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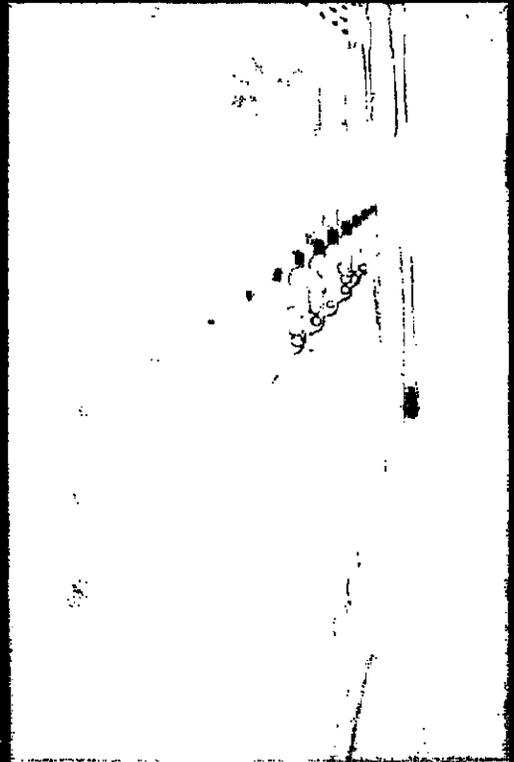
Release Date JAN 16 2013

LAFOURCHE PARISH SCHOOL BOARD



COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2012



LAFOURCHE PARISH SCHOOL BOARD



Seated from left Stella C Lasseigne, Jo Ann Matthews (Superintendent), Rhoda Caldwell (President), Julie M Breaux (Vice President), Ann Sanamo, Marian B Fertitta Standing from left Al Archer, Larry Pitre, Gary Foret, Ronald J Pere, Richmond Boyd, Jr , Louis E Thibodaux, Lawrence M Mounic, C Joey Duplants, III, Dr Gregg Stall, Dennis Jean Chiasson

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For Fiscal Year Ending
June 30, 2012*

LAFOURCHE PARISH SCHOOL BOARD
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 General Purpose Financial Statements
 For the Year Ended June 30, 2012
 With Supplemental Schedules

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LAFOURCHE PARISH SCHOOL BOARD

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General Purpose Financial Statements
For the Year Ended June 30, 2012
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LAFOURCHE PARISH SCHOOL BOARD

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Lafourche Parish School Board

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Transmittal Letter

December 27, 2012

Members of the Lafourche Parish School Board
805 East Seventh Street
Thibodaux, Louisiana

The Lafourche Parish School Board has been required to issue a complete set of financial statements within six months of the fiscal year end. These statements have been prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Therefore, we have issued this comprehensive annual financial report of the Lafourche Parish School Board for the fiscal year ended June 30, 2012 in fulfillment of all report requirements

MANAGEMENT REPRESENTATIONS

This report consisted of management's representations concerning the finances of the Lafourche Parish School Board. Consequently, management has assumed full responsibility for both the completeness and reliability of all of the information presented in this report. A reasonable basis for making these representations was based on a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the Lafourche Parish School Board's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Lafourche Parish School Board's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. We have asserted, as management, to the best of our knowledge and belief, that the enclosed report is complete and reliable in all material aspects

AUDITOR'S OPINION

The School Board's financial statements have been audited by Postlethwaite & Netterville, APAC, a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Lafourche Parish School Board for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Lafourche

Parish School Board's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent audit report is presented as the first component of the Financial Section of this report

The independent audit of the financial statements of the School Board was part of a broader federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements required the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports were included in the Single Audit part of the Financial Section.

GAAP required that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter was designed to complement MD&A and should be read in conjunction with it. The School Board's MD&A can be found immediately preceding the report of the independent auditors

PROFILE OF THE GOVERNMENT

The School Board was a legislative body authorized by Louisiana Revised Statute 17:51 to govern the public education system of Lafourche Parish, Louisiana. The 15 members on the board are elected and serve four-year concurrent terms. The main function of the School Board has been to provide a full range of services appropriate for students in grade levels ranging from pre-school through 12. Services were also provided to students whose education experience has been interrupted to assume adult roles and responsibilities. The services provided include regular and enriched academic instruction, special instruction for children with disabilities, as well as vocational instruction. Other services such as assessment, library, transportation and food services have been provided to augment the primary services or to promote the welfare of the students. This report includes all funds of the School Board.

This report excluded the financial information for the other units of parish government, such as the parish council and the municipalities, because they have independently elected parish officials or because the School Board had no oversight responsibility. The School Board has been 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 the local supplement to their salaries. Accordingly, the School Board was not included in any other governmental reporting entity since the School Board members were elected by the public and have decision-making power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

MISSION, VISION, AND BELIEF STATEMENTS

MISSION STATEMENT

The mission of the Lafourche Parish Public Schools is to offer exemplary academic, vocational, and co-curricular programs and to develop in all students a strong sense of responsibility, citizenship, and respect for others.

VISION STATEMENT

The citizens of Lafourche Parish place the education of their children as a top priority. Education is a shared responsibility of the schools, students, families, Lafourche Parish School System staff, School Board, local government agencies, higher education and the business community. There is a commitment from stakeholders to help all students to become lifelong learners, realize their full potential, appreciate the relevance of their education, be excited to learn and empowered for success. Our schools foster a love of learning and our schools equip students with the knowledge and skills required to lead productive and fulfilling lives in the changing society of the 21st century.

BELIEF STATEMENTS

1. Education is society's first priority.
2. Excellence is worth the cost
3. All children can learn.
4. Student achievement is the primary, but not the only measure of success when evaluating the effectiveness of the system's performance
5. Everyone must have high expectations of the student and hold the student to high expectations
6. Open and honest communication builds trust
7. Community and parental support is essential if the system is to remain effective in its commitment to student learning.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment with which the School Board operates

Local Economy: The School Board operated within the boundaries of Lafourche Parish located in South Louisiana approximately 50 miles west of New Orleans, which was the largest metropolitan area of the region. The 1,085 square mile parish had a population of 96,318 according to the 2010 U. S. Census. This represented a 7.5% increase over the 2000 Census results. The parish is crisscrossed by LA Highways 1, 20, 24, and 308 and by U. S. Highway 90. Also, Burlington Northern Santa Fe has maintained and operated the railroad infrastructure in the Parish. The U. S. Census has included the Parish as part of the Houma-Bayou Cane-Thibodaux Metropolitan Statistical Area.

The largest segment of the economy was the oil and natural gas extraction industry but there are other aspects to the economy LOOP, an offshore port, could offload tankers weighing up to 700,000 deadweight tons in 115 feet of water. The facility had six 600,000 barrel tanks and eight underground caverns with a total storage capacity of 50 million barrels The port also operated a 53 mile, 48 inch pipeline that connected to a 40 inch pipeline which gives it access to 50 percent of the U. S. refinery capacity Dow Jones Newswires reported in March 2011 that Port officials were asking permission to add 3.6 million barrels of storage capacity. Additional information about LOOP can be found at <https://loopllc.com>.

The Port Fourchon located on 3,600 acres at the mouth of Bayou Lafourche was utilized by 250 companies helping furnish the country with 15-18% of the country's entire oil supply About 270 large supply vessels were serviced by the port with a cargo of about 38 million tons Over 1,200 trucks traveled in out of the port daily Half of the drilling activity in the Gulf of Mexico and 75 percent of the deep water production was serviced by the Port The Port also had a general aviation airport that sat on 359 acres which is being modified to handle single-engine aircraft to twenty-passenger business jets. Additional information about the port can be found at <http://www.portfourchon.com>.

In addition to these segments, the parish had planting enterprises, mainly sugar cane (55%), with a gross annual value of \$71.6 million in 2011 The wildlife and fishery enterprises segment, mainly marine fisheries (60%), has added another \$36 million to the Lafourche economy The domestic animal enterprises segment, mainly cattle (89%), had a gross annual value of \$11 million. Additional information concerning these segments can be found at <http://www.lsuagcenter.com>.

Nicholls State University located in the northern part of the parish on 287 acres served about 7,000 students. The University offered degrees in various disciplines such as Accounting/Finance, Education, and Mass Communication A substantial segment of the School Board's instructional and non-instructional staff have degrees from Nicholls.

The economy also included agricultural-implement manufacturing, shipbuilding and machine fabrication.

The Louisiana Department of Transportation and Development has been in the process of upgrading Louisiana Highway 1 that services the southern portion of the parish (<http://www.lalproject.com>) Phases 1 A, B, C & D of the program which covers the construction of a replacement for the Leeville Bridge with interchanges, a toll facility and seven miles of two-lane elevated highway from the bridge to Port Fourchon have been completed. The preliminary engineering and right-of-way purchasing were partially complete for Phase 2 which covers the construction of a nine mile two-lane elevated highway from Leeville to Golden Meadow.

The employment projections provided by the Louisiana Works (<http://www.laworks.net/>) called for a 16.3% growth in the period 2008 to 2018 for the labor market that includes Assumption, Lafourche, and Terrebonne The unemployment rate for Lafourche has been estimated to be 3.1% as of November 2012 which was down from the November 2011

estimate of 4.6% The unemployment rate for the United States was 4.6% in November 2012 (6.6% in 2011) while the rate for Louisiana was 7.4% in 2012 (8.2% 2011).

Long-term financial planning: The School Board was in the process of upgrading its facilities, a process that began when the Transition Team was impaneled for the 1997 Bond issue. The South Central Planning and Development Commission and the architect firm of Gossen-Holloway and Associates have been used at various times to determine the facility needs of the Lafourche Parish schools. The Team has completed the determination and the optimum grade configuration. The purpose of the current construction fund is to ensure that the facilities optimize the benefits of the grade configuration.

The work of the School Board staff and the two outside firms have been appreciated by the voters of the parish who have authorized the issuing of \$193.2 million in general obligation bonds since the beginning of this process in 1997. The 2003 and 2007 construction funds have a combined remaining balance of \$29.5 million at the end of the 2012.

Cash Management: The School Board had *Cash and cash equivalents* available as of June 30, 2012 which were classified as follows:

CATEGORY	6/30/2012 (millions)	6/30/2011 (millions)	Difference
Cash on hand and in demand deposits	\$ 51.2	\$ 58.6	\$ (7.4)
LAMP	<u>1.0</u>	<u>11.0</u>	<u>(10.0)</u>
Total Cash Equivalents	<u>\$ 52.2</u>	<u>\$ 69.6</u>	<u>\$ (17.4)</u>
 Governmental Activities	 \$ 45.4	 \$ 60.9	 \$ (15.5)
Agency Funds	<u>6.9</u>	<u>8.7</u>	<u>(1.8)</u>
	<u>\$ 52.2</u>	<u>\$ 69.6</u>	<u>\$ (17.3)</u>

The School Board had a policy of depositing funds in either interest bearing demand accounts or certificates of deposit in commercial banks secured by pledged securities and federal deposit insurance. The School Board also deposited funds in the Louisiana Asset Management Pool (LAMP), which provided a higher rate than certificates of deposit with a maturity of less than one year and had been safer than directly purchasing securities of the U.S. Treasury.

The most significant change in 2012 came from shifting of a significant portion (\$9.8 million) of available *Cash and cash equivalents* balance to accounts controlled by Argent Trust, its current investment manager. A description of the amounts invested has been included in the ensuing section.

The major part of the remaining \$7.5 reduction in cash was the result of construction fund activities, which reduced the available balance by about \$5.3 million due to the monies spent

for construction and renovation activities. The activities associated with the funds included in the Comprehensive Budget added \$2.7 million to the balance, the activities in the internal service funds reduced cash by \$3 million, while the activities in the agency funds reduced cash by \$1.8 million.

Risk Management: The School Board provided workers compensation coverage for its employees using a self-insured retention of \$350,000 and a \$1 million limit for each workers compensation claim. The School Board used F. A. Richard and Associates for third-party administrative services for this program. The assets in this fund are also used to provide an employee assistance plan which provides employees with a variety of services meant to help employees resolve personal issues that could eventually have an effect on their job performances. The funds were also used to pay for employee medical screenings for those employees without health insurance coverage, and for certain safety related improvements. The restricted net assets for the Worker's Compensation fund reached \$2.8 million by June 30.

The School Board's self-funded group health insurance program had a self-insured retention of \$175,000 for each medical claim. The School Board used Blue Cross/Blue Shield for the TPA services and Highmark Life Insurance Company for re-insurance coverage. The restricted net assets total in the Group Health Insurance Fund was \$6.9 million at June 30.

The School Board established a Loss Control Fund to better manage its non-workers compensation property and casualty perils. It maintained a \$150,000 deductible for general liability, and automobile fleet losses with a \$1 million limit per occurrence, and a \$2 million aggregate limit. The School Board used F. A. Richard and Associates for third-party administrative services for these programs. The School Board also has public officials' errors and omissions liability coverage with a \$50,000 deductible, catastrophic student accident coverage with a \$25,000 deductible, and an employee dishonest policy with a \$10,000 deductible. These are traditional insurance policies with only the deductibles and premiums funded through the Loss Control Fund. The School Board also had a building and contents policy with a \$250,000 (or 3% of loss whichever is greater) deductible for building and content losses due to wind and hail (named storm), and a \$100,000 deductible for building and content losses from other perils. The School Board has secured three layers of reinsurance, each layer has a \$5 million limit. These programs are now accounted for using the Hurricane Recovery Fund and the Loss Control Fund. At June 30, the Loss Control Fund had a net assets balance of \$2.1 million, while the Hurricane Recovery Fund had a zero fund balance.

ACKNOWLEDGMENTS

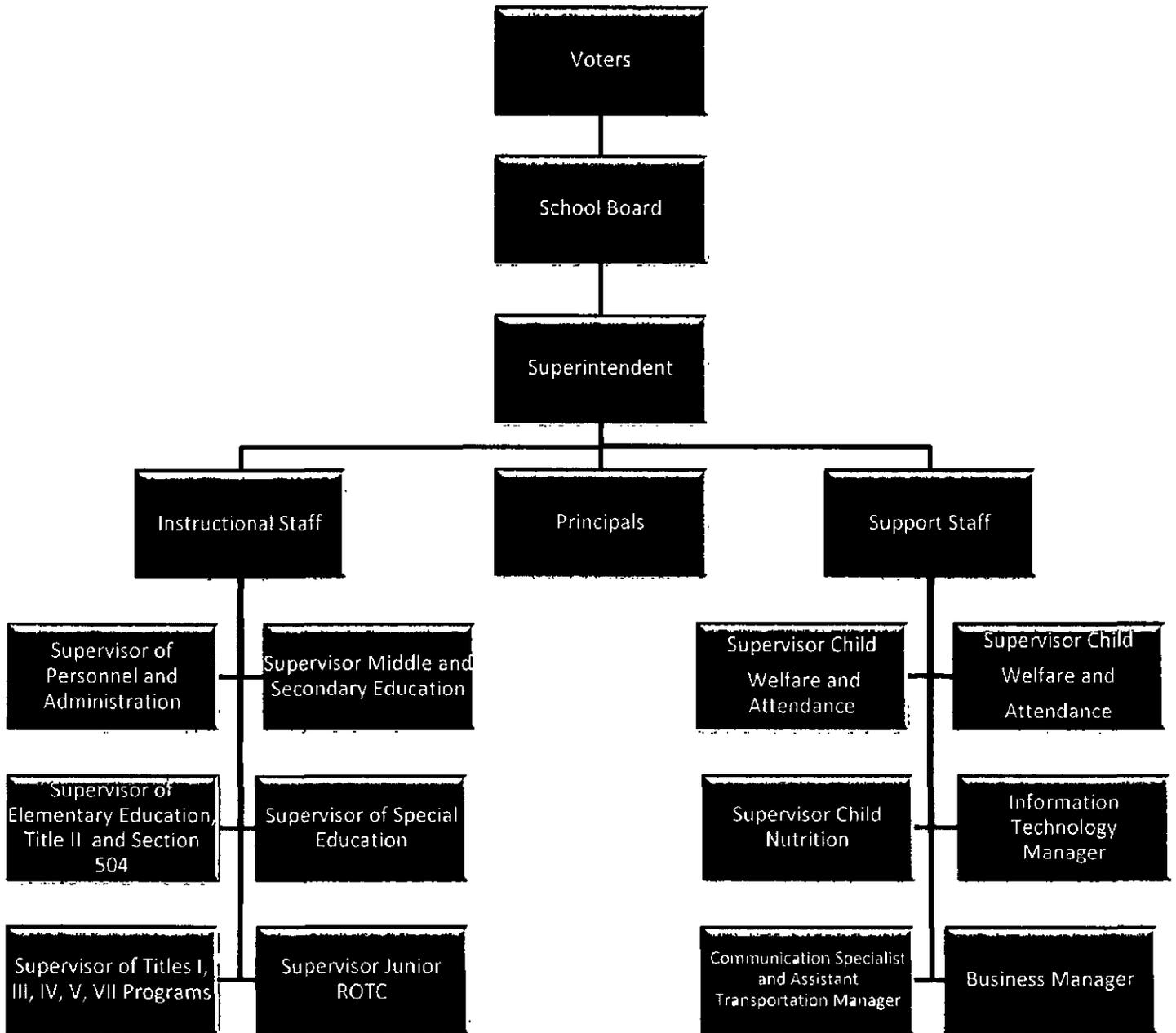
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Business Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,

Jo Ann Matthews
Superintendent

Don Gaudet
Business Manager

LAFORCHE PARISH SCHOOL BOARD
Organizational Structure



LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

Principal Officials

<i>SCHOOL BOARD MEMBERS</i>	<i>DISTRICT</i>
Louis E Thibodaux	1
Rhoda Caldwell, president	2
Richmond Boyd, Jr	3
Marian Fertitta	4
Stella C. Lasseigne	5
Dr Gregg Stall	6
Gary Foret	7
Ronald J. Pere	8
Julie Breaux, vice president	9
Dennis Jean Chiasson	10
C. Joey Duplantis, III	11
Ann Sanamo	12
Al Archer	13
Larry Pitre	14
Lawrence Mounic	15

<i>ADMINISTRATORS</i>	<i>POSITION</i>
Jo Ann Matthews	Superintendent
Louis Voiron, Jr	Supervisor of Personnel and Administration
Aubrey "Bubba" Orgeron, Jr	Supervisor of Secondary and Middle School Education
Cynthia Eliser	Supervisor of Elementary Education, Title II and Section 504
Dr Charles Michel	Supervisor of Special Education
Pamela Folse	Supervisor of Titles I, III, IV, V, VII
Lt Col. Arthur Rice	Supervisor of Junior ROTC
Ray Bernard	Supervisor of Child Welfare and Attendance
Frank Pasqua	Supervisor of Child Welfare and Attendance
Lauren Fletcher	Supervisor of Child Nutrition Programs
William "Ben" Gautreaux	Information Technology Manager
Floyd Benoit	Communication Specialist and Assistant Transportation Manager
Don Gaudet	Business Manager

LAFOURCHE PARISH SCHOOL BOARD
Management's Discussion and Analysis
June 30, 2012

FINANCIAL HIGHLIGHTS

This section has been presented to provide a narrative overview and analysis of the financial activities of the Lafourche Parish School Board for the fiscal year ended June 30, 2012. You, as the reader of these statements, are being encouraged to consider the information presented here along with the information that is furnished in the letter of transmittal. This section has been prepared to give you management's perspective of the information contained in the financial statements

- ❑ The total of assets reported in the government-wide statements is \$242 million, which was \$9.9 million more than the total from preceding year. The biggest changes were from *Cash and cash equivalents* which decreased by \$15.5 million, from *Investments* which increased by \$28.6 million and from the *Due from agency fund* which decreased by \$2 million.
- ❑ Total governmental fund revenues in 2012 were \$154.9 million compared to \$158.9 million in 2011, a decrease of \$4 million. The biggest changes were in federal revenues which decreased by \$6.6 million (mostly from ARRA funds), state revenues which increased \$1.2 million (mostly from the Minimum Foundation Program), and local revenue which increased by \$1.4 million (mostly because of property taxes)
- ❑ Total governmental fund expenditures in 2012 were \$164.8 million which was a \$411,700 reduction. The increases came from retirement costs (\$2.6 million) and from payments to the new charter school (\$2.1 million). Expenditures were decreased by \$.3 million from salary cuts, by \$2.1 million from reduced debt service costs, and by \$6.8 million from reductions in construction spending
- ❑ Governmental fund balances in 2012 were \$85.6 million compared to \$75.4 million in 2011. Restricted fund balances increased by \$12.4 million (mostly due to an \$18.8 million bond sale), Committed Fund balances decreased by \$4.7 million (mostly because the *General Contingencies* designation was reclassified as unassigned) while the *Unassigned* balance declined by \$2.5 million (because of the reassigned *General Contingencies* and because of expected budgeted use)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis has been presented to serve as an introduction to the Lafourche Parish School Board's basic financial statements. The School Board's basic financial statements have been divided into three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other information has been added to the basic financial statements themselves to supplement them.

GOVERNMENT-WIDE FINANCIAL STATEMENTS: The government-wide financial statements were designed to provide readers with a broad overview of the Lafourche Parish School Board's finances, in a manner similar to a private-sector business. These financial statements employed the accrual basis of accounting.

The Statement of Net Assets (Statement A) was constructed to present 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 could serve as a useful indicator of whether the financial position of the Lafourche Parish School Board is improving or deteriorating

The Statement of Activities (Statement B) was constructed to present information showing how the government's net assets changed during the most recent fiscal year in employing the accrual basis of accounting. All changes in net assets were reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses were reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave)

Both of the government-wide financial statements of the Lafourche Parish School Board have presented only functions principally supported by taxes and functions of the intergovernmental revenues (governmental activities). The School Board did not have any functions that are intended to recover all or a significant portion of their cost through user fees and charges (business type activities).

The government-wide financial statements included only Lafourche Parish School Board itself (known as the primary government) The School Board does not have any component units that need to be reported separately from the financial information of the primary government

FUND FINANCIAL STATEMENTS: The fund presentation grouped related accounts that were used to maintain control over resources that have been segregated for specific activities or objectives The Lafourche Parish School Board, like other state and local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements All of the funds of the School Board were divided into three categories governmental funds, proprietary funds and fiduciary funds.

Governmental funds Governmental funds were 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, governmental fund financial statements employed the modified accrual basis of accounting which focused 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 governmental funds was narrower than that of the government-wide financial statements, it was 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: Governmental Funds (Statement C) and the Statement Of Revenues, Expenditures, and Changes in Fund Balances. Governmental Funds (Statement D) provided a reconciliation to facilitate this comparison between governmental funds and governmental activities

The Lafourche Parish School Board maintained 54 individual governmental funds. Information has been presented separately in the Balance Sheet. Governmental Funds (Statement C) and in the

Statement of Revenues, Expenditures, and Changes in Fund Balances. Governmental Funds (Statement D) for the General, the 2007 Construction, The Sales Tax Reserved to Salaries, and the Debt Service Funds, all of which were considered to be major funds. Data from the other 50 governmental funds has been combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds has been provided in the form of combining statements elsewhere in this report.

The School Board adopts an annual appropriated budget for its governmental funds. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual (Statement F) is a budgetary comparison statement that has been provided for the government to demonstrate compliance with this budget.

Proprietary funds The Lafourche Parish School Board maintained three proprietary type funds. The School Board used these internal service funds as accounting devices to accumulate and allocate costs internally among the School Board's various functions for its self-funded workers compensation, property and casualty perils, and group health insurance programs. Because the services predominantly benefited governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The proprietary fund statements have provided the same type of information as the government-wide financial statements, only in more detail and employed the accrual basis of accounting. Statements G, H and I are the proprietary fund financial statements that provided separate information for the Workers Compensation, Loss Control and Group Health Insurance Funds.

Fiduciary funds: Fiduciary funds have been used to account for resources held for the benefit of parties outside the government. Fiduciary funds were not reflected in the government-wide financial statement because the resources of those funds are not available to support the Lafourche Parish School Board's own programs. The accounting used for fiduciary funds was much like that used for proprietary funds. Statement J has been provided for the fiduciary funds.

Notes to the financial statements. The notes are presented to provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, the report has provided additional information. Schedules 1 through 6 were presented to provide the combining statements referred to earlier in connection with non-major governmental funds. Schedule 7 was included to present information concerning board member compensation that was required by the state. Finally, Schedule 8 has been included to present the schedule of federal assistance required as part of the "Single Audit".

GOVERNMENT-WIDE FINANCIAL ANALYSIS

This section has been included to present the analysis of the School Board's financial operations using the government-wide perspective. The following has been summarized from Statement A Statement of Net Assets.

<i>CATEGORY (\$ millions)</i>	<i>JUNE 30, 2012</i>	<i>JUNE 30, 2011</i>	<i>INCREASE (DECREASE)</i>
Current and other assets	\$123.8	\$112.9	\$10.9
Capital assets	118.2	119.2	(1.0)
Total assets	\$242.0	\$232.1	\$9.9
Current and other liabilities	\$25.6	\$25.3	\$0.4
Long-term liabilities	148.7	127.0	21.7
Total liabilities	\$174.3	\$152.3	\$22.1
Invested in capital assets, net of related debt	\$46.1	\$43.6	\$2.4
Restricted	53.7	53.2	0.5
Unrestricted	(32.1)	(17.0)	(15.1)
Total net assets	\$67.7	\$79.8	(\$12.2)

The majority of the change in the *Current and other assets* category was the result of the changes in two related categories. *Cash and cash equivalents* was \$45.4 million, down \$15.5 million from the prior year as previously noted in the *Cash Management* section of the transmittal letter. *Investments* grew from \$38.4 million to \$67.1 million because \$9.8 million was taken from the *Cash and cash equivalents* balance and because the proceeds of an \$18.8 bond sale were invested.

Another significant change in *Current and other assets* category was with the *Due from agency fund* which was reduced by \$2 million. This was the result of an effort to reduce the amount in the Sales and Use Tax Fund to the amounts collected for the months of May and June in June and July. *Receivables* decreased by \$553,900 mostly due to activities in the grant funds (\$753,900). The *Capital assets* category decreased by \$1 million because depreciation exceeded spending in the construction funds.

The \$4 million increase in the *Current and other liabilities* was the result of several factors. First, the *Salaries, benefits and withholdings payable* category increased by \$1.4 million mostly because of General Fund activities. This was offset by decreases in the *Deferred revenue* of \$473,000 and in the *Estimated liability for outstanding self-funded claims* of \$397,800.

The increase in the *Long-term liabilities* category of \$21.7 million resulted from several causes. One was the addition of \$10.5 million to the balance of the accrued unfunded other post-retirement benefits that resulted from the provision of retiree health benefits sponsored by the School Board. The next cause was a \$10.7 million increase in general obligation bonded debt, which was due to an increase of \$18.8 from the bond sale and because of \$8.2 million in principle payments. The final cause was the bond sale which sold at a premium thus increasing the *Premiums on bonds sold* by \$1.3 million.

The increase in the *Invested in capital assets, net of related debt* category of \$2.4 million was due to three factors. The first was the changes in the general obligation bonded debt previously explained.

LAFOURCHE PARISH SCHOOL BOARD
Management's Discussion and Analysis
June 30, 2012

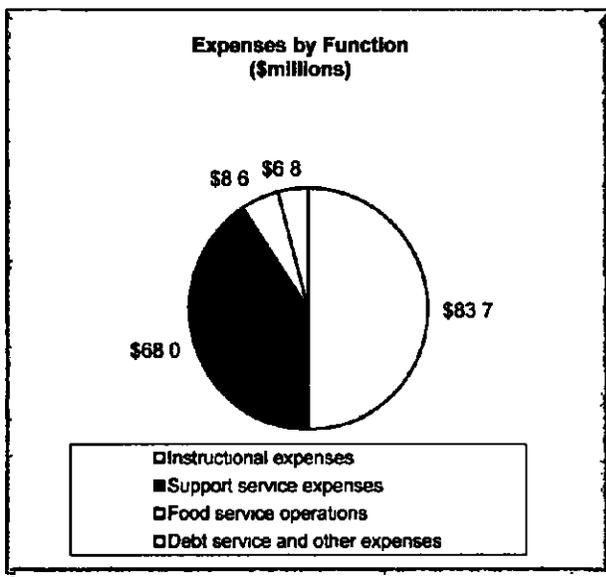
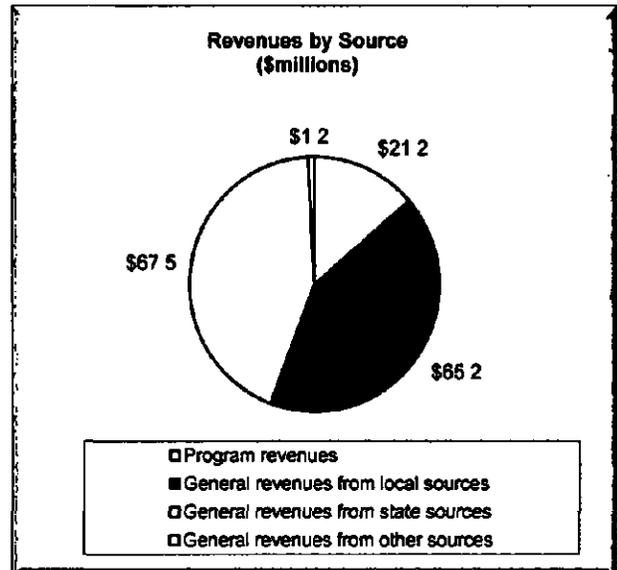
decreased the balance by \$10.7 million. The second was an increase of \$14.1 million that resulted from the activities in the construction funds with most of that increase due to the \$18.8 million bond sale. The third was the decrease in the *Capital assets* category described earlier.

The *Net assets-Restricted* category was increased because of the Debt Service Fund activities (\$1.5 million) and because of the activities recorded in the construction funds (\$404,400) but was decreased by \$1.3 million because of the balances in the funds included in the comprehensive budget. Finally, the *Net assets-Unrestricted* category has decreased by \$15.1 million because of the current provision for other post-retirement benefits of \$10.5 million and because of the activities of the funds included in the comprehensive budget which reduced the balance by about \$4.6 million. The total decline because of the funds included in the comprehensive budget, restricted and unrestricted, was about \$5.9 million with \$3.3 million having been anticipated in the original budget, while \$2.8 million resulted from a one-time salary supplement distribution in November 2011. The provisions for Other Post Retirement Benefits and Compensated Absences have reduced, in total, *Net assets-Unrestricted* category by \$46.8 million since the School Board implemented the provisions of GASB 34.

The following information has been summarized from Statement B Statement of Activities.

