

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Annual Financial Report
As of and for the Year Ended June 30, 2018

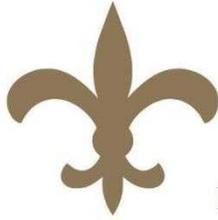
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Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.

Recipient of Advanced Single Audit Certificate

INDEPENDENT AUDITOR'S REPORT

Members of the
Beauregard Parish School Board
DeRidder, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Beauregard Parish 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 foregoing 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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audits 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Beauregard Parish School Board as of June 30, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information. Accounting principles generally accepted in the United States of America require that certain budget, other post-retirement employee benefits information, and pension information (Exhibits 1-7) 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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. I 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. The Beauregard Parish School Board has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board also determined is necessary to supplement, although not required to be part of, the basic financial statements.

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

The supplemental schedules are the responsibility of management and were derived 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 my opinion, such information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued a report dated December 30, 2018, on my consideration of the Beauregard Parish School Board's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to 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.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

DeRidder, Louisiana
December 30, 2018

GOVERNMENT-WIDE FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement A

Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 23,961,452
Receivables	2,434,995
Inventory	302,910
Prepaid expenses	147,764
Restricted assets:	
Investments	300,000
Capital assets (net of accumulated depreciation):	
Land	305,618
Buildings	39,943,214
Improvements other than buildings	1,868,591
Furniture and equipment	<u>2,877,147</u>
 Total assets	 <u>72,141,691</u>
DEFERRED OUTFLOWS OF RESOURCES	
Postretirement related deferrals	<u>13,397,399</u>
LIABILITIES	
Accounts, salaries, and other payables	7,809,967
Unearned revenue	44,297
Interest payable	302,399
Long-term liabilities:	
Due within one year	12,263,692
Due in more than one year	<u>199,113,816</u>
Total liabilities	<u>219,534,171</u>
DEFERRED INFLOWS OF RESOURCES	
Postretirement related deferrals	<u>13,248,722</u>
NET POSITION	
Invested in capital assets, net of related debt	13,337,009
Restricted for:	
Debt service	2,287,113
Future salaries from sales tax proceeds	106,675
Capital improvements	680,439
School food service	-
Maintenance, books, instructional items, etc.	3,373,787
Federal programs	120,712
Unrestricted	<u>(167,149,538)</u>
 TOTAL NET POSITION	 <u><u>\$ (147,243,803)</u></u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Statement B

Statement of Activities
For the Year Ended June 30, 2018

	Expenses	Program Revenues		Governmental
		Charges for Services	Operating Grants and Contributions	Activities - Net (Expense) Revenue and Changes in Net Assets
FUNCTIONS/PROGRAMS				
Governmental activities:				
Instruction:				
Regular programs	\$ 20,539,514	\$ -	\$ 461,208	\$ (20,078,306)
Special education programs	5,024,022	-	619,687	(4,404,335)
Vocational programs	1,451,809	-	49,130	(1,402,679)
Other instructional programs	1,713,289	-	168,869	(1,544,420)
Special programs	1,370,470	-	1,361,484	(8,986)
Support services:				
Student services	3,051,562	-	336,544	(2,715,018)
Instructional staff support	2,313,750	-	546,614	(1,767,136)
General administration	1,274,657	-	-	(1,274,657)
School administration	3,125,243	-	-	(3,125,243)
Business services	560,307	-	142,572	(417,735)
Plant services	5,729,179	-	-	(5,729,179)
Student transportation services	3,438,748	-	3,865	(3,434,883)
Central services	958,546	-	63,802	(894,744)
Food services	2,731,740	315,424	1,754,926	(661,390)
Community service programs	15,723	-	-	(15,723)
Interest on long-term debt	1,003,751	-	-	(1,003,751)
Total governmental activities	\$ 54,302,310	\$ 315,424	\$ 5,508,701	(48,478,185)
Taxes:				
Property taxes, levied for general purposes				1,430,452
Property taxes, levied for maintenance				7,135,838
Property taxes, levied for debt services				3,990,501
Sales and use taxes, levied for salaries				10,764,650
State revenue sharing, unrestricted				62,442
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				35,182,240
Other state funding				427,141
Interest and investment earnings				62,963
Special items:				
Miscellaneous				671,153
Gain on disposal of assets				544
Total general revenues and special items				59,727,924
Excess of revenues over expenses				11,249,739
Beginning net position, as restated				(158,493,542)
Ending net position				\$ (147,243,803)

