-55	84.048	274,245	274,245
Basic Grant - PL 101-392 - Carryover	280302-55-C	84.048	6,285	6,285
Tech Prep - Current	CPERKTP004	84.048	1,353	1,353
National and Community Service Trust-Americorps-Current	280427-55	94.006	2,146	2,146
<u>Special Education Cluster</u>				
PL 101-476 - Special Education - Current	28-04-B1-55	84.027A	2,977,074	2,977,074
PL 101-476 - Special Education - Prior	03-B1-55	84.027A	401,139	401,139
PL 101-476 - Part B Funds - Discretionary	28-03-B8-55	84.027A	101,122	101,122
PL 101-476 - Pre-school - Current	28-04-P1-55	84.1073A	99,594	99,594
PL 101-476 - Pre-school - Prior	03-P1-55	84.173A	23,603	23,603
PL 101-476 - Assistive Technology - Current	28-04-TR-55	84.027A	12,690	12,690
Total Special Education Cluster			3,615,222	3,615,222
Total United States Department of Education			13,622,240	13,622,240
<u>Pass through payments from Workforce</u>				
LAT Workforce Investment Board - Current	L045	17.259	889	889
<i>(Workforce Investment Act of 1998)</i>				
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<u>Pass through payments from State Department of Education</u>				
Temporary Assistance for Needy Families - Preschool	280438-55	93.575	115,052	115,052
Temporary Assistance for Needy Families - S.T.E.P.	2804-EP-55	93.558	6,230	6,230
Temporary Assistance for Needy Families - HIPPY	590440	93.558	6,252	6,252
Temporary Assistance for Needy Families - Skills Option - Current	280436-55	93.558	124,536	124,536

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Parish School Board
For the year ended June 30, 2004

Federal Granting Agency/Recipient State Agency/Grant Program <u>DEPARTMENT OF DEFENSE</u>	GRANT NUMBER	CFDA NUMBER	REVENUE RECEIVED	EXPENDITURE AMOUNT
<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	1,051	1,051
Total program expenditures - Governmental Funds			\$ 19,003,630	\$ 19,003,630
Internal Service Funds: <u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>				
<u>Pass through payments from State Department of Military Affairs</u> Public Assistance Grants		83.544	3,898	3,898
Total program expenditures			\$ 19,007,528	\$ 19,007,528

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is prepared on 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.

NOTE 2: USDA COMMODITIES

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

TERREBONNE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2004

A. SUMMARY OF AUDIT RESULTS

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

NCLB – Title IV – Community Learning Centers	CFDA# 84.287
Vocational Education: Carl D. Perkins Act	CFDA# 84.048
Special Education Cluster:	
PL 101-476	CFDA# 84.027A
8. The threshold for distinguishing Types A and B programs was \$570,226.
9. The Terrebonne Parish School Board was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

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

None

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(RETIRED)

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Terrebonne Parish School Board
Houma, Louisiana

We have audited the basic financial statements of the Terrebonne Parish School Board as of and for the year ended June 30, 2004, and have issued our report thereon dated December 1, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Terrebonne Parish School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Terrebonne Parish School Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Terrebonne Parish School Board, the State of Louisiana, the Legislative Auditor for the State of Louisiana, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Begeron & Lanamy

December 1, 2004

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(RETIRED)

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

To the Terrebonne Parish School Board
Houma, Louisiana

Compliance

We have audited the compliance of the Terrebonne Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 "Compliance Supplement" that are applicable to each of its major federal programs for the year ended June 30, 2004. The Terrebonne Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Terrebonne Parish School Board's management. Our responsibility is to express an opinion on the Terrebonne Parish School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Terrebonne Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide legal determination on the Terrebonne Parish School Board's compliance with those requirements.

In our opinion, the Terrebonne Parish School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

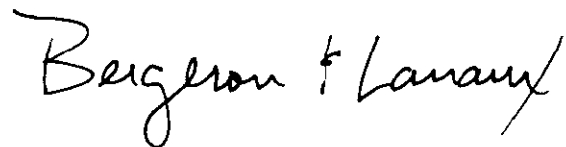
Internal Control Over Compliance

The management of the Terrebonne Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Terrebonne Parish School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Terrebonne Parish School Board, the State of Louisiana, the Legislative Auditor for the State of Louisiana, federal awarding agencies, and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 1, 2004

A handwritten signature in black ink, reading "Bergeron & Lanoux". The signature is written in a cursive, flowing style.