Category (\$millions)	June 30, 2012	June 30, 2011	Increase (decrease)
Program revenues	\$21.2	\$25.3	(\$4.1)
General revenues from local sources	65.2	63.8	1.4
General revenues from state sources	67.5	65.7	1.8
General revenues from other sources	1.2	4.2	(3.1)
Total revenues	\$155.1	\$159.0	(\$4.0)
Instructional expenses	83.7	85.6	(2.0)
Support service expenses	68.0	62.1	5.8
Food service operations	8.6	7.9	0.7
Debt service and other expenses	6.8	4.5	2.3
Total expenses	\$167.1	\$160.1	\$6.8
Changes in net assets	(12.0)	(1.1)	(10.8)
Net Assets - beginning	79.8	81.9	(2.1)
Prior period adjustment	-	(0.9)	0.9
Net Assets - ending	\$67.8	\$79.9	(\$12.0)

Revenues decreased by \$4 million from the prior year with the biggest decreases coming from Federal Sources. The largest Federal Source reductions was from the ending of ARRA (\$2.7 million decrease) and the reduction from one-time State Stabilization (\$2.9 million decrease) programs. Reductions in IDEA Part B and Title II allocations accounted for an additional \$1.1 million in revenue reduction. The Minimum Foundation Program was increased by \$1.8 million. However, over \$2 million of the State Stabilization funding was used to support the 2011 formula so that funding for the schools from the MFP was about the same for the 2012 year as it was for the 2011 year. Finally, property taxes increased by \$1.1 million because of the increase in the tax rolls, while sales and use tax declined by \$376,800 as a result of reduced sales and use tax activity.



Expenses increased by \$6.8 million in the fiscal year 2012. Salaries decreased by \$1.3 million even though a supplement pay distribution of \$2.3 million was distributed in November. The next largest change was in employee benefits costs that increased by \$2.9 million mostly due to retirement rate changes (\$2.6 million) and because of group insurance costs (\$761,500). Construction fund activities added another \$2.2 million to expenses.

Finally, the Bayou Community Academy charter school received \$2.1 million from the School Board in its initial year of operation. The Academy had 232 students in grades kindergarten through fourth. The funding of the Academy was subject to the provisions in

the revised statutes and was \$9,414 per student for the number of students enrolled on October 1. The state share of the per-student amount was \$4,955 for the 2012 fiscal year, while the local share was \$4,459.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

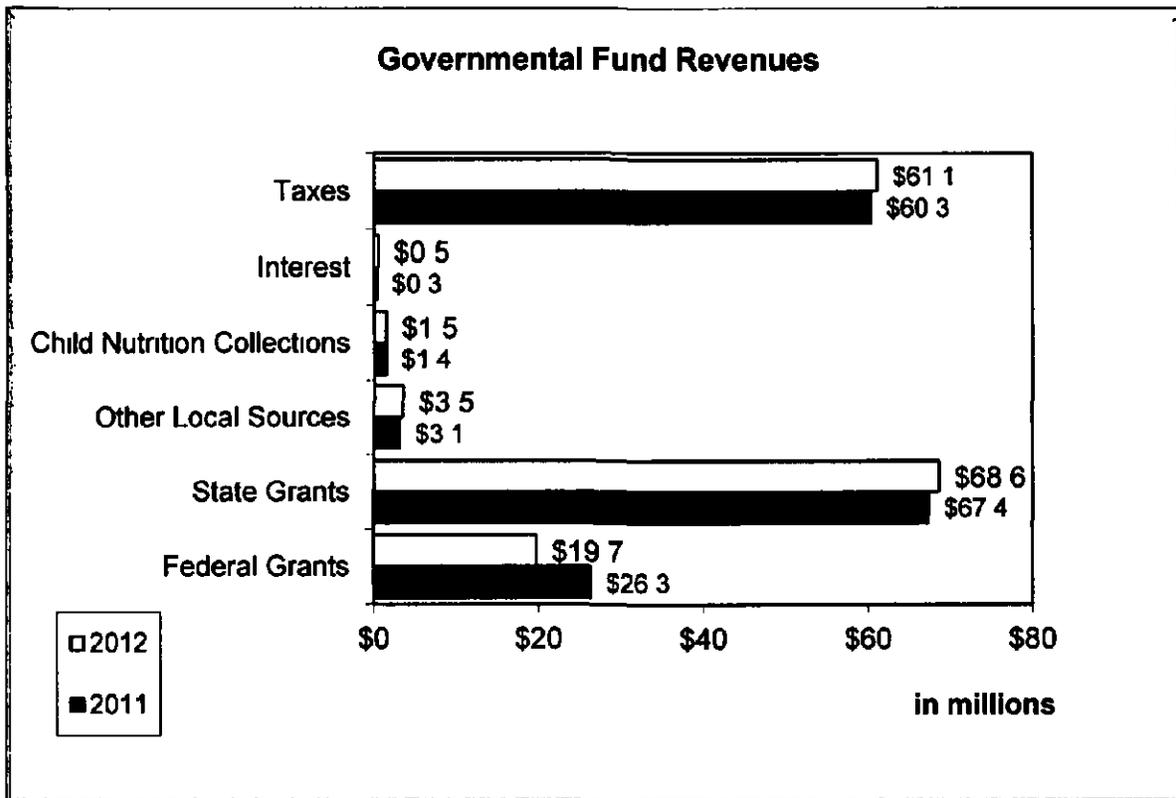
As noted earlier, the Lafourche Parish School Board used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

LAFOURCHE PARISH SCHOOL BOARD
 Management's Discussion and Analysis
 June 30, 2012

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

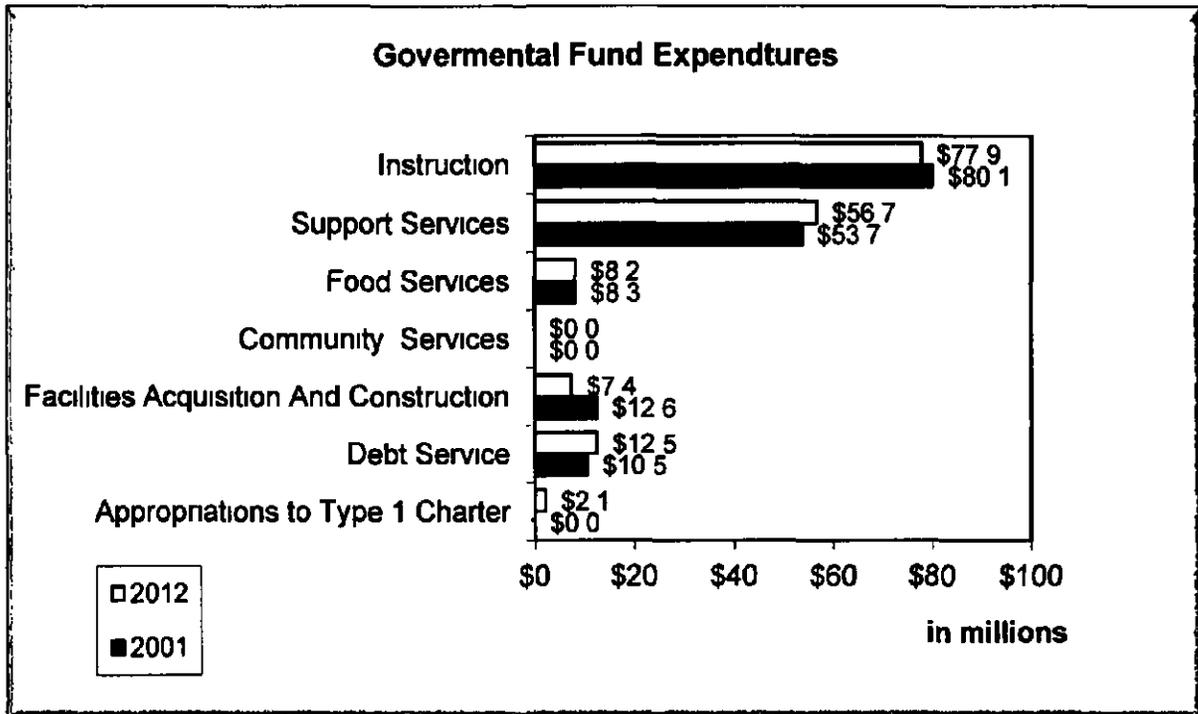
Management had initiated various changes in the 2012 fiscal year that had a substantial effect on the governmental fund balance sheet presentation. The General Fund *Cash and cash equivalents* category had a deficit \$5.5 million balance because the restricted balances for salaries, textbooks and technology along with the committed balances for sixteen section land, and major maintenance were removed from the General Fund and placed in separate funds. This change alone reduced General Fund's fund balance by \$10.5 million as well as reduced its cash balance. When coupled with the conversion to a new fiscal package, Munis, the changes lead to the deficit in the General Fund's *Cash and cash equivalents* balance. The temporary deficit did not create a deficit bank balance since it was part of a pooled cash account. The deficit was covered by amounts due from other funds and in the investment account.

In the 2012 fiscal year, revenues were \$154.9 million which was a \$4 million decrease from the 2011 revenues. The following graph was constructed using the revenue information presented in Statement D.



The explanations of the changes in governmental revenue were substantially the same as those stated for the changes contained in the government-wide financial analysis.

Expenditures were reduced from \$165.2 million in 2011 to \$164.8 million in 2012. The following graph was constructed using the information presented in Statement D:



The explanations included in the Government-wide analysis were the same for the Governmental Funds except that Group Insurance expenditures went down by \$241,000 while construction expenditures were reduced by \$6.8 million. Additionally, Governmental Fund expenditures increased by \$2.1 million because of general obligation principle payments. These payments were not considered expenses for the Government-wide presentation.

Total Governmental fund balances at June 30, 2012 were \$85.6 million which was up from the \$10.3 million than for 2011 as shown in the following.

Category	6/30/2012	6/30/2011	Difference
Restricted	\$78.7	\$66.3	\$12.4
Committed	2.8	2.2	0.6
Unrestricted	4.1	6.9	(2.8)
	<u>\$85.6</u>	<u>\$75.4</u>	<u>\$10.2</u>

The *Restricted* balance was increased by about \$14.5 million due to construction fund activity accounted, mainly from the sale of \$18.8 million in general obligation bonds. This was offset by a \$3.6 million decrease in the fund balances for the funds included in the comprehensive budget. The balance in the Debt Service increased by \$1.5 million mainly because of the premium received for the \$18.8 million of general obligation bonds.

The Assigned and Unassigned balances decreased by \$2.2 million because of the activity in the funds included in the comprehensive budget. The total decline in all fund balances caused by the activities of funds included in the comprehensive budget was \$5.8 million. As explained earlier, \$3.3 million was anticipated in the 2012 Comprehensive Budget while \$2.8 million was the result of the distribution of a supplemental check in November 2011. The administration continues to search for ways to increase revenues and reduce expenditures. The voters of the parish on April 21, 2012 authorized the use of 2 mills for the purpose of providing additional support to pay for retirement costs, which have increased by \$2.6 million in the 2012 fiscal year and by \$2.3 million in 2011.

As was noted earlier, the restricted and committed balances that were previously reported in the General Fund have been moved to separate special revenue funds. The balances were \$10.5 million for the 2011 fiscal year. Also, the *Committed to General Contingencies* has been reclassified for financial statement presentation and has been included in the *Unassigned* balance in the General Fund. For budget purposes, it will continue to be presented as a committed balance.

Proprietary Funds: The Group Health Insurance Fund ended its fiscal year with a Net Assets balance of \$6.8 million which was about \$208,700 more than the previous year. Premiums, though declining by \$232,900, when combined with Interest and Rebates/Subsidies were still \$208,700 more than the combination of claims and administrative costs, which rose by about \$634,200 in fiscal year 2012.

The Loss Control Fund had a Net Assets balance of \$2.1 million at June 30, 2012 which was \$348,800 more than in 2011. Revenues decreased by \$17,700 while claims and administrative costs increased by \$14,300. The spread between the premium billings and the expenses of the fund were because estimated claims costs were less than actual claims costs. The individual funds were billed for reinsurance premiums and estimated claims costs.

The Workers Compensation Fund ended with a Net Assets balance of \$2.9 million, down \$259,500 from the prior year. Premium revenues increased by \$125,500 while claims costs decreased by \$276,600 and administrative costs decreased by \$246,700. The main reason for the reduction in administrative cost was that amount of funding used to improve the safety environment in 2011 was not needed in 2012.

Fiduciary Funds: The School Board had two fiduciary funds that it uses to account for the assets it holds in trust. The School Activities Fund accounted for the funds that the individual schools control. At June 30, 2012, the schools had assets totaling \$3.8 million which was \$102,500 less than the 2011 fiscal year total.

The School Board also collected sales and use taxes for itself and the other tax levying authorities in the parish. At June 30, 2012, the fund had total assets amounting to \$9.2 million which was about \$1.8 million less than the 2011 total. The main reason for the asset reduction was because of a \$1.9 million reduction in the amount owed to the General Fund. The balance went from \$4.4 million in 2011 to \$2.5 million in 2012.

GOVERNMENTAL FUND BUDGETARY HIGHLIGHTS

During the current fiscal year, there were no budget amendments. However, the School Board did declare a supplement distribution to its employees that amounted to \$2.8 million. This increased the

General Fund expenditures by \$2.8 million and the amounts due to it from the Sales Tax Restricted to Salary and the Property Tax Restricted to Salaries Funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets: The net balance in capital assets for the School Board at June 30 was \$118.1 million. The following has been presented to recap the capital asset balances.

CATEGORY (Millions)	COST	ACCUMULATED DEPRECIATION	NET BALANCE	
			2012	2011
Land	\$2.3		\$2.3	\$1.7
Buildings and improvements	170.8	\$59.9	110.9	98.8
Furniture and equipment	9.0	6.4	2.6	2.6
Construction in progress	2.3		2.3	16.1
Total	\$184.4	\$66.3	\$118.1	\$119.2

The School Board had and continues to have a facilities needs assessment that is monitored by the Facilities Manager and the Land and Facilities Management Committee. The School Board had two construction funds that had fund balances of \$29.5 remaining from the proceeds of two referendums, the second and third phases of facility upgrades that were progressing during the 2012 fiscal year. The purpose of the first phase, which had already been completed, was to modernize and expand the three high schools. The second phase was to expand and modernize the middle and elementary schools. The purpose of the third phase, which was started shortly after second phase began, was to build a career technical center, to add classroom space to several schools and to continue the modernization of all schools. The voters of the parish have approved another bond referendum on April 21, 2012 in the amount of \$50 million that will be used for the construction of facilities at three new locations and for renovations to other school buildings.

At June 30, 2012, the School Board had encumbered \$3.1 million for construction contracts that were initiated before but not yet completed by year end. These contracts were funded through the Air Conditioning Maintenance, 2003 Construction and 2007 Construction funds.

Long-term Debt:

The following is a recap for the various types of long-term debt outstanding:

<i>CATEGORY (\$millions)</i>	<i>ORIGINAL PROCEEDS</i>	<i>BALANCE</i>	
		<i>2012</i>	<i>2011</i>
Bonded debt	\$127.7	\$97.2	\$86.5
Certificates of indebtedness	3.8	3.1	3.3
Compensated absences		6.8	7.2
Other post-employment benefits		40.1	29.6
Total	\$131.5	\$147.2	\$126.6

The School Board had \$97.2 million in general obligation bonds payable on June 30, 2012 and it had a Debt Service Fund balance of \$26.7 million. Net bonded debt went from 6.89% of total assessed property value to 6.53% in fiscal year 2012, while the legal debt margin expanded from \$388.1 million to \$397.6 million.

The voters of the parish have approved another bond referendum on April 21, 2012 in the amount of \$50 million, with the first installment of \$18 million being sold with a yield of 2.891% on September 18, 2012. The board has also issued on November 15, 2012 \$18.3 million in general obligation bonds with a yield of 2.5463% to refund Series 2003 and 2004 general obligation bonds.

The Board's bond rating from Standard and Poor's is A+ as of November 12, 2012.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following table contains the summary for the 2013 Comprehensive Original Budget

<i>CATEGORY (\$millions)</i>	<i>ORIGINAL BUDGET JUNE 30, 2013</i>	<i>GENERAL FUND</i>	<i>SPECIAL REVENUE FUNDS</i>	<i>DEBT SERVICE FUND</i>
Local sources	\$65.9	\$24.4	\$30.0	\$11.5
State sources	64.9	62.1	2.8	0.0
Federal sources	23.0	0.2	22.8	0.0
Total revenues	153.8	86.7	55.6	11.5
Instructional services	80.5	68.4	12.1	0.0
Support services	57.1	44.8	11.9	0.4
Food service programs	8.6	0.1	8.5	0.0
Community service programs	0.0	0.0	0.0	0.0
Facility acquisition and construction	2.8	0.0	2.8	0.0
Debt service	13.0	0.4	0.0	12.6
Total expenditures	162.0	113.7	35.3	13.0
OTHER FINANCING SOURCES (USES):	0.1	26.2	(26.1)	0.0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(8.1)	(0.8)	(5.8)	(1.5)
BEGINNING FUND BALANCE	57.5	5.0	25.9	26.6
ENDING FUND BALANCE	\$49.4	\$4.2	\$20.1	\$25.1

Revenues for 2013 fiscal year have been projected to total \$153.8 million. Taxes have been increased by \$697,000 because of the changes in taxable property due to reassessment. Also, 2 mills that were formerly assessed for debt service have been rededicated to help with retirement costs. State revenues have been reduced by \$3.7 million mostly due to the reduction in the Minimum Foundation Program allocation, which was due to the fact that the formula has determined that the district is relatively richer than the other districts and because the state is now deducting from the district's allocation amounts used to support non-district schools that have enrolled Lafourche students.

Expenditures have been projected to total \$162.0 million for the 2013 fiscal year. Contributions to Louisiana Teachers' Retirement have been increased by \$582,800 for the 2013 fiscal year and have increased by \$3.2 million from the 2011 fiscal year. The contributions to the Louisiana School Employees' Retirement have been increased by \$119,600 for the 2013 fiscal year and have increased by \$456,800 from the 2011 fiscal year. Because of these changes salary expenditures have been decreased relative to total expenditures from 54.6% in the 2011 fiscal year to 54.1% in the 2013 fiscal year. However, the percentage of expenditures that is for salaries and benefits decreased slightly in that time period from 74.7% to 73.4%.

The tax rates that will be effective in the 2013 fiscal year are as follows

<i>TYPE</i>	<i>RATE</i>
Constitutional	3.63 Mills
Regular maintenance	7.49 Mills
Salary supplement	7.49 Mills
Air conditioning maintenance	7.49 Mills
Retirement supplement	2.00 Mills
Bond and interest	15.20 Mills
TOTAL	43.30 Mills
Sales and use tax	2%

The total rates assessed for the 2013 fiscal year are the same as those assessed in the 2012 fiscal year. The only difference is that 2 mills have been rededicated from supporting bonds and interest to supporting retirement costs

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Lafourche 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:

Don Gaudet, CPA, CGFO, CLSBA
Business Manager
Lafourche Parish School Board
P O. Box 879
Thibodaux, LA 70302-0879
dgaudet@lafourche.k12.la.us

INDEPENDENT AUDITORS' REPORT

To the Lafourche Parish School Board
Thibodaux, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, the budgetary comparison statements for certain major funds and the aggregate remaining fund information of the Lafourche Parish School Board (School Board), as of and for the year ended June 30, 2012, which collectively comprise the School Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison statements for the general fund, the sales tax salary reserve fund and debt service fund 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 our report dated December 31, 2012, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis located as referenced within the table of contents and the schedules of funding progress and employer contributions for the School Board's Other Post-Employment Benefit Plan located in the statistical section (table 12) as referenced within the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the

basic financial statements We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements (schedules 1 - 6), the schedule of compensation paid board members (schedule 7) and the statistical section (tables 1-19) are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards (schedule 8) is presented for purposes of additional analysis as required by *US Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section, tables 1 - 11 and tables 13 - 19 of the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Postlethwaite + Netterville

Baton Rouge, Louisiana
December 31, 2012



LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

Statement A

Statement of Net Assets
For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	PRIMARY GOVERNMENT	
	GOVERNMENTAL ACTIVITIES	
	6/30/2012	6/30/2011
ASSETS		
Cash and cash equivalents	\$ 45,356,036	\$ 60,873,028
Cash with fiscal agents	104,611	54,703
Investments	67,076,395	38,431,508
Receivables	5,969,681	6,484,164
Due from agency fund	2,492,227	4,444,300
Inventory, at cost	490,647	389,172
Prepaid insurance	1,679,536	1,563,889
Bond issuance cost (net of amortization)	634,517	638,270
Capital assets (net of accumulated depreciation)		
Land	2,341,916	1,680,421
Buildings and improvements	110,936,692	98,840,914
Equipment	2,658,642	2,568,516
Construction in progress	2,282,667	16,123,187
TOTAL ASSETS	\$ 242,023,567	\$ 232,092,072
LIABILITIES		
Accounts payable	\$ 3,363,082	\$ 2,911,038
Contracts payable		607,182
Salaries, benefits and withholdings payable	17,170,650	15,785,238
Deferred revenue	2,664,528	3,137,579
Deposits due other or subject to refund	4,506	6,191
Estimated liability for outstanding self-funded claims	2,435,283	2,833,257
Non-current Liabilities		
Premiums on bonds sold (net of amortization)	1,594,269	438,056
Due within one year	9,141,425	6,832,939
Due in more than one year	137,956,625	119,739,960
Total Liabilities	174,330,368	152,291,440
NET ASSETS		
Invested in capital assets, net of related debt	46,064,809	43,621,961
Restricted for		
Salaries	10,909,351	13,664,793
Textbooks	1,708,799	1,827,358
Technology	356,079	250,939
Air-conditioning maintenance	6,532,668	5,450,094
School food service	3,038,111	2,773,498
Debt service	26,737,121	25,199,529
Capital projects	4,448,750	4,044,390
Unrestricted	(32,102,489)	(17,031,930)
Total net assets	67,693,199	79,800,632
TOTAL LIABILITIES AND NET ASSETS	\$ 242,023,567	\$ 232,092,072

See notes to the financial statement

LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	EXPENSES	CHARGES FOR SERVICES	GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
				6/30/2012	6/30/2011
Instruction					
Regular programs	\$ 53,397,608		\$ 353,367	\$ (53,044,241)	\$ (51,751,084)
Special programs	15,874,776		569,745	(15,305,031)	(16,636,469)
Other programs	14,407,709		7,873,478	(6,534,231)	(5,099,951)
Support services					
Pupil support	12,766,403		2,277,782	(10,488,621)	(8,132,442)
Instructional staff support	5,684,541		3,035,263	(2,649,278)	(4,223,156)
General administration	11,569,214		237	(11,568,977)	(8,773,989)
School administration	8,539,043			(8,539,043)	(8,251,929)
Business services	1,510,269		2,859	(1,507,410)	(1,388,185)
Operation and maintenance	14,115,081		107,475	(14,007,606)	(13,001,103)
Pupil transportation	8,040,088		275,429	(7,764,659)	(7,865,378)
Central services	5,735,583		14,567	(5,721,016)	(3,695,727)
Food service operations	8,643,304	1,465,297	5,012,409	(2,165,598)	(1,598,274)
Community service operations	12,560			(12,560)	(12,560)
Facilities acquisition and construction	578,847		202,146	(376,701)	(209,040)
Debt service					
Interest and bank charges	4,071,647			(4,071,647)	(4,247,663)
Appropriations to type I charter schools	2,130,704			(2,130,704)	
Total governmental activities	\$ 167,077,377	\$ 1,465,297	\$ 19,724,757	\$ (145,887,323)	\$ (134,886,950)

General revenues

Local sources.

Ad valorem taxes	31,756,717	30,649,897
Sales and use taxes	28,382,069	28,758,946
Earnings on investments	549,824	329,787
Rentals, leases, royalties	1,113,434	1,004,171
Other local	3,363,569	3,061,633

State sources.

Grants not specific to programs	67,027,456	65,216,519
Revenue in lieu of taxes	425,943	420,711
Revenue for or on behalf of LEA	3,952	13,366

Federal sources.

Grants not specific to programs	690,089	3,750,310
Revenue for/on behalf of LEA	457,476	420,132

Other.

Insurance proceeds from loss		66,968
Gain (loss) on disposal of capital assets	9,361	(8,872)

Total general revenues \$ 133,779,890 \$ 133,683,568

Changes in net assets (12,107,433) (1,203,382)

Prior period adjustment (900,893)

Net Assets - beginning 79,800,632 81,904,907

Net Assets - ending \$ 67,693,199 \$ 79,800,632

See notes to the financial statement



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LAFOURCHE PARISH SCHOOL BOARD
Thibodaux, Louisiana

Balance Sheet
Governmental Funds
For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	GENERAL	2007 CONSTRUCTION	SALES TAX RESERVED TO SALARIES
ASSETS			
Cash and cash equivalents	\$ (5,518,009)	\$ 5,492,491	\$ 4,616,421
Cash with fiscal agents			
Investments	9,588,339	18,799,712	7,065,092
Receivables	352,794		
Interfund receivable	16,594,591		
Inventory, at cost			
TOTAL ASSETS	\$21,017,715	\$ 24,292,203	\$ 11,681,513
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 852,458	\$ 468,582	
Contracts payable			
Salaries, benefits and withholdings payable	13,985,633		\$ 42,391
Deferred revenue	188,886		
Interfund payable	1,897,135		5,123,012
Intergovernmental payable			
Deposits due other or subject to refund	4,506		
Total Liabilities	16,928,618	468,582	5,165,403
Fund Balances			
Restricted for salaries			6,516,110
Restricted for textbooks			
Restricted for technology			
Restricted for air-conditioning maintenance			
Restricted for school food service			
Restricted for debt service			
Restricted for capital projects		23,823,621	
Committed for major maintenance			
Committed for sixteenth section			
Committed for Medicare			
Unassigned	4,089,097		
Total Fund Balance	4,089,097	23,823,621	6,516,110
TOTAL LIABILITIES AND FUND BALANCE	\$21,017,715	\$ 24,292,203	\$ 11,681,513

Amounts reported for governmental activities in the statement of net assets are different because Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

Internal Service funds are used by management to charge the cost of various insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds

Net assets of governmental activities (Statement A)

See notes to the financial statement

Statement C

DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
		6/30/2012	6/30/2011
\$ 6,423,169	\$ 24,650,064	\$ 35,664,136	\$ 47,341,726
			15,000
20,520,964	7,569,741	63,543,848	35,701,340
66,338	5,486,769	5,905,901	6,484,164
	876,587	17,471,178	8,495,419
	490,648	490,648	389,172
<u>\$27,010,471</u>	<u>\$ 39,073,809</u>	<u>\$123,075,711</u>	<u>\$ 98,426,821</u>
	\$ 1,179,946	\$ 2,500,986	\$ 1,866,606
			607,182
	3,140,903	17,168,927	15,783,781
\$ 273,350	385,762	847,998	707,915
	9,855,940	16,876,087	4,051,119
	297	297	
		4,506	6,191
<u>273,350</u>	<u>14,562,848</u>	<u>37,398,801</u>	<u>23,022,794</u>
	4,393,241	10,909,351	13,664,793
	1,708,799	1,708,799	1,827,358
	356,079	356,079	250,939
	6,532,668	6,532,668	7,577,670
	3,038,111	3,038,111	2,812,158
26,737,121		26,737,121	25,199,529
	5,635,020	29,458,641	14,943,313
			(1,017,695)
	473,594	473,594	497,977
	2,373,449	2,373,449	2,711,725
		4,089,097	6,936,260
<u>26,737,121</u>	<u>24,510,961</u>	<u>85,676,910</u>	<u>75,404,027</u>
<u>\$27,010,471</u>	<u>\$ 39,073,809</u>		
		118,219,917	119,213,038
		11,854,172	11,556,252
		(148,057,800)	(126,372,685)
		<u>\$ 67,693,199</u>	<u>\$ 79,800,632</u>

LAFOURCHE PARISH SCHOOL BOARD
 Thibodaux, Louisiana
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2012
 (With comparative totals for the year ended June 30, 2011)

	<u>GENERAL</u>	<u>2007 CONSTRUCTION</u>	<u>SALES TAX SALARY RESERVE</u>
<u>REVENUES</u>			
<u>Local sources:</u>			
Taxes:			
Ad valorem	\$ 9,114,572		
Sales and use	14,191,035		\$12,062,379
Rentals, leases, royalties			
Earnings on investments	110,270	\$ 41,460	42,321
Food service collections			
Other local	1,368,600		
<u>State sources:</u>			
Unrestricted grants-in-aid	65,348,925		
Restricted grants-in-aid	131,168		
Revenue in lieu of taxes	425,943		
Revenue for or on behalf of LEA	3,952		
<u>Federal sources:</u>			
Unrestricted grants-in-aid - direct	839		
Restricted grants-in-aid - direct	160,890		
Restricted grants-in-aid - subgrants			
Revenue for/on behalf of LEA			
Total revenues	90,856,194	41,460	12,104,700
<u>EXPENDITURES</u>			
<u>Instruction</u>			
Regular programs	48,015,483		
Special programs	13,956,259		
Other programs	6,010,395		
<u>Support services:</u>			
Pupil support	9,274,417		
Instructional staff support	1,749,723		233,550
General administration	1,674,859	116	47,630
School administration	7,868,073		
Business services	1,375,035	17,112	5,213
Operation and maintenance	11,065,146		

See notes to the financial statement

*Statement D
(concluded)*

<u>DEBT SERVICE</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>	
		<u>6/30/2012</u>	<u>6/30/2011</u>
\$12,614,677	\$ 10,986,504	\$32,715,753	\$ 31,575,090
	2,128,655	28,382,069	28,758,946
	1,113,434	1,113,434	1,004,171
203,498	104,337	501,886	293,337
	1,465,297	1,465,297	1,442,538
	1,042,915	2,411,515	2,136,440
	1,678,530	67,027,455	65,216,519
	1,011,615	1,142,783	1,710,905
		425,943	420,711
		3,952	13,366
		839	2,976,847
	345,608	506,498	481,643
	18,757,742	18,757,742	22,425,722
	457,476	457,476	420,132
<u>12,818,175</u>	<u>39,092,113</u>	<u>154,912,642</u>	<u>158,876,367</u>
	1,567,761	49,583,244	48,830,571
	614,768	14,571,027	17,850,809
	7,713,264	13,723,659	13,424,686
	2,897,621	12,172,038	9,770,457
	3,289,889	5,273,162	7,941,811
404,623	397,771	2,524,999	2,292,020
		7,868,073	7,610,566
22,530	194,462	1,614,352	1,424,229
	2,449,591	13,514,737	13,267,048

LAFOURCHE PARISH SCHOOL BOARD
 Thibodaux, Louisiana
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2012
 (With comparative totals for the year ended June 30, 2011)