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Balance Sheet - Governmental Funds
June 30, 2018

	General Fund	Sales Tax Fund	Operations and Maintenance Fund	Capital Projects Fund
Assets				
Assets:				
Equity in pooled cash	\$ 17,340,964	\$ -	\$ 3,524,226	\$ 680,439
Restricted investments	300,000	-	-	-
Receivables	110,954	901,407	15,755	-
Interfund receivable	2,391,945	-	-	-
Inventory	192,025	-	-	-
Prepaid items	94,030	-	53,734	-
	<u>20,429,918</u>	<u>901,407</u>	<u>3,593,715</u>	<u>680,439</u>
Total assets	\$ 20,429,918	\$ 901,407	\$ 3,593,715	\$ 680,439
Liabilities and fund balances				
Liabilities:				
Accounts, salaries, and other payables	\$ 7,593,633	\$ 16,830	\$ 166,194	\$ -
Interfund payable	-	777,902	-	-
Deferred revenues	-	-	-	-
	<u>7,593,633</u>	<u>794,732</u>	<u>166,194</u>	<u>-</u>
Total liabilities	7,593,633	794,732	166,194	-
Fund balances:				
Nonspendable items	286,055	-	53,734	-
Restricted for:				
Debt service	-	-	-	-
Capital improvements	-	-	-	680,439
Federal programs	-	-	-	-
Future salaries from sales tax proceeds	-	106,675	-	-
School food service	-	-	-	-
Maintenance, books, instructional items, etc.	-	-	3,373,787	-
Committed for:				
Construction contracts	88,699	-	-	-
Stabilization	3,002,140	-	-	-
Future facilities acquisition	5,838,348	-	-	-
Assigned for:				
Contingencies - Special Revenue Funds				
Special Revenue Funds				
Other	107,318	-	-	-
Unassigned	3,513,725	-	-	-
	<u>12,836,285</u>	<u>106,675</u>	<u>3,427,521</u>	<u>680,439</u>
Total fund balances	12,836,285	106,675	3,427,521	680,439
	<u>20,429,918</u>	<u>901,407</u>	<u>3,593,715</u>	<u>680,439</u>
Total liabilities and fund balances	\$ 20,429,918	\$ 901,407	\$ 3,593,715	\$ 680,439

The accompanying notes are an integral part of this statement.

Statement C

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 2,277,840	\$ 137,983	\$ 23,961,452
-	-	300,000
9,273	1,397,606	2,434,995
-	-	2,391,945
-	110,885	302,910
-	-	147,764
<u>\$ 2,287,113</u>	<u>\$ 1,646,474</u>	<u>\$ 29,539,066</u>
\$ -	\$ 33,310	\$ 7,809,967
-	1,614,043	2,391,945
-	44,297	44,297
<u>-</u>	<u>1,691,650</u>	<u>10,246,209</u>
-	110,885	450,674
2,287,113	-	2,287,113
-	-	680,439
-	120,712	120,712
-	-	106,675
-	-	-
-	-	3,373,787
-	-	88,699
-	-	3,002,140
-	-	5,838,348
-	-	-
-	-	-
-	-	107,318
<u>-</u>	<u>(276,773)</u>	<u>3,236,952</u>
<u>2,287,113</u>	<u>(45,176)</u>	<u>19,292,857</u>
<u>\$ 2,287,113</u>	<u>\$ 1,646,474</u>	<u>\$ 29,539,066</u>

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

Total fund balances at year end - governmental funds		\$ 19,292,857
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets are not financial resources and, therefore, not reported in the funds.		
Cost of capital assets at year end	\$ 99,883,708	
Less - accumulated depreciation at year end	<u>(54,889,138)</u>	44,994,570
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
Long-term liabilities at year end:		
Compensated absences	(1,485,855)	
Workers compensation	(452,093)	
Sales tax claim payable	(319,107)	
Bonds payable	(32,338,000)	
Other post-employment benefits liability	(105,886,186)	
Net pension liability	(70,896,267)	
Accrued interest payable	<u>(302,399)</u>	<u>(211,679,907)</u>
Postretirement related deferrals:		
Outflows	13,397,399	
Inflows	<u>(13,248,722)</u>	<u>148,677</u>
Net position at year end - governmental activities		<u>\$ (147,243,803)</u>

The accompanying notes are an integral part of this statement.