SCHOOL BOARD PERFORMANCE MEASURES

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2004

GENERAL FUND INSTRUCTIONAL AND EQUIPMENT EXPENDITURES

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom teacher salaries	\$ 46,509,273	
Other instructional staff salaries	5,204,841	
Employee benefits	18,043,228	
Purchased professional and technical services	37,046	
Instructional materials and supplies	3,105,629	
Instructional equipment	249,921	
Total Teacher and Student Interaction Activities		\$ 73,149,938

Other Instructional Activities 691,182

Pupil Support Activities	4,407,822	
Less Equipment for Pupil Support Activities	14,114	
Net Pupil Support Activities		4,393,708

Instructional staff services	5,380,148	
Less Equipment for Instructional staff services	92,888	
Net Instructional staff services		5,287,260

Total General Fund Instructional Expenditures: \$ 83,522,088

Total General Fund Equipment Expenditures \$ 749,289

CERTAIN LOCAL REVENUE SOURCES

Local taxation sources:

Constitutional ad valorem tax	\$ 1,640,077
Renewable ad valorem tax	2,298,712
Debt Service ad valorem tax	1,365
Up to 1% of collections by the sheriff on taxes other than school taxes	406,588
Sales and use taxes	34,042,131
Total local taxation revenue	<u>\$ 38,388,873</u>

Local earnings on investment in real Property:

Earnings on 16th section property	\$ 267,654
Earnings from other real property	47,956
Total local earnings on investment in real property	<u>\$ 315,610</u>

State revenue in lieu of taxes:

Revenue Sharing - Constitutional Tax	\$ 96,122
Revenue Sharing - Other Taxes	134,720
Revenue Sharing - Excess Portion	-
Other Revenue in lieu of taxes	-
Total state revenue in lieu of taxes	<u>\$ 230,842</u>

Non-public Textbook Revenue \$ 74,929

Non-public Transportation Revenue \$ 296,566

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Educational Levels of Public School Staff
As of October 1, 2003

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	14	1%						
Bachelor's Degree	1,088	78%	11	92%	1	1%		
Master's Degree	186	14%	1	8%	17	24%		
Master's Degree +30	102	7%			52	74%		
Specialist in Education								
Ph. D. or Ed. D.	1	0%						
Total	1,391	100%	12	100%	70	100%		

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Number and Type of Public Schools
For the Year Ended June 30, 2004

Type	Number
Elementary	22
Middle/Jr. High	10
Secondary	5
Combination	4
Total	41

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2003

Type	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals			4	5	3	9	8	29
Principals			1	3	4	11	22	41
Classroom teachers	124	168	435	147	138	120	271	1,403
Total	124	168	440	155	145	140	301	1,473

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Public School Staff Data
For the Year Ended June 30, 2004

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teacher's Salary Including Extra Compensation	\$35,043	\$34,960
Average Classroom Teacher's Salary Excluding Extra Compensation	\$34,831	\$34,748
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	1,379	1,360

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Class Size Characteristics
As of October 1, 2003

Category	Class Size Range									
	1-20		21-26		27-33		34 or more		Total	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Elementary	1,616	30%	698	13%	57	1%			2,371	44%
Elementary Activity Classes	363	7%	127	2%	6	0%	5	0%	501	9%
Middle/Jr. High	746	14%	450	8%	169	3%			1,365	25%
Middle/Jr. High Activity Classes	179	3%	56	1%	21	1%	13	0%	269	5%
High	344	6%	181	3%	172	3%			697	12%
High Activity Classes	159	3%	26	1%	11	0%	5	0%	201	4%
Combination	37	1%			5	0%			42	1%
Combination Activity Classes	22	0%			1	0%			23	0%
Total	3,466	63%	1,538	28%	442	8%	23	0%	5,469	100%

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2004

District Achievement Level	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	54	3%	18	1%	38	3%	46	3%	46	3%	46	3%
Mastery	284	18%	185	12%	237	16%	232	14%	225	15%	163	11%
Basic	630	39%	708	47%	606	40%	595	37%	607	40%	587	39%
Approaching Basic	365	23%	396	26%	450	30%	377	23%	359	24%	344	23%
Unsatisfactory	278	17%	194	13%	167	11%	361	22%	265	18%	358	24%
Total	1,611	100%	1,502	100%	1,498	100%	1,611	100%	1,502	100%	1,498	100%

District Achievement Level	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	36	2%	24	2%	72	5%	24	1%	28	2%	16	1%
Mastery	250	16%	209	14%	182	12%	252	16%	211	14%	134	9%
Basic	737	46%	581	39%	686	46%	755	47%	746	50%	731	49%
Approaching Basic	414	26%	549	37%	426	28%	345	21%	354	24%	374	25%
Unsatisfactory	174	11%	139	9%	133	9%	235	15%	163	11%	247	16%
Total	1,611	100%	1,502	100%	1,499	100%	1,611	100%	1,502	100%	1,502	100%

