
POINTE COUPEE PARISH SCHOOL BOARD

NEW ROADS, LOUISIANA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2018



A Professional Accounting Corporation

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POINTE COUPEE PARISH SCHOOL BOARD

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INDEPENDENT AUDITORS' REPORT

The Members of the
Pointe Coupee Parish School Board
New Roads, Louisiana

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

Opinions

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



Emphasis of Matter

As described in Note 1N to the financial statements, the School Board adopted Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2018. This new standard requires the School Board to recognize and report its total other post-employment benefit liability, measured according to actuarial methods and approaches prescribed within the standard along with certain disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedule of changes in total other post-employment benefits liability and related ratios, the schedule of Pointe Coupee Parish School Board's proportionate share of the net pension liability, and the schedule of Pointe Coupee Parish School Board's contributions to cost-sharing multi-employer defined benefit plans on pages 4 through 11, pages 49 through 52, page 53, page 54, and page 55, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The combining non-major governmental fund financial statements; the schedule of compensation paid to board members; and the schedule of compensation, benefits, and other payments to the superintendent, on pages 57 through 61, page 62, and page 63, respectively, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and accompanying notes on pages 69 through 71 is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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



The information included in the performance and statistical data schedules on pages 83 through 85 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018 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, 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 provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 20, 2018

POINTE COUPEE PARISH SCHOOL BOARD

NEW ROADS, LOUISIANA

REQUIRED SUPPLEMENTARY INFORMATION – Part I

MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018

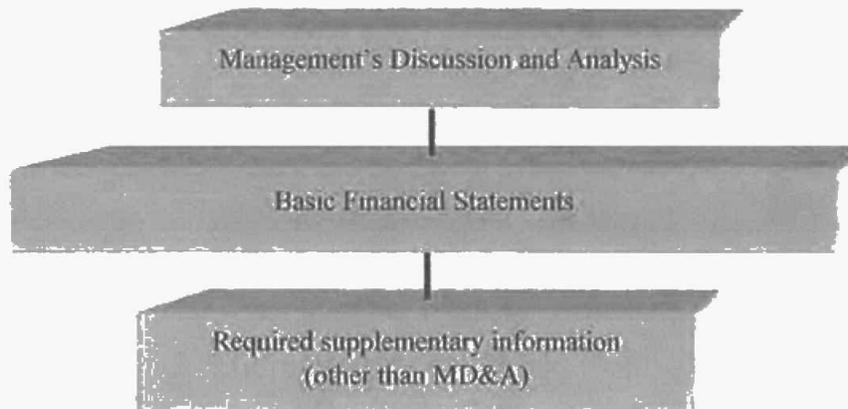
The Management's Discussion and Analysis of the Pointe Coupee Parish School Board's financial performance presents a narrative overview and analysis of Pointe Coupee Parish School Board's financial activities for the year ended June 30, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information (where available).

FINANCIAL HIGHLIGHTS

- The Pointe Coupee Parish School Board's liabilities plus deferred inflows of resources exceeded its assets plus deferred outflows of resources at the close of fiscal year 2018 by \$39,582,543. Of this deficit net position, \$9,146,790 is either restricted or invested in capital assets and is unavailable for payment of ongoing obligations. The unrestricted net position reflects a deficit balance of \$48,729,333.
- Revenue exceeded expenses by \$2,202,739 on the accrual basis for the 2018 fiscal year, representing an increase in the overall financial condition of the School Board.
- Ad valorem tax revenue decreased by \$396,606, or 5% in comparison to fiscal year 2017. Because of adequate fund balances, the School Board did not levy a property tax for the District 10 debt.
- Sales tax revenue increased by \$328,331, or 5% in comparison to fiscal year 2017 due to increased economic activity in the Parish in the 2018 fiscal year.
- Minimum Foundation Program (MFP) revenue remained consistent, increasing by \$54,119, or 0.5% in comparison to fiscal year 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information. The basic financial statements consist of two separate financial statements each of which provides a different perspective as described below:

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the School Board's finances in a manner similar to private sector business.

The *statement of net position* presents information on all of the School Board's assets, deferred outflows, liabilities and deferred inflows, with the difference between these items reported as *net position*. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. (e.g., uncollected taxes and earned but unused sick leave).

Both government-wide financial statements present functions of the School Board that are principally supported by taxes and intergovernmental revenues (governmental activities). The School Board has no functions or activities which are business-like in nature, meaning that they are primarily supported by user fees and charges for services, such as a municipally owned utility system. The governmental activities of the School Board include regular and special education programs, support services, administration, maintenance, student transportation, and school food services. The School Board contains no other units of government (component units) nor is it contained as a component unit of any other level of local or state government.

Fund financial statements. A *fund* is a grouping of related accounts that are used to maintain control over the resources that have been segregated for specific activities or objectives. The School Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the School Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available at the end of the fiscal year*. Such information may be useful in evaluating a government's near term financial requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term impact of the School Board's near-term financing decisions. Both the governmental fund balance and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The School Board maintains several individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Sales Tax Fund, which are the School Board's major funds. The remaining funds are combined into a single, aggregated presentation under the label of other governmental funds, which contains all non-major funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018

Fiduciary funds. Fiduciary Funds are used to account for resources held for the benefit of outside parties such as students. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's programs. The sole fiduciary fund of the School board is the School Activity Fund, which contains monies belonging to the schools, their students, and clubs and other activities.

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

FINANCIAL ANALYSIS OF THE ENTITY

Statements of Net Position
as of June 30, 2018 and 2017

	2018	2017 (as restated)
Assets		
Cash and cash equivalents	\$ 7,066,322	\$ 6,810,794
Certificate of deposit	183,734	182,544
Receivables	2,210,205	2,392,760
Inventory	73,109	117,121
Capital assets	9,556,213	9,969,202
Other assets	22,055	83,357
Total assets	19,111,638	19,555,778
Deferred outflows of resources	5,185,604	7,262,089
Liabilities		
Accounts payable and accrued expenses	3,754,666	3,466,335
Long-term liabilities	2,588,205	3,328,148
Total other post-employment benefits liability	25,554,137	25,955,348
Net pension liability	29,077,765	34,633,916
Total liabilities	60,974,773	67,383,747
Deferred inflows of resources	2,905,012	1,219,402
Net position		
Net investment in capital assets	7,549,865	7,435,692
Restricted	1,596,925	1,920,208
Unrestricted (deficit)	(48,729,333)	(51,141,182)
Total net position	\$ (39,582,543)	\$ (41,785,282)

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018

- Cash and certificates of deposit account for 38% and 36% of the total assets of the School Board as of June 30, 2018 and 2017, respectively. These assets increased from the prior year primarily due to operating surplus of the general fund.
- Capital assets (reported net of accumulated depreciation), which account for 50% of the total assets of the School Board, decreased primarily due to recording of current year depreciation expense of \$676,126.
- Accounts payable and other accrued expense balances increased \$288,331, or 8% primarily as a result of the increased payables as a result of timing of when payments were remitted to vendors.
- Long-term liabilities experienced a net decrease of \$739,943, or 22% primarily as a result of continued payments on the bond debt in addition to the payoff of some retirement system liabilities originally scheduled for payment over multiple years.
- The School Board adopted a new accounting standard regarding the reporting of the other post-employment benefits liability. As a result, the liability as of June 30, 2017 was restated from \$5,200,147 to \$25,955,348. The total other post-employment benefits liability at June 30, 2018 decreased \$401,211 from the re-stated amount, or 2% as a result of changes in the valuation by the School Board's actuary.
- Net pension liability decreased \$5,556,151, or 16% as a result of changes in the valuation by the actuary.
- Net position at June 30, 2018 shows a deficit of \$39,582,543. The deficit is primarily a result of the School Board reporting its proportionate share of unfunded pension liabilities of the Teachers Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS), and the reporting of its other post-employment benefits liability.

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018

Statements of Revenues and Expenses
For the Years Ended June 30, 2018 2017 and 2016

	2018	2017	2016
Revenues			
Program revenues			
Charges for services	\$ 145,752	\$ 183,405	\$ 248,897
Operating grants and contributions	7,656,002	7,551,237	8,017,378
Capital grants and contributions	-	102,984	772,802
General revenues			
Property taxes	8,046,594	8,443,200	7,817,021
Sales taxes	7,065,004	6,736,673	6,613,072
Earnings on Investments	36,045	29,610	44,663
Minimum Foundation Program	11,518,871	11,464,752	11,281,420
Other	400,732	537,786	267,085
	<u>34,869,000</u>	<u>35,049,647</u>	<u>35,062,338</u>
Expenses			
Regular education	10,355,508	11,039,798	10,571,534
Special and other education	6,242,103	6,981,577	6,487,496
Pupil support	1,536,720	1,476,309	1,618,367
Instructional staff	1,233,098	1,272,507	1,228,482
General administrative	1,170,543	1,178,598	1,232,015
School administrative	1,712,364	2,002,894	1,794,726
Business and central services	621,984	661,946	1,245,623
Plant operation and maintenance	3,034,846	3,089,599	3,147,719
Transportation	4,495,715	4,622,939	3,814,929
Charter schools	265,264	192,432	243,903
Food services	1,882,911	1,988,484	2,051,945
Interest expense	62,896	68,915	91,185
Other	52,309	24,979	608
	<u>32,666,261</u>	<u>34,600,977</u>	<u>33,528,532</u>
Excess of revenues over expenses	<u>\$ 2,202,739</u>	<u>\$ 448,670</u>	<u>\$ 1,533,806</u>

Revenues

- Operating grants and contributions, which accounts for 22% of total revenues, increased slightly by \$104,765 or 1% in 2018.
- Local tax revenues consist of sales and property taxes and are approximately 43% of total revenue. Tax revenues have decreased in total slightly by \$68,275 or .4%. While sales taxes have increased as a result of economic activity, property taxes have dropped as a result of lower assessed millages.
- Minimum Foundation Program (MFP) revenue increased by \$54,119, or .5% in comparison to fiscal year 2017 as a result of slight adjustments in enrollment.

Expenses

- Expenses overall decreased by \$1,934,716 or 6%, primarily as a result of decreased salaries and benefits and transportation costs.

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018

ANALYSIS OF INDIVIDUAL FUNDS

- The majority of the School Board's financial activity occurs in the general fund. The fund balance at June 30, 2018, is \$4,181,779. This fund balance is a result of accumulated operating surpluses and deficits from the current and prior fiscal years and serves to sustain the system during periods of decreased revenue or major events.
- The combined non-major funds have a fund balance of \$1,616,229, consisting primarily of the District 10 debt service fund of \$598,712 and the School Food grant fund of \$988,683. The remainder consists primarily of grant program funds. The majority of the grant programs maintain minimal, if any, fund balance as these funds account for reimbursement driven programs.
- The Sales Tax Fund, which accounts for the proceeds of the one cent tax dedicated to salaries and benefits contains no fund balance and operated at a deficit. Transfers of \$141,196 were made from the General fund during the year ended June 30, 2018 to cover the deficit.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

There were no budget amendments adopted during the fiscal year. The General Fund and Sales Tax Fund, with actual revenues of \$23,553,464 and \$3,532,502, respectively, operated within the available resources as planned through respective budgets.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2018, the Pointe Coupee Parish School Board had \$9,556,213 invested in a broad range of capital assets, including land, building, and equipment. (See table below.) This amount represents a net decrease (including additions and deductions) of \$412,989 or 4%, over last year.

Capital Assets at June 30, 2018 and 2017
(Net of Accumulated Depreciation)

	2018	2017
Land and land improvements	\$ 973,085	\$ 994,686
Construction in progress	54,000	54,000
Buildings and improvements	7,782,136	8,137,933
Machinery and equipment	746,992	782,583
Totals	\$ 9,556,213	\$ 9,969,202

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018

Long-term liabilities

The School Board's long-term liabilities consists of bonds payable, the liability for compensated absences, claims and judgments, and obligations under capital leases (see table below).

Long-Term Liabilities at June 30, 2018 and 2017

	2018	2017
Bonds payable	\$ 1,940,125	\$ 2,406,125
Claims and judgments	100,000	273,158
Obligations under capital lease	66,223	127,385
Compensated absences	481,857	521,480
	\$ 2,588,205	\$ 3,328,148

Claims and judgments decreased as a result of the payment of an accrued liability related to the privatization of certain positions which requires contributions to the Louisiana School Employees Retirement System.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The School System has historically operated in an environment of stagnant enrollment and marginal local fiscal support in comparison to other districts in Louisiana. This environment and other factors have contributed to the past unfavorable financial condition of the System. However, for the past several fiscal years, management and the Board were successful in raising the school system to a reasonably adequate level of financial stability through expenditure control and efforts to increase funding. Student enrollment is expected to remain consistent maintaining the minimum foundation revenue. Despite this financial stability, many of the School System's facilities remain substandard and in need of significant improvement.

For 2018-2019, cost containment budget measures were implemented in order to adopt a balanced budget. Revenues are projected to increase overall as a result of increased ad valorem taxes. The School Board has prepared a breakeven budget for the 2018-2019 fiscal year.

The Pointe Coupee Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- Ad valorem taxes are expected to remain constant and sales tax revenues are expected to have a minimal increase.
- MFP revenue funded by the State of Louisiana is expected to decline as a result of lower enrollment and constant local tax revenue
- Health insurance costs are expected to increase approximately 7%.
- Expenditures have been budgeted for retirement costs and technology updates needed to meet requirements mandated by the State Department of Education.