BEAUREGARD PARISH SCHOOL BOARD
De Ridder, Louisiana

June 30, 2018

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BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

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

	General Fund	Sales Tax Fund	Operations and Maintenance Fund	Capital Projects Fund
Revenues:				
Local sources:				
Ad valorem taxes	\$ 1,430,452	\$ -	\$ 7,135,838	\$ -
Sales and use taxes	-	10,764,650	-	-
Interest earnings	29,342	-	-	29,446
Food services	-	-	-	-
Other	395,941	-	952	-
State sources:				
Equalization	35,142,773	-	-	-
Other	222,491	-	260,481	-
Federal sources				
	99,862	-	-	-
Total revenues	<u>37,320,861</u>	<u>10,764,650</u>	<u>7,397,271</u>	<u>29,446</u>
Expenditures:				
Instruction:				
Regular programs	16,937,481	4,506,797	1,038,920	74,731
Special education programs	4,298,041	1,221,334	6,782	-
Vocational educational programs	1,364,883	334,549	92,741	-
Other instructional programs	1,333,494	161,125	1,149	-
Special programs	328,451	101,950	437	-
Support services:				
Student services	2,420,324	608,594	-	-
Instructional staff support	1,568,934	388,535	121,222	21,664
General administration	1,076,578	269,511	-	725
School administration	3,046,423	816,378	-	-
Business administration	511,069	121,299	-	-
Plant services	29,771	570,919	5,330,885	-
Student transportation services	3,338,589	589,118	-	-
Central services	468,435	151,393	320,602	-
Food services	107,789	436,315	-	-
Community service programs	12,525	-	-	-
Facilities acquisition and construction	760,668	-	14,196	-
Debt service	-	-	-	-
Total expenditures	<u>37,603,455</u>	<u>10,277,817</u>	<u>6,926,934</u>	<u>97,120</u>
Excess (deficiency) of revenues over (under) expenditures	(282,594)	486,833	470,337	(67,674)
Other financing sources (uses):				
Proceeds from sale of assets	9,894	-	-	-
Sales tax claims	-	(322,441)	-	-
Transfers in	248,303	-	-	-
Transfers out	(299,201)	-	-	-
Total other financing sources (uses)	<u>(41,004)</u>	<u>(322,441)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(323,598)	164,392	470,337	(67,674)
Beginning fund balances	<u>13,159,883</u>	<u>(57,717)</u>	<u>2,957,184</u>	<u>748,113</u>
Ending fund balances	<u>\$ 12,836,285</u>	<u>\$ 106,675</u>	<u>\$ 3,427,521</u>	<u>\$ 680,439</u>

The accompanying notes are an integral part of this statement.

Statement E

Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$ 3,990,501	\$ -	\$ 12,556,791
-	-	10,764,650
4,175	-	62,963
-	315,424	315,424
-	274,256	671,149
-	39,467	35,182,240
-	6,611	489,583
-	5,408,839	5,508,701
<u>3,994,676</u>	<u>6,044,597</u>	<u>65,551,501</u>
-	461,208	23,019,137
-	637,036	6,163,193
-	49,130	1,841,303
-	168,869	1,664,637
-	1,261,622	1,692,460
-	538,474	3,567,392
-	579,453	2,679,808
-	-	1,346,814
-	1,965	3,864,766
-	-	632,368
-	-	5,931,575
-	3,865	3,931,572
-	63,802	1,004,232
-	2,462,495	3,006,599
-	3,198	15,723
-	-	774,864
<u>4,466,639</u>	<u>-</u>	<u>4,466,639</u>
4,466,639	6,231,117	65,603,082
(471,963)	(186,520)	(51,581)
-	-	9,894
-	-	(322,441)
-	299,201	547,504
-	(248,303)	(547,504)
<u>-</u>	<u>50,898</u>	<u>(312,547)</u>
(471,963)	(135,622)	(364,128)
<u>2,759,076</u>	<u>90,446</u>	<u>19,656,985</u>
<u>\$ 2,287,113</u>	<u>\$ (45,176)</u>	<u>\$ 19,292,857</u>

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

Total net change in fund balances - governmental funds \$ (364,128)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Depreciation expense	\$ (2,128,555)	
Capital outlays	<u>1,439,663</u>	(688,892)