	<u>GENERAL</u>	2007 <u>CONSTRUCTION</u>	<u>SALES TAX SALARY RESERVE</u>
Pupil transportation	\$ 7,105,815		
Central services	5,257,703		
Food service operations			
Community service operations	12,560		
Facilities acquisition and construction	80,633	\$ 2,088,609	
<u>Debt service.</u>			
Principal retirement	210,000		
Interest and bank charges	144,579		
Appropriations to type 1 charter schools	<u>2,130,704</u>		
Total expenditures	115,931,384	2,105,837	\$ 286,393
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	(25,075,190)	(2,064,377)	11,818,307
<u>OTHER FINANCING SOURCES (Uses)</u>			
Transfers in (out)	11,777,845		(5,302,197)
Sales of fixed assets		500	
Accrued interest and premiums on bonds sold			
Proceeds of bond sales		18,840,000	
Insurance proceeds from Loss			
Total other financing sources (uses)	11,777,845	18,840,500	(5,302,197)
<u>NET CHANGES IN FUND BALANCES</u>	(13,297,345)	16,776,123	6,516,110
<u>PRIOR PERIOD ADJUSTMENT</u>			
FUND BALANCES AT BEGINNING OF YEAR	<u>17,386,442</u>	<u>7,047,498</u>	
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$ 4,089,097</u>	<u>\$ 23,823,621</u>	<u>\$ 6,516,110</u>

See notes to the financial statement

*Statement D
(concluded)*

DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
		6/30/2012	6/30/2011
	\$ 275,429	\$ 7,381,244	\$ 7,381,051
	1,101,768	6,359,471	3,968,632
	8,158,682	8,158,682	8,322,305
	2,942	15,502	14,102
	5,220,975	7,390,217	12,579,474
\$ 8,165,000		8,375,000	6,295,558
4,011,331		4,155,910	4,250,413
		2,130,704	
<u>12,603,484</u>	<u>33,884,923</u>	<u>164,812,021</u>	<u>165,223,732</u>
214,691	5,207,190	(9,899,379)	(6,347,365)
	(6,475,648)		
	8,861	9,361	606
1,322,901		1,322,901	
		18,840,000	
			<u>66,968</u>
1,322,901	(6,466,787)	20,172,262	67,574
1,537,592	(1,259,597)	10,272,883	(6,279,791)
			(900,893)
<u>25,199,529</u>	<u>25,770,558</u>	<u>75,404,027</u>	<u>82,584,711</u>
<u>\$26,737,121</u>	<u>\$ 24,510,961</u>	<u>\$85,676,910</u>	<u>\$ 75,404,027</u>

LAFOURCHE PARISH SCHOOL BOARD
 Thibodaux, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures,
 and Changes in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the Year Ended June 30, 2012

Statement E

	<u>6/30/2012</u>	<u>6/30/2011</u>
Net change in fund balances - total governmental funds (Statement D)	\$ 10,272,883	\$ (6,279,791)
Amounts reported for governmental activities in the statement of activities (Statement B) are different because		
Governmental funds report capital outlays as expenditures, However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense This is the amount by which capital outlays exceeded depreciation in the current period	(993,121)	8,353,076
The issuance of long-term debt (e g bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds Neither transaction, however, has any effect on net assets Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar item when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities This amount is the net effect of these differences in the treatment of long-term debt and related items	(21,685,113)	(3,576,918)
Internal service funds are used by management to charge the costs of general liability, building and contents , auto/fleet, worker's compensation and group health insurance to individual funds The revenues, and expenditures of the internal service funds are included in governmental activities in the statement activities	<u>297,918</u>	<u>300,251</u>
Changes in net assets of governmental activities (Statement B)	<u>\$ (12,107,433)</u>	<u>\$ (1,203,382)</u>

See notes to the financial statement

LAFOURCHE PARISH SCHOOL BOARD
 Budget Comparison Statements-Major Funds
 For the Year Ended June 30, 2012

Statement F
 (concluded)

	GENERAL FUND		SALES TAX SALARY RESERVE		DEBT SERVICE	
	ORIGINAL AND FINAL BUDGET	ACTUAL	ORIGINAL AND FINAL BUDGET	ACTUAL	ORIGINAL AND FINAL BUDGET	ACTUAL
REVENUES						
Local sources						
Taxes						
Ad valorem	\$ 7,406,000	\$ 9,114,572			\$ 11,146,100	\$ 12,614,677
Sales and use	13,200,000	14,191,035	\$ 11,050,000	\$ 12,062,379		
Other	836,900					
Rentals, leases, royalties						
Earnings on investments	40,800	110,270	252	42,321	74,800	203,498
Food service collections						
Other local	872,400	1,368,600				
State sources						
Unrestricted grants-in-aid	65,070,811	65,348,925				
Restricted grants-in-aid	170,020	131,168				
Revenue in lieu of taxes	378,700	425,943				
Revenue for or on behalf of LEA	12,000	3,952				
Federal sources						
Unrestricted grants-in-aid - direct	1,400	839				
Restricted grants-in-aid - direct	176,000	160,890				
Restricted grants-in-aid - subgrants						
Revenue for/on behalf of LEA						
Total revenues	88,165,031	90,856,194	11,050,252	12,104,700	11,220,900	12,818,175
EXPENDITURES						
Instruction						
Regular programs	46,695,435	48,015,483				
Special programs	14,918,415	13,956,259				
Other programs	3,806,839	6,010,395				
Support services						
Pupil support	7,198,551	9,274,417				
Instructional staff support	3,543,270	1,749,723		233,550		
General administration	1,669,137	1,674,859	3,946	47,630	361,271	404,623
School administration	7,588,528	7,868,073				
Business services	1,280,412	1,375,035		5,213		22,530
Operation and maintenance	10,915,891	11,065,146				
Pupil transportation	6,852,994	7,105,815				
Central services	2,622,906	5,257,703				
Food service operations	7,000					
Community service operations	13,000	12,560				
Facilities acquisition and construction		80,633				
Debt service						
Principal retirement	210,000	144,579			6,285,000	8,165,000
Interest and bank charges	144,728	2,130,704			3,836,185	4,011,331
Appropriations to type I charter schools		210,000				
Total expenditures	107,467,106	115,931,384	3,946	286,393	10,482,456	12,603,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,302,075)	(25,075,190)	11,046,306	11,818,307	738,444	214,691
OTHER FINANCING SOURCES (Uses)						
Transfers in (out)	9,390,327	11,777,845	(3,618,791)	(5,302,197)		
Sales of fixed assets	1,000					
Premiums on bonds sold						1,322,901
Total other financing sources (uses)	9,391,327	11,777,845	(3,618,791)	(5,302,197)	NONE	1,322,901
NET CHANGE IN FUND BALANCE	(9,910,748)	(13,297,345)	7,427,515	6,516,110	738,444	1,537,592
FUND BALANCES AT BEGINNING OF YEAR	15,505,357	17,386,442			23,927,357	25,199,529
FUND BALANCES AT END OF YEAR	\$ 5,594,609	\$ 4,089,097	\$ 7,427,515	\$ 6,516,110	\$ 24,665,801	\$ 26,737,121

See notes to the financial statement

LAFOURCHE PARISH SCHOOL BOARD
Statement of Net Assets Proprietary Fund Type Internal Service Funds

Statement G

For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	GROUP HEALTH INSURANCE	LOSS CONTROL	WORKER'S COMPENSATION	TOTAL PROPRIETARY FUNDS	
				6/30/2012	6/30/2011
ASSETS					
Cash and cash equivalents	\$ 5,239,346	\$ 967,425	\$ 3,485,128	\$ 9,691,899	\$ 13,531,302
Cash with fiscal agents		15,491	89,120	104,611	39,703
Investments	3,532,546			3,532,546	2,730,168
Receivables	63,782			63,782	
Interfund receivable	1,897,135			1,897,135	
Prepaid insurance	122,492	1,557,044		1,679,536	1,563,889
TOTAL CURRENT ASSETS	\$ 10,855,301	\$ 2,539,960	\$ 3,574,248	\$ 16,969,509	\$ 17,865,062
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 815,241		\$ 46,560	\$ 861,801	\$ 1,044,432
Salaries, benefits and withholdings payable			1,723	1,723	1,457
Deferred revenue	1,816,531			1,816,531	2,429,664
Estimated liability for outstanding self-funded claims	1,355,152	\$ 405,006	675,125	2,435,283	2,833,257
Total Liabilities	3,986,924	405,006	723,408	5,115,338	6,308,810
NET ASSETS					
Group health insurance	6,868,377			6,868,377	6,659,707
Property losses		2,134,954		2,134,954	1,786,194
Worker's compensation			2,850,840	2,850,840	3,110,351
Net Assets	6,868,377	2,134,954	2,850,840	11,854,171	11,556,252
TOTAL LIABILITIES AND NET ASSETS	\$ 10,855,301	\$ 2,539,960	\$ 3,574,248	\$ 16,969,509	\$ 17,865,062

See notes to the financial statement

LAFOURCHE PARISH SCHOOL BOARD
Statement of Revenues, Expenses, and Changes in
Net Assets Proprietary Fund Type Internal Service Funds

Statement H

For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	GROUP HEALTH INSURANCE	LOSS CONTROL	WORKER'S COMPENSATION	TOTAL PROPRIETARY FUNDS	
				6/30/2012	6/30/2011
<u>OPERATING REVENUES</u>					
Intergovernmental insurance premium billings	\$ 18,135,543	\$ 2,344,786	\$ 863,936	\$ 21,344,265	\$ 21,469,402
Total operating Revenues	18,135,543	2,344,786	863,936	21,344,265	21,469,402
<u>OPERATING EXPENSES</u>					
Claims expense	15,893,334	180,001	512,894	16,586,229	16,222,807
Reinsurance and administrative fees	2,747,180	1,820,183	632,002	5,199,365	5,437,675
Total operating Expenses	18,640,514	2,000,184	1,144,896	21,785,594	21,660,482
<u>NON-OPERATING REVENUES</u>					
Interest	40,236	265	7,440	47,941	36,450
Rebates and subsidies	673,405			673,405	445,521
Insurance proceeds from loss		3,893	14,009	17,902	9,360
Total Non-operating revenues	713,641	4,158	21,449	739,248	491,331
<u>CHANGES IN NET ASSETS</u>	208,670	348,760	(259,511)	297,919	300,251
NET ASSETS AT BEGINNING OF YEAR	6,659,707	1,786,194	3,110,351	11,556,252	11,256,001
NET ASSETS AT END OF YEAR	\$ 6,868,377	\$ 2,134,954	\$ 2,850,840	\$ 11,854,171	\$ 11,556,252

See notes to the financial statement

LAFOURCHE PARISH SCHOOL BOARD
Statement of Cash Flows Proprietary Fund Type Internal Service Funds

Statement 1

For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	GROUP HEALTH INSURANCE	LOSS CONTROL	WORKER'S COMPENSATION	TOTAL PROPRIETARY FUNDS	
				6/30/2012	6/30/2011
<u>CASH FLOWS NON-CAPITAL FINANCING ACTIVITIES</u>					
Premiums collected, received or recovered	\$ 15,561,493	\$ 2,344,786	\$ 863,936	\$ 18,770,215	\$ 21,941,010
Rebates and subsidies	673,405			673,405	445,521
Claims and fees paid	<u>(19,006,413)</u>	<u>(2,201,749)</u>	<u>(1,273,418)</u>	<u>(22,481,580)</u>	<u>(22,095,997)</u>
Cash provided (used) by non-capital financing activities	(2,771,515)	143,037	(409,482)	(3,037,960)	290,534
<u>CASH FLOWS FROM INVESTING AND OTHER ACTIVITIES</u>					
Interest income	40,236	265	7,440	47,941	36,450
Insurance proceeds from loss		<u>3,893</u>	<u>14,009</u>	<u>17,902</u>	<u>9,360</u>
Cash provided from investing and other activities	<u>40,236</u>	<u>4,158</u>	<u>21,449</u>	<u>65,843</u>	<u>45,810</u>
<u>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</u>	(2,731,279)	147,195	(388,033)	(2,972,117)	336,344
CASH BALANCE AT BEGINNING OF YEAR	<u>11,503,171</u>	<u>835,721</u>	<u>3,962,281</u>	<u>16,301,173</u>	<u>15,964,829</u>
CASH BALANCE AT END OF YEAR	<u>\$ 8,771,892</u>	<u>\$ 982,916</u>	<u>\$ 3,574,248</u>	<u>\$ 13,329,056</u>	<u>\$ 16,301,173</u>

See notes to the financial statement.

LAFOURCHE PARISH SCHOOL BOARD
Statement of Net Assets Fiduciary Fund Types

Statement J

For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	SCHOOL ACTIVITY (Agency Fund)	SALES TAX (Agency Fund)	TOTAL FIDUCIARY FUNDS	
			6/30/2012	6/30/2011
<u>ASSETS</u>				
Cash and cash equivalents	\$ 3,759,584	\$ 3,177,762	\$ 6,937,346	\$ 8,727,623
Receivables	26,936	5,812,898	5,839,834	6,237,404
Other current assets		267,763	267,763	
TOTAL ASSETS	\$ 3,786,520	\$ 9,258,423	\$ 13,044,943	\$ 14,965,027
<u>LIABILITIES</u>				
Accounts payable	\$ 30,311	\$ 62,130	\$ 92,441	\$ 79,685
Salaries, benefits and withholdings payable		4,628	4,628	3,390
Deferred revenue	14,877	289,600	304,477	61,152
Held in trust for other funds		2,492,226	2,492,226	4,444,301
Held in trust for others	3,741,332	6,409,839	10,151,171	10,376,499
TOTAL LIABILITIES	\$ 3,786,520	\$ 9,258,423	\$ 13,044,943	\$ 14,965,027

See notes to the financial statement

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements
June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafourche Parish School Board was created under Louisiana Revised Statute (LRS) 17:51 for the purpose of providing free public education for the children within Lafourche Parish. The School Board has been authorized by (LRS) 17:81 to establish policies and regulations for its own government that were consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board was comprised of 15 members who have been elected from 15 districts for a term of four years.

The School Board operates 28 schools and authorized one charter within the parish with a total enrollment at the end of June 30, 2012 of 14,286 pupils for the year. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students. The following table includes the student enrollment by grade level:

<i>GRADE LEVEL</i>	<i>6/30/2012</i>	<i>6/30/2011</i>
Pre-school/ pre-kindergarten	996	1,011
Kindergarten	1,110	1,086
1	1,178	1,174
2	1,082	1,061
3	1,056	1,077
4	1,138	1,099
5	919	1,074
6	1,131	949
7	932	1,006
8	1,052	1,041
9	1,070	1,198
10	1,014	940
11	806	976
12	802	859
Total Student Enrollment	14,286	14,551

The above count included 232 students in grades kindergarten through fourth attending the Bayou Community Academy Charter School (BCA). BCA was a Type 1 charter school operated by a non-profit corporation according to the provisions in Louisiana R.S. 12:201-12:269 (1950 as amended) and the terms of the agreement between it and the School Board.

A. REPORTING ENTITY

The School Board complies with U.S. Generally Accepted Accounting Principles (GAAP). The School Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. GASB Statement (GASB) No. 14, The Financial Reporting Entity, as amended by both GASB No. 39, Determining Whether Certain Organizations Are Component Units and GASB No. 61, The Financial Reporting Entity Omnibus establishes the criteria for determining the governmental reporting entity and component units that

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements
June 30, 2012

should be included within the reporting entity Under provisions of this Statement, the School Board is considered a primary government GASB No 61 is effective for periods beginning after June 15, 2012. However, the School Board has decided to early implement GASB No. 61 for the year ended June 30, 2012

The School Board has no component units, as defined by the standards. There are no other primary governments with which the School Board has a significant relationship. Certain units of local government, over which the School Board exercises no oversight responsibility, such as the parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board The School Board is not a component unit of any other entity

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) have reported information on all of the non-fiduciary activities of the primary government and its component units For the most part, the effect of the interfund activity has been removed from these statements.

The statement of activities has demonstrated the degree to which the direct expenses of a given function or segment were offset by program revenues. Direct expenses were those that were clearly identifiable with a specific function Program revenues included 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 were restricted to meeting the operational or capital requirements of a particular function Taxes and other items not properly included among program revenues were reported instead as general revenues

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

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements were reported using the economic resources measurement focus and the accrual basis of accounting, as were the proprietary fund and fiduciary fund financial statements Revenues were recorded when earned and expenses were recorded when a liability were incurred, regardless of the timing of related cash flows

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Property taxes were recognized as revenues in the year for which they were levied. Sales and use tax revenues were recognized in the month that the taxes were due. Grants and similar items were recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The Lafourche Parish School Board reports the following governmental funds:

MAJOR

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

Sales Tax Reserved to Salaries – This fund was used to account for the proceeds from the 1995 sales and use tax, for the interest accrued on the accumulated balance, and for the related expenditures which were restricted for salaries.

2007 Construction Fund – This fund accounts for the financial resources received, including interest earned, and restricted to the acquisition, construction, or improvement of capital facilities approved by the voters on July 21, 2007

Debt Service Fund – This fund accounts for transactions relating to resources, including interest earned, retained and used for the payment of principal and interest on long-term obligations

NON-MAJOR

Combined as grants

No Child Left Behind – The NCLB funds included Title I, Title I ARRA, Title I Part C (Migrant), Title III English Language Acquisition, Title IV and Title II. These grants provided funding for the economically and educationally deprived

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school children in the parish, for migratory children to overcome educational disruption, cultural language barriers, social isolation, and other factors that inhibit the ability of such children to achieve high academic standards, to teach English to limited English proficient students, to provide drug education for our schools and community, and to reduce class sizes. The American Recovery and Reinvestment Act (AARA) of 2009 funding (stimulus funding) that was distributed through the Title I network funded educational programs that would have been otherwise been cut due to economic conditions.

Individuals with Disability Act – The IDEA funds were part of the ongoing federally financed program that ensures a free education in the least restricted environment to children with exceptionalities. ARRA IDEA funds were used to account for the funding from the American Recovery and Reinvestment Act (AARA) of 2009 (stimulus funding) that were distributed through the IDEA network to fund educational programs that would have been otherwise been cut due to economic conditions.

State Fiscal Stabilization – The State Fiscal Stabilization program resources that were part of the American Recovery and Reinvestment Act (AARA) of 2009 funding that were directed by the State of Louisiana to replace funding in the Minimum Foundation Program that had been reduced due to economic conditions.

Indian Education Act – This was a federally financed program to encourage the preservation of Indian traditions and to develop pride in the Indian heritage among those Indian children located in the southern portion of the parish.

Other Federal Grants – All other federal reimbursable grants not accounted for in the No Child Left Behind, Individuals with Disabilities Act and Indian Education Act Funds were accounted for in this fund.

State Grants – The state reimbursable grants received from the State of Louisiana were accounted for in this fund.

Local Grants – This fund was used to account for the reimbursable grants received from the Lafourche Education Foundation or other local sources of grant funding.

Combined as tax restricted funds

Sales Taxes Restricted to Textbooks – This fund was used to account for the proceeds from the 1995 sales and use tax, for the interest accrued on the accumulated balance, and for the related expenditures which were restricted for the district's textbook program.

Sales Taxes Restricted to Technology – This fund was used to account for the proceeds from the 1995 sales and use tax, for the interest accrued on the accumulated balance, and for the related expenditures which were restricted to improving technology in the district.

Property Taxes Restricted to Salaries – This fund was used to account for the proceeds from the Schools-Salary Supplement ad valorem tax, for the interest

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accrued on the accumulated balance, and for the related expenditures which were restricted for the support of salaries and benefits of the Lafourche Parish School Board employees

Property Taxes Restricted to Air Conditioning Maintenance Fund – This fund was used to account for the proceeds from the Schools-A/C ad valorem tax, for the interest accrued on the accumulated balance, and for the related expenditures which were restricted for maintaining the School Board’s air conditioning systems of the schools in the parish.

Major Maintenance – This fund accounted for the revenues from mineral extraction royalties exceeding \$500,000, and from interest accrued on the accumulated balance that was committed for the funding of major maintenance projects.

Sixteenth Section – This fund accounted for the revenues derived from surface and subsurface annual lease payments, from proceeds from 16th section land lawsuits, and from the interest accrued on the accumulated balance that was committed for the funding the preservation or enhancement of the School Board’s Section Sixteen properties

Child Nutrition – This fund was used to account for the revenues from the operation of the School Board’s Child Nutrition program, for the interest accrued on the accumulated balance, and for the related expenditures which were committed for the operation of the School Board’s child nutrition program.

Medicaid – This fund was used to account for revenues derived from providing Medicaid eligible services to the School Board’s students, for the interest accrued on the accumulated balance, and for the related expenditures which were committed to the support of the School Board’s school nurse program and for the other support of the School Board’s student population

Hurricane Recovery – This fund was used to account for the insurance proceeds and certain additional aid from state and federal sources that was restricted to expenditures that resulted from Hurricanes Katrina and Rita.

Siemens Construction – This fund was used to account for the financial resources received and were restricted to improvement of capital facilities in coordination with the Siemens Energy Performance Contract funded by the issuing of certificates of indebtedness

2003 Construction – This fund was used to account for the financial resources received and that were restricted to the acquisition, construction, or improvement of capital facilities approved by the voters on July 19, 2003.

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Additionally, the Lafourche Parish School Board reported the following other fund types:

PROPRIETARY FUNDS: Internal service funds accounted for the cost of general liability, building and contents, auto/fleet, workers compensation and group health insurance services provided to other departments on a cost-reimbursement basis. Internal service funds were proprietary fund types that differ from governmental funds in that their focus were on income measurement, which, together with the maintenance of equity, were an important financial indicator.

FIDUCIARY FUNDS: Agency funds were used to account for the activities of the individual schools and for the collection of sales and use taxes, which were held for several other governmental agencies and the General Fund. The agency funds included in the statement were of a fiduciary fund type, were 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 were 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 had 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.

Amounts reported as program revenues included 1) charges to students or adults for food services 2) operating grants and contributions and 3) capital grants. Internally dedicated resources were reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguished operating revenues and expenses from non-operating items. Operating revenues and expenses generally resulted 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 were charges to the other funds for the cost of general liability, building and contents, auto/fleet, workers compensation and group health insurance. The operating cost of the internal service funds included the claims and reinsurance expenses of the program. All revenues and expenses not meeting this definition were reported as non-operating revenues and expenses.

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D. ASSETS, LIABILITIES, AND NET ASSETS

1. Deposits and Investments

Cash included amounts in demand deposits, interest bearing demand deposits, time deposits and bank money market accounts. Under state law, the School Board may have deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits within state banks organized under the laws of the state of Louisiana, and national banks having their principal offices in Louisiana.

2. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables were classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans were classified as interfund receivables/ payables.

3. Inventories and Prepaid Items

Inventories of the Special Revenue - Child Nutrition Fund consist of food and supplies purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Education. The commodities were recorded as revenue when received (issued), however, all inventory were recorded as expenditures when consumed. All purchased inventory items were valued at cost determined by specific identification, and commodity inventory items were assigned values based on information provided by the United States Department of Agriculture.

The unexpired portion of insurance represents costs applicable to future accounting periods and was recorded as a prepaid item in the government-wide statements. All other prepaid items were shown as expenditures in the year they were paid.

4. Capital Assets

Capital assets, which included land, buildings, improvements other than buildings, and furniture and equipment were reported in the governmental activity column in the government-wide financial statements. The board included all land and buildings in its capital asset inventory. Furniture and equipment had to meet all of the following criteria to be included.

- The item will last more than one year.
- It was nonexpendable, that is, if damaged or worn out, it can be repaired without being replaced.
- It did not lose its identity through fabrication or incorporation into a different or more complex unit.
- Its unit cost exceeded \$5,000.

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The land, buildings and improvements, and furniture and equipment were valued at historical cost. Donated items were valued at approximate fair market value at the time of donation. For all buildings and improvements that were acquired prior to June 30, 1998, an independent appraisal company has supplied the estimated dates of acquisition and estimated original costs that were developed from information provided by inspection of the property, and accepted appraisal costing techniques relating current cost of reproduction to historical cost of reproduction.

The costs of normal maintenance and repairs that did not add to the value of the asset or materially extend the asset's life were not capitalized.

Buildings, other improvements and equipment were depreciated using the straight-line method over the following estimated useful lives.

<i>ASSET TYPE</i>	<i>YEARS</i>
Buildings	25 to 45
Improvements other than buildings	10 to 25
Furniture and equipment	5 to 20

5. Compensated Absences

Sick Leave has been earned based on policy GBRIB of the Lafourche Parish School Board Policy Manual and it both accumulated and vested. Twenty-five of the vested days were paid to the employee upon retirement. The remainder was used by the retirement systems in the calculation of benefits earned.

Annual (vacation) Leave has been earned based on policy GBRI of the Lafourche Parish School Board Policy Manual. It accumulated and vested to all full-time employees with contracts of 230 days or more. Such employees earned 5-20 days of annual leave depending on date of employment and length of service with the School Board. In the fiscal years that ended before July 1, 2004, Annual Leave could be accumulated without limit. The policy was amended in July 2004 to limit the accumulation to 25 days and to provide for the grandfathering in of any accumulation prior to July 1, 2004 that exceeded 25 days.

The cost of current sick leave and annual leave privileges, has been computed in accordance with GASB Codification Section C60, and has been recognized as current year expenditures in the governmental funds when leave was taken. The liability for these sick leave and annual leave privileges, not requiring current resources, has been recorded as long-term debt in the government-wide statements.

Sabbatical leave has been earned based on policy GBRHA of the Lafourche Parish School Board Policy Manual. It could have been granted for medical leave and for professional and cultural improvement. Any employee with a teaching certificate was entitled, subject to approval by the School Board, to one semester of sabbatical leave.

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after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Sabbatical leave benefits were recorded as expenditures in the period in which paid.

6. Long-term Obligations

Long-term obligations expected to be financed from governmental funds were accounted for as liabilities in the government-wide statements. Expenditures for principal and interest payments for long-term debt were recognized in the governmental funds when due.

7. Equity Classifications

Equity were classified as net assets and displayed in three components on the Government-wide Statements:

- Invested in capital assets, net of related debt - Consisted 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 were attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets - Consisted of net assets with 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.
- Unrestricted net assets - Consisted of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of debt".

In the fund financial statements, governmental fund equity was classified as fund balance. The School Board adopted Governmental Accounting Standards Board (GASB) Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions" for the year ended June 30, 2012. This statement established criteria for classifying fund balances into specifically defined classifications and clarified definitions for governmental fund types. The following described the different classifications available for fund balances of governmental funds:

- a) **Nonspendable** – Amounts that could not be spent either because they were in nonspendable form or because they were legally or contractually required to be maintained intact.
- b) **Restricted** – Amounts that could be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that were externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c) **Committed** – Amounts that could be used only for specific purposes determined by a formal action of the Lafourche Parish School Board which were the highest level of decision making authority.

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Commitments could have been established, modified or rescinded only through resolutions approved by the School Board.

- d) Assigned – Amounts that did not meet the criteria to be classified as restricted or committed but that were intended to be used for specific purposes. Amounts could only be assigned by the School Board.
- e) Unassigned – all other spendable amounts.

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund balance sheet included a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explained that "long-term liabilities, including bonds payable, were not due and payable in the current period and therefore were not reported in the funds."

The details of this difference were as follows:

DESCRIPTION	6/30/2012	6/30/2011
General obligation bonds payable	\$ 97,165,000	\$ 86,490,000
Certificates of indebtedness	3,085,000	3,295,000
Unamortized bond cost	(634,517)	(638,270)
Premiums on bonds sold (net of amortization)	1,594,269	438,056
Unfunded portion of other post-retirement benefits	40,076,291	29,597,700
Compensated absences	6,771,757	7,190,199
Total long-term liabilities adjustment	\$ 148,057,800	\$ 126,372,685

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund statement of revenues, expenditures, and changes in fund balances included a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states "Governmental funds report

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capital outlays as expenditures” However, in the statement of activities the cost of those assets were allocated over their estimated useful lives and reported as depreciation expense “

The details of this difference were as follows

	<i>June 30, 2012</i>	<i>June 30, 2011</i>
Capital outlay	\$8,004,618	\$14,621,767
Depreciation expense	8,997,739	6,268,691
Total capital outlay adjustment	\$ (993,121)	\$ 8,353,076

Another element of that reconciliation states “the issuance of long-term debt (e. g. bonds, leases) provided current financial resources to governmental funds, while the repayment of the principal of long-term debt consumed the current financial resources of governmental funds. Neither transaction, however, had any effect on net assets Also, governmental funds reported the effect of issuance cost, premiums, discounts, and similar item when debt was first issued, whereas these amounts were deferred and amortized in the statement of activities “

The details of this difference were as follows

<i>DESCRIPTION</i>	<i>June 30, 2012</i>	<i>June 30, 2011</i>
Principal on general obligation bonds paid	\$ 8,165,000	\$ 6,095,000
Proceeds of general obligation bonds	(20,084,226)	
Principal on certificates of indebtedness paid	210,000	200,558
Amortization of bond cost	(82,425)	(64,265)
Amortization of premiums on bonds sold	166,688	67,015
Unfunded portion of other post-retirement benefits accrued	(10,478,592)	(10,114,700)
Compensated absences accrued	418,442	239,474
Total long-term debt adjustment	(\$21,685,113)	(\$3,576,918)

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

At the August meeting of the School Board, the superintendent submitted a consolidated budget prepared on the modified accrual basis of accounting to the School Board, so they can review it before public inspection The budget contains the estimate of revenues and proposed expenditures for the General, Special Revenue, and Debt Service funds. The school board was not required, and did not prepare annual budgets for the Capital Projects Funds

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A public hearing was conducted at the School Board office to obtain taxpayer comments. After this public hearing, the budget was enacted by the board. This process had to be completed by September 15 of the applicable budget year

State law required budget amendments if revenues will be short of estimates or if expenditures will exceed estimates by 5%. The superintendent was authorized to make changes within the various budget classifications provided that any reallocation of funds affecting more than five percent (5%) of the projected revenue collections must be approved in advance by action of the School Board. The results were compared monthly, starting in September. During the current fiscal year, there were no budget amendments

B. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments were recorded, were employed by the General, Siemens Construction, 2003 Construction, 2007 Construction, Hurricane Recovery and the Air Conditioning Maintenance Encumbrances and incomplete construction contracts outstanding at year-end were reported as reservations of fund balance since they do not constitute expenditures or liabilities

The balance of outstanding encumbrances at year-end was incorporated into the next year's budget. The same applies for those budget items which have unexpended balances that can be carried forward. These balances were considered first when determining budget priorities.

C. RESTRICTED, COMMITTED, ASSIGNED AND UNASSIGNED FUND BALANCES

The *Restricted for salaries* balance included the unexpended portion of the 1995 1¢ sales tax devoted to salaries was recorded in the Major Fund and the unexpended proceeds of the property tax dedicated to salaries was reported in the Non-Major Fund – Salary Supplement Fund.