POINTE COUPEE PARISH SCHOOL BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2018

CONTACTING THE POINTE COUPEE PARISH SCHOOL BOARD'S MANAGEMENT

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Kevin Lemoine, Superintendent, Pointe Coupee Parish School Board, P.O. Box 579, New Roads, LA 70760-0579, 225-638-8674.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

STATEMENT OF NET POSITION
JUNE 30, 2018

ASSETS

Cash and cash equivalents	\$	7,066,322
Certificate of deposit		183,734
Receivables:		
Sales tax		631,100
Due from other governments		1,579,105
Inventory		73,109
Capital assets, not being depreciated:		
Land		787,734
Construction-in-progress		54,000
Capital assets, net of accumulated depreciation		8,714,479
Other assets		22,055
TOTAL ASSETS		19,111,638

DEFERRED OUTFLOWS OF RESOURCES

Deferred pension contributions		3,798,203
Deferred amounts related to other post-employment benefits liability		285,949
Deferred amounts related to net pension liability		1,101,452
TOTAL DEFERRED OUTFLOWS OF RESOURCES		5,185,604

LIABILITIES

Accounts payable and accrued expenses		3,754,666
Long-term liabilities:		
Due within one year (bonds and compensated absences)		668,178
Due in more than one year		1,920,027
Total other post-employment benefits liability		25,554,137
Net pension liability		29,077,765
TOTAL LIABILITIES		60,974,773

DEFERRED INFLOWS OF RESOURCES

Deferred amounts related to net pension liability		2,905,012
TOTAL DEFERRED INFLOWS OF RESOURCES		2,905,012

NET POSITION

Net investment in capital assets		7,549,865
Restricted for:		
Debt service		579,408
Federal and State Grant Programs and Capital Projects		1,017,517
Unrestricted		(48,729,333)
TOTAL NET POSITON	\$	(39,582,543)

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Instruction:				
Regular education programs	\$ 10,355,508	\$ -	\$ 1,912,598	\$ (8,442,910)
Special education programs	1,780,676	-	327,854	(1,452,822)
Other education programs	4,461,427	-	812,251	(3,649,176)
Support Services:				
Pupil support services	1,536,720	135,940	279,776	(1,121,004)
Instructional staff services	1,233,098	-	227,035	(1,006,063)
General administration services	1,170,543	-	215,518	(955,025)
School administration services	1,712,364	-	315,276	(1,397,088)
Business and central services	621,984	-	114,518	(507,466)
Plant operation and maintenance	3,034,846	-	607,760	(2,427,086)
Transportation	4,495,715	-	827,740	(3,667,975)
Appropriation:				
Charter schools	265,264	-	-	(265,264)
Food services	1,882,911	9,812	2,015,676	142,577
Interest Expense	62,896	-	-	(62,896)
Other	52,309	-	-	(52,309)
Total Governmental Activities	32,666,261	145,752	7,656,002	(24,864,507)
General Revenues				
Taxes:				
Ad valorem taxes				8,046,594
Sales and use taxes				7,065,004
Grants and contributions not restricted to specific purposes:				
Minimum foundation program				11,518,871
Interest and investment earnings				36,045
Miscellaneous				400,732
			Total general revenues	27,067,246
			Change in Net Position	2,202,739
			Net Position - July 1, 2017, restated	(41,785,282)
			Net Position - June 30, 2018	\$ (39,582,543)

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	General	Sales Tax	Other Non-Major	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 5,362,691	\$ -	\$ 1,703,631	\$ 7,066,322
Certificate of deposit	183,734	-	-	183,734
Receivables				
Sales tax	315,550	315,550	-	631,100
Due from other governments	194,217	-	1,384,888	1,579,105
Due from other funds	1,866,917	-	241,980	2,108,897
Inventory	-	-	73,109	73,109
	TOTAL ASSETS	\$ 315,550	\$ 3,403,608	\$ 11,642,267
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 1,435,012	\$ -	\$ 271,524	\$ 1,706,536
Claims payable	63,621	-	-	63,621
Salaries and benefits payable	1,965,205	-	-	1,965,205
Due to other funds	277,492	315,550	1,515,855	2,108,897
	TOTAL LIABILITIES	315,550	1,787,379	5,844,259
Fund balances:				
Nonspendable	-	-	73,109	73,109
Spendable:				
Restricted	-	-	1,543,120	1,543,120
Unassigned	4,181,779	-	-	4,181,779
	TOTAL FUND BALANCES	-	1,616,229	5,798,008
	TOTAL LIABILITIES AND FUND BALANCES	\$ 315,550	\$ 3,403,608	\$ 11,642,267

The accompanying notes are an integral part of this statement

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total Fund Balances at June 30, 2018 - Governmental Funds		\$ 5,798,008
Cost of capital assets at June 30, 2018	25,360,212	
Less: Accumulated Depreciation as of June 30, 2018	<u>(15,803,999)</u>	9,556,213
Bond discount, net of amortization		22,055
Accrued interest on long-term debt		(19,304)
Long-term liabilities at June 30, 2018:		
Bonds payable	(1,940,125)	
Obligations under capital lease	(66,223)	
Claims & judgments payable	(100,000)	
Compensated absences payable	<u>(481,857)</u>	<u>(2,588,205)</u>
Other post-employment benefit obligation balances in accordance with GASB 75		
Deferred outflow of resources - related to other post-employment benefits	285,949	
Net other post-employment benefit obligation		
- unfunded actuarial accrued liability	<u>(25,554,137)</u>	<u>(25,268,188)</u>
Net pension obligation balances in accordance with GASB 68		
Deferred outflow of resources - deferred pension contributions	3,798,203	
Deferred outflow of resources - related to net pension liability	1,101,452	
Net pension liability	(29,077,765)	
Deferred inflow of resources - related to net pension liability	<u>(2,905,012)</u>	<u>(27,083,122)</u>
Total net position at June 30, 2018 - Governmental Activities		<u>\$ (39,582,543)</u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Sales Tax</u>	<u>Other Non-Major</u>	<u>Total</u>
<u>REVENUES</u>				
Local sources:				
Ad valorem taxes	\$ 8,046,594	\$ -	\$ -	\$ 8,046,594
Sales and use taxes	3,532,502	3,532,502	-	7,065,004
Earnings on investments	25,040	-	11,005	36,045
Food sales	-	-	9,812	9,812
Other	345,487	-	53,097	398,584
State sources:				
Minimum foundation program (MFP)	11,391,968	-	126,903	11,518,871
Revenue sharing	138,088	-	-	138,088
Restricted grants-in-aid	36,779	-	552,681	589,460
Other	29,931	-	-	29,931
Federal grants	7,075	-	7,029,536	7,036,611
TOTAL REVENUES	23,553,464	3,532,502	7,783,034	34,869,000
<u>EXPENDITURES</u>				
Current:				
Instruction:				
Regular education programs	9,243,225	1,685,323	234,468	11,163,016
Special education programs	1,167,336	303,400	447,696	1,918,432
Other education programs	827,253	156,050	3,690,255	4,673,558
Support:				
Pupil support services	1,072,473	164,615	380,445	1,617,533
Instructional staff services	526,477	155,286	648,458	1,330,221
General administration services	1,055,933	141,513	893	1,198,339
School administration services	1,602,649	236,823	826	1,840,298
Business and central services	541,558	118,819	-	660,377
Plant operation and maintenance	2,718,771	140,481	450	2,859,702
Transportation	4,193,161	303,872	525,609	5,022,642
Food services	-	267,516	1,732,168	1,999,684
Appropriation:				
Charter schools	265,264	-	-	265,264
Facility acquisition and construction	18,361	-	30,999	49,360
Debt service - principal	272,162	-	255,000	527,162
Debt service - interest	38,309	-	23,900	62,209
TOTAL EXPENDITURES	23,542,932	3,673,698	7,971,167	35,187,797
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 10,532	\$ (141,196)	\$ (188,133)	\$ (318,797)

(continued)

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	General	Sales Tax	Other Non-Major	Total
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	\$ (158,196)	\$ -	\$ (154,754)	\$ (312,950)
Transfers in	154,754	141,196	17,000	312,950
TOTAL OTHER FINANCING SOURCES (USES)	(3,442)	141,196	(137,754)	-
<u>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>				
	7,090	-	(325,887)	(318,797)
Fund balances, June 30, 2017	4,174,689		1,942,116	6,116,805
FUND BALANCES, JUNE 30, 2018	\$ 4,181,779	\$ -	\$ 1,616,229	\$ 5,798,008 (concluded)

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Uses - Total Governmental Funds		\$ (318,797)
Capital Assets:		
Capital outlay and other expenditures capitalized	\$ 315,446	
Loss on disposal of property	(52,309)	
Depreciation expense	<u>(676,126)</u>	(412,989)
Long Term Liabilities:		
Principal portion of debt service payments	\$ 527,162	
Change in compensated absences payable	39,623	
Change in claims payable and judgments	173,158	
Change in accrued interest on long-term debt	2,602	
Bond discount current amortization	<u>(3,287)</u>	739,258
Change in other post-employment benefits liability and deferred outflows in accordance with GASB 75		<u>687,162</u>
Change in net pension liability and deferred inflows and outflows in accordance with GASB 68		<u>1,508,105</u>
Change in Net Position - Governmental Activities		<u><u>\$ 2,202,739</u></u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents - School Activity Accounts	\$ 228,834
 TOTAL ASSETS	 <u>228,834</u>
 <u>LIABILITIES</u>	
Amounts held for others	<u>228,834</u>
 TOTAL LIABILITIES	 <u>\$ 228,834</u>

The accompanying notes are an integral part of this statement.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. FINANCIAL REPORTING ENTITY

The Pointe Coupee Parish School Board was created by Louisiana Revised Statute LSA-R S 17:51 to provide public education in Pointe Coupee Parish. The School Board is authorized by LSA-R S 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of eight members who are elected from eight districts for terms of four years.

The School Board operates six schools within the parish with a total enrollment of approximately 3,000 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students. In the fall of 2016, a sixth school was opened named the Science Technology Engineering and Mathematics (STEM) Magnet Academy.

The Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no *component units*, defined by GASB as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Government-Wide Financial Statements present all non-fiduciary activities of the School Board and are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of the related cash flows. Sales taxes are recognized when the underlying sales transactions occur and property taxes are recognized when a legally enforceable claim arises. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Government-Wide Financial Statements (continued)

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. This statement demonstrates the degree to which direct expenses of a given function are offset by program revenues. Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

The School Board reports all direct expenses by function in the Statement of Activities. Direct Expenses are those that are clearly identifiable with a function.

Fund Financial Statements (FES)

The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. Funds are maintained consistent with legal and managerial requirements.

The funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Funds

Governmental Funds are used to account for the School Board's general activities that are financed with taxes or intergovernmental support, including the acquisition or construction of fixed assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

General Fund is the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in another fund.

Sales Tax Fund is used to account for financial resources to be used for salaries and benefits from sales and uses taxes approved in 1999.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Governmental Funds (continued)

Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 6 months after year-end, or within 60 days after year-end for property taxes. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in current net position. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes are recognized when a legally enforceable claim arises (generally when levied) and the resources are available.

Sales and use taxes are recognized when the underlying exchange transaction occurs and the resources are available.

Entitlements and shared revenues (which include the state Minimum Foundation Program revenue, state revenue sharing, and federal and state grants) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries and benefits are recorded as earned. Salaries for nine-month employees are accrued at June 30.

Vendor payments are recorded as the obligation is incurred

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

B. **BASIS OF PRESENTATION AND ACCOUNTING** (continued)

Governmental Funds (continued)

Expenditures (continued)

Other Financing Sources (Uses) consist of transfers between funds that are not expected to be repaid, capital lease transactions, sales of fixed assets, debt extinguishments, and long-term debt proceeds, and are recognized at the time the underlying events occur.

Fiduciary Funds

An Agency Fund is a Fiduciary Fund which is custodial in nature (assets equal liabilities) and does not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in the agency capacity. The agency fund consists of the school activity accounts which accounts for assets held by the School Board as an agent for the individual schools and school organizations. Agency funds are accounted for on the accrual basis of accounting.

C. **CASH AND INVESTMENTS**

Cash consists of demand deposits. Time deposits and those investments with original maturities of 90 days or less are categorized as cash.

Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Investments are generally restricted to debt securities backed by the U.S. Government or its agencies, and debt securities of Louisiana state and local governments.

D. **SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the governmental funds balance sheet, and are considered to be short-term interfund loans. All interfund transactions for which no intent or ability for repayment exists are treated as transfers.

E. **ELIMINATION AND RECLASSIFICATIONS**

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. INVENTORY

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when used. All purchased inventory items are valued at cost using first-in, first-out (FIFO) method, and commodities are assigned values based on information provided by the U. S. Department of Agriculture.

G. CAPITAL ASSETS

All capital assets are capitalized at historical cost, or estimated historical costs for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains a \$5,000 threshold level for capitalizing assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All depreciable capital assets are depreciated using the straight-line method over their estimated lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives are approximately 3 to 20 years for equipment and computer software; and 40 years for buildings and improvements.