Net book value of assets retired during the year		(9,349)
--	--	---------

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Proceeds of bond issues is an other source in the governmental funds but increases long-term liabilities in the Statement of Net Position:

Principal payments	3,440,000
Bond proceeds	-

In the Statement of Activities, certain operating expenses are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This is the amount by which the amounts earned exceeds the amount actually paid:

Change in compensated absences payable	(197,699)
Change in sales tax claims payable	306,681
Change in claims liability	(140,743)
Change in other post-employment benefits and related deferrals	(2,183,807)
Change in net pension liability and related deferrals	11,049,024

Interest on long-term debt in the Statement of Activities is recorded as it is incurred, however, in the governmental funds interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources:

Change in accrued interest payable	<u>38,652</u>
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Change in net position of governmental activities	<u>\$ 11,249,739</u>
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The accompanying notes are an integral part of this statement.

Statement of Assets and Liabilities - Agency Fund
June 30, 2018

	<u>School Activity Fund</u>
Assets	
Cash and cash equivalents	<u>\$ 1,141,981</u>
 Total assets	 <u><u>\$ 1,141,981</u></u>
Liabilities	
Deposits due others	<u>\$ 1,141,981</u>
 Total liabilities	 <u><u>\$ 1,141,981</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

The Beauregard Parish School Board was created by Louisiana Revised Statute (R.S.) 17:51 to provide public education for the children within Beauregard Parish. The School Board is authorized by 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 10 members who are elected from 10 districts for terms of four years.

The School Board operates 12 schools within the parish with a total enrollment of approximately 6,000 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

The financial report has been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, issued in June 1999, as amended.

B. REPORTING ENTITY

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this Statement, 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. As used in GASB Statement No. 14, 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 No. 14 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.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

C. FUND ACCOUNTING

The School Board uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate fiscal and accounting entity with a self-balancing set of accounts.

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

Governmental Funds

Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include the following:

1. The General Fund is the general operating fund of the School Board and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.
4. Capital projects funds account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. The School Activity Agency Fund accounts for assets held by the School Board as an agent for the individual schools and school organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
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D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Position (Statement A) and the Statement of Activities (Statement B) display information about the reporting government as a whole. These statements include all the financial activities of the school board, except for the fiduciary fund. Fiduciary funds are reported only in the Statement of Assets and Liabilities – Agency Funds at the fund financial statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues - Program revenues included in the Statement of Activities (Statement B) derive directly from parties outside the school board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the school board's general revenues.

Allocation of Indirect Expenses - The school board reports all direct expenses by function in the Statement of Activities (Statement B). Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

BEAUREGARD PARISH SCHOOL BOARD
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Notes to the Financial Statements

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The School Board reports the General Fund, the Sales Tax Fund, the Operating and Maintenance Fund, the School Food Service Fund, the Debt Service Fund, and the Capital Projects Fund as its major governmental funds. The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Sales Tax Fund is used to account for sales tax collections that are to be used for salaries and benefits. The Operating and Maintenance Fund is used to account for ad valorem tax millages that are dedicated to certain operating and maintenance costs. The School Food Service Fund includes the school meal preparation operations. The Debt Service Fund accounts for the collection of an ad valorem tax millage dedicated to servicing the debt of the District's outstanding general obligation bonds. The Capital Projects Fund accounts for bonds issued under authority of a voter referendum to be used for capital projects and instructional equipment.

Governmental funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 school board generally considers all revenues available if they are collected within 60 days after the fiscal year ended except for revenues related to federal grant programs where costs are reimbursed 100%. For these programs, revenues are recognized when the expenditures are made. Management feels that the financial statements would be misleading if these revenues were not recorded. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments 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. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid when available and measurable. Federal and state grants are recorded when the reimbursable expenditures have been incurred. Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15th of each year, and become delinquent on December 31st. The taxes are generally collected in December, January, and February of the fiscal year. Sales and use tax revenues are recorded in the month that the original taxable transaction occurred. Substantially all other revenues are recorded when received.