The *Restricted for textbooks* balance included unexpended portion of the 1995 1¢ sales tax devoted to textbooks were reported in the Non-Major– Sales Tax Reserved to Textbooks Fund

The *Restricted for technology* balance included the unexpended portion of the 1995 1¢ sales tax devoted to technology was reported in the Non-Major– Sales Tax Reserved to Technology Fund

The *Restricted for air-conditioning maintenance* balance included unexpended proceeds of the property tax dedicated to maintaining the air conditioning systems of the schools were reported in the Non-Major Air Conditioning Maintenance Fund.

The *Restricted for school food service* balance included the unexpended funds used in the school food service program, which have not been encumbered, that were reported Non-Major – Child Nutrition Fund

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The *Restricted for debt service* balance included the unexpended funds dedicated for debt service, which have not been encumbered, that were reported in the Major – Debt Service Fund.

The *Restricted for capital projects* included the unexpended proceeds for general obligation debt included in the Major – 2007 Construction Fund and the unexpended proceeds of certificates of indebtedness included in the Non-Major Siemens Construction Fund, the unexpended proceeds for general obligation debt included in the Non-Major 2003 Construction Fund, and the unexpended insurance proceeds included in the Non-Major Hurricane Recovery Fund.

The *Committed for sixteenth section* balance included unexpended revenues derived from surface and subsurface annual lease payments, from proceeds from 16th section land lawsuits, and from the interest accrued on the accumulated balance that was reported in the Non-Major – Sixteenth Section Fund.

The School Board changed its method of determining the restricted, committed, assigned and unassigned fund balances beginning with the 2012 statement. The amounts included in the 2011 balances have been restated to be consistent with the 2012 presentation. The Restricted for Encumbrances balance that was reported in the 2011 statement has been reported in the 2011 balances of the funds for which the encumbrances were recorded. For instance, the encumbrances that were for the capital projects funds have been included in the 2011 *Restricted for capital projects* balance. Also, the *Committed to general contingences* balance previously reported separately was reported as part of the *Unassigned* balance.

D. SALES AND USE TAXES

On March 6, 1965, the voters of Lafourche Parish approved a one-percent sales and use tax to be levied and collected by the Lafourche Parish School Board. The proceeds of the tax were dedicated for the purpose of payment of salaries of teachers and other personnel employed by the School Board and/or for the general operations of the schools, excluding expenditures for capital improvements and purchases of automotive equipment.

The voters approved an additional one-percent sales and use tax for the School Board on April 29, 1995 to provide for salary increases (including related benefits) to all personnel except central office administrators. The tax also provides funding for textbook and technology upgrades.

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The School Board also acts as the central collection agency for all sales taxes levied within the parish. The following table summarizes the sales tax rates and fees collected for other agencies:

<u>Jurisdiction</u>	<u>Tax</u>	<u>Annual Totals for FY 2012 Period</u>		
		<u>Total Collections</u>	<u>Collection Cost</u>	<u>Final Distributions</u>
Lafourche Parish School Board	2.00%	\$ 28,550,882	\$ 497,505	\$28,053,377
Lafourche Law Enforcement	1.00%	8,548,168	81,851	8,466,317
Solid Waste	1.00%	6,738,837	63,946	6,674,891
Consolidated District A	1.00%	3,768,375	35,395	3,732,980
Road District #2	0.50%	2,743,625	26,123	2,717,502
Lafourche Parish Government		<u>13,250,837</u>	<u>125,464</u>	<u>13,125,373</u>
City of Golden Meadow	1.00%	712,648	6,812	705,836
City of Thibodaux	2.00%	8,912,805	99,437	8,813,368
City of Lockport	1.00%	365,447	3,413	362,034
City of Lockport	0.30%	109,634	1,024	108,610
City of Lockport	0.70%	255,813	2,389	253,424
City of Lockport		<u>730,894</u>	<u>6,826</u>	<u>724,069</u>
South Lafourche Levee District	1.00%	5,131,288	48,980	5,082,309
Lafourche Parish Tourist Commission	3.00%	365,924	3,293	362,631
Held in Escrow Pending Suit		<u>37,478</u>		<u>37,478</u>
TOTALS		<u><u>66,240,924</u></u>	<u><u>870,167</u></u>	<u><u>65,370,757</u></u>

E. LEVIED TAXES

Ad valorem taxes and the related state revenue sharing (which were based on population and homesteads in the parish) were recorded in the year the taxes were assessed. Ad valorem taxes were assessed on a calendar year basis, became due on November 15 of each year, and become delinquent on December 31. The taxes were generally collected in December, January, and February of the fiscal year. State revenue sharing was included in unrestricted state grants.

The following was a summary of authorized and levied ad valorem taxes.

<i>TYPE</i>	<i>AUTHORIZED RATE</i>	<i>LEVIED RATE</i>	<i>EXPIRATION DATE</i>
Constitutional	3.63 Mills	3.63 Mills	None
Regular maintenance	7.49 Mills	7.49 Mills	January 2019
Salary supplement	7.49 Mills	7.49 Mills	January 2019
Air condition maintenance	7.49 Mills	7.49 Mills	January 2020
Bond and interest	17.20 Mills	17.20 Mills	None
TOTAL	43.30 Mills	43.30 Mills	

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IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The School Board's *Cash and cash equivalents* consist of deposits in local financial institutions and amounts invested in the Louisiana Asset management pool (LAMP). On June 30, 2012, the School Board had cash and cash equivalents as follows

	<i>6/30/2012</i>	<i>6/30/2011</i>
Cash on hand and in banks	\$51,239,900	\$58,613,005
LAMP	1,053,482	10,987,647
Total cash equivalents	\$52,293,382	\$69,600,652
Governmental activities	\$45,356,036	\$60,873,028
Agency funds	6,937,346	8,727,623
Total	\$52,293,382	\$69,600,651

At year end, the carrying amount of the School Board's bank deposits was \$51.2 million that was reported above in *Cash on hand and in banks* and the bank balance was \$51.9 million. There was an additional \$3 million of certificates of deposit recorded as *Investments* because they were managed by our investment manager.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in event of financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. The School Board's deposits were not subject to custodial credit risk at June 30, 2012.

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Included in *Cash and cash equivalents* was a pooled cash account totaling \$11.7 million. The funds and amounts per fund included in the pooled cash account were as follows:

<u>FUND</u>	<u>BALANCE</u>
Major	
General	(\$7,083,617)
2007 Construction	1,108,712
Sales Tax Reserved to Salaries	3,295,731
Non Major	
No Child Left Behind Act	2,890
Adult Education Federal Grants	64,957
Other Federal Grants	963
State Grants	296,033
Local Grants	641
Sales Tax Reserved to Textbooks	1,819,792
Sales Tax Reserved to Technology	721,924
Property Tax Reserved to Salaries	734,072
Property Tax Reserved to Air Conditioning Maintenance	1,661,714
Major Maintenance	7,723
Sixteenth Section	510,920
Medicaid	1,052,270
2003 Construction	603,877
Internal Service	
Group Health Insurance	1,824,031
Loss Control	967,425
Workers Compensation	1,134,596
Agency	
Sales Tax	2,935,172
Total	<u>\$11,659,826</u>

The School Board had \$10 million (\$1 million included in *Cash and equivalents* and \$9 million included in *Investments*) invested in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP as of June 30, 2012 were not categorized in the three risk categories provided by GASB Codification 150.164, because the investments were in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP was administered by LAMP, Inc., which were a nonprofit corporation organized under the laws of the State of Louisiana, formed by an initiative of the State Treasurer in 1993. The corporation was governed by a board of directors consisting of the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP was to

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provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP investments were restricted to securities issued, guaranteed, or backed by the U. S. Treasury, the U. S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets were restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. LAMP was designed to be highly liquid to give its participants immediate access to their account balances. Due to this immediate access feature, investments in LAMP were considered cash equivalents by the School Board.

B. INVESTMENTS

The School Board allowed funds which were available for investment and above immediate cash requirements to be invested in accordance with the following: a.) first priority shall be to secure safety of principle, b.) the second priority shall be to ensure liquidity of funds to meet the obligations of the School Board, and c.) the third priority shall be the yield of investments. As of June 30, 2012, the School Board's *Investments* of \$67.1 million consisted of \$12 million in cash equivalents (LAMP and certificates of deposit), \$43 million in U. S. Government Instrumentalities, and \$12.1 million of Louisiana Local Government issues all of which were carried at fair value. Fair value was determined by obtaining year-end market prices.

Credit risk All of the School Board's investments consist of certificates of deposit with financial institutions whose principal offices are located within Louisiana, bonds issued by Federal Government Sponsored Entities such as Federal Home Loan Bank and Federal National Mortgage Association (GSE's) and bonds issued by Louisiana local governments. The GSE's carry an AAA rating by two of the nationally recognized rating agencies; however, Standard and Poors rates the securities of these agencies as AA+. Most of the bonds issued by the Louisiana local governments are unrated, however, the issuers of these bonds consist of larger local governments within the major metropolitan areas of Louisiana.

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The following were the U S Government Agency securities owned as of June 30, 2012

<i>NAME</i>	<i>CUSIP</i>	<i>MATURITY DATE</i>	<i>VALUE</i>
Federal Farm Credit Bank	3133EAAY4	7/26/2013	\$ 2,497,298
Federal Farm Credit Bank	31331KZF0	12/23/2013	1,580,017
Federal Farm Credit Bank	3133EAMS4	10/24/2014	1,550,135
Federal Farm Credit Bank	31331K2C3	12/19/2014	3,005,404
Federal Farm Credit Bank	31331K4C1	12/23/2013	2,650,032
Federal Farm Credit Bank	3133EAJW9	4/2/2015	1,503,884
Federal Farm Credit Bank	3133EAAH1	1/26/2015	2,500,058
Federal Home Loan Bank	313379BN8	5/15/2014	999,356
Federal Home Loan Bank	313376NP6	1/11/2013	999,728
Federal Home Loan Bank	313376QW8	1/25/2013	1,000,248
Federal Home Loan Bank	313378AZ4	2/15/2013	1,199,480
Federal Home Loan Bank	313379LF4	6/17/2013	2,274,786
Federal Home Loan Bank	3133785A5	3/5/2015	1,600,045
Federal Home Loan Mortgage Corporation	3134G3NC0	2/27/2015	1,000,590
Federal Home Loan Mortgage Corporation	3134G2YK2	9/6/2013	875,193
Federal Home Loan Mortgage Corporation	3137EACZ0	11/27/2013	2,001,552
Federal Home Loan Mortgage Corporation	3134G3NC0	2/27/2015	1,000,590
Federal National Mortgage Association	3136FTYP8	1/26/2015	1,000,039
Federal National Mortgage Association	31398A2M3	9/30/2013	1,515,350
Federal National Mortgage Association	31398A4S8	10/22/2013	1,886,355
Federal National Mortgage Association	31398A5Z1	11/19/2013	261,298
Federal National Mortgage Association	3136FRGG2	4/25/2014	100,791
Federal National Mortgage Association	3135G0CU5	9/12/2014	1,002,551
Federal National Mortgage Association	3135G0DF7	9/19/2014	1,500,951
Federal National Mortgage Association	3135G0GM9	12/23/2014	1,003,319
Federal National Mortgage Association	3136G0AQ4	3/27/2015	2,502,473
Federal National Mortgage Association	3135G0KH5	4/30/2015	999,848
Federal National Mortgage Association	3136FTL23	2/13/2015	3,000,009
TOTAL			\$43,011,378

The following were the Louisiana school district securities owned as of June 30, 2012

<i>NAME</i>	<i>CUSIP</i>	<i>MATURITY DATE</i>	<i>VALUE</i>
Iberia Parish LA School District	450812VX7	3/1/2013	231,861
Iberia Parish LA School District	450812VY5	3/1/2014	253,983
Livingston Parish LA School District #	538825GU8	3/1/2013	345,450
Livingston Parish LA School District #	538825GV6	3/1/2014	368,316
St Tammany LA Parish School District #	793572XT0	3/1/2015	1,057,330
St Tammany LA Parish School District #	793572VL9	3/1/2014	31,623
St Tammany LA Parish School District #	793572WZ7	4/1/2014	485,403
Ouachita Parish LA School District	689861JQ6	3/1/2014	234,888
Rapides Parish LA School Pineville	753585DL9	4/1/2015	752,084
St John the Baptist LA School District	790229PB8	3/1/2013	267,867
TOTAL			4,028,804

LAFOURCHE PARISH SCHOOL BOARD
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The following were other Louisiana securities owned as of June 30, 2012.

<i>NAME</i>	<i>CUSIP</i>	<i>MATURITY DATE</i>	<i>VALUE</i>
Baton Rouge LA Sales & Use Public Improvement	071270KT8	8/1/2014	\$ 161,502
Baton Rouge LA Sales & Use Public Improvement	071270KR2	8/1/2012	25,079
Caddo-Bossier LA Port Commission	127220AC5	4/1/2014	283,828
Hammond LA Sales & Use Tax	408505AJ4	12/1/2012	50,960
Jefferson Davis Parish LA Sales Tax	473799AH7	2/1/2015	108,349
Kenner LA Sewer Revenue	489437AB9	11/1/2014	443,496
LA Local Government Crowley Project	546282JW5	11/1/2012	215,757
LA Local Government Crowley Project	546282JX3	11/1/2013	141,686
LA Local Government Livingston Parish	546282LQ5	9/1/2014	148,466
LA Local Government St Martin	546282NK6	10/1/2013	187,729
LA Local Government St Martin	546282NL4	10/1/2014	204,062
LA ST Citizens Property Insurance	546456DE1	6/1/2013	201,816
LA ST Citizens Property Insurance	546456DF8	6/1/2014	151,884
LA St Office Facs Corporation Lease	546405FG1	11/1/2014	214,646
LA St Public Facs Hurricane Recovery	546398WL8	6/1/2014	159,648
LA State University	546540DR3	7/1/2014	107,591
Lafayette LA Public Improvement Sales Tax	5064846P4	3/1/2013	327,958
Lafayette LA Public Improvement Sales Tax	5064846Q2	3/1/2014	331,832
Lafayette LA Public Improvement Sales Tax	5064847F5	5/1/2014	352,897
Lafayette LA Public Improvement Sales Tax	506485BL4	3/1/2015	263,903
Lafayette LA Public Improvement Sales Tax	506485CB5	5/1/2015	397,076
Livingston LA Utility Revenue	538685AA6	8/1/2013	186,717
Livingston Parish LA	538752ET9	3/1/2015	537,155
Louisiana State	546415VR8	7/15/2014	1,004,401
Monroe LA Sales Tax	611076EK2	7/1/2014	281,651
Monroe LA Sales Tax	611076EL0	7/1/2015	406,572
Point Coupee Parish LA Sales Tax	730818BA8	9/1/2014	162,811
Pointe Coupee Parish LA Sales Tax	730818AZ4	9/1/2013	146,601
St Martin Parish LA Sales Tax	792159BS3	10/1/2014	305,355
Terrebonne Parish LA	881250AB0	4/1/2013	519,389
TOTAL			\$8,030,813

Interest rate risk In accordance with its investment policy, the School Board managed its exposure to declines in fair values by using the weighted average maturity method. This method took into account the timing of maturities and the amounts that were required to mature on specific dates to meet liquidity needs. The maturities were laddered from one to 37 months with about half of the total invested in securities with a maturity of less than 27 months. The laddering strategy which spreads maturity dates was used to meet liquidity requirements and to decrease interest rate risk.

LAFOURCHE PARISH SCHOOL BOARD
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C. RECEIVABLES

The *Receivables* at June 30, 2012 totaled \$11.9 million and were classified as follows:

<i>CLASS OF RECEIVABLES</i>	<i>GENERAL</i>	<i>DEBT SERVICE</i>	<i>NON-MAJOR GOVERNMENTAL</i>	<i>TOTAL GOVERNMENTAL</i>	<i>INTERNAL SERVICE</i>	<i>AGENCY</i>
Sales tax						\$5,812,898
Property tax	\$42,888	\$66,338	\$57,775	\$167,001		
Oil royalties			50,346	50,346		
E-rate	248,875			248,875		
Intergovernmental - grants						
Federal			5,190,999	5,190,999		
State	14,365		174,928	189,293		
Other	46,666		12,721	59,387	\$63,782	26,936
Total	\$352,794	\$66,338	\$5,486,769	\$5,905,901	\$63,782	\$5,839,834

The amount included in *Receivables* in Statement A was as follows:

Governmental	\$5,905,901
Internal Service	<u>63,782</u>
Statement A total	<u>\$5,969,683</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 was as follows:

<i>DESCRIPTION</i>	<i>BALANCE AT BEGINNING OF YEAR</i>	<i>ADDITIONS</i>	<i>REDUCTIONS</i>	<i>ACCUMULATED DEPRECIATION</i>	<i>NET BALANCE</i>
Land	\$1,680,421	\$661,495			\$2,341,916
Buildings and improvements	151,036,721	19,761,102		\$59,861,131	110,936,692
Furniture and equipment	7,606,264	1,422,541		\$6,370,163	2,658,642
Construction in progress	16,123,187	6,755,690	20,596,210		2,282,667
Total	\$176,446,593	\$28,600,828	\$20,596,210	\$66,231,294	\$118,219,917

LAFOURCHE PARISH SCHOOL BOARD
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Depreciation was charged to general administration services in the statement of activities and recapped as follows:

<i>DESCRIPTION</i>	<i>PRIOR</i>	<i>CURRENT EXPENSE</i>	<i>REDUCTIONS</i>	<i>ACCUMULATION</i>
Buildings and improvements	\$52,195,807	\$7,665,324		\$59,861,131
Furniture and equipment	5,037,748	1,332,415		6,370,163
Total	\$57,233,555	\$8,997,739	\$None	\$66,231,294

CONSTRUCTION COMMITMENTS The Lafourche Parish School Board had active construction projects as of June 30, 2012. The projects covered new construction and renovations at the schools expended through the 2003 and 2007 Construction Funds, and other such projects expended through the General and Air Conditioning Maintenance Funds. At year-end, the School Board's commitments to the contractors were as follows.

<i>PROJECT</i>	<i>CONTRACT PRICE</i>	<i>COST TO DATE EXPENDED</i>	<i>BALANCE</i>	<i>RETAINAGE</i>
Additions, classroom	\$1,381,388	\$167,327	\$1,214,061	
Land acquisition	1,400	1,400		
Renovations, exterior	878,926	559,869	319,057	\$43,375
Renovations, HVAC	2,103,668	738,475	1,365,194	29,206
Renovations, interior	856,709	738,328	118,381	22,551
Renovations, roofing	174,371	77,268	97,104	3,178
Grand Total	\$ 5,396,463	\$2,282,667	\$3,113,796	\$98,310

LAFOURCHE PARISH SCHOOL BOARD
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E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual receivable/payable balances at June 30, 2012 were as follows

<i>RECEIVABLE FUND</i>	<i>PAYABLE FUND</i>	<i>GOVERN- MENTAL</i>	<i>AGENCY</i>
General	Sales Tax Restricted to Salaries	\$ 5,123,012	
General	No Child Left Behind Act	1,299,129	-
General	Individuals with Disabilities Act	310,492	
General	State Fiscal Stabilization	43,713	
General	Indian Education Act	12,668	
General	Adult Education Federal Grants	314,658	
General	Other Federal Grants	616,397	
General	Sales Tax Restricted to Textbooks	110,993	
General	Sales Tax Restricted to Technology	221,986	
General	Property Tax Restricted to Salaries	3,684,114	
General	Property Tax Restricted to Air Conditioning	377,165	
General	Hurricane Recovery	896,090	
General	Major Maintenance	772,151	
General	Sixteenth Section	33,203	
General	Child Nutrition	215,431	
General	Medicare	71,163	
General	Sales Tax		\$2,492,226
Major Maintenance	Property Tax Restricted to Air Conditioning	722,959	
Hurricane Recovery	Property Tax Restricted to Air Conditioning	153,628	
Group Insurance	General	1,897,135	
	TOTAL	\$16,876,087	\$2,492,226

The receivables and payables balances were reported in the statements as follows

<u>Reported in</u>	<u>Receivable</u>	<u>Payable</u>
Statement C	\$17,471,178	\$16,876,087
Statement G	1,897,135	
Statement J		2,492,226
	<u>\$19,368,313</u>	<u>\$19,368,313</u>

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Interfund transfers made during the year ended June 30, 2012 were as follows

<i>TRANSFERRED IN</i>	<i>TRANSFERRED OUT</i>	<i>AMOUNT</i>
General	Sales Tax Reserved to Salaries	\$5,302,197
General	No Child Left Behind Act: Title I	347,807
General	Individuals with Disabilities Act	173,134
General	Indian Education Act	5,784
General	Adult Education Federal	17,599
General	Other Federal Grants	144,923
General	Property Tax Restricted to Salaries	5,730,259
General	Property Tax Restricted to Air Conditioning	377,164
General	Major Maintenance	1,789,846
General	Medicaid	71,163
General	Child Nutrition	215,431
Sales Tax Restricted to Technology	General	153,867
Sales Tax Restricted to Textbooks	General	1,778,822
Major Maintenance	Property Tax Restricted to Air Conditioning	722,960
Sixteenth Section	General	464,773
Hurricane Recovery	Property Tax Restricted to Air Conditioning	153,628
	TOTAL	\$12,147,160

The transfers were reported in the statements as follows

<u>Reported in Statement D</u>	<u>In</u>	<u>Out</u>	<u>Net Displayed</u>
Major Fund - General	\$14,175,307	\$2,397,462	\$11,777,845
Major Fund - Sales Tax Salary Reserve		5,302,197	(5,302,197)
Non-Major Funds	3,274,050	9,749,698	(6,475,648)
	<u>\$17,449,357</u>	<u>\$17,449,357</u>	

F. COMPENSATED ABSENCES

At June 30, 2012, employees of the School Board had accumulated and vested \$6.8 million of employee leave benefits, which was computed in accordance with GASB Codification C60. The total amount paid during the fiscal year amounted to \$553,534. The liability for leave privileges not requiring current resources were recorded as long-term debt in the government-wide financial statements.

G. CERTIFICATES OF INDEBTEDNESS

The School Board issued \$3.8 million of Certificates of Indebtedness on February 1, 2006. The purpose of the debt was to pay for the cost of energy efficiency building improvements that were subject to the performance contract between the School Board and Siemens Building Technologies, Inc. Certificate of indebtedness principal and interest payable in the next fiscal year were \$235,000 and \$135,803 respectively.

LAFOURCHE PARISH SCHOOL BOARD
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The following table was the payment schedule:

<i>YEAR</i>	<i>PRINCIPAL</i>	<i>INTEREST</i>	<i>TOTAL</i>
2013	\$235,000	\$135,803	\$370,803
2014	255,000	125,815	380,815
2015	280,000	114,850	394,850
2016	310,000	102,670	412,670
2017	335,000	89,108	424,108
2018-2021	1,670,000	194,333	1,864,333
	\$3,085,000	\$762,579	\$3,847,579

H. LONG-TERM DEBT

The School Board issued general obligation bonds to provide funds for the acquisition, construction or renovation of major capital facilities. The remaining amount issued for the bond issues outstanding at June 30, 2012 were \$97.2 million

The balances of the outstanding issues were as follows:

<i>ISSUE DATE</i>	<i>ORIGINAL ISSUE</i>	<i>INTEREST RATE</i>	<i>PRINCIPAL OUTSTANDING</i>	<i>INTEREST TO MATURITY</i>
November 6, 2003	\$10,000,000	4.000-6.000%	\$7,930,000	\$3,321,895
June 1, 2004	20,000,000	3.000-5.000%	16,155,000	7,574,408
April 12, 2005	22,300,000	3.250-5.000%	13,965,000	2,387,775
May 4, 2005	20,000,000	4.000-7.000%	16,635,000	7,916,178
October 1, 2007	10,000,000	4.000-7.000%	8,775,000	4,619,038
May 20, 2008	6,535,000	3.000-4.000%	4,745,000	715,300
January 1, 2009	20,000,000	4.125-7.000%	12,000,000	1,920,000
December 1, 2011	18,840,000	2.000-4.000%	16,960,000	3,562,500
TOTAL	\$127,675,000		\$97,165,000	\$32,017,094

General obligation bonds were direct obligations with the principal and interest requirements funded in accordance with Louisiana law by the annual ad-valorem tax assessment on taxable property within the parish. Bond principal and interest payable in the next fiscal year were \$8.4 million and \$4.2 million, respectively. At June 30, 2012, the School Board had accumulated \$26.7 million in the debt service fund for future debt requirements.

LAFOURCHE PARISH SCHOOL BOARD
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The following schedule contains the general obligation bond debt requirements for ensuing fiscal periods:

<i>YEAR</i>	<i>PRINCIPAL</i>	<i>INTEREST</i>	<i>TOTAL</i>
2013	\$8,385,000	\$4,240,426	\$12,625,426
2014	8,610,000	3,891,488	12,501,488
2015	8,865,000	3,533,548	12,398,548
2016	9,130,000	3,158,528	12,288,528
2017	9,415,000	2,750,803	12,165,803
2018-2022	25,700,000	8,777,803	34,477,803
2023-2027	16,550,000	4,660,578	21,210,578
2028-2032	10,510,000	1,003,920	11,513,920
2033	\$97,165,000	\$32,017,094	\$129,182,094

In accordance with Louisiana Revised Statute 39 562, the School Board was legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2012 the legal debt limit was \$457.3 million while the net outstanding bonded debt, bonded debt total less debt service accumulation, was \$59.7 million resulting in a debt margin of \$397.6 million.

The following were a summary of the long-term debt transactions for the year ended June 30, 2012.

<i>DESCRIPTION</i>	<i>BONDED DEBT</i>	<i>CERTIFICATES OF INDEBTEDNESS</i>	<i>COMPENSATED ABSENCES</i>	<i>OTHER POST EMPLOYMENT BENEFITS</i>	<i>TOTAL</i>
Long-term obligations at July 1, 2011	\$86,490,000	\$3,295,000	\$7,190,199	\$29,597,700	\$126,572,899
Additions	18,840,000		135,092	10,478,591	29,453,683
Deductions	8,165,000	210,000	553,534		8,928,534
Long-term obligations at June 30, 2012	\$97,165,000	\$3,085,000	\$6,771,757	\$40,076,291	\$147,098,048
Due within one year	\$8,385,000	\$235,000	\$521,425		\$9,141,425
Due in more than one year	\$88,780,000	\$2,850,000	\$6,250,332	\$40,076,291	\$137,956,623

V. OTHER INFORMATION

A. RISK MANAGEMENT

The School Board was exposed to various risks of loss related to personal injury to students and other individuals (not employees). Under the current program, the Loss Control Fund was responsible for a maximum of \$150,000 for each loss. The School Board purchased commercial insurance for claims in excess of \$150,000 that has a \$1 million per occurrence.

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limit and a \$2 million aggregate limit for general liability and automobile liability. The School Board has a \$50,000 SIR and \$5 million limit for its public officials errors and omissions liability coverage. Also, the School Board had retained a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services. The School Board was exposed to various risks of loss related to theft of, damage to and destruction of buildings and related contents. Under the current program, the Loss Control Fund provides coverage up to a maximum \$250,000 (or 3% of claim) for each loss to its buildings due to wind and hail (named storm), and \$100,000 for all other building perils with a total Limit of \$90 million for all other perils claims and \$15 million for named storm claims. The School Board purchased commercial insurance for claims in excess of coverage provided by the Loss Control Fund. The General Fund makes payments to the Loss Control Fund based on current premiums and expected losses from these types of exposure. These interfund "premiums" were reported as quasi-external transactions. The June 30, 2012 Net Asset Balance in the Loss Control Fund was \$2.1 million.

The School Board was also exposed to various risks of loss related to providing medical and indemnity payments as required by law for on-the-job related injuries. To account for and finance its uninsured risks of loss, the School Board has established a Workers' Compensation Fund (an internal service fund). Under this program, the Workers' Compensation Fund were responsible for \$350,000 of each workers compensation claim and has a \$1 million limit for each workers compensation claim. Also, the School Board had retained a third-party administrator to supervise, evaluate and administer claims, and provide loss prevention services. All funds that pay salaries participated in the program and made payments to the fund based on management's estimates of the amounts needed to pay prior and current year claims. These interfund "premiums" were reported as quasi-external transactions. The Net Asset Balance in the Worker's Compensation Fund was \$2.8 million as of June 30, 2012.

The School Board had established a Group Health Insurance Fund (an internal service fund) to account for various risks of loss related to providing medical payments as required by the group health insurance program. Under this program, the Fund assumed \$175,000 for each claim and the School Board had purchased commercial insurance for claims in excess of the exposure assumed by the Fund. Also, the School Board had retained a third-party administrator to supervise, evaluate and administer claims, and provide a preferred provider network. All funds that had budgets that included employee positions participated in the program and made payments to the fund based on management's estimates of the amounts needed to pay prior and current year claims. These interfund "premiums" were reported as quasi-external transactions. The Group Health Insurance Fund has a \$6.8 million Net Assets balance at June 30, 2010.

At June 30, 2012, the outstanding claims liability accruing to the Loss Control, Worker's Compensation and Group Health Insurance Funds was \$2.4 million. The estimated claim liability had been determined by the third-party administrator based on historical information and anticipated payments. These liabilities were based on the requirements of Governmental Accounting Standards Board Statement No. 10, "Accounting and Financial Reporting for

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Risk Financing and Related Insurance Issues” which required a liability for claims be reported if information prior to the issuance of the financial statements indicates that it was probable and the amount of the loss can be reasonably estimated.

The following table showed the changes in this liability for on June 30, 2012.

<i>DESCRIPTION</i>	<i>LOSS CONTROL FUND</i>	<i>WORKER'S COMPENSATION FUND</i>	<i>GROUP INSURANCE FUND</i>	<i>TOTAL</i>
Balance July 1	\$340,508	\$848,956	\$1,643,795	\$2,833,259
Current year claims and estimates	244,499	339,063	15,604,691	16,188,253
Less: Claim payments	180,001	512,894	15,893,334	16,586,229
Balance June 30	\$405,006	\$675,125	\$1,355,152	\$2,435,283

The School Board was self-funded for unemployment claims filed with the State. The claims were accounted for on the cash basis in the fund in which the original salary was paid. The School Board paid \$31,100 to the State for benefits claimed during the year ended June 30, 2012. The School Board retains a third-party administrator to supervise, evaluate and administer claims.

B. CONTINGENT LIABILITIES

The Lafourche Parish School Board received funding under grants from various federal and state governmental agencies. These grants specify the purpose for which the grant monies were to be used and such grants were subject to audit by the granting agency or its representative. If the grant monies received were not expended, the Lafourche Parish School Board may be required to reimburse the granting agency.

At June 30, 2012 the School Board was involved in several lawsuits. In the opinion of legal counsel for the School Board, the potential claims against the School Board, not covered by insurance, would not materially affect the financial statements.

The Lafourche Parish School Board received funding under contracts for E-Rate. These contracts specify the purpose for which the monies were to be used and such contracts were subject to audit by the granting agency or its representative. If the contract monies received were not expended, the Lafourche Parish School Board may be required to reimburse the funding agency.