H. COMPENSATED ABSENCES

All 12-month employees earn up to ten days of vacation leave each year, depending on their length of service with the School Board. Vacation leave can be accumulated up to 40 days. Upon separation, all unused vacation is paid to the employee.

All School Board employees earn a certain amount of sick leave each year, depending upon the length of service and employment status. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days for 9-11 month employees and up to 37 days for 12 month employees is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement computation as earned service.

The School Board's recognition and measurement criteria for compensated absences follow:

Accounting standards provide that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- a. The employees' rights to receive compensation are attributable to services already rendered.
- b. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

I. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

H. **COMPENSATED ABSENCES** (continued)

Accounting standards further provide that a liability for sick leave should be accrued using one of the following termination approaches:

- a. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- b. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach.

I. **PENSION PLANS**

The Pointe Coupee Parish School Board is a participating employer in two defined benefit pension plans (plans) as described in Note 5. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

J. **RESTRICTED NET POSITION**

For the government-wide statement of net position, net position is reported as restricted when constraints placed on net position use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulations of other governments; or

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

K. **FUND EQUITY OF FUND FINANCIAL STATEMENTS**

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable - represent balances that are not expected to be converted to cash.

Spendable

Restricted - represent balances where constraints have been established by parties outside of the School Board or by enabling legislation.

Committed - represent balances where constraints have been established by formal action of the School Board. A simple majority vote in a public meeting is required to establish, modify, or rescind a fund balance commitment.

Assigned - represent balances where informal constraints have been established by the School Board or committee or delegate thereof, but are not restricted nor committed.

Unassigned - represent balances for which there are no constraints.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, the School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the School Board reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

L. **SALES AND USE TAXES**

The voters of Pointe Coupee Parish authorized the School Board to levy and collect two separate sales and use taxes. Revenues generated by the two taxes must be used exclusively to supplement other revenues available to the School Board for the following purposes:

- 1% Sales and Use Tax - permanent tax levied for the Pointe Coupee Parish School Board, approved September 30, 1967, to be used for salaries of teachers and/or for the general operation of the schools of Pointe Coupee Parish.
- 1% Sales and Use Tax - tax levied for the Pointe Coupee Parish School Board, originally approved November 20, 1999 to be used for salary and benefits. The Board's policy is to use 75% of the proceeds for salary and benefits for certified teachers and the remaining 25% for salary and benefits for non-certified teachers and support personnel of Pointe Coupee Parish.

The receipt and expenditure of the sales and use taxes adopted in 1967 are included in the operations of the General Fund. The sales and use taxes adopted in 1999 are recorded in the Sales Tax Fund.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

M. **USE OF ESTIMATES**

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

N. **CURRENT YEAR ADOPTION OF NEW ACCOUNTING STANDARD AND RESTATEMENT OF NET POSITION**

The School Board adopted Government Accounting Standards Board (GASB) Statement Number 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The net effect to the School Board's Statement of Net Position for the prior year that resulted from the adoption of GASB 75 is as follows:

	<u>Governmental Activities</u>
Total Net Position, June 30, 2017 as previously reported	\$ (21,030,081)
Reverse post-employment benefit obligation June 30, 2017	5,200,147
Record total post-employment benefit liability June 30, 2017	(25,955,348)
Net effect	(20,755,201)
Total Net Position, June 30, 2017, restated	\$ (41,785,282)

2. **AD VALOREM TAXES**

The School Board levies taxes on real and business personal property located within Pointe Coupee Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Pointe Coupee Parish Tax Assessor, except for public utility property which is assessed by the Louisiana Tax Commission. Assessed values are approved by the Louisiana Tax Commission. The Pointe Coupee Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

	<u>Property Tax Calendar</u>
Millage rates adopted	May, 2017
Levy date	October, 2017
Tax bills mailed	October, 2017
Due date	December 31, 2017
Lien date	January 1, 2018
Collection date	May, 2018
Tax Sale Date – 2017 Delinquent Property	May, 2018

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

2. **AD VALOREM TAXES** (continued)

Total assessed value was \$515,550,109 in calendar year 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$41,380,203 of the assessed value in calendar year 2017.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recorded in the general and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises to the extent available. All taxes are considered fully collectible; therefore, no allowance for uncollectible taxes is provided.

A summary of the various taxes levied for 2017 is as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
General Fund (parish-wide taxes)			
Constitutional School Tax	4.54	4.54	N/A
Support	11.96	11.96	2020
Debt Service			
District 10	general obligation	0.00	2022

3. **DEPOSITS AND INVESTMENTS**

The carrying amount of the School Board's deposits with financial institutions was \$7,478,890 and the bank balance was \$8,718,516 at June 30, 2018. Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in the event of financial institution failure, the School Board's deposits may not be returned. 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 had no custodial credit risk as of June 30, 2018.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and school districts. The School Board currently owns no investment securities.

Interest Rate Risk – The School Board's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

3. **DEPOSITS AND INVESTMENTS** (continued)

Credit Risk – Under Louisiana R.S. 33:2955, as amended, the School Board may invest in obligations of the U.S. Treasury, U.S. Agencies and instrumentalities, repurchase agreements, certificates of deposits, Louisiana Asset Management Pool (LAMP), and other investments as provided in the statute. The System’s investment policy does not further limit its investment choices.

Concentration of Credit Risk – The School Board’s investment policy does not limit the amount the School System may invest in any one issuer.

4. **CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended June 30, 2018 are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not depreciated:</u>				
Land	\$ 787,734	\$ -	\$ -	\$ 787,734
Construction-in-progress	54,000	-	-	54,000
Total capital assets, not depreciated	<u>841,734</u>	<u>-</u>	<u>-</u>	<u>841,734</u>
<u>Capital assets being depreciated</u>				
Land improvements	633,742	-	-	633,742
Buildings and improvements	22,193,177	241,682	(455,682)	21,979,177
Machinery and equipment	2,012,490	73,764	(180,695)	1,905,559
Total capital assets, being depreciated	<u>24,839,409</u>	<u>315,446</u>	<u>(636,377)</u>	<u>24,518,478</u>
Total capital assets, at cost	<u>25,681,143</u>	<u>315,446</u>	<u>(636,377)</u>	<u>25,360,212</u>
<u>Less accumulated depreciation</u>				
Land improvements	426,790	21,601	-	448,391
Buildings and improvements	14,055,244	560,520	(418,723)	14,197,041
Machinery and equipment	1,229,907	94,005	(165,345)	1,158,567
Total accumulated depreciation	<u>15,711,941</u>	<u>676,126</u>	<u>(584,068)</u>	<u>15,803,999</u>
Total capital assets being depreciated (net)	<u>9,127,468</u>	<u>360,680</u>	<u>(52,309)</u>	<u>8,714,479</u>
Total capital assets (net)	<u>\$ 9,969,202</u>	<u>(\$ 360,680)</u>	<u>(\$ 52,309)</u>	<u>\$ 9,556,213</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

4. **CAPITAL ASSETS** (continued)

Depreciation expense of \$676,126 for the year ended June 30, 2018 was charged to the following governmental functions:

Regular education programs	\$ 38,101
Special education programs	6,499
Other education programs	15,832
Pupil support services	5,480
Instructional staff services	4,506
General administrative services	4,060
School administration services	6,234
Business and central services	2,237
Plant operation and maintenance	569,835
Transportation	16,568
Food services	6,774
	<u>\$ 676,126</u>

5. **RETIREMENT SYSTEMS**

The Pointe Coupee Parish School Board (the School Board) is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS) (the Systems). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees and all Systems are component units of the State of Louisiana.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

TRSL:
8401 United Plaza Blvd.
P. O. Box 94123
Baton Rouge, Louisiana 70804-
9123
(225) 925-6446
www.trsl.org

LSERS:
8660 United Plaza
Blvd.
Baton Rouge, LA
70804
(225) 925-6484
www.lseers.net

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL)

The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. Eligibility for retirement benefits for these plans and the calculation of retirement benefits are provided for in LRS 11:761.

Louisiana School Employees' Retirement System (LSERS)

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:1141.

Cost of Living Adjustments

The pension plans in which the School System participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to these systems, (TRSL and LSERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to funded status and interest earnings.

Funding Policy

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee (PRSAC). In accordance with state statute, TRSL receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support from non-employer contributing entities, but are not considered special funding situations.

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2017, for the School Board and covered employees were as follows:

	<u>School Board</u>	<u>Employees</u>
Teachers' Retirement System (TRSL):		
Regular Plan	26.60%	8.00%
Plan A	26.60%	9.10%
School Employees' Retirement System (LSERS)	27.60%	7.50% - 8.00%

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	2018	2017	2016
Teachers' Retirement System	\$ 3,483,231	\$ 3,222,518	\$ 3,435,081
School Employees' Retirement System	314,972	225,065	171,534

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

The following schedule lists the School Board's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2017 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2018 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2017 along with the change compared to the June 30, 2016 rate. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at June 30, 2017	Rate at June 30, 2017	Increase (Decrease) to June 30, 2016 Rate
Teachers' Retirement System	\$ 27,941,389	0.2725%	-0.01085%
School Employees' Retirement System	1,136,376	0.1776%	-0.00416%
	\$ 29,077,765		

The School Board's proportionate share of pension expense for the year ended June 30, 2018 was as follows:

Teachers' Retirement System	\$ 2,332,508
School Employees' Retirement System	(42,412)
	\$ 2,290,096

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

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

At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (944,977)
Changes of assumptions	318,470	(17,703)
Net difference between projected and actual earnings on pension plan investments	-	(739,445)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	782,982	(1,202,887)
Employer contributions subsequent to the measurement date	3,798,203	-
Total	<u>\$ 4,899,655</u>	<u>\$ (2,905,012)</u>

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 4,499,235	\$ (2,729,383)
School Employees' Retirement System	400,420	(175,629)
	<u>\$ 4,899,655</u>	<u>\$ (2,905,012)</u>

The School Board reported a total of \$3,798,203 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2019. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 3,483,231
School Employees' Retirement System	314,972
	<u>\$ 3,798,203</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

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

Year	<u>TRSL</u>	<u>LSERS</u>	<u>Total</u>
2019	\$ (507,223)	\$ (109,389)	\$ (616,612)
2020	225,759	53,064	278,823
2021	(457,665)	7,490	(450,175)
2022	(974,250)	(41,346)	(1,015,596)
	<u>\$ (1,713,379)</u>	<u>\$ (90,181)</u>	<u>\$ (1,803,560)</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2017 are as follows:

	TRSL	LSERS
Valuation Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Expected Remaining		
Service Lives	5 years	3 years
Investment Rate of Return	7.70% net of investment expenses	7.125% per annum
Inflation Rate	2.5% per annum	2.625%
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Sex Distinct Mortality Table. RP-2000 Disabled Lives Mortality Table
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.	
Salary Increases	3.50% - 10.0% varies depending on duration of service	Salary increases were projected based on the 2008-2012 experience study of the Plan's members ranging from 3.075% to 5.375%
Cost of Living Adjustments	None.	Not substantively automatic. The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

<u>TRSL</u>	<u>LSERS</u>
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long term rate of return was 8.33% for 2017.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward-looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/ diversification. The resulting long-term arithmetic nominal expected return is 8.10%.</p>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2017:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Cash	-	-	-	-
Domestic equity	27.00%	-	4.28%	-
International equity	19.00%	-	4.96%	-
US equity	-	20.00%	-	6.44%
Developed equity	-	18.00%	-	7.40%
Emerging markets equity	-	10.00%	-	9.42%
Global REITs	-	3.00%	-	5.77%
Domestic fixed income	13.00%	-	1.98%	-
International fixed income	5.50%	-	2.75%	-
Core fixed income	-	8.00%	-	2.02%
High yield fixed income	-	5.00%	-	4.43%
Emerging markets debt fixed income	-	7.00%	-	4.71%
Global fixed income	-	10.00%	-	1.38%
Alternatives	-	-	-	-
Alternative - private equity	-	5.00%	-	10.47%
Alternative - hedge fund or funds	-	3.00%	-	3.75%
Alternative - real estate	-	5.00%	-	5.00%
Private equity	25.50%	-	8.47%	-
Other private equity	10.00%	-	3.51%	-
Global asset allocation	-	-	-	-
Real assets - timber	-	2.00%	-	5.67%
Real assets - oil and gas	-	2.00%	-	10.57%
Real assets - infrastructure	-	2.00%	-	6.25%
Total	100.00%	100.00%		

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL and LSERS was 7.70% and 7.125%, respectively, for the measurement date June 30, 2017.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

5. **RETIREMENT SYSTEMS** (continued)

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

The following table presents the School Board's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the School Board's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.70%	7.70%	8.70%
PCPSB Share of NPL	\$ 36,003,117	\$ 27,941,389	\$ 21,083,471
LSERS			
Rates	6.125%	7.125%	8.125%
PCPSB Share of NPL	\$ 1,557,838	\$ 1,136,376	\$ 774,439

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **POST-EMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS**

General Information about the OPEB Plan

Plan description – The Pointe Coupee Parish School Board (the School Board) provides certain continuing health care and life insurance benefits for its retired employees. The Pointe Coupee Parish School Board's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the School Board. The School Board has the authority to establish and/or amend the obligation of the employer, employees and retirees as provided by Louisiana Revised Statute Title 17 Sections 1221 through 1224. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

Benefits Provided – Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and offer multiple retiree plan options. The OGB "Medicare Advantage" plan has been assumed as an alternative to those employees after Medicare eligibility for purposes of this valuation, and we have assumed that 12.5% of post-Medicare eligibility retirees elect that plan. Medical benefits are provided to employees upon actual retirement from one of the retirement systems.