BEAUREGARD PARISH SCHOOL BOARD
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Expenditures

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not effect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Governmental fund expenditures include the following:

Salaries are recorded as earned. All nine-month employees are to be paid pro rata over twelve months. Thus, salaries paid to these employees in July and August are earned (and are accrued) as of fiscal year end. Principal and interest on general long-term obligations are recognized when due. Inventory is expensed when consumed. Compensated absences are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death. The cost of compensated absences not requiring current resources is recorded in the general long-term obligations account group. All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Increases (decreases) in net current assets arising from sources other than revenues (expenditures) are accounted for as other financing sources (uses). Such transactions include transfers between funds that are not expected to be repaid, capital lease transactions, sale of fixed assets, and long-term debt proceeds. These other financing sources (uses) are recognized at the time the underlying events occur.

Agency Funds – Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for on the accrual basis of accounting.

E. BUDGETS

The School Board adopts budgets for all funds under its control. The School Board uses the following budget practices:

1. The proposed budget for the fiscal year ended June 30, 2018, was published June 19, 2017. The budget was available for viewing from that date until the date of the public hearing July 13, 2017. The budget was formally adopted on July 13, 2017, by the School Board. The budget must be adopted no later than September 15th and submitted to the Louisiana Department of Education no later than September 30th each year for approval.
2. Appropriations (unexpended budget balances) lapse at year-end.
3. Budgets are prepared on a GAAP basis for all funds.

BEAUREGARD PARISH SCHOOL BOARD
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Notes to the Financial Statements

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting. The superintendent of the School Board has the authority to transfer amounts between accounts within any fund. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

F. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances are recorded at the time the purchasing system generates a purchase order and are liquidated at the time the corresponding expenditure is recognized. Outstanding encumbrances lapse at year-end. To the extent the School Board intends to honor the purchase orders and commitments, they are disclosed in the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

G. CASH AND INTEREST-EARNING DEPOSITS

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and short-term investments with original maturities of three months or less, including deposits held by the Louisiana Asset Management Pool (LAMP). LAMP is a statewide investment pool in which the School Board participates and operates in accordance with appropriate state laws and regulations. The fair value of the School Board's position in the pool is the same as the value of the pool shares. LAMP is a component unit of the State of Louisiana and its operations are regulated by state law and are overseen by a board consisting of the state treasurer and members elected from the pool participants. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

H. INVESTMENTS

Investments are limited by R.S. 33:2955 and the School Board's investment policy. These laws and policies are designed to minimize credit risk. The School Board's investments include certificates of deposit with maturities greater than 90 days. These certificates of deposit are recorded at cost, which approximates fair value.

I. 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 due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

BEAUREGARD PARISH SCHOOL BOARD
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J. INVENTORIES AND PREPAID ITEMS

Inventory of the General Fund consists of expendable supplies and are recorded on the consumption method. These items are recorded at the lower of cost (first-in, first-out) or market value.

Inventory of the School Lunch 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 (issued); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

K. CAPITAL ASSETS

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The school board maintains a threshold level of \$5,000 or more for capitalizing capital assets.

Capital assets are recorded in the GWFS, but are not reported in the FFS. 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. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 years
Furniture and fixtures	10 years
Vehicles	5 years
Equipment	3-10 years

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L. COMPENSATED ABSENCES

The School Board has the following policies relating to compensated absences:

Annual Leave

Annual leave is earned for all twelve-month active employees at the following rates:

<u>Years of service</u>	<u>Rate</u>
0-3	1 day per month (12 days annually)
3-10	1 ¼ days per month (15 days annually)
Over 10	1 ½ days per month (18 days annually)

Accumulated annual leave is capped at 48 days.

Sick Leave

Sick leave is earned for active employees at the following rates:

Nine-month employees	10 days
Ten-month employees	11 days
Eleven- and twelve-month employees:	
0-10 years	12 days
Over 10 years	18 days

If a nine- or ten-month employee works additional time during the summer, the employee will receive one day additional sick leave (or portion thereof) for each additional month worked (or portion thereof). Sick leave can be accumulated without limitation. Upon retirement, unused sick leave up to 25 days is paid to employees at the employees' current rate of pay and all unused sick leave is used in the retirement computation as earned service. However, the School Board may pay, on a uniform basis, such unused sick leave beyond twenty-five days, not to exceed 45 days, at its discretion.

BEAUREGARD PARISH SCHOOL BOARD
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Emergency Leave

Emergency leave shall be granted for the following reasons:

1. A maximum of three days continuous leave for illness in the immediate family unless there are extenuating circumstances.
2. A maximum of three days continuous leave for death in the immediate family unless there are extenuating circumstances.
3. A maximum of two days for the purpose of marriage.
4. Circumstances beyond the control of the employee (i.e., fire, flood tornado, etc.)