During the fiscal year, the Lafourche Parish School Board and Siemens Building Technology negotiated changes to the contract for Energy Conservation Equipment and Consulting Services that was originally signed on October 5, 2005 for the purpose of the sale and installation of energy saving equipment, monitoring, maintenance and service designed to save energy and reduce costs for certain property and buildings. The original terms of the contract were similar to ones that were successfully challenged in court. The amended contract was reviewed and found satisfactory by Louisiana Legislative Auditor. The amended

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contract revises the methods in which savings were calculated and verified. Under the previous terms of the contract, the School Board owes Siemens \$143,203 for the program year ended May 2009 and \$147,499 for the program year ended May 31, 2009. No payments have been made yet as they were pending verification of the savings.

C. POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Lafourche Parish School Board provided certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees were provided through the Group Health Insurance Fund whose monthly premiums were paid jointly by the employee or retiree and by the School Board.

The School Board recognized the cost of providing these benefits (the School Board's portion of premiums) as expenditures when the monthly premiums were due. The cost in 2012 was \$4 million for retirees. The School Board's group plan enrollment at the end of the year included 1,163 retirees.

Beginning July 1, 2008, the School Board prospectively implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45), which required the liability for these benefits to be accrued as they were earned by employees.

The School Boards Annual Required Contribution (ARC) was an amount actuarially determined in accordance with GASB 45. The ARC was equal to the normal cost plus an amount necessary to amortize the Unfunded Actuarial Liability over a period of thirty (30) years. A level dollar, closed amortization period has been used. The total ARC for the fiscal year beginning July 1, 2011 was \$14.3 million as set forth below:

<i>DESCRIPTION</i>	<i>6/30/2012</i>	<i>6/30/2011</i>	<i>6/30/2010</i>	<i>6/30/2009</i>
Normal cost	\$7,801,000	\$ 7,316,000	\$7,316,000	\$7,408,000
Interest on normal cost	351,000	366,000	366,000	370,000
Amortization	6,128,000	5,891,000	5,891,000	5,066,000
Interest on amortization		295,000	295,000	253,000
Annual required contribution	\$14,280,000	\$13,868,000	\$13,868,000	\$13,097,000

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements
June 30, 2012

Net Post Employment Benefit Obligation: The School Board's Net Other Post Employment Benefit (NOO) Obligation for the fiscal year ended June 30, 2012 were \$40.1 million as set forth below:

DESCRIPTION	6/30/2012	6/30/2011	6/30/2010	6/30/2009
NOO-beginning of year	\$29,597,700	\$19,483,000	\$9,128,000	\$ NONE
Increase in NOO				
Annual required contribution	14,280,000	13,868,000	13,868,000	13,097,000
Interest on net OPEB obligation	1,332,000	456,000	456,000	
Adjustment to ARC	(1,130,000)	(348,000)	(348,000)	
Annual OPEB Cost	14,482,000	13,976,000	13,976,000	13,097,000
Employer contributions	(4,003,409)	(3,861,300)	(3,621,000)	(3,969,000)
Net increase	10,478,591	10,114,700	10,355,000	9,128,000
NOO - end of year	\$ 40,076,291	\$29,597,700	\$19,483,000	\$9,128,000

The School Board's contribution rate for OPEB cost was as follows:

<u>Fiscal Year Ending</u>	<u>Percentage of Annual OPEB Costs Contributed</u>
06/30/12	28%
06/30/11	28%
06/30/10	26%
06/30/09	30%

Funded Status and Funding Progress The School Board had not established a benefit plan trust and had made no contributions to this plan other than its current year retiree premiums. At June 30, 2012, the plan had no assets and its funded ratio was zero. At July 1, 2011, the date of its most recent actuarial valuation, the Actuarial Accrued Liability (AAL), the portion of the actuarial present value of post-employment benefits not provided by normal cost, was \$153.5 million. Since the plan had no assets, the entire AAL was unfunded.

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

Projections of benefits for financial reporting purposes were based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements
June 30, 2012

costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations

In the July 1, 2011 actuarial valuation, the Unit Credit Cost Method was used. The employer portion of the cost for retiree medical care in each future year were determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover. The actuarial assumptions included a 4.5 percent investment return and an annual healthcare cost trend rate of 10 percent cost initially, reduced gradually to an ultimate rate of 5 percent after 10 years

D. EMPLOYEE RETIREMENT SYSTEMS

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

1. Teachers' Retirement System of Louisiana (TRS)

Plan Description. The TRS consisted 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 were required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits were 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 were required to contribute 8.0 percent and 9.1 percent of their annual covered salary for the Regular Plan and Plan A, respectively. The School Board was required to contribute at an actuarially determined rate. The current rate was 23.7 percent of annual covered payroll for the two membership plans. Member contributions and employer contributions for the TRS were established by state law and rates were established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the TRS, as provided by state law, were funded by the State of Louisiana through annual

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements
June 30, 2012

appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board.

The School Board and employees' contributions to the TRS for the years ending June 30, 2012, 2011, and 2010 were \$23,178,590, \$21,269,561, and \$18,283,958.

2. Louisiana School Employees Retirement System (LSERS)

Plan Description The LSERS provided retirement benefits as well as disability and survivor benefits. Five years of service credit were required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits were 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 by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Funding Policy Plan members were required to contribute 7.5 percent (8.0 for new members after 7/1/2010) of their annual covered salary and the School Board were required to contribute at an actuarially determined rate. The current rate was 28.6 percent of annual covered payroll. Member contributions and employer contributions for the LSERS were established by state law and rates were established by the Public Retirement Systems' Actuarial Committee. The School Board's employee contribution for the LSERS, were funded by the State of Louisiana through annual appropriations.

The School Board and employees' contributions to the LSERS for the years ending June 30, 2012, 2011, and 2010 were \$2,014,522, \$1,786,893, and \$1,579,985.

3. On-behalf Payments for Fringe Benefits and Salaries

The State of Louisiana contributes directly to the Teachers' Retirement System of Louisiana an amount equal to the employer portion of retirement due on the Professional Improvement Program (PIP) salary increments paid to the School Board's personnel. The School Board recognizes the amount contributed as a revenue and expenditure in the General Fund. The amount recognized in 2012 was \$3,952.

E. SUBSEQUENT EVENTS

1. Opening of Bayou Community Academy

The Virtual Academy of Lafourche (VAL), a Type 1 charter school, has begun operations during the 2012-2013 school year. VAL is a non-profit corporation organized under Louisiana R.S. 12:201-12:269 (1950 as amended) and it is operated according to the agreement between it and the School Board.

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Financial Statements
June 30, 2012

The School Board is responsible for monitoring VAL in accordance with state law and the terms of the agreement, and to provide funding, state and local, in accordance with Louisiana R S 17 3995 Under this statute, the School Board is obligated to give a portion of the Minimum Foundation Program allotment and a portion of its local taxes to VAL based on the proportion of students enrolled VAL as compared with the students enrolled with the School Board The funding will begin in the 2012-2013 school year

Other than the stipulations previously listed, VAL operates separately from the School Board and were solely responsible for any debts incurred by it as a result of its operations.

2. Sale of \$18 million in general obligation bonds

The School Board has accepted the bid of Robert W Baird & Co , Inc. to purchase \$18 million in general obligation bonds for a yield of 2.891% on September 18, 2012. The bonds are the first to be sold from the \$50 million referendum authorized by the voters on April 12, 2012

3. Sale of \$18.34 million in general obligation bond refunding

The School Board has entered into an agreement with Stephens, Inc for the issuance of \$18 34 million in general obligation bonds with a yield of 2.5463% on November 15, 2012. The bonds have been used to refund Series 2003 and 2004 general obligation bonds.

LAFOURCHE PARISH SCHOOL BOARD
Combining Balance Sheet Other Governmental Funds
For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	<u>GRANTS</u>	<u>TAX RESTRICTED</u>	<u>MAJOR MAINTENANCE</u>	<u>SIXTEENTH SECTION</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 365,484	\$ 11,737,462	\$ 7,723	\$ 510,919
Investments		7,569,741		
Receivables	4,607,835	57,776	41,469	8,878
Interfund receivable			722,959	
Inventories				
TOTAL ASSETS	<u>\$ 4,973,319</u>	<u>\$ 19,364,979</u>	<u>\$ 772,151</u>	<u>\$ 519,797</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 200,200	\$ 858,496		\$ 13,000
Contracts payable				
Salaries, benefits and withholdings payable	2,028,073	6,781		
Interfund payable	2,597,057	5,270,845	772,151	33,203
Intergovernmental payable	297			
Deferred revenue	147,692	238,070		
Total Liabilities	<u>4,973,319</u>	<u>6,374,192</u>	<u>772,151</u>	<u>46,203</u>
Fund balances				
Restricted for encumbrances				
Restricted for salaries		4,393,241		
Restricted for textbooks		1,708,799		
Restricted for technology		356,079		
Restricted for air-conditioning maintenance		6,532,668		
Restricted for school food service				
Restricted for capital projects				
Committed for major maintenance				
Committed for sixteenth section				473,594
Committed for Medicare				
Total Fund Equity	<u>NONE</u>	<u>12,990,787</u>		<u>473,594</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 4,973,319</u>	<u>\$ 19,364,979</u>	<u>\$ 772,151</u>	<u>\$ 519,797</u>

CHILD NUTRITION	MEDICAID FUND	HURRICANE RECOVERY	2003 CONSTRUCTION	TOTAL OTHER GOVERNMENTAL FUNDS	
				6/30/2012	6/30/2011
\$ 3,747,510	\$ 2,557,189		\$ 5,723,777	\$ 24,650,064	\$ 21,640,244
				7,569,741	\$ 5,850,360
28,349		\$ 742,462		5,486,769	6,235,258
		153,628		876,587	
<u>490,648</u>				<u>490,648</u>	<u>389,172</u>
<u>\$ 4,266,507</u>	<u>\$ 2,557,189</u>	<u>\$ 896,090</u>	<u>\$ 5,723,777</u>	<u>\$ 39,073,809</u>	<u>\$ 34,115,034</u>
\$ 2,521	\$ 19,181		\$ 86,548	\$ 1,179,946	\$ 562,514
1,010,444	93,396		2,209	3,140,903	3,436,145
215,431	71,163	\$ 896,090		9,855,940	4,051,119
				297	
				<u>385,762</u>	<u>294,698</u>
<u>1,228,396</u>	<u>183,740</u>	<u>896,090</u>	<u>88,757</u>	<u>14,562,848</u>	<u>8,344,476</u>
					3,324,736
				4,393,241	4,773,190
				1,708,799	
				356,079	
				6,532,668	5,450,094
3,038,111				3,038,111	2,773,498
			5,635,020	5,635,020	6,743,243
				473,594	
	<u>2,373,449</u>			<u>2,373,449</u>	<u>2,705,797</u>
<u>3,038,111</u>	<u>2,373,449</u>		<u>5,635,020</u>	<u>24,510,961</u>	<u>25,770,558</u>
<u>\$ 4,266,507</u>	<u>\$ 2,557,189</u>	<u>\$ 896,090</u>	<u>\$ 5,723,777</u>	<u>\$ 39,073,809</u>	<u>\$ 34,115,034</u>

LAFOURCHE PARISH SCHOOL BOARD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	<u>GRANTS</u>	<u>TAX RESTRICTED</u>	<u>MAJOR MAINTENANCE</u>	<u>SIXTEENTH SECTION</u>	<u>CHILD NUTRITION</u>
<u>REVENUES</u>					
<u>Local sources.</u>					
Taxes					
Ad valorem tax		\$ 10,986,504			
Sales and use		2,128,655			
Earnings on investments		77,561		\$ 283	\$ 5,587
Rentals, leases, royalties			\$ 1,066,886	46,548	
Food service collections					1,465,297
Other local	\$ 6,983				
<u>State Sources</u>					
Unrestricted grants-in-aid					1,678,530
Restricted grants-in-aid	1,011,615				
<u>Federal sources.</u>					
Unrestricted grants-in-aid					
Restricted grants-in-aid - direct	345,608				
Restricted grants-in-aid - subgrants	13,549,895				5,005,701
Revenue for/on behalf of LEA					457,476
Total revenues	14,914,101	13,192,720	1,066,886	46,831	8,612,591
<u>EXPENDITURES</u>					
<u>Instruction.</u>					
Regular programs	222,199	1,343,646			
Special programs	569,744				
Other programs	7,712,590				
<u>Support Services.</u>					
Pupil support	2,277,782				
Instructional staff support	3,035,264				
General administration	237	360,968		36,566	
School administration					
Business services	2,859	7,253			
Operation and maintenance of plant	107,475	2,315,520		1,444	25,152
Pupil transportation	275,429				
Central services	14,567	648,667			
Food service operations	3,766				8,154,916
Community service Programs	2,942				
Facilities acquisition and construction		2,825,417			
Total expenditures	14,224,854	7,501,471	NONE	38,010	8,180,068
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>					
	689,247	5,691,249	1,066,886	8,821	432,523
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in (out)	(689,247)	(5,051,322)	(1,066,886)	464,773	(215,431)
Sales of fixed assets					8,861
Insurance proceeds from Loss					
Total other financing sources (uses)	(689,247)	(5,051,322)	(1,066,886)	464,773	(206,570)
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>					
	NONE	639,927	NONE	473,594	225,953
<u>PRIOR PERIOD ADJUSTMENT</u>					
<u>FUND BALANCES AT BEGINNING OF YEAR</u>					
	NONE	12,350,860	NONE	NONE	2,812,158
<u>FUND BALANCES AT END OF YEAR</u>					
	\$ NONE	\$ 12,990,787	\$ NONE	\$ 473,594	\$ 3,038,111

MEDICAID FUND	HURRICANE RECOVERY	SIEMENS CONSTRUCTION	2003 CONSTRUCTION	TOTAL OTHER GOVERNMENTAL FUNDS	
				6/30/2012	6/30/2011
				\$10,986,504	\$10,603,590
				2,128,655	
\$ 4,409		\$ 3	\$ 16,494	104,337	79,429
				1,113,434	
				1,465,297	1,442,538
1,035,932				1,042,915	1,266,922
				1,678,530	1,678,530
				1,011,615	1,562,356
					2,974,306
				345,608	314,797
	\$ 103,915		98,231	18,757,742	22,425,722
				457,476	420,132
<u>1,040,341</u>	<u>103,915</u>	<u>3</u>	<u>114,725</u>	<u>39,092,113</u>	<u>42,768,322</u>
				1,567,761	3,503,184
1,916				614,768	2,661,788
45,024	\$ 674			7,713,264	8,860,758
619,839				2,897,621	2,838,332
254,625				3,289,889	4,314,164
				397,771	346,420
184,350				194,462	161,531
				2,449,591	2,436,954
				275,429	316,731
201,700			236,834	1,101,768	238,348
				8,158,682	8,313,533
				2,942	1,542
	10,523	1,453	2,383,582	5,220,975	3,015,714
<u>1,307,454</u>	<u>11,197</u>	<u>1,453</u>	<u>2,620,416</u>	<u>33,884,923</u>	<u>37,008,999</u>
(267,113)	92,718	(1,450)	(2,505,691)	5,207,190	5,759,323
(71,163)	153,628			(6,475,648)	(4,719,132)
				8,861	327
					66,968
<u>(71,163)</u>	<u>153,628</u>			<u>(6,466,787)</u>	<u>(4,651,837)</u>
(338,276)	246,346	(1,450)	(2,505,691)	(1,259,597)	1,107,486
					(900,893)
<u>2,711,725</u>	<u>(246,346)</u>	<u>1,450</u>	<u>8,140,711</u>	<u>25,770,558</u>	<u>25,563,965</u>
<u>\$ 2,373,449</u>	<u>NONE</u>	<u>\$ NONE</u>	<u>\$ 5,635,020</u>	<u>\$ 24,510,961</u>	<u>\$ 25,770,558</u>

LAFOURCHE PARISH SCHOOL BOARD
Combining Balance Sheet Grant Funds
For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

	<u>NO CHILD LEFT BEHIND ACT</u>	<u>INDIVIDUALS WITH DISABILITIES EDUCATION ACT</u>	<u>STATE FISCAL STABILIZATION</u>	<u>INDIAN EDUCATION ACT</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 2,890			
Receivables	<u>2,244,551</u>	\$ 599,601	\$ 43,713	\$ 67,789
TOTAL ASSETS	<u>\$ 2,247,441</u>	<u>\$ 599,601</u>	<u>\$ 43,713</u>	<u>\$ 67,789</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ 132,188	\$ 4,250		\$ 17,247
Salaries, benefits and withholdings payable	813,606	284,859		37,874
Interfund payable	1,299,129	310,492	\$ 43,713	12,668
Intergovernmental payable				
Deferred revenue	<u>2,518</u>			
Total Liabilities	<u>2,247,441</u>	<u>599,601</u>	<u>43,713</u>	<u>67,789</u>
Total Fund Equity	NONE	NONE	NONE	NONE
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,247,441</u>	<u>\$ 599,601</u>	<u>\$ 43,713</u>	<u>\$ 67,789</u>

Schedule 3

<u>ADULT EDUCATION FEDERAL GRANTS</u>	<u>OTHER FEDERAL GRANTS</u>	<u>STATE GRANTS</u>	<u>LOCAL GRANTS</u>	<u>TOTAL GRANT FUNDS</u>
\$ 64,957	\$ 963	\$ 296,033	\$ 641	\$ 365,484
<u>316,168</u>	<u>1,161,085</u>	<u>174,928</u>		<u>4,607,835</u>
<u>\$ 381,125</u>	<u>\$ 1,162,048</u>	<u>\$ 470,961</u>	<u>\$ 641</u>	<u>\$ 4,973,319</u>
\$ 509	\$ 40,725	\$ 5,281		\$ 200,200
65,958	503,963	321,813		2,028,073
314,658	616,397			2,597,057
		297		297
	<u>963</u>	<u>143,570</u>	<u>\$ 641</u>	<u>147,692</u>
<u>381,125</u>	<u>1,162,048</u>	<u>470,961</u>	<u>641</u>	<u>4,973,319</u>
NONE	NONE	NONE	NONE	NONE
<u>\$ 381,125</u>	<u>\$ 1,162,048</u>	<u>\$ 470,961</u>	<u>\$ 641</u>	<u>\$ 4,973,319</u>

LAFOURCHE PARISH SCHOOL BOARD
 Combining Statement of Revenues Expenditures and Changes in Fund Balances
 Grant Funds
 For the Year Ended June 30, 2012
 (With comparative totals for the year ended June 30, 2011)

Schedule #

	NO CHILD LEFT BEHIND ACT	INDIVIDUALS WITH DISABILITIES EDUCATION ACT	STATE FISCAL STABI- LIZATION	INDIAN EDUCATION ACT	ADULT EDUCATION FEDERAL GRANTS	OTHER FEDERAL GRANTS	STATE GRANTS	LOCAL GRANTS	TOTAL GRANT FUNDS
REVENUES									
Local sources									
Other local								\$ 6,983	6,983
State Sources									
Unrestricted grants-in-aid									
Restricted grants-in-aid							#####		1,011,615
Federal sources									
Unrestricted grants-in-aid									
Restricted grants-in-aid - direct	\$ 115,488		\$ 53,777	\$ 176,343					345,608
Restricted grants-in-aid - subgrants	6,650,243	\$ 3,496,554			\$ 368,143	\$ 3,034,955			13,549,895
Total revenues	6,765,731	3,496,554	53,777	176,343	368,143	3,034,955	1,011,615	6,983	14,914,101
EXPENDITURES									
Instruction									
Regular programs		19,354	53,777	134,046		129	14,893		222,199
Special programs	10,156	526,812					32,776		569,744
Other programs	3,939,442	104,804			332,705	2,639,990	695,649		7,712,590
Support Services									
Pupil support	285,110	1,869,008				123,664			2,277,782
Instructional staff support	1,949,801	699,983		31,075	9,760	122,046	215,616	6,983	3,035,264
General administration				237					237
Business services	689						2,170		2,859
Operation and maintenance of plant	87,637	11,199		360	8,079	200			107,475
Pupil transportation	143,841	90,218		1,833		732	38,805		275,429
Central services		2,042		66		753	11,706		14,567
Food service operations	1,248					2,518			3,766
Community service Programs				2,942					2,942
Total expenditures	6,417,924	3,323,420	53,777	170,559	350,544	2,890,032	1,011,615	6,983	14,224,854
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES									
	347,807	173,134		5,784	17,599	144,923			689,247
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	(347,807)	(173,134)		(5,784)	(17,599)	(144,923)			(689,247)
Sales of fixed assets									
Insurance proceeds from loss									
Total other financing sources (uses)	(347,807)	(173,134)		(5,784)	(17,599)	(144,923)			(689,247)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES									
	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
PRIOR PERIOD ADJUSTMENT									
FUND BALANCES AT BEGINNING OF YEAR									
	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE	NONE
FUND BALANCES AT END OF YEAR									
	\$ NONE	\$ NONE	\$ NONE	\$ NONE	\$ NONE	\$ NONE	\$ NONE	\$ NONE	\$ NONE

LAFOURCHE PARISH SCHOOL BOARD
 Combining Balance Sheet Tax Restricted Funds
 For the Year Ended June 30, 2012
 (With comparative totals for the year ended June 30, 2011)

Schedule 5

	<u>SALES TAX FUNDS</u>		<u>PROPERTY TAX FUNDS</u>		TOTAL TAX RESTRICTED
	RESTRICTED TO		RESTRICTED TO		
	<u>TEXTBOOKS</u>	<u>TECHNOLOGY</u>	SALARIES	AIR CONDITIONING	
ASSETS					
Cash and cash equivalents	\$ 1,819,792	\$ 721,924	\$ 4,634,956	\$ 4,560,790	\$ 11,737,462
Investments			3,532,546	4,037,195	7,569,741
Receivables			28,888	28,888	57,776
TOTAL ASSETS	\$ 1,819,792	\$ 721,924	\$ 8,196,390	\$ 8,626,873	\$ 19,364,979
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable		\$ 143,859		\$ 714,637	\$ 858,496
Salaries, benefits and withholdings payable				6,781	6,781
Interfund payable	\$ 110,993	221,986	\$ 3,684,114	1,253,752	5,270,845
Deferred revenue			119,035	119,035	238,070
Total Liabilities	110,993	365,845	3,803,149	2,094,205	6,374,192
Fund balances					
Restricted for salaries			4,393,241		4,393,241
Restricted for textbooks	1,708,799				1,708,799
Restricted for technology		356,079			356,079
Restricted for air-conditioning maintenance				6,532,668	6,532,668
Total Fund Equity	1,708,799	356,079	4,393,241	6,532,668	12,990,787
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,819,792	\$ 721,924	\$ 8,196,390	\$ 8,626,873	\$ 19,364,979

LAFOURCHE PARISH SCHOOL BOARD
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Tax Restricted Funds
For the Year Ended June 30, 2012
(With comparative totals for the year ended June 30, 2011)

Schedule 6

	<u>SALES TAX FUNDS RESTRICTED TO</u>		<u>PROPERTY TAX FUNDS RESTRICTED TO</u>		<u>TOTAL TAX RESTRICTED</u>
	<u>TEXTBOOKS</u>	<u>TECHNOLOGY</u>	<u>SALARIES</u>	<u>AIR CONDITIONING</u>	
<u>REVENUES</u>					
Taxes					
Ad valorem			\$ 5,493,252	\$ 5,493,252	\$ 10,986,504
Sales and use	\$ 709,552	\$ 1,419,103			2,128,655
Earnings on investments	319	59	36,642	40,541	77,561
Total revenues	709,871	1,419,162	5,529,894	5,533,793	13,192,720
<u>EXPENDITURES</u>					
<u>Instruction</u>					
Regular programs	777,092	566,554			1,343,646
<u>Support Services</u>					
General administration	2,802	5,603	176,199	176,364	360,968
Business services			3,385	3,868	7,253
Operation and maintenance of plant				2,315,520	2,315,520
Central services		644,793		3,874	648,667
Facilities acquisition and construction				2,825,417	2,825,417
Total expenditures	779,894	1,216,950	179,584	5,325,043	7,501,471
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>					
	(70,023)	202,212	5,350,310	208,750	5,691,249
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in (out)	1,778,822	153,867	(5,730,259)	(1,253,752)	(5,051,322)
Total other financing sources (uses)	1,778,822	153,867	(5,730,259)	(1,253,752)	(5,051,322)
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>					
	1,708,799	356,079	(379,949)	(1,045,002)	639,927
<u>FUND BALANCES</u>					
AT BEGINNING OF YEAR	NONE	NONE	4,773,190	7,577,670	12,350,860
FUND BALANCES AT END OF YEAR	\$ 1,708,799	\$ 356,079	\$ 4,393,241	\$ 6,532,668	\$ 12,990,787

LAFOURCHE PARISH SCHOOL BOARD
 Schedule of Compensation Paid Board Members
 For the Year Ended June 30, 2012

Schedule 7

BOARD MEMBER	AMOUNT	District
Louis E. Thibodaux	\$ 9,600	1
Rhoda Caldwell, president	10,800	2
Richmond Boyd, Jr.	9,600	3
Marian Fertitta	9,600	4
Stella Lasseigne	9,600	5
Dr Gregg Stall	9,600	6
Gary Foret	9,600	7
Ronald J. Pere	9,600	8
Julie M. Breaux, vice president	9,600	9
Dennis Jean Chasson	9,600	10
C. Joey Duplantis, III	9,600	11
Ann Sanamo	9,600	12
Al Archer	9,600	13
Larry Pitre	9,600	14
Lawrence M. Mounic	<u>9,600</u>	15
Total	<u>\$ 145,200</u>	

The schedule of compensation paid to the School Board members was prepared in compliance with House Concurrent Resolution No 54 of the 1979 Session of the Legislature

Compensation of the School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17 56, the School Board members have elected the monthly method payment of compensation Under this method, the members of the School Board receive \$800 per month and the president receives \$900 per month

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

Lafourche Parish School Board
Thibodaux, Louisiana

We have audited the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparison statements for certain major funds of the Lafourche Parish School Board (School Board) as of and for the year ended June 30, 2012, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 31, 2012. 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.

Internal Control Over Financial Reporting

Management of the School Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the School Board's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting, identified as 2012-1. A significant deficiency is a deficiency, or a combination of deficiency, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2012-2.

We noted certain matters that we reported to management of the School Board, in a separate letter dated December 31, 2012.

The School Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School Board's response and, accordingly, we express no opinion on it.

This report is intended for the information of the Lafourche Parish School Board, management, federal and state awarding agencies, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24.513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Postlethwaite + Netterville

Baton Rouge, Louisiana

December 31, 2012



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Lafourche Parish School Board
Thibodaux, Louisiana

Compliance

We have audited Lafourche Parish School Board's (School Board) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2012. The Lafourche Parish School Board's major federal programs are identified in the summary of auditors' 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 School Board's management. Our responsibility is to express an opinion on the 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*. 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 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 a legal determination of the School Board's compliance with those requirements.

In our opinion the School Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with *OMB Circular A-133* and which is described in the accompanying schedule of findings and questioned costs as item 2012-3.

Internal Control Over Compliance

The management of the 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 School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the 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*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2012-3. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The School Board's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the School Board's response and, accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the School Board's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the School Board's compliance but not to provide an opinion on the effectiveness of the School Board's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

Postlethwaite + Netterville

Baton Rouge, Louisiana
December 31, 2012



LAFOURCHE PARISH SCHOOL BOARD
 Schedule of Expenditures of Federal Awards
 For the Year Ended 2012

Schedule 8

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY
<u>United States Department of Agriculture Nutrition Cluster:</u>			
Passed Through Louisiana			
Department of Education			
Cash Assistance			
National School Lunch Program		10 555	\$ 3,778,910
School Breakfast Program		10 553	<u>1,226,791</u>
Total Cash Assistance			5,005,701
National School Lunch Program - Commodity Food Distribution		10 569	<u>457,476</u>
Total Nutrition Cluster			5,463,177
<u>United States Department of Defense</u>			
Direct Program			
ROTC		12 998	160,890
Passed Through Louisiana Department of Education			
Emergency Rehabilitation of Flood Control Works and Federally Authorized Costal Protection Works Rehabilitation Act			
		12 102	<u>839</u>
Total United States Department of Defense			161,729
<u>United States Department of Housing and Urban Development</u>			
Direct Program			
Louisiana Jason Stem Project	28-12-SJ-29	14 228	591
Passed Through Louisiana Department of Education			
Community Block Development Grant Disaster Recovery Assistance			
	IEDU000056	14 225	<u>98,231</u>
Total United States Department of Housing and Urban Development			98,822
<u>United States Department of Homeland Security</u>			
Direct Program			
Federal Emergency Management Act		97 036	103,915
<u>United States Department of Education</u>			
Direct Programs			
Indian Education - Formula Grants to Local Educational Agencies and Tribal Schools	5060A100511	84 060A	176,343
Response and Emergency Management for Schools Grant	Q184E100118	84 184E	115,488

LAFOURCHE PARISH SCHOOL BOARD
 Schedule of Expenditures of Federal Awards
 For the Year Ended 2012

Schedule 8

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY
Homeless Education Disaster Assistance ARRA	28-09-H2-29	84 387A	\$ 2,536
Passed Through Louisiana Department of Education Adult Education - State Administered Program	48-21-10-29	84 002A	234,118
One-Stop Centers	48-21-50-29	84 002A	4,113
Supplemental	48-21-30-29	84 002A	6,993
Family Literacy	48-21-20-29	84 002A	92,762
EL Civics	48-21-40-29	84 002A	21,589
NCLB Title I - Education needs of Disadvantaged Educationally Deprived Children 2012 Grant	28-12-T1 -29	84 010A	4,196,513
NCLB Title I ARRA - Education needs of Disadvantaged Educationally Deprived Children 2010 Grant	28-09-A1-29	84 389A	203,520
Migrant Education 2011 Grant	28-11-MI-29-C	84 011A	108,979
2012 Grant	28-12-MI-29	84 011A	172,332
PL 111-226 Education Jobs Fund Education Jobs Act -ARRA	28-11-E1-29	84 410A	43,713
Education Jobs Act -ARRA	28-11-EK-29	84 410A	10,064
I D E A - Assistance for Education of Handicapped 2012 Grant	28-12-B1-29	84 027A	3,247,407
I D E A - Preschool 2012 Grant	28-12-P1-29	84 173A	203,106
I D E A - Assistance for Education of Handicapped-ARRA 2012 Grant	84 391A	84 391A	45,900
I D E A - Preschool-ARRA 2010 Grant	84 392A	84 392A	141

LAFOURCHE PARISH SCHOOL BOARD
 Schedule of Expenditures of Federal Awards
 For the Year Ended 2012

Schedule 8

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY
Vocational Education Act Basic Grants 2012 Carl Perkins	28-12-02-29	84 048	\$ 182,815
N C L B Title IV - Drug Free Schools and Communities State Grant 2010 Grant	28-10-70-29	84 186A	4,402
Even Start-State Educational Agencies 2011 Grant	28-11-F1-29	84 213C	75,301
LA 21st Century Community Learning Centers 2011 Project Promotion	28-11-63-29	84 287C	347,651
LA 21st Century Community Learning Centers 2011 Project Graduation	28-11-75-29	84 287C	378,632
LA 21st Century Community Learning Centers 2011 Project Pass	28-11-7C-29	84 287C	155,819
N C L B Title III - English as a Second Language 2012 Grant	28-12-60-29	84 365A	38,959
2011 Immigrant Set Asside	28-11-S3-29	84 365A	8,921
N C L B Title II Teacher/Principal Training 2012 Grant	28-12-50-29	84 367A	\$ 627,714
Math Science Partnerships 2011 Math Science Partnerships	28-11-MP-29	84 366B	251
2010 Math Science Partnerships	28-10-MP-29	84 366B	23,360
School Improvement Grant 2011 Grant	28-11-TC-29	84 377A	381,428
Louisiana Safe and Supportive Schools Initiative Grant	28-11-SS-29	84 184Y	34,096
	28-11-SI-29	84 184Y	93,088

LAFOURCHE PARISH SCHOOL BOARD
 Schedule of Expenditures of Federal Awards
 For the Year Ended 2012

Schedule 8

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM NAME	GRANT NUMBER	CFDA NUMBER	ACTIVITY
McKinney-Vento Homeless	28-12-H1-29	84 196A	\$ 56,516
Total United States Department of Education			11,294,570
<u>Department of Health & Human Resources:</u>			
Passed Through Louisiana			
Department of Education			
Temporary Assistance for Needy Families			
2011 Strategies to Empower People	48-23-50-29	93 558	8,568
2012 The Cecil J Picard LA 4 Early Childhood Program	28-12-36-29	93 558	2,578,160
2010 After School for All Administration		93 558B	1,762
Temporary Putting Prevention to Work - ARRA		93 723	11,852
Total United States Department of Health and Human Resources			2,600,342
Total Program Activity			<u>\$19,722,555</u>

LAFOURCHE PARISH SCHOOL BOARD
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2012

1 BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards was prepared on the modified accrual basis of accounting, which is consistent with the basic financial statements

2. DEFINITION OF CLUSTER

A cluster of programs means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development, student financial aid, and other clusters. "Other clusters" are defined by the Office of Management and Budget (OMB) in the compliance supplement or as designated by a State for Federal Awards the State provides to a subrecipient that meet the definition of a cluster of programs

3. RECONCILIATION OF TOTAL FEDERAL REVENUES IN STATEMENT D TO TOTAL PROGRAM ACTIVITY IN SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Statement D Federal Revenues	
Unrestricted grants-in-aid	\$ 839
Restricted grants-in-aid - direct	506,498
Restricted grants-in-aid - subgrants	18,757,742
Revenue for/on behalf of LEA	<u>457,476</u>
Total federal revenues in Statement D	<u>\$19,722,555</u>
Total of Schedule of Expenditures of Federal Awards	<u>\$19,722,555</u>

LAFOURCHE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unqualified*

Internal Control over Financial Reporting.