Retiree Premiums – Retiree premiums were provided directly from OGB and were used to determine retiree cost projections. The "value of benefits" has been assumed to be the portion of the premium after the retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The active employees and pre-Medicare and Medicare rates are offered multiples and were actuarially determined and were unblended.

Life insurance coverage under the OGB program is available to retirees by election. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Participation - Employees who receive active benefits are assumed to also receive retiree benefits at retirement. We also assumed employees with spouse coverage would also have spouse coverage as a retiree.

Contribution rates - Employees do not contribute to their post-employment benefits cost until they become retirees and begin receiving those benefits. Retirees contribute to the cost of the medical plans except for some Medicare Advantage which do not have retiree contributions. The plan provisions and contribution rates are contained in the official plan documents.

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	218
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>253</u>
	<u>471</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **POST-EMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS** (continued)

Total OPEB Liability

The School Board's total OPEB liability of \$25,554,137 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.62%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Fidelity 20 Year General Obligation AA rated municipal bond index as of the measurement date.

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

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

Changes in the Total OPEB Liability

Balance at June 30, 2017	\$ 25,955,348
Changes for the year:	
Service cost	275,052
Interest	949,541
Differences between expected and actual experience	326,799
Benefit payments and net transfers	<u>(1,952,603)</u>
Net changes	<u>(401,211)</u>
Balance at June 30, 2018	<u>\$ 25,554,137</u>

The amount due within one year for the total OPEB Liability is estimated to be \$2,050,000.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

6. **POST-EMPLOYMENT HEALTHCARE AND LIFE INSURANCE BENEFITS** (continued)

Changes in the Total OPEB Liability (continued)

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.62%) or 1-percentage-point higher (4.62%) than the current discount rate:

	1.0% Decrease (2.62%)	Current Discount Rate (3.62%)	1.0% Increase (4.62%)
Total OPEB liability	\$ 31,277,156	\$ 25,554,137	\$ 21,224,755

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 20,940,849	\$ 25,554,137	\$ 31,774,015

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

For the year ended June 30, 2018, the School Board recognized OPEB expense of \$1,195,913. At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 285,949	\$ -
Total	\$ 285,949	\$ -

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

Years ending June 30:	
2019	\$40,850
2020	40,850
2021	40,850
2022	40,850
2023	40,850
Thereafter	81,699
	<u>\$285,949</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

7. AGENCY FUND DEPOSITS DUE OTHERS

A summary of changes in school activities agency fund deposits due others for the year ended June 30, 2018 follows:

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Agency Funds:				
School Activities Accounts	\$ <u>255,544</u>	\$ <u>539,648</u>	(\$ <u>566,358</u>)	\$ <u>228,834</u>

8. LONG-TERM LIABILITIES

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

	<u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>June, 30, 2018</u>
Bonds payable	\$ 2,406,125	\$ -	(\$ 466,000)	\$ 1,940,125
Claims & judgments	273,158	-	(173,158)	100,000
Obligations under capital lease	127,385	-	(61,162)	66,223
Compensated absences	<u>521,480</u>	<u>131,013</u>	<u>(170,635)</u>	<u>481,857</u>
	\$ <u>3,328,148</u>	\$ <u>131,013</u>	(\$ <u>870,955</u>)	\$ <u>2,588,205</u>

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

	<u>Bonds, Claims, and Capital Leases Payable</u>	<u>Compensated Absences</u>	<u>Total</u>
Current	\$ 545,155	\$ 123,023	\$ 668,178
Long-Term	<u>1,561,193</u>	<u>358,834</u>	<u>1,920,027</u>
	\$ <u>2,106,348</u>	\$ <u>481,857</u>	\$ <u>2,588,205</u>

The majority of the compensated absence will be liquidated through the General Fund, Sales Tax Fund and School Food Service, as these funds expend a majority of the payroll. The bonds payable will be liquidated through the debt service fund as well as the general fund. The claims and judgments will be paid from the general fund.

During the year ended June 30, 2013, the School Board refunded the School District No. 10 General Obligation Refunding Bonds, Series 2005 by issuing \$1,910,000 in general obligation refunding bonds. At the time of the refunding, the bonds had a principal balance of \$1,850,000. Proceeds from the issuance of the new general obligation bonds were used to payoff the existing principal balance plus accrued interest on the existing bonds as well as issuance costs associated with the refunding. Accordingly, the refunded general obligation bonds are considered defeased and are not included in the financial statements. The bonds are secured by a property tax (see Note 2). Due to adequate fund balance from prior property tax assessments, no millage was levied for the year ended June 30, 2018. Debt service for the year was \$278,900. The remaining amount of the pledge is \$565,826 consisting of \$540,000 in principal and \$25,826 in interest through 2020.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

8 **LONG-TERM LIABILITIES** (continued)

For the purpose of construction, rehabilitation, and renovations, the School Board issued \$2,500,000 of bonds payable through the federally sponsored Qualified School Construction Bond Program during the year ended June 30, 2010. The bonds are subject to mandatory sinking fund redemption prior to maturity, including interest accrued to the redemption date on an annual basis commencing March 15, 2011 and ending March 15, 2025.

For the purpose of construction, renovation, equipping, and rehabilitation of public school facilities, the School Board issued \$1,000,000 of revenue bonds during the year ended June 30, 2015, secured by and payable solely from a pledge and dedication of the ad valorem constitutional tax and other lawfully available funds including excess tax revenues and State Minimum Foundation Payments. The bonds are subject to mandatory sinking fund redemption prior to maturity, including interest accrued to the redemption date on an annual basis commencing March 1, 2016 and ending March 1, 2030. For the year ended June 30, 2018, there were no draws.

The constitutionally dedicated property tax (to schools) (see Note 2) and the minimum foundation program revenue are pledged as repayment on the Series 2015 Revenue Bonds dated April 29, 2015. The debt secured by the pledge totals \$1,000,000. The term of the commitment is 15 years beginning in April 2015 and ending in March 2030. The dedicated revenues are pledged 100% annually up to the current amount due for principal and interest. For fiscal year 2017 the pledged revenues recognized totaled \$13,536,892. The principal requirement for fiscal year 2018 was \$46,000 and the interest requirement was \$8,305.

The bond issues outstanding at June 30, 2018 are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due Date</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
School District #10 General Obligation Refunding Bonds, Series 2012 dated July 24, 2012	\$ 1,910,000	0.6 - 3.25	April 1, 2020	\$ 25,826	\$540,000
Qualified School Construction Bonds, Series 2009 dated December 17, 2009	2,500,000	1.75	March 15, 2025	83,693	1,250,000
Revenue Bonds, Series 2015 dated April 29, 2015	<u>1,000,000</u>	4.75	March 1, 2030	<u>11,247</u>	<u>150,125</u>
	<u>\$ 5,410,000</u>			<u>\$ 120,766</u>	<u>\$1,940,125</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

8. **LONG-TERM LIABILITIES** (continued)

Principal and interest payments are due as:

Years Ending June 30	Principal	Interest	Total
2019	\$ 481,000	\$ 44,118	\$ 525,118
2020	496,000	30,866	526,866
2021	226,000	16,485	242,485
2022	182,125	12,127	194,252
2023	180,000	8,925	188,925
2024-2025	375,000	8,245	383,245
Total	<u>\$ 1,940,125</u>	<u>\$ 120,766</u>	<u>\$ 2,060,891</u>

In accordance with LSA-R.S. 39:562(L), the School Board is legally restricted from incurring long-term bonded debt in excess of 25 percent of the assessed value of taxable property (including homestead exempt and nonexempt property) within the parish. At June 30, 2018, the statutory limit is \$128,887,527.

9. **CAPITAL LEASE OBLIGATIONS**

The School Board entered into agreements to lease modular buildings which qualify as capital leases. Lease payments are scheduled annually over a five-year period ending June 20, 2019 and August 1, 2019.

Minimum future capital lease payments under lease agreements in effect at June 30, 2018 are as follows:

Years Ending June 30,	
2019	\$ 66,014
2020	2,090
Total minimum lease payments	68,104
Less: amount representing interest costs	(1,881)
Present value of minimum lease payments	<u>\$ 66,223</u>

10. **INTERFUND TRANSACTIONS**

Interfund receivable/payable:

<u>Interfund Receivable</u>		<u>Interfund Payable</u>	
General	\$ 1,866,917	General	\$ 277,492
Sales tax	-	Sales tax	315,550
Other Non-Major	241,980	Other Non-Major	1,515,855
	<u>\$ 2,108,897</u>		<u>\$ 2,108,897</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

10. **INTERFUND TRANSACTIONS** (continued)

The primary purpose of interfund advances is to cover expenditures on cost reimbursement grant programs until reimbursements are received from the granting agencies.

Transfers in/out:

<u>Transfers In</u>		<u>Transfers Out</u>	
General	\$ 154,754	General	\$ 158,196
Sales tax	141,196	Sales tax	-
Other Non-Major	<u>17,000</u>	Other Non-Major	<u>154,754</u>
	<u>\$ 312,950</u>		<u>\$ 312,950</u>

The purpose of interfund transfers is to cover operating expenditures of the general fund through indirect cost recoveries charged to grant programs and to cover operating deficits of the state tax fund with transfers from the general fund.

11. **RISK MANAGEMENT**

The School Board manages its exposure under general liability, fleet, workers' compensation, and errors and omissions through the purchase of commercial insurance. Qualifying employees and retirees may participate in the state group medical and life insurance plan. Prior to fiscal year 2011, risk of loss under workers' compensation statutes was self-insured by the School Board and the Board remains liable for losses incurred prior 2011 for up to \$250,000 per occurrence, with reinsurance coverage in force for losses in excess of that amount. The self-insured plan is administered by a third party, with the claims under the self-insured amount paid by the General Fund; certain Special Revenue funds may reimburse the General Fund for payment of their claims. Consistent with the provisions of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the School Board uses the General Fund to account for its risk financing activities. Claims payable for worker's compensation risks of \$63,621 have been recorded as liabilities of the general fund. A claims liability has also been recorded as general long term debt (see notes 8 and 12) for other types of risks.

12. **LITIGATION AND CLAIMS**

Litigation. The School Board is a defendant in several lawsuits. Management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position. An accrual of \$100,000 has been made within the statement of net position to cover any potential exposure.

During the year ended June 30, 2017, the School Board received notifications from Louisiana School Employees District Retirement System of amounts due for the School Board's portion of the unfunded accrued liability for retirement benefits as a result of the privatization of certain positions. The School Board chose the presented option to make annual installment payments on this liability over a 10-year period. The balance at June 30, 2017 was \$173,158. During the year ended June 30, 2018 the School Board chose to repay the remaining balance in full.

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

12. **LITIGATION AND CLAIMS** (continued)

In October 2018, the School Board received notification from Louisiana School Employees District Retirement System of amounts due for the School Board's portion of the unfunded accrued liability for retirement benefits as a result of the privatization of certain positions prior to June 30, 2018. The School Board intends to pay this liability in fiscal year 2019. The balance at June 30, 2018 was \$133,107.

Grant Disallowances. The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach as well as audits conducted by the Louisiana and U.S. Departments of Education. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants.

13. **COMMITMENTS AND CONTINGENCIES**

During the year ended June 30, 2010, the School Board was awarded an appropriation of \$3,325,000 from Act 21 of the 2010 (Capital Outlay Act) for the renovation and construction of the central office building damaged by Hurricane Gustav. The appropriation includes the State of Louisiana's general obligation bonds as a means of finance and is not funded until the State's debt issuance is approved by the state bond commission. Approval is still pending.

The School Board is involved in long-standing desegregation litigation - *Boyd v. Pointe Coupee Parish School Board* residing within in the U.S. District Court, Middle District of Louisiana, and remains under court decree. As such, certain operational or educational actions may be subject to court approval.

14. **TRANSPORTATION SERVICES AGREEMENT**

The School Board entered into an agreement with a contractor to supply and maintain school busses and personnel as required to fulfill the School Board's needs for transportation services. The pricing for the agreement is based on the quantity of buses needed, special accessories needed on the bus, and frequency of use per day. The payments are to be made on a monthly basis. The agreement is scheduled for July 1, 2016 through June 30, 2021.

Payments made during the year ended June 30, 2018 totaled approximately \$3,135,000 for the transportation services agreement.