District Achievement Level	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	7	0%	19	1%	12	1%	25	2%	37	2%	16	1%
Mastery	121	8%	209	14%	194	13%	92	6%	75	5%	31	2%
Basic	575	39%	557	36%	473	31%	693	45%	617	38%	558	35%
Approaching Basic	536	37%	533	35%	658	44%	374	24%	390	24%	516	33%
Unsatisfactory	219	15%	220	14%	169	11%	369	24%	504	31%	459	29%
Total	1,458	100%	1,538	100%	1,506	100%	1,553	100%	1,623	100%	1,580	100%

District Achievement Level	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	8	1%	17	1%	8	1%	9	1%	1	0%	3	0%
Mastery	231	16%	183	12%	232	16%	109	8%	119	8%	122	8%
Basic	537	37%	501	33%	561	38%	666	46%	576	38%	670	45%
Approaching Basic	393	27%	510	34%	445	30%	385	27%	467	31%	377	25%
Unsatisfactory	271	19%	301	20%	243	16%	267	19%	348	23%	310	21%
Total	1,440	100%	1,512	100%	1,489	100%	1,436	100%	1,511	100%	1,482	100%

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

The Graduation Exit Examination for the 21st Century (GEE21)
For the Year Ended June 30, 2004

District Achievement Level	English Language Arts						Mathematics					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced	14	1%	3	0%	7	1%	58	5%	62	4%	84	6%
Mastery	160	13%	106	8%	121	9%	149	12%	182	13%	117	8%
Basic	493	41%	525	39%	528	41%	502	40%	487	34%	417	30%
Approaching Basic	292	24%	378	28%	351	27%	236	19%	282	20%	256	18%
Unsatisfactory	249	21%	338	25%	295	23%	318	25%	428	30%	530	38%
Total	1,208	100%	1,350	100%	1,302	100%	1,263	100%	1,441	100%	1,404	100%

District Achievement Level	Science						Social Studies					
	2004		2003		2002		2004		2003		2002	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	19	2%	8	1%	13	1%	2	0%	7	1%	6	1%
Mastery	145	13%	107	10%	150	13%	87	8%	95	9%	68	6%
Basic	473	42%	457	41%	409	36%	590	52%	461	42%	451	39%
Approaching Basic	310	28%	307	28%	278	24%	269	24%	302	27%	300	26%
Unsatisfactory	180	16%	235	21%	301	26%	176	16%	245	22%	323	28%
Total	1,127	100%	1,114	100%	1,151	100%	1,124	100%	1,110	100%	1,148	100%

TERREBONNE PARISH SCHOOL BOARD
Houma, Louisiana

The Iowa Tests
For the Year Ended June 30, 2004

Type	Composite		
	2004	2003	2002
Test of Basic Skills (ITBS)			
Grade 3	60	61	55
Grade 5	57	57	52
Grade 6	49	47	56
Grade 7	50	50	49
Test of Educational Development (ITED)			
Grade 9	47	47	48

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Bergeron & Lanaux

— CERTIFIED PUBLIC ACCOUNTANTS —
A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA
MICHAEL D. BERGERON, CPA
MARK S. FELGER, CPA

CLAUDE E. BERGERON, CPA
(RETIRED)

TERREBONNE PARISH SCHOOL BOARD

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Terrebonne Parish School Board:

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Terrebonne Parish School Board and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Terrebonne Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

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

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

No differences were noted.

Education Levels of Public School Staff (Schedule 2)

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

No differences were noted.

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

No differences were noted.

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

No differences were noted.

Number and Type of Public Schools (Schedule 3)

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

No differences were noted.

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

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

No differences were noted.

Public Staff Data (Schedule 5)

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

No differences were noted.

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

No differences were noted.

Class Size Characteristics (Schedule 6)

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

In one instance, one student shown on the class roster was not listed on the teacher's roll book. The difference appeared to be due to an error by the teacher. The class was a self-contained elementary class. The student was listed on the teacher's roll books for all other periods except for the one tested. This error did not affect the Class Size Characteristics reported in Schedule 6.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

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

No differences were noted.

The Graduation Exit Exam for the 21st Century (Schedule 8)

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

No differences were noted.

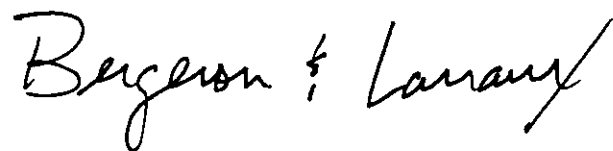
The Iowa Tests (Schedule 9)

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

No differences were noted.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



December 1, 2004