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ none reported
 x yes

Noncompliance material to financial statements noted? _____ no
 x yes

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ none reported
 x yes

Type of auditor's report issued on compliance for major programs: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ no
 x yes

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.010/84.389	Title I Cluster
84.367	Title II Teacher/Principal Training
84.287	2st Century Community Learning Centers

The threshold for distinguishing types A & B programs was program expenditures exceeding \$591,677.

The Lafourche Parish School Board was determined to be a low-risk auditee.

LAFOURCHE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

B. Findings – Financial Statement Audit

2012-1 Capital Assets

Criteria: Internal controls should be designed to safeguard assets and prevent and detect timely unauthorized transactions. Additions and disposals of capital assets should be recorded and documented with proper authorization and reconciled to general ledger activity timely. Physical inventories, which verify the existence and completeness of the inventory listings should be performed routinely.

Condition: Additions to capital assets were reconciled to the general ledger activity in November 2012 for the activity that occurred through June 2012. Capital asset totals reflected in the basic financial statements appear to appropriately include 238 assets that were acquired in previous years with a total cost of approximately \$2.7 million, which are not included in the capital asset system. As a result, these assets are not subject to any established disposal procedures or physical inventory procedures. Furthermore, site managers have not been trained in established policies and procedures regarding property accounting, tagging guidelines, thresholds, transfers, and record keeping.

Effect: There is a lack of control over movable property.

Cause: The School Board converted to a new capital asset system. The policies and procedures have not been updated and site managers have not been properly trained in the use of the new system

Recommendation: We recommend the following:

- The School Board reconcile the activity in capital outlay and other capital expenditure accounts in the general ledger to additions in the capital asset system on a monthly basis.
- The new capital asset system be reconciled to the old capital asset system and make the appropriate adjustments to the new capital asset system.
- Establish revised procedures and forms for capital asset additions, disposals, transfers and tagging and train the accounting personnel and site managers on the proper approval and documentation procedures. This should include physical inventories of each respective site.
- Increase the frequency of internal audit procedures applied to capital asset inventories and record keeping.

Management's Response Management concurs and will implement improved controls immediately

LAFOURCHE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

B. Findings – Financial Statement Audit (Continued)

2012-2 Louisiana Local Government Budget Act

Criteria: LA Revised Statute 39:1310 requires governments to amend general and special revenue fund budgets when actual expenditures plus expected expenditures exceed budgeted amounts by 5% or more or when actual revenues plus expected revenues fall short of budgeted amounts by 5% or more

Condition: The School Board's general fund actual expenditures, in total, exceeded budgeted amounts by 8%.

Effect: The School Board is in violation of LA Revised Statute 39:1310.

Cause: The School Board approved salary supplements near year-end but did not formally amend the budget

Recommendation: We recommend that the School Board monitor budget to actual comparisons and when it becomes apparent that expenditures will exceed the budget by 5% or more, or when revenues will fall short by 5% or more, the budget should be brought formally before the Board for amendment.

Management's Response Management concurs and will implement improved controls immediately

C. Findings and Questioned Costs – Major Federal Award Programs

2012-3 Equipment and Real Property Management

Department of Education

84.287 Twenty-first Century Community Learning Centers

Criteria: OMB Circular A-102 requires that equipment be used in the program which acquired it or, when appropriate, other federal programs. Equipment records shall be maintained, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, and an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained. The equipment should be identified with the federal program from which it was purchased.

LAFOURCHE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

C. Findings and Questioned Costs – Major Federal Award Programs (Continued)

Condition: Equipment used in federal programs is not consistently identified as having been purchased from the federal program in the capital asset system. Further, educational software with a purchase price of \$37,000 was acquired during the year with 21st Century Program funds and was not included in the capital asset system.

Effect: There is a lack of control over assets purchased with the grant proceeds of the 21st Century program.

Cause: Since the School Board converted to a capital asset system, the policies and procedures have not been updated and site managers have not been properly trained.

Recommendation. We recommend that the School Board review historical records for the purpose of identifying those assets used in federal programs and add the educational software referred to above to the capital asset system.

Management's Response Management concurs and will implement improved controls immediately

LAFOURCHE PARISH SCHOOL BOARD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Findings – Financial Statement Audit

2010-3 Capital Asset Additions and Disposals

Condition: 1) During the audit it was noted that some assets purchased during the year were not entered into the capital asset system and additions were not fully reconciled with the capital outlay accounts on the general ledger. 2) Property accounting coordinators at decentralized locations (mainly at the individual schools) are allowed to make disposals and determine how to dispose of the surplus items. 3) While trying to remedy the property accounting issues brought up in past audits,, the client hired a consultant to tag items with electronic scanning capable tags; however, no reconciliation between the “old property accounting system” and the “new electronic” property accounting system has been made. 4) Policies and procedures regarding property accounting thresholds are unclear and inconsistently used.

Recommendation: 1) The general ledger capital expenditure accounts should be reconciled monthly to the capital asset system. 2) Management should review and train all employees of the current capital asset policy for proper additions, disposals and reconciliation of capital assets. 3) Property accounting between the two systems must be reconciled and management should provide proper oversight and communication of the capital asset/property accounting policies and procedures for additions and disposals is being followed.

Current Status: Unresolved. See finding 2012-1

Findings and Questioned Costs – Major Federal Award Programs

None

LAFOURCHE PARISH SCHOOL BOARD
 Net Assets by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

Governmental activities	2012	2011	2010	2009
Invested in capital assets, net of related debt	\$46,064,809	\$43,621,961	\$39,667,365	\$37,694,394
Restricted for				
Salaries	10,909,351	13,664,793		
Textbooks	1,708,799	1,827,358		
Technology	356,079	250,939		
Air-conditioning maintenance	6,532,668	5,450,094		
School food service	3,038,111	2,773,498		
Debt service	26,737,121	25,199,529	23,525,442	23,036,067
Capital projects	4,448,750	4,044,390	5,120,318	4,707,338
Unrestricted	<u>(32,102,489)</u>	<u>(17,031,930)</u>	<u>13,591,782</u>	<u>23,903,394</u>
Total net assets	<u>\$67,693,199</u>	<u>\$79,800,632</u>	<u>\$81,904,907</u>	<u>\$89,341,193</u>

Note Salaries, Textbooks, Technology, Air-conditioning maintenance and School food service balances have been reclassified in the 2012 and 2011 fiscal years because their balances meet the criteria for the restricted category

Table I

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$34,964,937	\$20,559,357	\$ 4,384,536	\$(15,207,119)	\$(5,464,542)	\$22,267,851
22,288,437	20,245,927	18,477,654	16,910,540	15,123,203	12,239,197
5,237,943	18,899,242	27,988,699	39,529,853	26,550,793	422,829
<u>33,050,112</u>	<u>29,812,996</u>	<u>23,989,359</u>	<u>14,013,683</u>	<u>17,268,535</u>	<u>15,936,151</u>
<u>\$95,541,429</u>	<u>\$89,517,522</u>	<u>\$ 74,840,248</u>	<u>\$ 55,246,957</u>	<u>\$53,477,989</u>	<u>\$50,866,028</u>

LAFOURCHE PARISH SCHOOL BOARD
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(accrual basis of accounting)

<u>Expenses</u>	2012	2011	2010	2009
Governmental activities				
<u>Instruction</u>				
Regular programs	\$ 53,397,608	\$ 52,357,946	\$ 55,547,205	\$ 57,022,940
Special programs	15,874,776	19,182,396	18,965,338	19,075,298
Other programs	14,407,709	14,095,199	14,385,830	13,522,567
<u>Support services</u>				
Pupil support	12,766,403	10,460,577	9,881,565	9,323,059
Instructional staff support	5,684,541	8,278,207	8,844,292	7,788,586
General administration	11,569,214	8,774,270	8,857,690	6,907,677
School administration	8,539,043	8,251,929	7,848,706	8,216,894
Business services	1,510,269	1,388,185	1,530,572	1,713,973
Operation and maintenance	14,115,081	13,070,102	17,089,557	16,559,793
Pupil transportation	8,040,088	8,186,557	8,253,774	8,553,323
Central services	5,735,583	3,719,569	3,142,072	2,796,728
Food service operations	8,643,304	7,938,553	8,773,631	8,918,952
Community service operations	12,560	14,102	14,278	14,291
Facilities acquisition and construction	578,847	209,040	9,346	1,279,045
<u>Debt service</u>				
Interest and bank charges	4,071,647	4,247,663	4,515,502	3,865,829
Appropriations to type I charter schools	2,130,704			
Total primary government expenses	<u>167,077,377</u>	<u>160,174,295</u>	<u>167,659,358</u>	<u>165,558,955</u>
 <u>Program Revenues</u>				
Governmental activities				
Charges for services				
Food services	1,465,297	1,442,538	1,402,631	1,217,309
Operating grants and contributions	19,724,757	23,844,807	27,885,196	23,266,843
Total primary government program revenues	<u>21,190,054</u>	<u>25,287,345</u>	<u>29,287,827</u>	<u>24,484,152</u>
 Net (Expense)/Revenue				
Total primary government net expense	<u>\$(145,887,323)</u>	<u>\$(134,886,950)</u>	<u>\$(138,371,531)</u>	<u>\$(141,074,803)</u>

Table 2

2008	2007	2006	2005	2004	2003
\$ 52,587,549	\$ 46,514,337	\$ 42,582,418	\$ 42,639,191	\$ 40,434,737	\$ 43,036,073
17,126,081	17,116,933	14,977,909	15,506,790	15,783,895	15,649,530
11,819,550	10,038,923	9,111,362	9,294,838	8,544,924	8,507,177
8,281,719	6,732,610	5,691,010	5,633,395	5,220,075	5,073,883
6,188,070	6,600,090	5,751,702	6,691,205	5,662,807	6,442,736
6,660,082	6,262,297	4,773,621	5,109,512	4,132,211	3,845,748
7,320,574	6,463,078	5,468,366	5,586,289	5,351,246	5,450,923
1,372,896	987,959	1,335,974	1,406,502	1,303,749	1,216,790
12,774,060	10,714,864	9,181,022	9,043,684	8,754,979	9,474,521
7,818,392	6,704,044	6,632,918	6,135,369	5,721,887	5,346,348
2,359,313	1,473,666	1,402,167	1,081,444	1,009,889	1,374,193
7,796,140	7,921,517	6,753,894	6,580,232	6,468,308	6,675,857
15,041	38,666	12,426	10,705	6,423	10,705
895,747	104,824	972,023	469,391	355,460	(240)
3,852,470	3,822,577	3,360,233	3,707,847	2,065,969	2,046,463
<u>146,867,684</u>	<u>131,496,385</u>	<u>118,007,045</u>	<u>118,896,394</u>	<u>110,816,559</u>	<u>114,150,707</u>
1,451,487	1,427,781	1,255,491	1,264,606	1,244,868	1,248,274
22,203,534	19,723,806	18,817,107	17,676,209	15,163,376	14,183,909
<u>23,655,021</u>	<u>21,151,587</u>	<u>20,072,598</u>	<u>18,940,815</u>	<u>16,408,244</u>	<u>15,432,183</u>
<u>\$(123,212,663)</u>	<u>\$(110,344,798)</u>	<u>\$(97,934,447)</u>	<u>\$(99,955,579)</u>	<u>\$(94,408,315)</u>	<u>\$(98,718,524)</u>

LAFOURCHE PARISH SCHOOL BOARD
General Revenues and Total Change in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Net (Expense)/Revenue</u>				
Total primary government net expense	\$(145,887,323)	\$(134,886,950)	\$(138,371,531)	\$(141,074,803)
<u>General revenues and Other Changes in Net Assets</u>				
<u>Local sources</u>				
Ad valorem taxes	31,756,717	30,649,897	27,785,903	25,850,287
Sales and use	28,382,069	28,758,946	25,374,941	30,048,148
Other			812,579	761,326
Rentals, leases, royalties	1,113,434	1,004,171	971,776	664,359
Earnings on investments	549,824	329,787	303,538	1,145,753
Other local	3,363,569	3,061,633	2,180,423	2,244,095
<u>State sources</u>				
Grants not specific to programs	67,027,456	65,216,519	68,107,385	72,333,972
Revenue in lieu of taxes	425,943	420,711	421,034	423,205
Revenue for or on behalf of LEA	3,952	13,366	13,034	13,114
<u>Federal sources</u>				
Grants not specific to programs	690,089	3,750,310	3,994,294	2,349,419
Revenue for/on behalf of LEA	457,476	420,132	306,110	429,771
<u>Other</u>				
Insurance Proceeds from loss		66,968	661,219	150,000
Gain (loss) on disposal of capital assets	9,361	(8,872)	3,008	(76,141)
Total primary government	<u>133,779,890</u>	<u>133,683,568</u>	<u>130,935,244</u>	<u>136,337,308</u>
Change in Net Assets				
Total primary government	<u>\$ (12,107,433)</u>	<u>\$ (1,203,382)</u>	<u>\$ (7,436,287)</u>	<u>\$ (4,737,495)</u>

Table 3

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$(123,212,663)	\$(110,344,798)	\$(97,934,447)	\$(99,955,579)	\$(94,408,315)	\$(98,718,524)
21,642,250	19,733,100	18,710,358	18,235,618	16,974,543	16,341,368
28,939,433	28,198,767	24,702,120	20,180,611	20,057,900	18,868,897
635,957	580,008	545,404	538,473	518,921	489,974
1,584,317	2,254,975	2,783,275	1,299,266	767,688	1,480,750
3,490,483	4,359,704	3,514,341	1,468,359	489,505	664,308
1,517,066	4,929,995	1,377,394	1,031,266	964,645	866,114
71,223,923	62,564,627	60,771,625	57,413,664	56,232,560	55,504,648
429,131	406,253	406,045	402,573	401,923	400,025
18,493	20,288	22,281	27,057	24,671	24,343
433,309	774,632	3,667,699	389,327	338,354	348,692
335,584	312,796	425,415	387,585	308,697	317,429
	954,586	591,575			
<u>(69,830)</u>	<u>(67,659)</u>	<u>10,206</u>	<u>7,761</u>	<u>(59,131)</u>	<u>(88,163)</u>
<u>130,180,116</u>	<u>125,022,072</u>	<u>117,527,738</u>	<u>101,381,560</u>	<u>97,020,276</u>	<u>95,218,385</u>
<u>\$ 6,967,453</u>	<u>\$ 14,677,274</u>	<u>\$ 19,593,291</u>	<u>\$ 1,425,981</u>	<u>\$ 2,611,961</u>	<u>\$ (3,500,139)</u>

LAFOURCHE PARISH SCHOOL BOARD
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>General Fund</u>					
Restricted		\$12,151,501	\$10,447,851	\$ 9,841,230	\$ 8,032,967
Committed		4,820,155	(4,346,561)		
Unassigned	<u>\$ 4,089,097</u>	<u>414,786</u>	<u>10,907,016</u>	<u>12,796,916</u>	<u>13,515,263</u>
Total general fund	<u>\$ 4,089,097</u>	<u>\$17,386,442</u>	<u>\$17,008,306</u>	<u>\$22,638,146</u>	<u>\$21,548,230</u>
<u>All Other Governmental Funds</u>					
Restricted	\$78,740,770	\$55,311,788	\$63,008,574	\$70,830,830	\$57,391,720
Committed	<u>2,847,043</u>	<u>2,705,797</u>	<u>2,567,831</u>		
Total all other governmental funds	<u>\$81,587,813</u>	<u>\$58,017,585</u>	<u>\$65,576,405</u>	<u>\$70,830,830</u>	<u>\$57,391,720</u>

Table 4

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 4,978,952	\$ 3,296,139	\$ 2,312,221	\$ 2,811,625	\$ 3,483,882
<u>14,381,521</u>	<u>11,849,933</u>	<u>1,671,582</u>	<u>1,948,122</u>	<u>4,928,694</u>
<u>\$19,360,473</u>	<u>\$15,146,072</u>	<u>\$ 3,983,803</u>	<u>\$ 4,759,747</u>	<u>\$ 8,412,576</u>
\$49,813,430	\$58,209,866	\$67,256,880	\$54,222,612	\$22,914,472
<u>\$49,813,430</u>	<u>\$58,209,866</u>	<u>\$67,256,880</u>	<u>\$54,222,612</u>	<u>\$22,914,472</u>

LAFOURCHE PARISH SCHOOL BOARD
Governmental Funds Revenues
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>REVENUES</u>					
<u>Local sources</u>					
Taxes					
Ad valorem	\$ 32,715,753	\$ 31,575,090	\$ 27,785,903	\$ 25,850,287	\$ 21,642,250
Sales and use	28,382,069	28,758,946	25,374,941	30,048,148	28,939,433
Other			812,579	761,326	635,957
Rentals, leases, royalties	1,113,434	1,004,171	971,776	664,359	1,584,317
Earnings on investments	501,886	293,337	271,078	1,019,597	3,080,202
Food service collections	1,465,297	1,442,538	1,402,631	1,217,309	1,451,487
Other local	2,411,515	2,136,440	2,180,423	2,244,095	1,517,066
Total local sources	<u>66,589,954</u>	<u>65,210,522</u>	<u>58,799,331</u>	<u>61,805,121</u>	<u>58,850,712</u>
<u>State sources</u>					
Unrestricted grants-in-aid	67,027,455	65,216,519	68,107,385	72,333,972	71,301,001
Restricted grants-in-aid	1,142,783	1,710,905	4,431,775	8,289,870	6,244,065
Revenue in lieu of taxes	425,943	420,711	421,034	423,205	429,131
Revenue for or on behalf of LEA	3,952	13,366	13,034	13,114	18,493
Total state sources	<u>68,600,133</u>	<u>67,361,501</u>	<u>72,973,228</u>	<u>81,060,161</u>	<u>77,992,690</u>
<u>Federal sources</u>					
Unrestricted grants-in-aid - direct	839	2,976,847	888	8,438	9,950
Restricted grants-in-aid - direct	506,498	481,643	392,385	507,509	963,153
Restricted grants-in-aid - subgrant	18,757,742	22,425,722	27,054,442	16,810,445	15,342,597
Revenue for/on behalf of LEA	457,476	420,132	306,110	429,771	335,584
Total federal sources	<u>19,722,555</u>	<u>26,304,344</u>	<u>27,753,825</u>	<u>17,756,163</u>	<u>16,651,284</u>
Total revenues	<u>\$154,912,642</u>	<u>\$158,876,367</u>	<u>\$159,526,384</u>	<u>\$160,621,445</u>	<u>\$153,494,686</u>

Table 5

2007	2006	2005	2004	2003
\$ 19,733,100	\$ 18,710,358	\$ 18,235,618	\$ 16,974,543	\$ 16,341,368
28,198,767	24,702,120	20,180,611	20,057,900	18,868,897
580,008	545,404	538,473	516,661	489,974
2,254,975	2,783,275	1,299,266	767,688	1,480,750
3,890,444	3,227,318	1,317,042	426,370	589,460
1,427,781	1,255,491	1,264,606	1,244,868	1,248,274
4,929,995	1,377,394	1,031,266	966,905	866,114
61,015,070	52,601,360	43,866,882	40,954,935	39,884,837
62,564,627	60,771,625	57,413,664	56,232,560	55,504,648
2,662,055	3,496,281	3,333,612	2,375,698	2,708,935
406,253	406,045	402,573	401,923	400,025
20,288	22,281	27,057	24,671	24,343
65,653,223	64,696,232	61,176,906	59,034,852	58,637,951
1,407	3,007	2,728	1,192	32,154
1,083,156	493,701	297,209	282,339	285,676
16,751,820	18,491,817	14,431,987	12,842,501	11,505,836
312,796	425,415	387,585	308,697	317,429
18,149,179	19,413,940	15,119,509	13,434,729	12,141,095
\$144,817,472	\$136,711,532	\$120,163,297	\$113,424,516	\$110,663,883

LAFOURCHE PARISH SCHOOL BOARD
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2011	2010	2009	2008
<u>Instruction:</u>					
Regular programs	\$ 49,583,244	\$ 48,830,571	\$ 52,426,192	\$ 52,534,691	\$ 52,457,697
Special programs	14,571,027	17,850,809	17,990,007	17,502,145	17,243,934
Other programs	13,723,659	13,424,686	13,892,480	12,737,272	11,896,949
<u>Support services:</u>					
Pupil support	12,172,038	9,770,457	9,330,146	8,775,607	8,241,605
Instructional staff support	5,273,162	7,941,811	8,630,289	7,313,125	6,188,346
General administration	2,524,999	2,292,020	1,987,043	2,345,094	2,220,678
School administration	7,868,073	7,610,566	7,346,258	7,480,802	7,275,986
Business services	1,614,352	1,424,229	1,434,250	1,657,514	1,484,873
Operation and maintenance	13,514,737	13,267,048	13,369,188	16,119,748	13,783,709
Pupil transportation	7,381,244	7,381,051	7,480,370	7,744,954	7,805,827
Central services	6,359,471	3,968,632	3,024,626	2,747,030	2,345,319
Food service operations	8,158,682	8,322,305	8,347,011	8,341,059	7,814,820
Community service operations	15,502	14,102	14,278	14,291	15,041
Facilities acquisition and construction	7,390,217	12,579,474	15,124,088	11,151,735	6,560,547
<u>Debt service:</u>					
Principal retirement	8,375,000	6,295,558	6,158,958	5,973,393	9,868,554
Interest and bank charges	4,155,910	4,250,413	4,518,251	3,868,579	4,093,984
Appropriations to type 1 charter schools	2,130,704				
Total expenditures	<u>164,812,021</u>	<u>165,223,732</u>	<u>171,073,435</u>	<u>166,307,039</u>	<u>159,297,869</u>
Expenditures for capitalized assets contained within functional expenditure categories					
	<u>\$ 8,004,441</u>	<u>\$ 14,827,825</u>	<u>\$ 12,906,120</u>	<u>\$ 10,266,939</u>	<u>\$ 7,131,886</u>
Debt service as a percentage of noncapital expenditures					
	<u>8.39%</u>	<u>7.65%</u>	<u>7.46%</u>	<u>6.79%</u>	<u>9.59%</u>

Table 6

2007	2006	2005	2004	2003
\$ 47,291,821	\$ 43,174,996	\$ 42,792,145	\$ 41,495,824	\$ 42,358,577
17,398,736	15,267,921	15,430,148	16,137,831	15,416,442
10,160,283	9,257,761	9,511,274	8,714,368	8,394,897
6,768,387	5,732,759	5,605,655	5,342,102	5,000,536
6,651,257	5,809,496	6,661,562	5,800,361	6,342,137
2,866,880	1,903,923	2,188,600	1,876,095	2,123,735
6,538,061	5,537,952	5,549,645	5,528,470	5,337,259
1,045,194	1,360,362	1,399,163	1,331,207	1,198,678
11,435,674	11,006,112	9,196,375	8,919,338	9,152,207
6,891,578	6,664,756	6,074,947	5,951,276	5,279,028
1,545,588	1,443,728	1,076,613	1,026,723	1,361,846
8,161,159	7,058,529	6,546,039	6,617,053	6,579,007
38,669	12,426	10,705	6,423	10,705
15,597,260	18,726,389	10,278,604	3,215,208	3,226,680
3,233,913	3,224,348	2,445,000	1,745,000	1,674,663
3,855,769	3,392,385	2,941,072	2,065,969	2,046,463
<u>149,480,229</u>	<u>139,573,843</u>	<u>127,707,547</u>	<u>115,773,248</u>	<u>115,502,860</u>
<u>\$ 16,624,323</u>	<u>\$ 19,599,791</u>	<u>\$ 933,908</u>	<u>\$ 603,161</u>	<u>\$ 965,870</u>
<u>6.05%</u>	<u>6.54%</u>	<u>4.62%</u>	<u>3.40%</u>	<u>3.34%</u>

LAFOURCHE PARISH SCHOOL BOARD
Governmental Funds Other Financing Sources and Uses and Net Change in Fund Balances
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	\$ (9,899,379)	\$ (6,347,365)	\$(11,547,051)	\$ (5,685,594)	\$ (5,803,183)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in (out)					
Sales of fixed assets	9,361	606	1,567	64,620	11,251
Accrued interest and premiums on bonds sold	1,322,901				
Proceeds of bond sale	18,840,000			20,000,000	16,535,000
Proceeds of certificates of indebtedness					
Insurance proceeds from loss		66,968	661,219	150,000	92,425
Payments to refunded bond escrow agent					(125,900)
Proceeds of capital lease					
Total other financing sources (uses)	20,172,262	67,574	662,786	20,214,620	16,512,776
<u>NET CHANGES IN FUND BALANCES</u>	10,272,883	(6,279,791)	(10,884,265)	14,529,026	10,709,593
<u>FUND BALANCES AT BEGINNING OF YEAR</u>	75,404,027	82,584,711	93,468,976	78,939,950	69,173,903
PRIOR PERIOD CHANGE		(900,893)			(943,546)
<u>FUND BALANCES AT BEGINNING AS RESTATED</u>	<u>75,404,027</u>	<u>81,683,818</u>	<u>93,468,976</u>	<u>78,939,950</u>	<u>68,230,357</u>
<u>FUND BALANCES AT END OF YEAR</u>	<u>\$85,676,910</u>	<u>\$ 75,404,027</u>	<u>\$ 82,584,711</u>	<u>\$93,468,976</u>	<u>\$78,939,950</u>

Table 7

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ (4,662,757)	\$ (2,862,311)	\$ (7,544,250)	\$ (2,348,732)	\$ (4,838,977)
(500,000)				
26,136	1,267		4,043	2,100
		1,030,503		
		42,300,000	30,000,000	400,000
	4,384,724			
954,586	591,575			
		(23,527,929)		
<u>480,722</u>	<u>4,977,566</u>	<u>19,802,574</u>	<u>30,004,043</u>	<u>402,100</u>
(4,182,035)	2,115,255	12,258,324	27,655,311	(4,436,877)
73,355,938	71,240,683	58,982,359	31,327,048	35,763,925
<u>73,355,938</u>	<u>71,240,683</u>	<u>58,982,359</u>	<u>31,327,048</u>	<u>35,763,925</u>
<u>\$69,173,903</u>	<u>\$73,355,938</u>	<u>\$71,240,683</u>	<u>\$58,982,359</u>	<u>\$31,327,048</u>

LAFOURCHE PARISH SCHOOL BOARD
Assessed Value and Taxable Value of Property
Last Ten Fiscal Years
UNAUDITED

Table 8

Assessment Year	Assessed Value				Less Exemptions	Total Taxable Value	Total Direct Rate
	Real Estate	Personal & Business Property	Public Sector	Total Assessed Value			
2002	\$ 210,301,270	\$ 228,855,200	\$ 69,786,040	\$ 508,942,510	\$ 129,306,360	\$ 379,636,150	\$43 60
2003	213,781,080	242,464,650	69,282,870	525,528,600	132,431,900	393,096,700	43 60
2004*	244,835,270	259,091,400	73,266,550	577,193,220	141,480,420	435,712,800	43 30
2005	250,698,930	252,403,600	75,709,260	578,811,790	144,178,540	434,633,250	43 30
2006	260,531,040	271,490,890	75,965,010	607,986,940	147,279,352	460,707,588	43 30
2007	268,866,120	313,241,480	76,323,390	658,430,990	149,912,982	508,518,008	43 30
2008*	314,929,140	372,093,440	78,649,430	765,672,010	161,085,199	604,586,811	43 30
2009	329,805,390	404,432,060	79,544,460	813,781,910	164,029,924	649,751,986	43 30
2010	346,619,585	472,057,695	81,495,410	900,172,690	166,191,819	733,980,871	43 30
2011	355,176,425	473,453,855	86,121,180	914,751,460	165,590,279	749,161,181	43 30

*Reassessment year

The assessor adds property to the ad valorem tax rolls by first determining the fair market value of the property as it becomes subject to ad valorem tax. The assessor then applies the appropriate assessed valuation percentage to property's fair market value to determine gross taxable value. The percentages are:

- 10% for land, and improvements for residential purposes
- 15% for electric cooperative properties, excluding land, and other property
- 25% for public service properties, excluding land, and other property

The homestead exemption of \$75,000 is then deducted from property subject to the exemption in determining the net assessed value.