Management has estimated that the minimum future payments under the agreement in effect at June 30, 2018 are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2019	\$ 3,150,000
2020	3,150,000
2021	<u>3,150,000</u>
	<u>\$ 9,450,000</u>

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

15. **DETAILED RESTRICTED NET POSITION AND FUND BALANCES**

a. Details of restricted Net Position as reported in the entity-wide Statement of Net Position are as follows:

	Governmental Activities
Net Position Restricted For:	
Debt service:	
Debt service for obligation bonds	\$ 579,408
Total net position restricted for debt service	579,408
Capital improvements:	
Bond funds for STEM Academy	727
Total net position for capital improvements	727
Federal programs:	
School Food	988,683
Total net position for federal programs	988,683
State programs:	
State Grants	28,107
Total net position for state programs	28,107
Total Restricted Net Position	\$ 1,596,925

b. Details of nonspendable, restricted, and unassigned fund balances at year-end are as follows:

	General Fund	Other Non-Major Funds
Nonspendable		
School Food	\$ -	\$ 73,109
Total nonspendable	-	73,109
Restricted for:		
Debt service	-	598,712
Capital projects	-	727
State programs	-	28,107
Federal programs	-	915,574
Total Restricted	-	1,543,120
Unassigned	4,181,779	-
Total fund balances	\$ 4,181,779	\$ 1,616,229

POINTE COUPEE PARISH SCHOOL BOARD

NOTES TO THE BASIC FINANCIAL STATEMENTS

16. **DISAGGREGATION OF ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts, salaries and other payables as of June 30, 2018, were as follows:

Vendors	\$ 1,706,536
Accrued interest	19,304
Salaries and benefits	1,965,205
Claims payable	<u>63,621</u>
Total governmental fund encumbrances	<u>\$ 3,754,666</u>

17. **TAX REVENUES ABATED**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to five years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2018, approximately \$600,000 in Pointe Coupee Parish School Board ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

18. **APPROPRIATIONS TO CHARTER SCHOOLS**

Appropriations to Type 2 Charter Schools during the year ended June 30, 2018 were as follows:

	<u>General Fund</u>
Louisiana Key Academy	\$ 70,161
Advantage Charter Academy	8,096
Louisiana Virtual Charter Academy	48,573
University View Academy	<u>138,434</u>
Total appropriations – type 2 charter schools	<u>\$ 265,264</u>

Pointe Coupee Parish School Board

New Roads, Louisiana

REQUIRED SUPPLEMENTAL INFORMATION – Part II

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad valorem	\$ 8,022,279	\$ 8,022,279	\$ 8,046,594	\$ 24,315
Sales and use	3,285,986	3,285,986	3,532,502	246,516
Earnings on investments	26,000	26,000	25,040	(960)
Other	202,359	202,359	345,487	143,128
State sources:				
Minimum Foundation Program	11,604,588	11,604,588	11,391,968	(212,620)
Revenue sharing	125,000	125,000	138,088	13,088
Restricted grants-in-aid	167,000	167,000	36,779	(130,221)
Other	30,000	30,000	29,931	(69)
Federal grants	-	-	7,075	7,075
Total revenues	<u>23,463,212</u>	<u>23,463,212</u>	<u>23,553,464</u>	<u>90,252</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	8,879,490	8,879,490	9,243,225	(363,735)
Special education programs	1,693,862	1,693,862	1,167,336	526,526
Other education programs	919,536	919,536	827,253	92,283
Support services:				
Pupil support services	850,266	850,266	1,072,473	(222,207)
Instructional staff services	485,082	485,082	526,477	(41,395)
General administration services	1,027,543	1,027,543	1,055,933	(28,390)
School administration services	1,790,943	1,790,943	1,602,649	188,294
Business administration and central services	1,029,178	1,029,178	541,558	487,620
Plant operation and maintenance	2,674,280	2,674,280	2,718,771	(44,491)
Transportation	3,265,863	3,265,863	4,193,161	(927,298)
Appropriation:				
Charter schools	140,702	140,702	265,264	(124,562)
Facilities acquisition and construction	89,600	89,600	18,361	71,239
Debt Service - Principal	225,000	225,000	272,162	(47,162)
Debt Service - Interest	35,000	35,000	38,309	(3,309)
Total expenditures	<u>23,106,345</u>	<u>23,106,345</u>	<u>23,542,932</u>	<u>(436,587)</u>
Excess (deficiency) of revenues over expenditures	\$ 356,867	\$ 356,867	\$ 10,532	\$ (346,335)

(continued)

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<u>Other financing sources (uses):</u>				
Proceeds on sale of assets	\$ 1,253	\$ 1,253	\$ -	\$ (1,253)
Operating transfers out	(588,120)	(588,120)	(158,196)	429,924
Operating transfers in	230,000	230,000	154,754	(75,246)
Total other financing sources (uses)	<u>(356,867)</u>	<u>(356,867)</u>	<u>(3,442)</u>	<u>353,425</u>
Excess of revenues and other financing sources over (under) expenditures and other financing sources (uses)	-	-	7,090	7,090
Fund balances, June 30, 2017	<u>2,468,064</u>	<u>2,468,064</u>	<u>4,174,689</u>	<u>1,706,625</u>
FUND BALANCES, JUNE 30, 2018	<u>\$ 2,468,064</u>	<u>\$ 2,468,064</u>	<u>\$ 4,181,779</u>	<u>\$ 1,713,715</u> (concluded)

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	Sales Tax Fund			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
<u>Revenues:</u>				
One Cent Sales Tax	\$ 3,285,986	\$ 3,285,986	\$ 3,532,502	\$ 246,516
Total revenues	<u>3,285,986</u>	<u>3,285,986</u>	<u>3,532,502</u>	<u>246,516</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	1,832,072	1,832,072	1,685,323	146,749
Special education programs	355,721	355,721	303,400	52,321
Other education programs	166,683	166,683	156,050	10,633
Support services:				
Pupil support services	174,055	174,055	164,615	9,440
Instructional staff services	127,924	127,924	155,286	(27,362)
General administration services	142,639	142,639	141,513	1,126
School administration services	271,813	271,813	236,823	34,990
Business administration and central services	159,697	159,697	118,819	40,878
Plant operation and maintenance	131,276	131,276	140,481	(9,205)
Transportation	299,493	299,493	303,872	(4,379)
Food services	212,733	212,733	267,516	(54,783)
Total expenditures	<u>3,874,106</u>	<u>3,874,106</u>	<u>3,673,698</u>	<u>200,408</u>
Excess (deficiency) of revenues over expenditures	<u>(588,120)</u>	<u>(588,120)</u>	<u>(141,196)</u>	<u>446,924</u>
<u>Other financing sources (uses):</u>				
Operating transfers in	<u>588,120</u>	<u>588,120</u>	<u>141,196</u>	<u>(446,924)</u>
Total other financing sources (uses)	<u>588,120</u>	<u>588,120</u>	<u>141,196</u>	<u>(446,924)</u>
Excess of revenues and other financing sources over expenditures and other financing sources (uses)	-	-	-	-
Fund balances, June 30, 2017	-	-	-	-
FUND BALANCES, JUNE 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2018

BUDGETS

General Budget Practices. The School Board follows these procedures in establishing the budgetary data reflected in the financial statements.

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal Budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements consist of those presented in the original budget adopted by the Board and as amended by the Board.

Encumbrances. Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

Budget Basis of Accounting. All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budget when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT
BENEFITS LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Financial statement reporting date</u>	<u>Measurement date</u>	<u>Service cost</u>	<u>Interest</u>	<u>Difference between actual and expected experience</u>	<u>Benefit payments</u>	<u>Net change in total OPEB liability</u>	<u>Total OPEB liability - beginning</u>	<u>Total OPEB liability - ending</u>	<u>Covered-employee payroll</u>	<u>Total OPEB liability as a percentage of covered-employee payroll</u>
6/30/2018	6/30/2018	\$ 275,052	\$ 949,541	\$ 326,799	\$ (1,952,603)	\$ (401,211)	\$ 25,955,348	\$ 25,554,137	\$ 8,128,296	314.38%

Notes to Schedule:

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB 75 for this OPEB plan.

Benefit Changes

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

Changes of Assumptions

There were no changes of assumptions for the year ended June 30, 2018

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

SCHEDULE OF POINTE COUPEE PARISH SCHOOL BOARD'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018 (*)

Pension Plan	Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Teachers Retirement System of Louisiana						
	2018	0.2725%	\$27,941,389	\$12,637,325	221.1021%	65.55%
	2017	0.2834%	33,262,973	13,061,144	254.6712%	59.90%
	2016	0.2853%	30,672,484	13,822,704	221.8993%	62.50%
	2015	0.2786%	28,478,755	13,850,989	205.6081%	63.70%
Louisiana School Employees Retirement System						
	2018	0.1776%	1,136,376	824,414	137.8405%	75.03%
	2017	0.1817%	1,370,943	567,113	241.7407%	70.09%
	2016	0.2239%	1,112,554	1,156,245	96.2213%	74.49%
	2015	0.2375%	1,376,963	1,464,665	94.0121%	76.18%

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

(*) The amounts presented have a measurement date of the previous fiscal year end.

The two Retirement Systems reported in this schedule are as follows:

TRSL = Teachers' Retirement System of Louisiana

L.SERS = Louisiana School Employees' Retirement System

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

SCHEDULE OF POINTE COUPEE PARISH SCHOOL BOARD'S CONTRIBUTIONS TO COST-
SHARING MULTI-EMPLOYER DEFINED BENEFIT PLANS
FOR THE YEAR ENDED JUNE 30, 2018

Pension Plan	Year	Contractually Required Contribution ¹	Contributions in Relation to Contractually Required Contribution ²	Contribution Deficiency (Excess)	Employer's Covered Payroll ³	Contributions as a % of Covered Payroll
Teachers Retirement System of Louisiana						
	2018	\$3,483,231	\$3,483,231	\$ -	\$12,264,898	28.4000%
	2017	3,222,518	3,222,518	-	12,637,325	25.5000%
	2016	3,435,081	3,435,081	-	13,061,144	26.3000%
	2015	3,870,357	3,870,357	-	13,822,704	28.0000%
Louisiana School Employees Retirement System						
	2018	314,972	314,972	-	1,141,203	27.6000%
	2017	225,065	225,065	-	824,414	27.3000%
	2016	171,534	171,534	-	567,993	30.2000%
	2015	381,561	381,561	-	1,156,245	33.0000%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered payroll*

² *Actual employer contributions remitted to retirement systems*

³ *Employer's covered payroll amount for the fiscal year ended June 30, 2018*

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

Changes of Benefit Terms include:

Teachers Retirement System of Louisiana

- 2016 - Act 93 of the 2016 provides for an up to 2.0% COLA on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16.

Louisiana School Employees Retirement System

- 2016 - Act 93 of the 2016 provides for an up to 2.0% COLA on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16.

Changes of Assumptions

The following changes in actuarial assumptions for each year are as follows:

Discount Rate:		
<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
TRSL		
2017	7.70%	0.45%
2016	7.75%	0.00%
2015	7.75%	
LSERS		
2017	7.13%	0.12%
2016	7.00%	-0.25%
2015	7.25%	
Inflation Rate:		
<u>Year(*)</u>	<u>Rate</u>	<u>Change</u>
LSERS		
2017	2.625%	-0.125%
2016	2.750%	
Salary Increases:		
<u>Year(*)</u>	<u>Range</u>	
LSERS		
2017	3.075% to 5.375%	
2016	3.200% to 5.500%	

(*) The amounts presented have a measurement date of the previous fiscal year end.

POINTE COUPEE PARISH SCHOOL BOARD

OTHER SUPPLEMENTAL INFORMATION

COMBINING NON-MAJOR GOVERNMENTAL FUND STATEMENTS

POINTE COUPEE PARISH SCHOOL BOARD

NON-MAJOR GOVERNMENTAL FUNDS DESCRIPTIONS

Title I This fund accounts for federal grants received under the umbrella of Title One as revised by the No Child Left Behind Act. The purpose of Title I is to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

Title II This fund accounts for the federal grants which combine the Eisenhower Professional Development State Grants and Class-Size Reduction programs into one program that focuses on preparing, training and recruiting high-quality teachers.

Special Education *The Individuals with Disabilities Education Act (IDEA)* is a federally financed program providing free appropriate education for all identified handicapped children from 3 to 21 years of age in the least restrictive environment.

Head Start This fund accounts for a federal grant, the goal of which is to promote the school readiness of low-income preschool children (ages 3 to 5) by enhancing their cognitive social and emotional development in learning environments.

TANF This fund accounts for a federal grant, the goal of which is to provide time-limited assistance to needy families with children.

School Food Service Accounts for activities of the School Board's food service program.

Striving Readers This fund accounts for a federal grant, the goal of which is to increase literacy achievement for all students.

21st Century This fund accounts for a federal grant, the goal of which is to provide quality after school enrichment opportunities.

Other Federal Programs Accounts for the proceeds of miscellaneous small or non-recurring federal grants including Vocational Education, LINC'S with Technology, and Reading First.

State Grants Used to account for special non-federal grants received from various departments of the State of Louisiana.

District No. 10 Debt Service Fund Accumulates funds for the payment of the 2012 refunding general obligation bonds.

Capital Projects Fund Accounts for various major capital improvements

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>Title I</u>	<u>Title II</u>	<u>Special Education</u>	<u>Head Start</u>	<u>TANF</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Due from other governments	247,293	76,726	222,093	264,567	178,034
Due from other funds	-	-	-	-	-
Inventory	-	-	-	-	-
TOTAL ASSETS	<u>\$ 247,293</u>	<u>\$ 76,726</u>	<u>\$ 222,093</u>	<u>\$ 264,567</u>	<u>\$ 178,034</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable and accrued expenses	\$ 5,078	\$ 4,474	\$ 19,555	\$ -	-
Due to other funds	242,215	72,252	202,538	264,567	178,034
TOTAL LIABILITIES	<u>247,293</u>	<u>76,726</u>	<u>222,093</u>	<u>264,567</u>	<u>178,034</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Spendable					
Restricted	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 247,293</u>	<u>\$ 76,726</u>	<u>\$ 222,093</u>	<u>\$ 264,567</u>	<u>\$ 178,034</u>

(Continued)

<u>School Food Service</u>	<u>Striving Readers</u>	<u>21st Century</u>	<u>Other Federal</u>	<u>State Grants</u>	<u>District 10 Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
\$ 1,051,339	\$ -	\$ -	\$ -	\$ 52,853	\$ 598,712	727	\$ 1,703,631
29,283	-	93,666	93,948	179,278	-	-	1,384,888
-	-	-	-	241,980	-	-	241,980
73,109	-	-	-	-	-	-	73,109
<u>\$ 1,153,731</u>	<u>\$ -</u>	<u>\$ 93,666</u>	<u>\$ 93,948</u>	<u>\$ 474,111</u>	<u>\$ 598,712</u>	<u>\$ 727</u>	<u>\$ 3,403,608</u>
\$ 146	\$ -	-	\$ -	\$ 242,271	\$ -	\$ -	\$ 271,524
164,902	-	93,666	93,948	203,733	-	-	1,515,855
165,048	-	93,666	93,948	446,004	-	-	1,787,379
73,109	-	-	-	-	-	-	73,109
915,574	-	-	-	28,107	598,712	727	1,543,120
988,683	-	-	-	28,107	598,712	727	1,616,229
<u>\$ 1,153,731</u>	<u>\$ -</u>	<u>\$ 93,666</u>	<u>\$ 93,948</u>	<u>\$ 474,111</u>	<u>\$ 598,712</u>	<u>\$ 727</u>	<u>\$ 3,403,608</u>

(Concluded)

**POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2018**

	Title I	Title II	Special Education	Head Start	TANF
REVENUES					
Local sources:					
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-	-
Food sales	-	-	-	-	-
Other	-	-	-	-	-
State sources:					
Unrestricted grants-in-aid. MFP	-	-	-	-	-
Restricted grants-in-aid	-	-	-	-	-
Federal grants	1,484,130	198,675	916,934	1,192,706	462,442
TOTAL REVENUES	1,484,130	198,675	916,934	1,192,706	462,442
EXPENDITURES					
Current:					
Instruction:					
Regular education programs	4,936	974	-	-	-
Special education programs	-	-	425,237	-	304
Other education programs	1,262,363	17,868	53,925	906,204	453,524
Support:					
Pupil support services	-	-	271,182	-	-
Instructional staff services	171,909	171,389	82,615	161,050	8,329
General administration services	-	-	-	712	-
School administration services	-	-	-	-	-
Plant operation and maintenance	-	-	-	450	-
Transportation	-	-	2,928	124,290	285
Food services	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
TOTAL EXPENDITURES	1,439,208	190,231	835,887	1,192,706	462,442
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	44,922	8,444	81,047	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(44,922)	(8,444)	(81,047)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(44,922)	(8,444)	(81,047)	-	-
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER USES					
	-	-	-	-	-
Fund balances, June 30, 2017	-	-	-	-	-
FUND BALANCES, JUNE 30, 2018	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

School Food Service	Striving Readers	21st Century	Other Federal	State Grants	District 10 Debt Service	Capital Projects	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
710	-	-	-	4	10,114	177	11,005
9,812	-	-	-	-	-	-	9,812
54	-	-	-	43,296	-	9,747	53,097
50,000	-	-	-	76,903	-	-	126,903
-	-	-	-	552,681	-	-	552,681
1,965,675	219,583	407,267	182,124	-	-	-	7,029,536
<u>2,026,251</u>	<u>219,583</u>	<u>407,267</u>	<u>182,124</u>	<u>672,884</u>	<u>10,114</u>	<u>9,924</u>	<u>7,783,034</u>
-	-	-	-	48,951	-	179,607	234,468
-	-	-	14,040	8,115	-	-	447,696
-	158,339	207,342	114,771	515,919	-	-	3,690,255
-	-	-	41,886	67,377	-	-	380,445
-	40,903	-	11,427	836	-	-	648,458
-	-	-	-	181	-	-	893
-	-	-	-	826	-	-	826
-	-	-	-	-	-	-	450
-	-	199,925	-	2,572	-	195,609	525,609
1,732,168	-	-	-	-	-	-	1,732,168
30,999	-	-	-	-	-	-	30,999
-	-	-	-	-	255,000	-	255,000
-	-	-	-	-	23,900	-	23,900
<u>1,763,167</u>	<u>199,242</u>	<u>407,267</u>	<u>182,124</u>	<u>644,777</u>	<u>278,900</u>	<u>375,216</u>	<u>7,971,167</u>
<u>263,084</u>	<u>20,341</u>	<u>-</u>	<u>-</u>	<u>28,107</u>	<u>(268,786)</u>	<u>(365,292)</u>	<u>(188,133)</u>
-	-	-	-	-	-	17,000	17,000
-	(20,341)	-	-	-	-	-	(154,754)
-	(20,341)	-	-	-	-	17,000	(137,754)
<u>263,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,107</u>	<u>(268,786)</u>	<u>(348,292)</u>	<u>(325,887)</u>
<u>725,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>867,498</u>	<u>349,019</u>	<u>1,942,116</u>
<u>\$ 988,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,107</u>	<u>\$ 598,712</u>	<u>\$ 727</u>	<u>\$ 1,616,229</u>

(Concluded)

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2018

Anita Kay Lejeune	\$ 10,500
Frank Aguillard	9,600
Bobby Jarreau	9,900
Brandon J Bergeron	9,900
Chad A Aguillard	10,500
James M Cline	9,900
Leslie Grezaffi	9,600
Thomas A Nelson	9,900
	<hr/>
	\$ 79,800

POINTE COUPEE PARISH SCHOOL BOARD
NEW ROADS, LOUISIANA

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO THE SUPERINTENDENT

FOR THE YEAR ENDED JUNE 30, 2018

Superintendent Name: R. Kevin Lemoine

Salary	\$ 145,000
Benefits - retirement	38,570
Benefits - medicare	<u>2,103</u>
	<u>\$ 185,673</u>

**OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS* AND BY
THE U.S. OFFICE OF MANAGEMENT AND BUDGET (UNIFORM GUIDANCE)**

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

The Members of the
Pointe Coupee Parish School Board
New Roads, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pointe Coupee Parish School Board (the School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 20, 2018.

Internal Control over Financial Reporting

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

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

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



Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 20, 2018

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

The Members of the
Pointe Coupee Parish School Board
New Roads, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002. Our opinion on each major federal program is not modified with respect to these matters.

The School Board's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Board's 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 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002 that we consider to be significant deficiencies.

The School Board's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 20, 2018

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Grantor Project Number	Expenditures
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
Child Nutrition Cluster:			
Pass-through program from Louisiana Department of Agriculture and Forestry:			
Food Distribution - Commodities	10.555	N/A	\$ 125,206
Pass-through program from Louisiana Department of Education:			
School Lunch Program	10.555	05-SFS-014	1,352,159
School Breakfast Program	10.553	05-SFS-014	459,027
Summer Feeding	10.559	05-SFS-014	29,283
Child Nutrition Cluster Total			<u>1,965,675</u>
Total United States Department of Agriculture			<u>1,965,675</u>
<u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through Louisiana Department of Education:			
Temporary Assistance for Needy Families (TANF) Cluster:			
Jobs for America's Graduates LA - TANF	93.558	28-18-JS-39	74,124
The Cecil J. Picard LA 4 Early Childhood Program - TANF	93.558	28-18-36-39	388,318
Coping Skills	93.959	N/A	7,526
Child Care and Development Fund (CCDF) Cluster:			
Early Childhood Community Network Pilots - CCDF	93.575	28-17-CZ-P7	8,100
Direct Programs:			
Administration for Children, Youth, and Families - Head Start	93.600	06CH010145-03-00	457,424
Administration for Children, Youth, and Families - Head Start	93.600	06CH010145-04-00	735,282
Total United States Department of Health and Human Services			<u>1,192,706</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
Passed through Louisiana Department of Education:			
Title I Regular Project	84.010A	28-18-T1-39	1,390,330
School Redesign Planning Grant	84.010A	28-18-RD18-39	93,800
Special Education Cluster:			
Special Education Regular Project	84.027A	28-18-B1-39	819,905
High Cost Services - IDEA	84.027A	28-18-RH-39	1,677
Jobs for America's Graduates AIM High Middle School Pilot Project	84.027A	28-18-JP-39	57,994
Preschool Grants EC Lead Agencies - IDEA	84.173A	28-17-CY-39	2,103
Special Education Preschool Project	84.173A	28-18-P1-39	35,255
Vocational Education - Carl Perkins	84.048A	28-18-02-39	32,147
21st Century Community Learning Center	84.287C	28-18-2C-39	407,267
LA ST Personnel Development Grant	84.323A	28-17-P7-39	7,089
LA ST Personnel Development Grant	84.323A	28-18-P7-39	10,852
Title II Regular Project	84.367A	28-18-50-39	198,675

(Continued)

POINTE COUPEE PARISH SCHOOL BOARD
New Roads, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grantor/ Pass-Through Grantor/ Program Name</u>	<u>CFDA Number</u>	<u>Grantor Project Number</u>	<u>Expenditures</u>
Striving Readers Comprehensive Literacy Program - SRCL	84.371C	28-17-SO-39	219,583
Gaining Early Awareness And Readiness For Undergraduate Programs	84.334S	N/A	47,150
Mckinney - Homeless Children and Youth	84.196A	28-18-H1-39	8,461
Title V - Rural Education	84.358B	28-18-RE-39	50,984
Title IV	84.424A	28-18-71-39	9,815
Total United States Department of Education			<u>3,393,087</u>
 <u>UNITED STATES DEPARTMENT OF HOMELAND SECURITY</u>			
FEMA - Disaster Grants - Public Assistance	97.036	N/A	7,075
Total United States Department of Homeland Security			<u>7,075</u>
 Total Expenditures of Federal Awards			 <u>\$ 7,036,611</u> (Concluded)

See the accompanying notes to the schedule of expenditures of federal awards

POINTE COUPEE PARISH SCHOOL BOARD

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pointe Coupee Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2018, the organization had food commodities totaling \$23,845 in inventory. The value of commodities received and used during the period ended June 30, 2018 totaled \$125,206.

NOTE C – DE MINIMUS COST RATE

During the year ended June 30, 2018, the Pointe Coupee Parish School Board did not elect to use the 10% de minimus cost rate as covered in §200.414 of the Uniform Guidance.

NOTE D – AMOUNTS PASSED THROUGH TO SUBRECIPIENTS

During the year ended June 30, 2018, the Pointe Coupee Parish School Board did not pass through any federal funding to subrecipients.

NOTE E – RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS

Reconciliation of the Schedule of Expenditures of Federal Awards (SEFA) to the Financial Statements

Total Federal Revenues	<u>\$ 7,036,611</u>
Total Federal Expenditures - SEFA	<u>\$ 7,036,611</u>

POINTE COUPEE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

A. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

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

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR §200.516(a)? yes no

Identification of major programs:

CFDA Numbers

Name of Federal Program or Cluster

10.553, 10.555, 10.559
93.600

Child Nutrition Cluster
Headstart

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.
- The Pointe Coupee Parish School Board did not qualify as a low-risk auditee.

POINTE COUPEE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

B. Findings – Financial Statement Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs

2018-001 Equipment and Real Property Management

10.553, 10.555, 10.559 Child Nutrition Cluster #05-SFS-014

Criteria: Property and equipment purchased with federal awards in an amount equal to or exceeding the School Board's capitalization policy of \$5,000 must be identified with the federal award identification number (FAIN) within the accounting records.

Condition: The School Board did not identify equipment purchases of \$30,429 with program funding by the FAIN within its property control (accounting) records.

Cause: The School Board has not updated its accounting software to track the FAIN of grant funded equipment purchases.

Effect: The School Board is not in compliance with the requirement to identify property and equipment purchased with federal awards with the FAIN in the accounting records.

Questioned Costs: None.

**Universe/
Population Size:** The School Board purchased two capital assets with funding from the Child Nutrition Cluster federal program. These capital assets were selected for testing.

Sample Size: There was a population size of two. Therefore, there was no sample testing performed.

Recommendation: The process for recording property and equipment should be enhanced by ensuring that all assets purchased with federal awards are identified with the FAIN.

Repeat Finding: Yes.

POINTE COUPEE PARISH SCHOOL BOARD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

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

2018-001 **Equipment and Real Property Management** (continued)

10.553, 10.555, 10.559 Child Nutrition Cluster #05-SFS-014 (continued)

View of Responsible Official:

School Board purchasing staff have received instruction to supply the FAIN number on all assets purchased through federal funds.

2018-002 **Program Income**

10.553, 10.555, 10.559 Child Nutrition Cluster #05-SFS-014

Criteria: The Net Cash Resources should be below the 3 Months' Average Expenses for the federal program.

Condition: The School Board maintained Net Cash Resources in excess of the 3 Months' Average Expenses at June 30, 2018.