Under the laws of the State of Louisiana, the assessor is required to re-appraise all property subject to ad valorem tax every four years.

Source: Lafourche Parish Assessor's Office Report

LAFOURCHE PARISH SCHOOL BOARD
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Tax Rates Per \$1,000 of Assessed Value for Parishwide Taxes Only)
UNAUDITED

Table 9

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Lafourche Parish Schools										
Constitutional Tax	\$ 3 63	\$ 3 63	\$ 3 63	\$ 3 63	\$ 3 63	\$ 3 63	\$ 3 63	\$ 3 63	\$ 3 93	\$ 3 93
Consolidated School District No 1 Salary Supplement	7 49	7 49	7 49	7 49	7 49	7 49	7 49	7 49	7 49	7 49
Consolidated School District No 1 Maintenance	7 49	7 49	7 49	7 49	7 49	7 49	7 49	7 49	7 49	7 49
Consolidated School District No 1 Air Conditioning Maintenance	7 49	7 49	7 49	7 49	7 49	7 49	7 49	7 49	7 49	7 49
Consolidated School District No 1 Bonds	17 20	17 20	17 20	17 20	17 20	17 20	17 20	17 20	17 20	17 20
	<u>\$43 30</u>	<u>\$43.30</u>	<u>\$43 60</u>	<u>\$43 60</u>						
Overlapping, Parishwide Taxes										
Assessment District	\$ 2 50	\$ 2 50	\$ 2 36	\$ 2 36	\$ 2 50	\$ 2 50	\$ 2 50	\$ 2 27	\$ 2 50	\$ 2 50
Council on Aging	2 00	2 00	2 00	2 00						
Drainage, Health, Library	5 41	5 41	5 41	4 89	5 17	4 69	4 69	4 69	5 17	5 17
Health Unit	0 77	0 77	0 77	0 77	0 82	0 82	0 82	0 82	0 90	0 90
Juvenile Justice	3 20	3 20	3 20	3 20	3 20	3 20	3 20	3 20	3 20	3 20
Law Enforcement District	10 37	10 37	10 37	10 37	10 37	10 37	10 37	10 37	10 37	10 37
Library	5 40	5 40	5 40	5 40	5 71	7 71	7 71	7 71	8 50	8 50
Parish Drainage	3 34	3 34	3 34	3 16	3 34	3 34	3 34	3 34	3 68	3 68
Parish Recreation	1 56	1 56	1 56	1 56	1 65	1 65	1 65	1 65	1 82	1 82
Public Buildings	2 35	2 35	2 35	2 35	2 49	2 49	2 49	2 49	2 75	2 75
	<u>\$36 90</u>	<u>\$36 90</u>	<u>\$36 76</u>	<u>\$36 06</u>	<u>\$35 25</u>	<u>\$36 77</u>	<u>\$36 77</u>	<u>\$36 54</u>	<u>\$38 89</u>	<u>\$38 89</u>
Total Direct and Overlapping	<u>\$80 20</u>	<u>\$80 20</u>	<u>\$80 06</u>	<u>\$79 36</u>	<u>\$78 55</u>	<u>\$80 07</u>	<u>\$80 07</u>	<u>\$79 84</u>	<u>\$82 49</u>	<u>\$82 49</u>

Source Lafourche Parish Assessor's Office

LAFOURCHE PARISH SCHOOL BOARD
Property Tax Levies and Collections
Last Ten Fiscal Years
UNAUDITED

Table 10

YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF TAX COLLECTED TO LEVY	COLLECTIONS IN SUBSEQUENT YEARS	TOTAL TAX COLLECTIONS	PERCENT OF TAX COLLECTED TO LEVY
2003	\$ 16,552,136	\$ 16,208,281	97.92%	\$ 133,087	\$ 16,341,368	98.73
2004	17,139,016	16,785,701	97.94%	188,842	16,974,543	99.04
2005	18,997,078	18,165,027	95.62%	70,591	18,235,618	95.99
2006	18,819,619	18,562,707	98.63%	147,651	18,710,358	99.42
2007	19,948,638	19,618,668	98.35%	114,431	19,733,099	98.92
2008	22,018,830	21,603,435	98.11%	38,815	21,642,250	98.29
2009	26,178,609	25,786,974	98.50%	63,312	25,850,286	98.75
2010	28,134,260	27,651,583	98.28%	134,320	27,785,903	98.76
2011	31,781,372	30,573,799	96.20%	76,099	30,649,898	96.44
2012	32,438,679	31,635,390	97.52%	121,327	31,756,717	97.90

Source Lafourche Parish Assessor's Office

LAFOURCHE PARISH SCHOOL BOARD
Principal Property Tax Payers
Current Year and Nine Years Ago
UNAUDITED

Table 11

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2011</u>		<u>2002</u>	
		<u>Taxable Assessed Value</u>	<u>% of Total Taxable Value</u>	<u>Taxable Assessed Value</u>	<u>% of Total Taxable Value</u>
Hornbeck Offshore Service	Marine Contractors	\$ 22,446,860	2 5%		
Mars Oil Pipeline Company	Pipeline	16,307,360	1 8%	\$ 10,854,000	2 1%
ChevronTexaco Exploration	Oil and Gas	15,691,810	1 7%	7,152,070	1 4%
Loop LLC	Pipeline	15,539,870	1 7%	9,983,610	2 0%
Discovery Gas Distribution LLC	Gas	14,836,520	1 6%	6,416,000	1 3%
Nautical Solutions	Marine Contractors	13,274,540	1 5%		
Offshore Service Vessel	Marine Contractors	12,842,340	1 4%		
Entergy Louisiana, LLC	Electrical Utility	11,749,060	1 3%	8,954,410	1 8%
Nautical Ventures, LLC	Marine Contractors	10,999,170	1.2%		
Seacor Offshore, LLC	Marine Contractors	10,982,390	1 2%		
Lafourche Telephone Co, Inc	Telephone Utility			5,680,430	1 1%
Locap, Inc	Pipeline			9,316,800	1 8%
Hibernia National Bank	Bank			9,588,870	1 9%
Alpha Marine Services, LLC	Oilfield Services			12,732,050	2 5%
Edison Chouest Offshore Inc	Marine Contractors			24,822,550	4 9%
		<u>\$ 144,669,920</u>	<u>15.9%</u>	<u>\$ 105,500,790</u>	<u>20.8%</u>
Total Assessed Values		<u>\$ 914,751,460</u>		<u>\$ 508,942,510</u>	

Source Lafourche Parish Assessor's Office

LAFOURCHE PARISH SCHOOL BOARD
Other Post Employment Benefits Plan
Retiree Health and Life Insurance Program
Last Ten Fiscal Years
UNAUDITED

Table 12

Fiscal Year Ending	Actuarial Valuation Date	Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)
06/30/12	07/01/11	\$ -	\$ 40,076,291	\$40,076,291	0 00%
06/30/11	07/01/10	-	29,597,700	29,597,700	0 00%
06/30/10	07/01/09	-	19,483,000	19,483,000	0 00%
06/30/09	07/01/09	-	9,128,000	9,128,000	0 00%

Fiscal Year Ending	Annual OPEB Cost	Amount Contributed	Percentage of Annual OPEB Costs Contributed	Increase (Decrease) to Net OPEB Obligation	Net OPEB Obligation
06/30/12	\$14,482,000	\$ 4,003,409	28%	\$10,478,591	\$40,076,291
06/30/11	13,976,000	3,861,300	28%	10,114,700	29,597,700
06/30/10	13,976,000	3,621,000	26%	10,355,000	19,483,000
06/30/09	13,097,000	3,969,000	30%	9,128,000	9,128,000



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LAFOURCHE PARISH SCHOOL BOARD
Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Fiscal Years
UNAUDITED

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General obligation bonds (gross)	\$ 86,490,000	\$ 86,490,000	\$ 92,585,000	\$ 98,490,000	\$ 84,235,000
Less Amounts set aside to repay general debt	<u>26,737,121</u>	<u>24,510,961</u>	<u>23,525,442</u>	<u>23,036,066</u>	<u>22,288,437</u>
Net Bonded Debt	<u>\$ 59,752,879</u>	<u>\$ 61,979,039</u>	<u>\$ 69,059,558</u>	<u>\$ 75,453,934</u>	<u>\$ 61,946,563</u>
Total assessed property value	\$914,751,460	\$900,172,690	\$813,781,910	\$765,672,010	\$658,430,990
Percentage of total assessed property value	6.53%	6.89%	8.49%	9.85%	9.41%
Population	B)	96,666	96,318	93,682	92,572
Per Capita (B)	B)	\$ 641	\$ 717	\$ 805	\$ 669
Percentage of personal income (B)	B)	B)	0.0023%	0.0024%	0.0025%
Personal Income (in thousands) (l)	B)	B)	\$ 4,105,555	\$ 3,953,819	\$ 3,761,199
Legal debt limit	\$457,375,730	\$450,086,345	\$284,823,669	\$267,985,204	\$230,450,847
Total net debt applicable to debt limit	<u>59,752,879</u>	<u>61,979,039</u>	<u>69,059,558</u>	<u>75,453,934</u>	<u>61,946,563</u>
Legal debt margin	<u>\$397,622,851</u>	<u>\$388,107,306</u>	<u>\$215,764,111</u>	<u>\$192,531,270</u>	<u>\$168,504,284</u>
Total net debt applicable as a percentage of the debt limit	13.06%	13.77%	24.25%	28.16%	26.88%

Notes

A) See Demographics and Personal Income Table

B) Information Unavailable Source: Lafourche Parish Assessor's Office

Table 13

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 77,360,000	\$ 80,485,000	\$ 83,450,000	\$ 65,945,000	\$ 37,615,000
<u>20,245,927</u>	<u>18,477,654</u>	<u>16,910,540</u>	<u>15,123,203</u>	<u>12,239,197</u>
<u>\$ 57,114,073</u>	<u>\$ 62,007,346</u>	<u>\$ 66,539,460</u>	<u>\$ 50,821,797</u>	<u>\$ 25,375,803</u>
\$607,986,940	\$578,811,790	\$577,193,220	\$525,528,600	\$508,942,510
9.39%	10.71%	11.53%	9.67%	4.99%
92,713	93,554	92,179	91,955	91,440
\$ 616	\$ 610	\$ 673	\$ 724	\$ 556
0.0027%	0.0031%	0.0036%	0.0037%	0.0038%
\$ 3,453,901	\$ 3,008,764	\$ 2,594,976	\$ 2,469,465	\$ 2,404,545
\$212,795,429	\$202,584,127	\$202,017,627	\$183,935,010	\$178,129,879
<u>57,114,073</u>	<u>62,007,346</u>	<u>66,539,460</u>	<u>50,821,797</u>	<u>25,375,803</u>
<u>\$155,681,356</u>	<u>\$140,576,781</u>	<u>\$135,478,167</u>	<u>\$133,113,213</u>	<u>\$152,754,076</u>
26.84%	30.61%	32.94%	27.63%	14.25%

**Lafourche Parish School Board
Demographics and Economic Statistics
Last Ten Fiscal Years
UNAUDITED**

Table 14

Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	Education Attainment, 25 Years and Older		School Enrollment	Unemployment Rate %
					High School Graduates or Higher	4 or More Years of College		
2012	B)	B)	B)				14,054	4 90
2011	96,666	B)	B)				14,551	5 30
2010	96,318	\$ 4,105,555	\$ 42,625	36 5	38,088	9,007	14,629	5 20
2009	94,302	3,953,819	42,205				14,822	4 40
2008	93,083	3,761,199	32,395				14,875	3 20
2007	92,713	3,453,901	37,254				14,836	2 60
2006	93,554	3,008,764	27,026				15,284	3 00
2005	92,179	2,594,976	26,659				14,901	6 00
2004	91,955	2,469,465	27,465				15,160	5 00
2003	91,440	2,404,545	26,451				15,274	5 00

B) Information not available

Sources Population, Personal Income and Per Capita Personal Income provided by the U S Department of Labor and Bureau of Economic Analysis
U S Department of Labor for unemployment rates U S Census Bureau for Median Age and Educational Information
Educational Attainment is only available every ten years

LAFOURCHE PARISH SCHOOL BOARD
Principal Employers
AS OF JUNE 30, 2012
UNAUDITED

Table 15

<u>EMPLOYER NAME</u>	<u>CITY</u>	<u>ESTIMATED NUMBER OF EMPLOYEES</u>
Thibodaux Regional Medical Center	Thibodaux	1,000-4,999
Sports Medicine Center-Thibodaux	Thibodaux	500-999
Nicholls State University	Thibodaux	500-999
Bollinger Shipyards Inc	Lockport	500-999
Walmart Supercenter	Thibodaux	500-999
Crosby Tugs LLC	Galliano	500-999
John Deere Thibodaux Inc	Thibodaux	500-999
C-Port	Golden Meadow	250-499
Walmart Supercenter	Galliano	250-499
GIS	Galliano	250-499
Galliano Marine Svc Llc	Golden Meadow	250-499

Source: Louisiana Workforce Commission retrieved on December 24, 2012
<https://www.voshost.com/santro.asp?session=faq&faq=8>

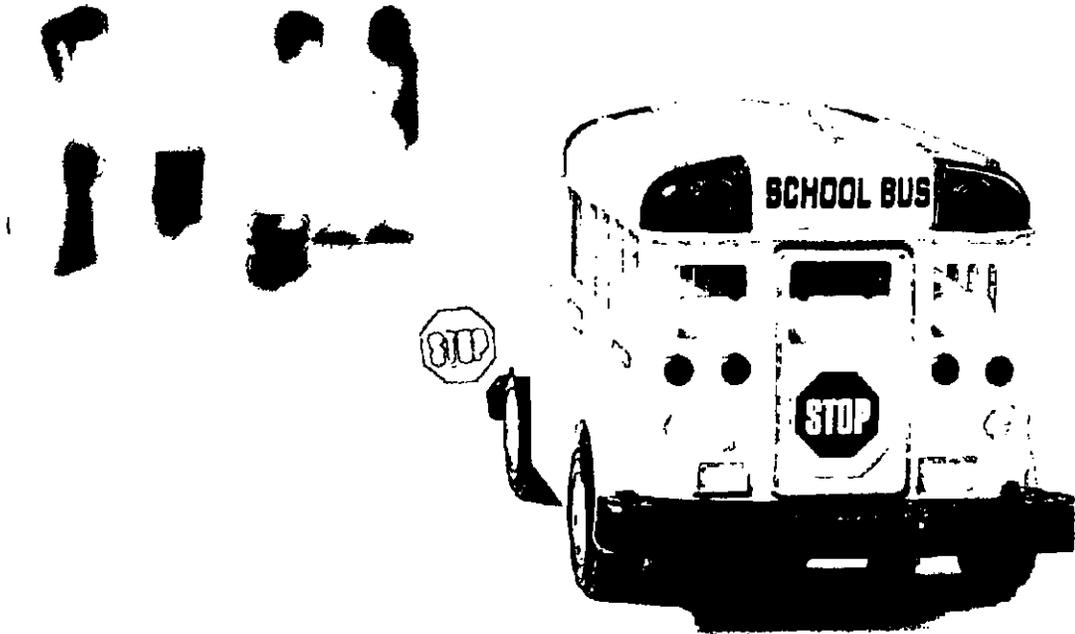
LAFOURCHE PARISH SCHOOL BOARD
Statement of Direct, Overlapping and Underlying Bonded Debt
June 30, 2012
UNAUDITED

Table 16

Name of Government Unit	Outstanding Balance (1)	% Attributable	School Board's Share of Debt
Direct			
Lafourche Parish School Board	\$ 97,165,000	100%	\$ 97,165,000
Overlapping and Underlying (2)			
Hospital Service District No 1	2,125,000	100%	2,125,000
Fire Protection District No 1	121,000	100%	121,000
Fire Protection District No 6	<u>1,335,000</u>	100%	<u>1,335,000</u>
	<u>\$100,746,000</u>		<u>\$ 100,746,000</u>

(1) Includes general obligation bonds funded by unlimited ad valorem taxes

(2) Source Official Statement for General Obligation School Bonds Series 2012



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LAFOURCHE PARISH SCHOOL BOARD
Full-time-Equivalent Employees by Type
Last Ten Fiscal Years
UNAUDITED

	<u>2,012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
I Regular Employees: CERTIFICATED					
A. Instructional:					
Supervising Instructors	1	3	2	1	1
Classroom Teachers - Regular Programs	683	716	760	762	768
Classroom Teachers - Special Education	134	138	135	143	140
Classroom Teachers - Vocational Education	46	39	41	41	42
Classroom Teachers - Other Instructional Programs	39	44	46	46	47
Classroom Teachers- Special Programs	67	60	68	65	58
Classroom Teachers - Adult/Continuing Ed Programs	5	5	12	8	7
Classroom Teachers - ROTC Instructors	6	5	5	6	6
Total Classroom Teachers	<u>980</u>	<u>1,007</u>	<u>1,067</u>	<u>1,071</u>	<u>1,068</u>
Therapist/Specialist/Counselor - Instructional Programs					
Sabbatical Leave - Instructional Programs		3	2	2	1
Total Certificated - Instructional Programs	<u>981</u>	<u>1,013</u>	<u>1,071</u>	<u>1,074</u>	<u>1,070</u>
B. Instructional Support:					
Supervisors - Instructional Support Functions	12	18	16	11	10
Librarians/Media-based Teachers/Staff Instructors - Instr Spt	49	61	66	66	62
Therapist/Specialist/Counselor - Instructional Support Function	133	130	133	127	126
Sabbatical Leave - Instructional Support Functions			2		
Total Certificated - Instructional Support	<u>193</u>	<u>209</u>	<u>217</u>	<u>204</u>	<u>198</u>
C. Support Services:					
Superintendents	1	1	1	1	1
Assistant/Associate/Deputy Superintendents				1	1
School Principals	28	28	28	28	28
School Assistant Principals	29	31	31	32	32
Other School Administrators					
Non-Classroom Teachers - Support Services					
Sabbatical Leave - Support Services					
Total Certificated - Support Services	<u>58</u>	<u>60</u>	<u>60</u>	<u>62</u>	<u>62</u>
Total Certificated	<u>1,232</u>	<u>1,282</u>	<u>1,348</u>	<u>1,340</u>	<u>1,330</u>

Table 17

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
1	1	1	1	1
778	779	779	799	796
150	168	167	193	200
46	46	49	54	55
42	42	43	42	37
57	56	56	58	61
9	8	8	7	10
<u>6</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>8</u>
<u>1,088</u>	<u>1,105</u>	<u>1,109</u>	<u>1,161</u>	<u>1,167</u>
		46	44	42
<u>2</u>	<u>3</u>	<u>6</u>	<u>4</u>	
<u>1,091</u>	<u>1,109</u>	<u>1,162</u>	<u>1,210</u>	<u>1,210</u>
9	10	11	10	10
48	50	78	79	82
123	122	79	76	70
<u>180</u>	<u>182</u>	<u>168</u>	<u>165</u>	<u>162</u>
2	2	1	1	1
1	1	1	1	1
28	28	28	27	27
32	32	33	36	35
<u>63</u>	<u>63</u>	<u>63</u>	<u>65</u>	<u>64</u>
<u>1,334</u>	<u>1,354</u>	<u>1,393</u>	<u>1,440</u>	<u>1,436</u>

LAFOURCHE PARISH SCHOOL BOARD
Full-time-Equivalent Employees by Type
Last Ten Fiscal Years
UNAUDITED

	<u>2,012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
II. Regular Employees: NON-CERTIFICATED					
A. Instructional:					
Aide - Instructional Programs	306	311	350	337	328
Total Non-Certificated - Instructional Programs	<u>306</u>	<u>311</u>	<u>350</u>	<u>337</u>	<u>328</u>
B. Instructional Support:					
Supervisors - Instructional Support Functions					
Therapist/Specialist/Counselor - Instructional Support Functions			3		
Clerical/Secretarial - Instructional Support Functions	11	17	12	16	19
Aide - Instructional Support Functions	1				
Service Worker - Instructional Support Functions					
Skilled Craftsman - Instructional Support Functions					
Degreed Professional - Instructional Support Functions	19	19	28		
Other Personnel - Instructional Support Functions	<u>28</u>	<u>39</u>	<u>33</u>	<u>35</u>	<u>34</u>
Total Non-Certificated - Instructional Support	<u>59</u>	<u>75</u>	<u>76</u>	<u>51</u>	<u>53</u>
C. Support Services					
Supervisors/Managers/Administrators - Support Services	41	37	42	43	39
Clerical/Secretarial - Support Services	96	91	135	121	79
Aide - Support Services	14	14	15	15	13
Service Worker - Support Services	376	384	402	418	350
Skilled Craftsman - Support Services	34	39	42	43	37
Degreed Professional - Support Services	14	13	13	14	11
Other Personnel - Support Services	<u>36</u>	<u>35</u>	<u>35</u>	<u>33</u>	<u>9</u>
Total Non-Certificated - Support Services	<u>611</u>	<u>613</u>	<u>684</u>	<u>687</u>	<u>538</u>
Total Non-Certificated	976	999	1,110	1,075	919
Total Regular Employees (Certificated and Non-Certificated)	2,208	2,281	2,458	2,415	2,249

Table 17

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>302</u>	<u>316</u>	<u>315</u>	<u>320</u>	<u>311</u>
<u>302</u>	<u>316</u>	<u>315</u>	<u>320</u>	<u>311</u>
21	31	34	14	15
1	1	1	2	
<u>34</u>	<u>32</u>	<u>32</u>	<u>29</u>	<u>21</u>
<u>56</u>	<u>64</u>	<u>67</u>	<u>45</u>	<u>36</u>
39	37	38	38	36
85	86	89	77	75
14	14	14	13	14
389	399	364	329	296
39	37	27	25	24
8	9	10	10	10
<u>7</u>	<u>8</u>	<u>8</u>	<u>10</u>	<u>9</u>
<u>581</u>	<u>590</u>	<u>550</u>	<u>502</u>	<u>464</u>
<u>939</u>	<u>970</u>	<u>932</u>	<u>867</u>	<u>811</u>
<u>2,273</u>	<u>2,324</u>	<u>2,325</u>	<u>2,307</u>	<u>2,247</u>

Lafourche Parish School Board
Operating Statistics
Last Ten Fiscal Years
UNAUDITED

Table 18

Year	School Enrollment	Operating Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Students Receiving Free or Reduced Meals
2012	14,054	\$144,276,670	\$10,266	6.3%	980	14	58.2%
2011	14,551	139,849,936	9,654	-4.2%	1,007	15	56.3%
2010	14,629	147,490,106	10,082	2.2%	1,067	15	56.1%
2009	14,822	146,198,128	9,864	6.2%	1,071	14	57.2%
2008	14,875	138,203,445	9,291	9.6%	1,068	14	53.0%
2007	14,836	125,766,224	8,477	14.3%	1,088	14	56.6%
2006	15,284	113,357,319	7,417	-8.9%	1,105	14	60.3%
2005	14,901	121,387,567	8,146	10.9%	1,109	13	56.4%
2004	15,160	111,359,118	7,346	1.3%	1,161	14	55.5%
2003	15,274	110,815,864	7,255	1.5%	1,167	13	52.7%

Note: School enrollment as of October 1
Teaching staff as of October 1
Free and reduced count as of

LAFOURCHE PARISH SCHOOL BOARD

Capital Asset Information

Table 19

UNAUDITED

<u>Schools</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Elementary							
Buildings	105	105	105	105	106	105	95
Square Feet	759,682	759,682	759,682	759,682	740,894	703,880	668,224
Bayou Blue	756	753	913	887	811	772	709
Bayou Boeuf	317	212	209	213	219	225	228
Chackbay	314	492	471	455	441	400	386
Cut Off	514	506	499	537	526	485	512
Galliano	446	435	432	421	433	391	405
Golden Meadow Lower	293	284	267	289	301	279	272
Golden Meadow Upper	206	223	204	202	213	254	261
W S Lafargue	540	635	604	593	557	586	598
Larose Lower	386	390	397	414	406	366	366
Larose Upper	319	333	298	299	304	340	342
Lockport Lower	460	429	438	432	403	380	392
Lockport Upper	315	317	323	357	348	345	361
Raceland Lower	444	453	463	472	483	423	454
Raceland Upper	321	356	380	398	372	387	398
St Charles	281	294	259	253	258	230	310
South Thibodaux	568	642	626	649	607	601	636
Thibodaux	539	606	602	624	596	643	618
Enrollment	<u>7,019</u>	<u>7,360</u>	<u>7,385</u>	<u>7,495</u>	<u>7,278</u>	<u>7,107</u>	<u>7,248</u>
Middle							
Buildings	47	47	47	47	47	47	43
Square Feet	512,783	512,783	512,783	512,783	512,783	455,530	381,052
East Thibodaux	365	327	385	411	418	397	448
Golden Meadow	398	396	446	457	470	480	518
Bayou Blue	471	485	353	335	319		
Larose Cut Off	516	500	500	512	532	557	582
Lockport	346	324	328	348	352	372	401
Raceland	358	339	352	327	385	670	730
Sixth Ward	272	282	307	302	305	286	285
West Thibodaux	485	447	469	444	490	506	569
Enrollment	<u>3,211</u>	<u>3,100</u>	<u>3,140</u>	<u>3,136</u>	<u>3,271</u>	<u>3,268</u>	<u>3,533</u>
High							
Buildings	14	14	14	14	14	14	14
Square Feet	843,215	843,215	843,215	843,215	844,323	769,861	769,861
South Lafourche	1,133	1,160	1,203	1,222	1,295	1,346	1,332
Central Lafourche	1,167	1,302	1,296	1,345	1,407	1,476	1,466
Thibodaux	1,375	1,505	1,478	1,585	1,586	1,594	1,644
Enrollment	<u>3,675</u>	<u>3,967</u>	<u>3,977</u>	<u>4,152</u>	<u>4,288</u>	<u>4,416</u>	<u>4,442</u>
Alternative Schools							
Buildings	8	8	8	8	8	8	8
Square Feet	40,606	40,606	40,606	40,606	40,606	34,358	34,358
Administrative & Warehouse							
Buildings	10	10	10	10	9	9	9
Square Feet	107,178	107,178	107,178	107,178	87,682	75,176	75,176

Note This is the seventh year presentation of the usage of capital assets and eventually will be presented for ten years

LAFOURCHE PARISH SCHOOL BOARD
Capital Asset Information
UNAUDITED

Table 19

Schools	2012	2011	2010	2009	2008	2007	2006
Elementary							
Buildings	105	105	105	105	106	105	95
Square Feet	759,682	759,682	759,682	759,682	740,894	703,880	668,224
Bayou Blue	756	753	913	887	811	772	709
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Galliano	446	435	432	421	433	391	405
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Golden Meadow Upper	206	223	204	202	213	254	261
W S Lafargue	540	635	604	593	557	586	598
Larose Lower	386	390	397	414	406	366	366
Larose Upper	319	333	298	299	304	340	342
Lockport Lower	460	429	438	432	403	380	392
Lockport Upper	315	317	323	357	348	345	361
Raceland Lower	444	453	463	472	483	423	454
Raceland Upper	321	356	380	398	372	387	398
St. Charles	281	294	259	253	258	230	310
South Thibodaux	568	642	626	649	607	601	636
Thibodaux	539	606	602	624	596	643	618
Enrollment	<u>7,019</u>	<u>7,360</u>	<u>7,385</u>	<u>7,495</u>	<u>7,278</u>	<u>7,107</u>	<u>7,248</u>
Middle							
Buildings	47	47	47	47	47	47	43
Square Feet	512,783	512,783	512,783	512,783	512,783	455,530	381,052
East Thibodaux	365	327	385	411	418	397	448
Golden Meadow	398	396	446	457	470	480	518
Bayou Blue	471	485	353	335	319		
Larose Cut Off	516	500	500	512	532	557	582
Lockport	346	324	328	348	352	372	401
Raceland	358	339	352	327	385	670	730
Sixth Ward	272	282	307	302	305	286	285
West Thibodaux	485	447	469	444	490	506	569
Enrollment	<u>3,211</u>	<u>3,100</u>	<u>3,140</u>	<u>3,136</u>	<u>3,271</u>	<u>3,268</u>	<u>3,533</u>
High							
Buildings	14	14	14	14	14	14	14
Square Feet	843,215	843,215	843,215	843,215	844,323	769,861	769,861
South Lafourche	1,133	1,160	1,203	1,222	1,295	1,346	1,332
Central Lafourche	1,167	1,302	1,296	1,345	1,407	1,476	1,466
Thibodaux	<u>1,375</u>	<u>1,505</u>	<u>1,478</u>	<u>1,585</u>	<u>1,586</u>	<u>1,594</u>	<u>1,644</u>
Enrollment	<u>3,675</u>	<u>3,967</u>	<u>3,977</u>	<u>4,152</u>	<u>4,288</u>	<u>4,416</u>	<u>4,442</u>
Alternative Schools							
Buildings	8	8	8	8	8	8	8
Square Feet	40,606	40,606	40,606	40,606	40,606	34,358	34,358
Administrative & Warehouse							
Buildings	10	10	10	10	9	9	9
Square Feet	107,178	107,178	107,178	107,178	87,682	75,176	75,176

Note This is the seventh year presentation of the usage of capital assets and eventually will be presented for ten years

**Independent Accountants' Report
On Applying Agreed-Upon Procedures**

To the Members of the
Lafourche 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 Lafourche 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 Lafourche 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) Bulletin. 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)

Procedure #1:

We will select a random sample of 25 transactions and review 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.

Results of Procedure # 1:

In performing the testing on the sample of expenditures/revenues, we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount.

Education Levels of Public School Staff (Schedule 2)

Procedure # 2

We will reconcile 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.

Results of Procedure # 2:

No differences were noted between the number of full-time classroom teachers per schedule 4 and schedule 2, or between the schedules and the October 1 payroll records.

Procedure # 3

We will reconcile 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 and to the school board supporting payroll records as of October 1st.

Results of Procedure # 3

No differences were noted between the number of principals and assistant principals per schedule 4 and schedule 2, or between the schedules and the October 1 payroll records.

Procedure # 4

We will obtain a list of full-time teachers, principals, and assistant principals by classification as of October 1st and as reported on the schedule. We will trace 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.

Results of Procedure # 4:

No differences were noted between the education levels of the full-time teachers, principals, and assistant principals per schedule 2 and the personnel files.

Number and Type of Public Schools (Schedule 3)

Procedure # 5

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

Results of Procedure # 5:

No differences were noted between the number of elementary schools per schedule 3 and the National School Lunch Program application.