Cause: The School Board did not properly monitor and make adjustments to its Net Cash Resources and expenses.

Effect: The School Board is not in compliance with the requirement to maintain Net Cash Resources below the 3 Months' Average of expenses.

Questioned Costs: None.

Universe/
Population Size: N/A

Sample Size: N/A

Recommendation: The School Board should take corrective steps to reduce its Net Cash Resources to no more than the 3 Months' Average Expenses and develop a timeframe for making such reduction.

Repeat Finding: No.

POINTE COUPEE PARISH SCHOOL BOARD

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

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

2018-002

Program Income (continued)

10.553, 10.555, 10.559 Child Nutrition Cluster #05-SFS-014 (continued)

View of Responsible Official:

We are taking several measures this fiscal year to reduce our net cash amount. 1. We are doing what we can to procure and purchase more food items of better quality. 2. We are planning to use some of these funds to replace some existing problematic equipment at all schools. 3. We are planning additional training and professional development for staff.

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

To the Members of the
Pointe Coupee Parish School Board,
and the Louisiana Legislative Auditor

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

The procedures and associated findings are as follows:

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

1. We selected a sample of 25 transactions, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

- Total General Fund Instructional Expenditures
- Total General Fund Equipment Expenditures
- Total Local Taxation Revenue
- Total Local Earnings on Investment in Real Property
- Total State Revenue in Lieu of Taxes
- Nonpublic Textbook Revenue
- Nonpublic Transportation Revenue

No differences noted.

Class Size Characteristics (Schedule 2)

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

In our sample of 10 classes, we noted 9 out of 10 classes with discrepancies as follows:

<u>Class Size</u> <u>Test Items</u>	<u>No. of Students</u> <u>per Schedule</u>	<u>No. of Students</u> <u>per Roll Book</u>
1	23	22
2	23	21
4	26	25
5	23	22
6	23	22
7	24	23
8	23	24
9	28	29
10	11	12

Experience of Public School Staff (NO SCHEDULE)

- We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education. We traced a sample of 25 teachers to the individual's personnel file and determined if the individual's education level was properly classified on the PEP data (or equivalent listing prepared by management).

For one of the 25 persons selected for testing, their education level was not listed on the listing provided. Education levels for the remaining 24 persons listed agreed to the personnel files.

Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers (NO SCHEDULE)

- We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), of full-time teachers, principals, and assistant principals by classification. We traced the same sample used in procedure 3 to the individual's personnel file and determined if the individual's experience was properly classified on the PEP data (or equivalent listing prepared by management).

The years of experience for four employees was not reported on the schedule. The years of experience for two employees reported on the schedule did not agree to the supporting records.



Public School Staff Data: Average Salaries (NO SCHEDULE)

5. We obtained June 30th PEP data submitted to the Department of Education (or equivalent listing provided by management) of all classroom teachers, including base salary, extra compensation, and ROTC or rehired retiree status, as well as full-time equivalents, and obtained management's representation that the data/listing was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data (or equivalent listing prepared by management).

Six of the 25 persons selected for testing were not included in the PEP data. The remaining 19 persons were listed and their salary agreed to the PEP data.

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

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

Postlethwaite & Netterville

Baton Rouge, Louisiana
December 20, 2018

POINTE COUPLEE PARISH SCHOOL BOARD

NEW ROADS, LOUISIANA

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

As of and for the Year Ended June 30, 2018

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 (Formerly 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.

POINTE COUPEE PARISH SCHOOL BOARD

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

Schedule 1

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	7,522,974	
Other Instructional Staff Activities	731,267	
Employee Benefits	4,287,586	
Purchased Professional and Technical Services	141,686	
Instructional Materials and Supplies	509,849	
Instructional Equipment	19,041	
Total Teacher and Student Interaction Activities		13,212,403

Other Instructional Activities 135,752

Pupil Support Activities	1,237,089	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		1,237,089

Instructional Staff Services	681,764	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		681,764

School Administration	1,839,471	
Less: Equipment for School Administration	-	
Net School Administration		1,839,471

Total General Fund Instructional Expenditures 17,106,476

Total General Fund Equipment Expenditures 19,041

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	2,144,924	
Renewable Ad Valorem Tax	5,650,501	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	251,169	
Sales and Use Taxes	7,065,004	
Total Local Taxation Revenue		<u>15,111,598</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	18,262	
Earnings from Other Real Property	-	
Total Local Earnings on Investment in Real Property		<u>18,262</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	37,995	
Revenue Sharing - Other Taxes	100,093	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		<u>138,088</u>

Nonpublic Textbook Revenue	27,266	
Nonpublic Transportation Revenue	-	
Total State Revenue for Non-public Education		<u>27,266</u>

POINTE COUPEE PARISH SCHOOL BOARD

Class Size Characteristics
As of October 1, 2017

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	58%	287	37%	183	5%	24		
Elementary Activity Classes	29%	12	29%	12	17%	7	26%	11
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination	55%	283	38%	196	6%	32	0%	1
Combination Activity Classes	59%	26	36%	16			5%	2

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

POINTE COUPEE PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2018



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POINTE COUPEE PARISH SCHOOL BOARD

REPORT TO MANAGEMENT

JUNE 30, 2018

December 20, 2018

Members of the Board and Management
Pointe Coupee Parish School Board
New Roads, Louisiana

In planning and performing our audit of the financial statements of the Pointe Coupee Parish School Board (the School Board) for the year ended June 30, 2018, we considered the School Board's internal controls and compliance with laws and regulations having a material effect on financial reporting 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 the following matters that are opportunities for improving financial reporting, refining policies and procedures and enhancing compliance with laws and regulations. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 20, 2018 on the financial statements of the School Board.

2018-1 **Performance and Statistical Schedules**

Condition: The data provided on the performance and statistical schedules did not contain the accurate education and experience data for certain staff. This is a result of a previous software conversion undertaken by the School Board in which the information was not updated appropriately.

Recommendation: We recommend that the School Board review the information contained on the required performance and statistical schedules for accuracy and completeness.

*Management's
Response:* *The School Board has implemented steps to address the items noted.*

2018-2 **Theft of Public Assets**

Condition: Louisiana Revised Statute 14:67 defines theft as the misappropriation or taking anything of economic value which belongs to another, either without the consent of the other to the misappropriation or taking, or by means of fraudulent conduct, practices, or representations. Five instances, or likely instances, of misappropriation were identified by School Board staff and are described in Attachment A. The instances were detected by School Board personnel through the School Board's internal controls.

Recommendation: We commend the School Board staff and its internal control process for detecting these instances and for taking corrective action. We recommend the School Board continue its pursuit of these matters and that the internal controls be reviewed and potentially revised to deter such instances from occurring in the future.

2018-2

Theft of Public Assets (continued)

*Management's
Response:*

The School Board has its improved internal controls over the last year and intends to continue that process in order to minimize opportunities for loss or theft.

2018-3

Sales Tax Fund Allocations

Condition:

School Board policy requires that the certain salary and benefit amounts for qualifying employees be allocated to the Sales Tax Fund. During our testing we noted some small differences in the amounts allocated and amounts that were approved by the School Board. Additionally, not all eligible employees were included in the allocation to the Sales Tax Fund.

Recommendation:

We recommend that the School Board reevaluate its internal processes and controls for determining this allocation to ensure that the allocation is performed in accordance with Board policy.

*Management's
Response:*

The School Board will continue to work with software company to continue to improve allocations as directed by the Board.

2018-4

Documentation of Process Reviews

Condition:

School Board management has communicated to us that there are controls in place for the review of certain federal program reports. We corroborated that the controls were in place during our audit procedures. However, we noted that these reviews are not evidenced by the signing or initialing the documents or utilizing any form of documentation of review.

Recommendation:

We recommend that the review of federal program reports be evidenced on the documents themselves or the use of an end of month/quarter checklist indicating the date of the review and the person that performed the review.

*Management's
Response:*

We concur and have implemented procedures to confirm that the review process is being followed.

2018-5

Enhancement of Policies and Procedures

Condition:

During the performance of our statewide agreed-upon procedures engagement, we reviewed several control and compliance areas including those pertaining to maintenance of written policies and procedures. Certain of these areas were identified as having opportunities for improvement.

Recommendation:

While the School Board maintains written policies and procedures over most transactions and significant areas, it was noted that these written policies and procedures could be strengthened to reflect certain best practices as recommended by the legislative auditor, particularly those regarding purchasing, receipts, contracting, credit cards, travel expenses, ethics, and debt service.



2018-5

Management's

Response:

Enhancement of Policies and Procedures (continued)

The School Board's will incorporate policies and procedures to ensure that they include instructions relating to those areas identified as having opportunities for improvement.

We have discussed these comments and suggestions with management, and we would 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. We would also like to thank the School Board staff for their cooperation with us during the performance of the audit.

This letter is intended solely for the information and use of the Pointe Coupee Parish School Board, management of the Pointe Coupee Parish 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.

Postlethwaite & Netterville

STATUS OF PRIOR YEAR REPORT TO MANAGEMENT

2017-1

Performance and Statistical Schedules

Condition: The data provided for Schedules 2 and 4 did not contain the accurate certificate and degree and experience for a significant number of Public School Staff. Schedule 5 did not contain the data for "Classroom Teachers Excluding ROTC and Rehired Retirees". This was due to the School Board underwent a software conversion and did not ensure the information for these Schedules was updated.

Recommendation: We recommend that the School Board consult with its software company to ensure that the data needed to accurately prepare this schedules is updated on a timely basis.

Management's Response: *The School Board will continue to work with the software company to assure that the schedules are modified to include the information outlined in the directions. In addition, the human resource department will review the data needed and determine if the business system can incorporate changes that will provide an accurate Schedule 2, 4, and 5.*

Current status: *While there has been some improvement, there continues to remain some differences in including all staff on the appropriate schedules, and accurate education or experience information. Thus, the matter included as comment 2018-1 for the current period*

2017-2

Misappropriation of Assets

Condition: The School Board experienced three instances of theft during the fiscal year. These thefts were related to food/kitchen items with a total assigned value of \$308. The thefts were reported to law enforcement but not to the District Attorney or Louisiana Legislative Auditor.

Recommendation: The School Board should implement policies and procedures to ensure that the notification of misappropriated assets is communicated to the District Attorney and Louisiana Legislative auditor as required by the prescribed statute.

Management's Response: *The School Board will modify policies to include processes to follow up for misappropriated assets.*

Current status: *The recommendation has been implemented as described above. Thus, the matter is considered resolved.*

2017-3

Payment of Stipends

Condition: According to Louisiana Legislative Auditor's report, the School Board may have violated Louisiana law with a one-time payment of stipends in January of 2017.

Recommendation: We recommend that the School Board consult with its legal counsel regarding this matter.

Management's Response: *The School Board will consult with its legal counsel as recommended above.*

Current status: *The recommendation has been implemented as described above. Thus, the matter is considered resolved.*

2017-4

Fixed Assets Recordkeeping

Condition: During testing it was noted that no all fixed assets acquired during the fiscal year were properly added to the depreciation schedule.

Recommendation: Policies and procedures over fixed asset purchases should be reviewed to ensure that all fixed asset purchases are captured for depreciation.

Management's Response: *The School Board will review the recommended best practices Capital Assets Policy & Procedures, from the Legislative Auditors Web Site and make recommended revisions to incorporate needed changes to ensure that all fixed asset purchases are captured on the depreciation schedule. During the last quarter of 2017, all assets were converted to the new business system. The review process did not pick-up on two items that were inadvertently left off the report. During the year, the CFO will randomly check that certain items are included on the depreciation list.*

Current status: *The recommendation has been implemented as described above. Thus, the matter is considered resolved.*

Attachment A to Management Letter

The following 18 elements of the instances of misappropriation are presented below

Element of Comment	Misappropriation #1	Misappropriation #2	Misappropriation #3	Misappropriation #4	Misappropriation #5
1 A general statement describing the fraud or misappropriation that occurred.	One (1) Kindle Fire tablets are unaccounted for and presumed stolen	A School Board cellphone assigned to an employee was stolen from a classroom	Asset stolen as a result of a break-in at a school	Asset stolen as a result of a break-in at a school	Asset stolen from car of employee at their residence
2 A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	One (1) Kindle Fire tablets	Cellphone	DVR Hard Drive for Security System	64" Vizio Flat Screen Television	HP ProBook Model 250664
3 The amount of funds or approximate value of assets involved.	Approximately \$100	\$ 125	\$ 4,508	\$ 778	\$ 357
4 The department or office in which the fraud or misappropriation occurred.	Rougon Elementary	Central Office	Rosenwald Elementary	STEM Magnet Academy	Auto at the residence of Central Office Employee
5 The period of time over which the fraud or misappropriation occurred.	2017-18 School Year	3/12/2018	2/8/2018	8/30/2017	5/7/2017
6 The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Unknown	Unknown	Unknown	Unknown	Unknown
7 The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	Unknown	Unknown	Unknown	Unknown	Unknown
8 Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	Unknown	Unknown	Unknown	Unknown	Unknown
9 If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	N\A	N\A	N\A	N\A	N\A
10 Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	Pointe Coupee Parish Sheriff's Office - Incident number 2018005893	New Roads City Police - Number 2018000634	New Roads City Police - Number 2018000324	Pointe Coupee Parish Sheriff's Office - Incident number 2017012031	East Baton Rouge Parish Sheriff's Office - 17-00030329
11 What is the status of the investigation at the date of the auditor's/accountant's report?	Complete - no suspect identified.	Complete - no suspect identified.	Complete - no suspect identified.	Complete - no suspect identified.	Complete - no suspect identified.

Attachment A to Management Letter

The following 18 elements of the instances of misappropriation are presented below

Element of Comment	Misappropriation #1	Misappropriation #2	Misappropriation #3	Misappropriation #4	Misappropriation #5
12 If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	N/A	N/A	N/A	N/A	N/A
13 What is the status of any related adjudication at the date of the auditor's/accountant's report?	N/A	N/A	N/A	N/A	N/A
14 Has restitution been made or has an insurance claim been filed?	No	No	No	No	No
15 Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	Yes	Yes	Yes	Yes	Yes
16 Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	No	Yes	Yes	Yes	Yes
17 If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	Timely inventory counts not maintained.	N\A	N\A	N\A	N\A
18 Management's plan to ensure that the fraud or misappropriation does not occur in the future	All rooms with inventory will have a posted inventory list that the occupant will be responsible for when closing out the EOY.	Cellphones are not left unattended	Strengthened the installation of the Video Surveillance that was recently installed	Improved Video Surveillance was installed after the theft	IT director will review the cost of installing a security tag on laptops.

POINTE COUPEE PARISH SCHOOL BOARD

REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and CONTROL
AREAS

FOR THE YEAR ENDED JUNE 30, 2018

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

To Pointe Coupee Parish School Board and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Pointe Coupee Parish School Board (Entity) and the Louisiana Legislative Auditor (LLA) (the specified users) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity" is indicated.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

No exceptions noted.

b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

The Entity has written policies for Purchasing; however, the policies do not contain attribute (2) how vendors are added to the vendor list.

c) ***Disbursements***, including processing, reviewing, and approving

No exceptions noted.

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

The Entity has written policies for Receipts; however, the policies do not contain elements related to recording or management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

No exceptions noted.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

The Entity has written policies for Contracting; however, the policies do not contain attribute (2) regarding standard terms and conditions, (3) legal review, or (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

The Entity has written policies for Credit Cards; however, the policies do not contain attribute (4) required approvers of statements, (5) monitoring card usage.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

The Entity has a written policy for Travel and Expense Reimbursements; however, the policy does not address the elements above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The Entity has written policies for Ethics; however, the policy does not specifically address (3) system to monitor possible ethics violations or (4) a requirement that all employees, including elected officials, annually attest through signature verification that they have read the School Board's ethics policy.

- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The Entity has written policies for Debt Service; however, the policy does not specifically address attribute (3) debt reserve requirements.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

A listing of bank accounts was provided and included a total of 12 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending January 31, 2018, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Of the 5 bank reconciliations obtained, there was no evidence by initialing and dating or electronic logging that 3 of the reconciliations were prepared within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Of the 5 bank reconciliations obtained, 3 did not have a reviewers' initials or any other documentation evidencing the review.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exceptions noted.

Collections

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

A listing of deposit sites was provided and included a total of 7 deposit sites. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 deposit sites and performed the procedures below.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 7 collection locations. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

No exceptions noted.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

For the 5 locations selected for our procedures, the employee responsible for collecting cash prepares/makes the bank deposit and reconciles collection documentation to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

For 5 locations selected for our procedures, the employee responsible for collecting cash posts collection entries to the general ledger and reconciles ledger postings to each other and the deposit.

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

For 5 locations selected for our procedures, the employee responsible for collecting cash posts collection entries to the general ledger and reconciles ledger postings to each other and the deposit.

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

The Entity stated that all employees who have access to cash are bonded and/or covered under the Entity's insurance policy.

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

We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

- a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions noted.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Eight of the ten deposits selected were made within one business day of receipt. One deposit was made within 2 days and one deposit was made within 8 days of receipt.

- e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 locations and performed the procedures below.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.

Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

For the 5 locations selected for our procedures, there are not at least two employees involved in initiating a purchase request, approving a purchase and placing an order/making the purchase.

- b) At least two employees are involved in processing and approving payments to vendors.

For the 5 locations selected for our procedures, there are not at least two employees involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

For the 5 locations selected for our procedures, the person processing payments was not prohibited from adding / modifying vendor files.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

For the 5 locations selected for our procedures, the person responsible for signing the check is not segregated from the person responsible for processing payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

For 10 of the 25 disbursements selected for our procedures, a single employee initiated and approved the purchase request.

For the 25 disbursements selected for our procedures, the payment processor is not prohibited from modifying vendor files.

For the 25 disbursements selected for our procedures, the check signer does not mail the payment or give the payment to someone who is not responsible for processing the payment for mailing.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

From the listing provided, we randomly selected 5 cards (4 credit cards and 1 fuel card) used in the fiscal period. We randomly selected one monthly statement for each of the 5 cards selected and performed the procedures noted below.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

No exceptions noted.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

No exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

We randomly selected 21 transactions for 4 of the 5 cards selected in procedure #12 (1 fuel card excluded) and performed the specified procedures. Nine of the 21 transactions did not contain attribute (2) written documentation of the business/public purpose of the transaction.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

One of the employees selected for testing did not document their daily attendance.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Attendance records for 3 employees selected for testing did not have supervisor approval.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

No documentation was available to support accrual of or leave time taken during the pay period for 4 of the 5 employees selected for testing.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

No exceptions noted.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

No exceptions noted.

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

No exceptions noted.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the entity.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

A listing of misappropriations of public funds and assets during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exception noted.

Corrective Action

25. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See attached Corrective Action Plan.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Sincerely,

Postlethwaite & Netterville

December 20, 2018

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-001.b

Purchasing

Recommendation:

The Entity has written policies for Purchasing; however, the policies do not contain attribute (2) how vendors are added to the vendor list.

Planned Corrective Action:

The School Board will incorporate policies and procedures to ensure that the purchasing policy includes instructions relating to how vendors are added to the vendor list.

Anticipated Completion Date:

June 30, 2019

Responsible Contact Person:

Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-001.d

Written Policies and Procedures-Receipts

Recommendation:

The Entity has written policies for Receipts; however, the policies do not contain elements related to recording or management's actions to determine the completeness of all collections for each type of revenue or agency fund additions.

Planned Corrective Action:

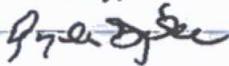
The School Board will incorporate policies and procedures to ensure that the cash receipts policy includes instructions relating to the completeness of all collections for each type of revenue.

Anticipated Completion Date: June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-001.f

Written Policies and Procedures-Contracting

Recommendation:

The Entity has written policies for Contracting; however, the policies do not contain attribute (2) regarding standard terms and conditions, (3) legal review, or (5) monitoring process.

Planned Corrective Action:

The School Board will incorporate policies and procedures to ensure that the contracts policy will include (2) standard terms and conditions, (3) legal review, or (5) monitoring process.

Anticipated Completion Date: June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-001.g

Written Policies and Procedures-Credit Cards

Recommendation:

The Entity has written policies for Credit Cards; however, the policies do not contain attribute (4) required approvers of statements, (5) monitoring card usage.

Planned Corrective Action:

The School Board will incorporate policies and procedures to ensure that the credit card policy will include (4) required approvers of statements, (5) monitoring card usage.

Anticipated Completion Date:

June 30, 2019

Responsible Contact Person:

Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,

Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-001.h

Written Policies and Procedures-Travel and expense reimbursement

Recommendation:

The Entity has written policies for travel and expense reimbursement; however, the policies do not address (1) allowable expenses (2) dollar thresholds by category of expense, (3) documentation requirements and (4) required approvers.

Planned Corrective Action:

The School Board will incorporate policies and procedures to travel and expense reimbursement to include (1) allowable expenses (2) dollar thresholds by category of expense, (3) documentation requirements and (4) required approvers.

Anticipated Completion Date: June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-001.i

Written Policies and Procedures-Ethics

Recommendation:

The Entity has written policies for Ethics; however, the policy does not specifically address (3) system to monitor possible ethics violations or (4) a requirement that all employees, including elected officials, annually attest through signature verification that they have read the School Board's ethics policy.

Planned Corrective Action:

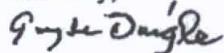
The School Board will incorporate policies and procedures to Ethics to address (3) a system to monitor possible ethics violations or (4) a requirement that all employees, including elected officials, annually attest through signature verification that they have read the School Board's ethics policy.

Anticipated Completion Date: June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-001.i

Written Policies and Procedures-Debt Service

Recommendation:

The Entity has written policies for Debt Service; however, the policy does not specifically address attribute (3) debt reserve requirements.

Planned Corrective Action:

The School Board will incorporate policies and procedures to Debt Service to address (3) debt services requirements.

Anticipated Completion Date: June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-003.a.b.

Bank Reconciliations

Recommendation:

- a. Of the 5 bank reconciliations obtained, there was no evidence by initialing and dating or electronic logging that 3 of the reconciliations were prepared within 2 months of the related statement closing date.
- b. Of the 5 bank reconciliations obtained, 3 did not have a reviewers' initials or any other documentation evidencing the review.

Planned Corrective Action:

The School Board will incorporate policies and procedures to the Activity Account Policy to address the timely reconciliation process and review.

Anticipated Completion Date: June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-005.b.c.d.

Cash Collections

Recommendation:

b. For the 5 locations selected for our procedures, the employee responsible for collecting cash prepares/makes the bank deposit and reconciles collection documentation to the deposit.

c. For 5 locations selected for our procedures, the employee responsible for collecting cash posts collection entries to the general ledger and reconciles ledger postings to each other and the deposit.

d. For 5 locations selected for our procedures, the employee responsible for collecting cash posts collection entries to the general ledger and reconciles ledger postings to each other and the deposit

Planned Corrective Action:

The School Board will implement an Activity Account Policy to address the segregation of duties relating to cash collections.

Anticipated Completion Date: June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-007.d

Cash Collections

Recommendation:

Eight of the ten deposits selected were made within one business day of receipt. One deposit was made within 2 days and one deposit was made within 8 days of receipt.

Planned Corrective Action:

The School Board will implement an Activity Account Policy to address the timeliness of depositing cash collections.

Anticipated Completion Date:

June 30, 2019

Responsible Contact Person:

Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,

Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-009.a.b.c.d

Non-payroll Disbursements

Recommendation:

- a. For the 5 locations selected for our procedures, there are not at least two employees involved in initiating a purchase request, approving a purchase and placing an order/making the purchase.
- b. For the 5 locations selected for our procedures, there are not at least two employees involved in processing and approving payments to vendors.
- c. For the 5 locations selected for our procedures, the person processing payments was not prohibited from adding / modifying vendor files.
- d. For the 5 locations selected for our procedures, the person responsible for signing the check is not segregated from the person responsible for processing payments.

Planned Corrective Action: The School Board will implement an Activity Account Policy to address the segregation of duties for disbursements.

Anticipated Completion Date: June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-010.b

Non-payroll Disbursements

Recommendation:

For 10 of the 25 disbursements selected for our procedures, a single employee initiated and approved the purchase request.

For the 25 disbursements selected for our procedures, the payment processor is not prohibited from modifying vendor files.

For the 25 disbursements selected for our procedures, the check signer does not mail the payment or give the payment to someone who is not responsible for processing the payment for mailing.

Planned Corrective Action: The School Board will implement an Activity Account Policy to address the segregation of duties for disbursements.

Anticipated Completion Date: June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-013

Credit Card

Recommendation:

We randomly selected 21 transactions for 4 of the 5 cards selected in procedure #12 (1 fuel card excluded) and performed the specified procedures. Nine of the 21 transactions did not contain attribute (2) written documentation of the business/public purpose of the transaction.

Planned Corrective Action:

The School Board will implement a Non-Stock purchase request form to be approved prior to credit card use.

Anticipated Completion Date:

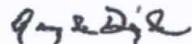
June 30, 2019

Responsible Contact Person:

Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer

CORRECTIVE ACTION PLAN

December 14, 2018

Pointe Coupee Parish School Board respectfully submits the following corrective action plan for the year ended June 30, 2018.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
8550 United Plaza Blvd.
Suite 1001
Baton Rouge, LA 70809

2018-017.a.b.c

Payroll and Personnel

Recommendation:

- a. One of the employees selected for testing did not document their daily attendance.
- b. Attendance records for 3 employees selected for testing did not have supervisor approval.
- c. No documentation was available to support accrual of or leave time taken during the pay period for 4 of the 5 employees selected for testing.

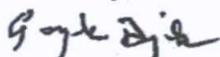
Planned Corrective Action: The timeline for this test was Oct, 2017. Since that date the School Board is in the process implementing a new time and attendance system that will resolve the items noted. In addition, beginning January, 2018 the school board implemented the new employee access center where time and attendance can be reviewed by the employee. Also accrual leave confirmations were sent to employees and the items noted have been reviewed and corrected.

Anticipated Completion Date: Current and thru June 30, 2019

Responsible Contact Person: Gayle Daigle, Chief Fiscal Officer

If there are questions regarding this plan, please call Gayle Daigle at (225) 686-6874.

Sincerely,



Gayle Daigle,
Chief Fiscal Officer