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

Procedure #6

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

Results of Procedure # 6:

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule.

Public School Staff Data: Average Salaries (Schedule 5)

Procedure # 7

We will obtain 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 trace a random sample of 25 teachers to the individual's personnel file and determine if the individual's salary, extra compensation, and the full-time equivalents were properly included on the schedule.

Results of Procedure # 7:

In our sample of 25 employees, no discrepancies existed between the aforementioned listing and the schedule.

Procedure # 8

We will recalculate the average salaries and full-time equivalents reported in the schedule.

Results of Procedure # 8:

We noted no differences between the averages reported on the schedule and our calculations.

Class Size Characteristics (Schedule 6)

Procedure # 9

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

Results of Procedure # 9

In our sample of 10 classes, no discrepancies in the class size classifications were noted.

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

Procedure # 10

We will obtain test scores as provided by the testing authority and reconcile scores as reported by the testing authority to scores reported in the schedule by Lafourche Parish School Board.

Results of Procedure # 10:

No differences were noted.

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

Procedure # 11

We will obtain test scores as provided by the testing authority and reconcile scores as reported by the testing authority to scores reported in the schedule by Lafourche Parish School Board.

Results of Procedure # 11

No differences were noted.

The IOWA and iLEAP Tests (Schedule 9)

Procedure # 12

We will obtain test scores as provided by the testing authority and reconcile scores as reported by the testing authority to scores reported in the schedule by Lafourche Parish School Board.

Results of Procedure # 12

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 Lafourche 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.

Postlethwaite + Netterville

December 31, 2012

LAFOURCHE PARISH SCHOOL BOARD

Thibodaux, Louisiana

Schedules Required by State Law (R.S. 24:514 - Performance Measurement Data)

As of and for the Year Ended June 30, 2012

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

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

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial Statistical Report (AFSR).

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

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data: Average Salaries

This schedule includes average classroom teacher's salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

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

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 8 - The Graduation Exit Exam

This schedule represents student performance testing data and includes summary scores by district for grades 10 and 11 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 - The iLEAP Tests

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

LAFOURCHE PARISH SCHOOL BOARD
PERFORMANCE MEASUREMENT DATA

LAFOURCHE PARISH SCHOOL BOARD
 Thibodaux, Louisiana

Schedule 1

General Fund Instructional and Support Expenditures
 and Certain Local Revenue Sources
 For the Year Ended June 30, 2012

GENERAL FUND INSTRUCTIONAL EQUIPMENT AND EXPENDITURES

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom teacher salaries	\$41,720,278	
Other instructional staff salaries	4,761,613	
Employee benefits	19,220,352	
Purchased professional and technical services	604,323	
Instructional materials and supplies	986,727	
Instructional equipment	0	
Total Teacher and Student Interaction Activities		\$67,293,293

Other Instructional Activities 702,452

Pupil Support Activities	9,894,258	
Less Equipment for Pupil Support Activities		
Net Pupil Support Activities		9,894,258

Instructional staff services	2,004,348	
Less Equipment for Instructional staff services	0	
Net Instructional staff services		2,004,348

School administration	7,868,073	
Less Equipment for Instructional staff services	0	
Net Instructional staff services		7,868,073

Total General Fund Instructional Expenditures: \$87,762,424

Total General Fund Equipment Expenditures \$766,640

CERTAIN LOCAL REVENUE SOURCES

Local taxation sources

Constitutional ad valorem tax	\$2,662,284	
Renewable ad valorem tax	16,479,756	
Debt Service ad valorem tax	12,814,677	
Up to 1% of collections by the sheriff on taxes other than school taxes	959,037	
Sales and use taxes	28,382,069	
Total local taxation revenue		<u>\$61,097,823</u>

Local earnings on investment in real Property:

Earnings on 16th section property	\$1,113,434	
Earnings from other real property		
Total local earnings on investment in real property		<u>\$1,113,434</u>

State revenue in lieu of taxes:

Revenue Sharing - Constitutional Tax	\$152,628	
Revenue Sharing - Other Taxes	273,115	
Revenue Sharing - Excess Portion		
Other Revenue in lieu of taxes		
Total state revenue in lieu of taxes		<u>\$425,943</u>

Non-public Textbook Revenue \$70,880

Non-public Transportation Revenue

**LAFOURCHE PARISH SCHOOL BOARD
THIBODAUX, LOUISIANA**

**Education Levels of Public School Staff
As of October 1, 2011**

Category	Full-time Classroom Teachers				Principals and Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	1	0.1%	3	37.5%	0	0.0%	0	0%
Bachelor's Degree	701	73.0%	4	50.0%	0	0.0%	0	0%
Master's Degree	193	20.1%	1	12.5%	28	49.0%	0	0%
Master's Degree +30	63	6.6%	0		28	49.0%	0	0%
Specialist in Education	1	0.1%	0		1	2.0%	0	0%
Ph. D. or Ed. D.	1	0.1%	0		0	0.0%	0	0%
Total	960	100%	8	100%	57	100%	0	0%

**LAFOURCHE PARISH SCHOOL BOARD
THIBODAUX, LOUISIANA****Number and Type of Public Schools
For the Year Ended June 30, 2012**

Type	Number
Elementary	18
Middle/Jr. High	8
Secondary	3
Combination	1
Charter	0
Total	30

Note: Schools opened or closed during the fiscal year are included in this schedule.

**LAFOURCHE PARISH SCHOOL BOARD
THIBODAUX, LOUISIANA****Experience of Public Principals and Full-time Classroom Teachers
As of October 2011**

Type	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	2	9	9	3	6	29
Principals	0	0	2	1	10	7	8	28
Classroom teachers	41	87	286	164	164	113	113	968
Total	41	87	299	174	178	116	147	1,025

**LAFOURCHE PARISH SCHOOL BOARD
THIBODAUX, LOUISIANA**

**Public School Staff Data
For the Year Ended June 30, 2012**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	49,078.87	49,012.70
Average Classroom Teachers' Salary Excluding Extra Compensation	48,055.35	47,983.62
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	957.153	951.342

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, rehired teachers rehired to teach receive less compensation than non-rehired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

**LAFOURCHE PARISH SCHOOL BOARD
THIBODAUX, LOUISIANA**

**Class Size Characteristics
As of October 1, 2011**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	50%	1,051	46%	972	3%	67	0%	1
Elementary Activity Class	45%	134	49%	146	4%	12	2%	5
Middle/Jr High	45%	513	39%	440	16%	178	0%	-
Middle/Jr. High Activity Cl	67%	151	19%	43	12%	26	2%	5
High	48%	695	25%	368	27%	386	0%	2
High Activity Classes	60%	129	16%	35	16%	35	7%	18
Combination	97%	33	3%	1	0%	-	0%	-
Combination Activity Clas	100%	6	0%	-	0%	-	0%	-

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

LAFOURCHE PARISH SCHOOL BOARD
THIBODAUX, LOUISIANA

Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	49	4.37%	36	4.04%	66	5.73%	87	7.74%	54	5.74%	66	4.81%
Proficient	231	22.37%	208	22.90%	212	17.81%	202	17.87%	183	19.46%	210	17.43%
Basic	673	61.87%	477	50.89%	634	44.36%	624	48.82%	450	47.82%	540	44.81%
Approaching Basic	177	15.78%	150	16.44%	239	19.86%	191	16.89%	138	14.67%	232	19.25%
Unsatisfactory	72	6.42%	68	7.23%	150	12.46%	120	10.66%	116	12.33%	165	13.68%
Total	1,122	100.00%	941	100.00%	1,204	100.00%	1,124	100.00%	941	100.00%	1,205	100.00%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	68	6.14%	15	1.60%	38	2.99%	28	2.31%	23	2.46%	15	1.24%
Proficient	242	21.53%	143	15.21%	184	15.27%	184	16.37%	137	14.57%	177	14.68%
Basic	496	44.04%	489	52.02%	670	47.30%	639	55.98%	508	53.39%	600	50.04%
Approaching Basic	250	22.24%	230	24.47%	308	25.64%	163	14.50%	135	14.36%	214	17.78%
Unsatisfactory	68	6.05%	63	6.70%	108	8.80%	122	10.65%	87	9.26%	148	12.37%
Total	1,124	100.00%	940	100.00%	1,205	100.00%	1,124	100.00%	940	100.00%	1,205	100.00%

LAFOURCHE PARISH SCHOOL BOARD
 THIBODAUX, LOUISIANA

Louisiana Educational Assessment Program (LEAP) for the 21st Century
 For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	42	4.18%	32	3.34%	17	1.50%	46	4.54%	34	3.66%	47	4.17%
Proficient	178	17.57%	168	17.64%	144	12.74%	51	5.03%	51	5.32%	51	4.52%
Basic	453	44.72%	429	44.78%	497	43.98%	617	61.04%	627	66.01%	570	50.59%
Approaching Basic	275	27.18%	260	27.14%	363	32.12%	270	26.65%	208	21.71%	263	23.09%
Unsatisfactory	65	6.42%	69	7.20%	108	9.66%	129	12.73%	138	14.41%	177	15.69%
Total	1,013	100.00%	968	100.00%	1,130	100.00%	1,019	100.00%	958	100.00%	1,128	100.00%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	25	2.47%	10	1.05%	13	1.16%	18	1.78%	2	0.21%	4	0.35%
Proficient	212	20.91%	178	18.62%	128	11.34%	127	12.62%	104	10.89%	86	7.62%
Basic	383	37.77%	407	42.57%	470	41.63%	487	48.06%	459	48.09%	538	47.52%
Approaching Basic	268	26.44%	222	23.22%	342	30.28%	250	24.65%	243	25.45%	278	24.65%
Unsatisfactory	138	13.41%	139	14.54%	176	15.69%	162	14.99%	147	15.50%	224	19.89%
Total	1,014	100.00%	958	100.00%	1,128	100.00%	1,014	100.00%	955	100.00%	1,128	100.00%

LAFOURCHE PARISH SCHOOL BOARD
 THIBODAUX, LOUISIANA

The Graduation Exit Exam for the 21st Century
 For the Year Ended June 30, 2012
 (Initial Testers)

District Achievement Level Results	English Language Arts						Mathematics					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced			1	0.92%	12	1.70%			71	8.29%	100	11.40%
Proficient			83	9.70%	128	10.15%			154	17.99%	174	19.94%
Basic			430	50.23%	410	41.88%			383	44.74%	408	48.29%
Approaching Basic			225	26.29%	242	27.22%			144	16.82%	118	13.27%
Unsatisfactory			117	13.87%	86	10.27%			104	12.15%	81	9.26%
Total			856	100.00%	876	100.00%			856	100.00%	877	100.00%

District Achievement Level Results	Science						Social Studies					
	2012		2011		2010		2012		2011		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced	38	4.85%	34	4.10%	18	2.27%	10	1.28%	14	1.88%	2	1.81%
Proficient	154	19.67%	166	20.02%	106	12.94%	92	11.75%	56	6.78%	63	6.07%
Basic	557	43.04%	347	41.88%	407	49.83%	458	58.24%	441	53.29%	483	44.44%
Approaching Basic	178	22.73%	188	22.68%	211	25.21%	131	16.73%	189	24.00%	182	23.49%
Unsatisfactory	78	9.71%	94	11.34%	95	11.58%	94	12.01%	119	14.56%	97	21.06%
Total	783	100.00%	829	100.00%	837	100.00%	783	100.00%	829	100.00%	837	100.00%

The LEAP Tests
 For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	31	3.2%	34	6.80%	37	2.84%	28	2.91%
Mastery	124	18.07%	174	11.70%	165	11.25%	145	15.08%
Basic	489	48.80%	458	35.40%	485	31.67%	489	50.70%
Approaching Basic	108	18.08%	202	22.43%	232	34.40%	207	21.80%
Unsatisfactory	52	8.25%	97	22.70%	75	20.08%	64	8.70%
Total	955	100.00%	865	100.00%	864	100.00%	953	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	51	2.10%	75	6.80%	22	3.42%	22	3.57%
Mastery	165	13.31%	139	9.80%	136	10.95%	141	14.84%
Basic	422	41.48%	472	42.12%	418	33.85%	484	50.80%
Approaching Basic	241	25.79%	148	21.77%	253	32.35%	188	18.88%
Unsatisfactory	51	18.34%	124	21.53%	70	18.37%	107	11.38%
Total	850	100.00%	850	100.00%	850	100.00%	850	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	21	1.81%	31	3.17%	21	2.34%	44	4.11%
Mastery	181	10.44%	123	12.32%	157	11.20%	100	10.00%
Basic	494	48.22%	510	51.10%	416	37.70%	458	45.74%
Approaching Basic	232	20.08%	208	20.84%	288	20.83%	258	25.88%
Unsatisfactory	100	18.48%	128	12.83%	104	11.98%	131	13.14%
Total	928	100.00%	928	100.00%	927	100.00%	927	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	29	3.45%	41	4.40%	21	2.10%	8	2.64%
Mastery	118	9.38%	134	8.92%	170	12.63%	165	13.36%
Basic	480	37.80%	468	42.05%	381	35.82%	443	41.19%
Approaching Basic	238	21.14%	187	24.23%	245	20.82%	171	20.22%
Unsatisfactory	81	18.08%	110	20.10%	114	18.75%	141	16.89%
Total	831	100.00%	831	100.00%	831	100.00%	829	100.00%

District Achievement Level Results	English Language Arts		Mathematics	
	2010		2010	
	Number	Percent	Number	Percent
Grade 8				
Advanced	8	3.63%	20	4.45%
Mastery	89	9.38%	102	8.92%
Basic	405	37.80%	408	42.05%
Approaching Basic	281	21.14%	187	24.23%
Unsatisfactory	42	18.08%	144	20.20%
Total	823	100.00%	823	100.00%

The LEAP Tests
 For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	48	4.58%	40	6.72%	37	3.53%	22	2.10%
Mastery	205	19.54%	156	15.09%	165	15.94%	155	14.89%
Basic	434	48.94%	502	47.89%	514	48.05%	513	48.86%
Approaching Basic	213	20.37%	221	21.07%	251	23.85%	218	20.80%
Unsatisfactory	89	8.44%	109	10.30%	80	7.63%	139	13.26%
Total	1,049	100.00%	1,049	100.00%	1,048	100.00%	1,048	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	42	4.07%	84	8.00%	36	3.62%	27	2.67%
Mastery	198	19.70%	126	12.00%	161	15.82%	134	12.79%
Basic	455	43.89%	497	47.39%	482	46.89%	470	45.39%
Approaching Basic	225	21.47%	188	17.90%	204	20.02%	248	23.89%
Unsatisfactory	128	12.31%	155	14.70%	108	10.40%	163	15.41%
Total	1,048	100.00%	1,080	100.00%	1,061	100.00%	1,251	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	11	1.18%	84	8.80%	18	1.80%	65	7.28%
Mastery	137	14.85%	113	12.27%	162	17.59%	111	12.55%
Basic	487	52.62%	433	45.89%	436	47.07%	382	42.89%
Approaching Basic	228	24.78%	180	19.23%	230	24.57%	187	20.98%
Unsatisfactory	88	9.55%	101	10.67%	72	7.82%	105	11.62%
Total	821	100.00%	821	100.00%	821	100.00%	821	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	30	3.12%	29	3.12%	25	2.69%	18	1.89%
Mastery	182	18.78%	165	17.40%	135	14.11%	87	9.08%
Basic	440	45.69%	471	49.41%	420	43.87%	479	49.89%
Approaching Basic	282	29.21%	216	22.64%	282	29.49%	196	20.29%
Unsatisfactory	79	8.20%	110	11.42%	121	12.59%	180	18.67%
Total	953	100.00%	953	100.00%	954	100.00%	954	100.00%

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
	Number	Percent	Number	Percent
Grade 8				
Advanced				
Mastery				
Basic				
Approaching Basic				
Unsatisfactory				
Total				

The LEAP Tests
 For the Year Ended June 30, 2012

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	38	3.53%	70	6.89%	35	3.35%	5	0.48%
Mastery	249	22.80%	194	18.89%	258	24.57%	235	22.47%
Basic	450	41.88%	479	46.59%	458	44.09%	472	45.12%
Approaching Basic	270	25.03%	315	30.67%	301	28.22%	258	24.69%
Unsatisfactory	80	7.40%	102	9.79%	88	8.22%	128	12.05%
Total	1,048	100.00%	1,048	100.00%	1,048	100.00%	1,048	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	25	2.91%	55	6.19%	34	3.89%	20	2.29%
Mastery	188	19.07%	125	14.04%	163	18.39%	151	17.22%
Basic	434	44.82%	494	55.61%	438	48.39%	487	54.89%
Approaching Basic	167	22.18%	141	15.84%	205	23.11%	149	16.67%
Unsatisfactory	84	7.20%	75	8.43%	47	5.30%	80	9.02%
Total	828	100.00%	828	100.00%	827	100.00%	827	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	28	2.87%	57	6.22%	22	2.01%	50	4.67%
Mastery	121	12.85%	120	12.88%	99	9.17%	85	7.89%
Basic	491	49.06%	582	61.89%	463	42.89%	600	55.89%
Approaching Basic	254	25.89%	174	18.63%	230	21.11%	245	22.67%
Unsatisfactory	138	13.49%	159	16.89%	150	13.70%	205	18.72%
Total	1,080	100.00%	1,082	100.00%	1,085	100.00%	1,085	100.00%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	31	3.40%	57	7.39%	31	3.40%	29	3.07%
Mastery	138	15.13%	142	18.57%	128	13.79%	104	10.89%
Basic	411	45.07%	470	61.52%	388	42.01%	428	45.09%
Approaching Basic	238	25.17%	148	19.34%	231	24.89%	179	18.67%
Unsatisfactory	88	7.39%	75	9.23%	73	7.89%	114	12.09%
Total	912	100.00%	912	100.00%	913	100.00%	913	100.00%

District Achievement Level Results	English Language Arts		Mathematics	
	2012		2012	
	Number	Percent	Number	Percent
Grade 8				
Advanced				
Mastery				
Basic				
Approaching Basic				
Unsatisfactory				
Total				

LAFOURCHE PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

FINANCIAL STATEMENT AUDIT

JUNE 30, 2012



December 31, 2012

To the Lafourche Parish School Board
Thibodaux, Louisiana

In planning and performing our audit of the financial statements of the Lafourche Parish School Board (School Board) as of and for the year ended June 30, 2012, we considered the School Board's internal controls and compliance with laws and regulations having a material effect on financial reporting and other matters in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure or on compliance.

However, during our audit, we became aware of internal control matters that represent opportunities for enhanced internal controls and compliance with laws and regulations and financial reporting. The following paragraphs summarize our comments and suggestions regarding these matters. This letter does not affect our report dated December 31, 2012 on the financial statements of the School Board.

Observation 2012-1 Bank Reconciliations

P&N was informed that the Head Accountant receives all bank statements, reviews or prepares bank reconciliations and has the ability to perform transfers and initiate ACHs. As such, one individual has access to the bank account, authority over certain transactions and is responsible for reconciling and accounting for cash.

Recommendation

The incompatible duties are mitigated somewhat, because the Business Manager reviews the bank reconciliations. However, we recommend that the Head Accountant's ability to perform transfers and initiate ACHs be revoked.

Management's Response All ACH transactions now have dual control, one person initiates the ACH and another person must release it. All transfers will be pre-approved.

Observation 2012-2 Disbursements

P&N was informed that management was operating under the assumption that the current financial accounting system restricted the payment of expenditures based on access privileges and approval levels of certain employees and levels of agreement between purchase orders, invoices and receiving reports. However, this restriction was not functioning as designed. As such, certain employees could advance invoices to be paid, even though the invoices didn't agree with the respective purchase order or receiving report. Additionally, unapproved invoices or purchase orders could be paid or issued if system controls as implemented are the primary control.

Recommendation

Note that no unauthorized transactions came to our attention. However, the system controls were not functioning as expected. As such, we recommend that the School Board investigate the system capabilities and make the necessary corrections to the system and test those controls to verify that they are functioning properly.

Management's Response We will investigate the system and make the necessary corrections so that this control is in place. This step will be completed by January 31, 2013.

Observation 2012-3 Credit Cards

P&N observed that a former purchasing agent was transferred to a different position in the School Board. He retained his credit card even though it was not necessary to have a credit card in his new position. Further, this credit card and the Superintendent's credit card were both under the same account, which convoluted the process of identifying unauthorized credit card charges. Upon becoming aware of the unauthorized credit card, management canceled the account and issued the Superintendent a card that is singularly associated with its own account.

Recommendation

We recommend that the School Board strictly enforce its credit card policy and provide access to credit cards to authorized personnel only.

Management's Response All credit cards are now in compliance with our policy and are being monitored by the current purchasing agent and the business manager.

Observation 2012-4 Sales Tax Collections

P&N observed the following pertaining to Sales Tax Collections

- Tax payments received in the Sales Tax Collections office (Collections), were not being deposited timely. In an attempt to make the timing of deposits consistent with the recording and data entry of sales tax return information, the deposits would remain in the safe for several days depending on how backlogged the data entry was.
- There is no established method of tracking third party audit fees to the respective tax districts. Since the third party invoices for audit services are not detailed enough to match the costs of these audit services to the respective taxing districts, Collections must estimate the allocations for purposes of determining the amounts to distribute to the taxing districts. Further, these invoices are not conducive to matching the audit fees to the respective collections.
- Taxpayers establish their filing frequency at the time they register. The frequency is determined by the volume and seasonal nature of sales. The filing frequency of taxpayers is not monitored by Collections to determine if changes in tax payer business would warrant a change in filing frequency. Changes in the filing frequency is typically prompted only by the taxpayer electing to change the frequency.
- Limited staff prevents the delinquencies from being thoroughly analyzed with each delinquent taxpayer being investigated and pursued or taken off the roll.
- Since there is no interface between the accounting systems for the sales tax collection operations and the financial accounting system for the School Board. The monthly activity is generated by the sales tax collection accounting system and from that information, Collections manually creates a spreadsheet to be used to manually input the monthly activity into the current accounting system. Further, administrative and collection costs are manually calculated for inclusion in the spreadsheet.

Recommendation

P&N recommends the following for the respective observations noted above:

- P&N was informed that as of November 1, 2012, Collections implemented the use of a deposit machine provided by the fiscal agent whereby checks are scanned in and electronically deposited each day. We recommend that Collections continues to make deposits daily regardless of when sales tax returns are logged and entered into the system.
- Third party contractors hired to perform audits should be required to provide invoices in a way that is conducive to matching the invoiced fees with the respective taxing districts and be conducive to matching these costs to the respective collections
- Collections should establish a method of analyzing the frequency of tax filings. Collections should investigate the system capabilities or other tax collection systems and determine if certain trends could be identified that might indicate a need to change the filing frequency for certain taxpayers. This will help ensure and monitor the taxpayers' compliance with the respective ordinances, but also could improve sales tax collections.
- Collections should arrange to have a more thorough investigation of delinquencies with more taxpayers being pursued or taken off the rolls.
- Collections should investigate the system capabilities or other tax collection systems to determine a more efficient interface with the School Boards general ledger. Improving and automating the process of interfacing the collections activity with the School Board's general ledger will reduce the risk of having accounting errors and streamline the process.

Management's Response.

- At the December 2012 board meeting a plan to restructure the sales tax office was presented and approved. This plan included the hiring of an additional accountant and dividing the department into sections. The division of duties will now be assigned based on the sections of administration, collection, and auditing. At the January 9, 2013 board meeting the new job description along with the existing positions job description changes were approved. The position of the Sales Tax Collection Specialist will be opened by the Personnel Department within the next week.
- Effective November 1, 2012, the sales tax department implemented the use of a remote deposit machine. Once a batch was balanced, returns and checks totals equal, then the deposit is made. After all the checks are deposited for that day, then the batched are entered into the sales tax software system. The department is currently updating procedures for this process. Once finalized, the procedures will be forwarded for review by the auditors.
- March 2013, I will start working with each of the third party audit firms to determine a better way for invoicing the audit cost by taxing districts.
- In February 2013, the sales tax department will work with the computer department to begin a mass update of all taxpayers in the sales tax software. Any occasional filers not remitting taxes since December 31, 2008 will automatically be inactive. A letter will be send to the taxpayer indicating the account was closed due to no activity. Any taxpayer wishing activation would have to reapply. Upon receipt of the active application, the department would determine a new filing frequency. After this process is completed, the collection department will review the remaining occasional filer's activity to determine necessary changes in filing frequency. The administrative section of the department will be monitoring and updating files monthly until the taxpayer database is completely updated.
- Once the sales tax collection specialist position is filled, the department will start shifting responsibilities. The collection section will be responsible to for reviewing and calling the taxpayers. A detailed log by taxpayer will be established. When the taxpayer is delinquent for

more than two months, the auditor/field agent will be required to make a field visit issuing the newly created "Vendor Warning Notification" for all non-compliance taxpayers. The department is expecting this new procedure to decrease the number of delinquent taxpayers.

- o The Sales Tax Collector will set-up the accounting system to track each jurisdictions revenues, refunds, collection fees, audit revenue, penalty and interest revenue in separate account numbers. This will help with the monthly calculation of the sales tax revenue to each jurisdiction. Starting July 2013, the department will start looking at the available software's to accommodate the needs of the sales tax department.

Observation 2012-5 Fixed Asset Inventory

The School Board has converted its fixed asset inventory to a new capital asset inventory system during the year. The established policy is to inventory all assets with an individual purchase price of \$5,000 plus any asset that is included on the "Attractive Items List", such as computers, digital projectors, etc. Certain departments and employees maintain their own respective asset listings in addition to the primary fixed asset inventory. We were informed of the following de-centralized asset listings:

- We were informed that one Grant Accountant maintains a list of assets acquired with certain federal program funds. The list is maintained to ensure that the assets are used for the purpose intended by the program or granting agency and to ensure that disposals of said assets are accounted for properly and in accordance with the respective programs/grants. It should be noted that the Grant Accountant referred to above only maintain the asset listings for the federal programs that she is responsible for. Other grant accountants may have their own asset listing for their respective federal programs.
- The Information Technology Manager maintains a separate list of computers and other IT related assets. The purposes of his list is to monitor the usage of computers that connect to the School Board's network and to maintain warranty information for computers and other IT related assets.

Recommendation

We recommend that the School Board investigate the current accounting system's capabilities to determine if additional fields can be utilized to record information that would meet the specific needs of departments and employees and eliminate the need to maintain separate de-centralized asset listings.

Management's Response: Now that the General Ledger and Payroll/Personnel conversions are complete appropriate personnel will be getting additional training in the current accounting system's Fixed Asset Module. After the training which should be complete by February 2013, the fixed asset module in the current accounting system will be adjusted so that the additional information district needs can be recorded. This entire process should be completed by May 2013.

Observation 2012-6 Budget Format

P&N observed that the School Board budgets are not prepared in the revised format in accordance with the R.S. 39:1305. The revised format includes additional analyses of budget to projected actual comparisons as well as projected actual to proposed upcoming year budget comparisons.

Recommendation

We recommend that the School Board implement the budget format for the next budget revision or the next budget year, whichever comes first.

Management's Response: We will implement the new budget format for the next budget that is prepared.

Observation 2012-7 IT Policies, Procedures and Internal Controls

P&N observed the following pertaining to IT policies, procedures and internal controls:

- Policies and procedures – There is no formalized policies and procedures document pertaining to IT operations, information security and change management.
- Disaster recovery – P&N was informed that the IT department has a strategy for recovery of critical system operations in the event of a disaster. Further, we were informed that all critical applications have backup procedures off premises and there are plans to test these backups on an annual basis. However, there is no formalized disaster recovery document.
- Access privileges – Numerous end users, such as accounting personnel, have administrator access in the current accounting system. Further, the current financial accounting system's administrators have end user access granting them the ability to post adjustments in the general ledger, payroll and accounts payable disbursements applications.
- There are no password controls enabled restricting access to Windows, the current financial accounting system and the payroll and sales tax collection accounting systems.
- Change management - There's no formalized change management process for system updates performed to network and application systems

Recommendation

P&N recommends the following for the respective observations noted above:

- Management should have formally documented policies and procedures in place for Information System Operations, Information Security and Change Management. Policies and procedures should then be reviewed periodically to ensure their applicability as the environment and risks change.
- A formal disaster recovery plan should be documented whereby any IS member can initiate an orderly recovery of the information system operations.
- Administrator access in the current accounting system should be restricted to IT personnel. Where separation of duties is inefficient due to the size of the IT department, management should have monitoring controls in place to compensate for the lack of access controls. Further, access in the current accounting system and the ability to post adjustments in the general ledger, payroll and accounts payable disbursements should be limited to the appropriate business and accounting personnel.
- Password controls restricting access to Windows, the current financial accounting system, and the sales tax collection accounting system should be implemented. We recommend the following password settings:
 - Password length of at least 8 alphanumeric characters
 - Password expiration period of up to 90 days
 - Account lockout threshold of 3-5 unsuccessful login attempts.

Further, once the School Board workforce becomes acclimated to the new password controls, the School Board should consider enabling additional complexity requirements for the passwords.

- Management should consider the development of a formal change management process which provides standard procedures for all system modifications. All proposed changes should be identified, documented, and controlled as part of the overall change management practice. This process should segregate the process of developing changes to code from promoting those changes to production. If it



is impractical to segregate these duties due to limited staff, strong compensating controls should be in place to mitigate this risk. This includes, but is not limited to, an independent review of logs of developer activity, for which the developer cannot modify the log, or for which any modifications to the log can be traced to the developer.

Management's Response

- #1. Formal policies and procedures for Information System Operations, Information Security and Change Management will be developed.**
- #2 It will develop a formal disaster recovery plan for all critical applications and systems. IT does have an undocumented Disaster Recovery plan for the current accounting system, JPAMS, and the tax sales collection accounting system which will be documented.**
- #3. IT will review with Don Gaudet the access that has been given to his staff. The goal is to remove all administrative rights to non-IT staff.**
- #4. Password management needs to be harden but will take time to enforce. Single sign-on will be looked at to minimize the impact to our staff. Also need to have self-help in place prior to making any of the changes. IT does not have the staff to support a help desk for changing user passwords.**
 - First Step: Expanding the password to at least 8 alphanumeric characters will be our first approach where the systems will allow.**
 - Second Step: Put in place where supported the failed log-in attempts**
 - Third Step: Force changing the password every 90 days will come after expanding the password length.**
 - Last step but not recommending at this time: Enable complexity requirements will take time for our users to get use to changing their passwords first before hitting them with complexity. It is something we should work towards.**
- #5. Further discovery is required to adopt a change management policy for code changes. Christy and Caroline both write code for Child Nutrition and Sales Tax. I will need to verify what can be done to improve this process.**

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. Finally, we would also like to thank the School Board's Office staff for their cooperation with us during the performance of the audit.

This report is intended solely for the information and use of the Lafourche Parish School Board, management of the School Board and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.