The superintendent or his designee may grant emergency leave for reasons other than above. Two days of sick or emergency leave may be allowed for personal reasons.

Excess leave

Excess leave may be granted by the superintendent beyond the sick and emergency leave up to a maximum of five days. Any request beyond five days requires School Board approval.

Sabbatical Leave

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. According to GASB Statement No. 16, sabbatical leave which involves professional and cultural development provides a continuing benefit to the employer and should not be accrued.

The cost of current leave privileges is recognized as an expenditure in the governmental funds (typically the General Fund) when the leave is actually taken or, in the case of amounts due at termination, when payment is due. The expenditure is recorded in the fund from which the employee on leave is generally paid. The cost of leave privileges not requiring current resources is recorded in the government-wide financial statements.

BEAUREGARD PARISH SCHOOL BOARD
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M. EQUITY CLASSIFICATIONS

For government-wide statement of net position, equity is classified as net position and displayed in three components:

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

The School Board uses restricted resources first when expenses are incurred when both restricted and unrestricted net position are available.

In the fund statements, governmental fund equity is classified as fund balance. In accordance with Governmental Accounting Standards Board ("GASB") Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the School Board classifies governmental fund balances as follows:

- Non-spendable. Relates to fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted. Relates to fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or grantors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed. Relates to fund balance amounts that are constrained for specific purposes that are internal imposed by the district through formal action of the School Board and does not lapse at year-end.
- Assigned. Relates to fund balance amounts that are intended to be used for a specific purpose that are considered to be neither restricted nor committed. Fund balance can be assigned by the School Board.
- Unassigned. Relates to fund balance amounts within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The School Board uses restricted resources first when expenditures are incurred when both restricted and unrestricted fund balances are available.

BEAUREGARD PARISH SCHOOL BOARD
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Notes to the Financial Statements

N. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

O. SALES AND USE TAXES

A one-cent sales and use tax was approved by voters at a special election held July 23, 1966. The proceeds of the tax are to be used exclusively to supplement other revenues available to the School Board for the payment of salaries of teachers in the public elementary and secondary schools of the parish and for the expenses of operating said schools, such operating expenses to include payment of salaries of other personnel employed by the School Board in addition to teachers, but to exclude expenditures for capital improvements and purchases of automobiles.

Another one-cent sales and use tax was approved by voters at a special election held May 5, 1990. The proceeds of the tax are to be used for the purpose of supplementing salaries of teachers and other school employees and providing benefits for teachers, other school employees, and retirees.

P. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Q. PENSIONS

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 the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS), and additions to/deductions from the fiduciary net position for both pensions have been determined on the same basis as they are reported by each pension. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

2. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

	Authorized <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Parishwide taxes			
Constitutional	5.13	5.13	N/A
Maintenance and operations	9.27	9.27	2021
District taxes			
Maintenance and operations –			
Instructional	22.56	22.56	2023
Bond and Interest	17.80	17.80	N/A

The two millages for Maintenance and Operations are restricted to facilities maintenance and certain educational items such as books. The Bond and Interest millage is restricted specifically for debt service on the School Board's bond issues.

The only taxpayer with assessed valuation in excess of 5% of total assessments was Packaging Corporation of America (PCA). PCA's total assessed valuation was approximately \$50,000,000 generating approximately \$2,740,000 in ad valorem taxes for the School Board.

3. DEPOSITS

At June 30, 2018, the School Board has cash and interest-bearing deposits (book balances) as follows:

	Governmental Activities	Fiduciary Funds	Total
Interest-bearing deposits	\$ 20,962,054	\$ 939,078	\$ 21,901,132
Deposits with LAMP	2,999,398	202,903	3,202,301
Total	<u>\$ 23,961,452</u>	<u>\$ 1,141,981</u>	<u>\$ 25,103,433</u>

Additionally, the School Board has a certificate of deposit totaling \$300,000 on deposit in local banks which are presented as restricted investments in the financial statements.

A portion of the School Board's funds are held and managed by the Louisiana Asset Management Pool (LAMP). The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-RS 33:2955. LAMP is rated AAAM by Standard & Poor's.

BEAUREGARD PARISH SCHOOL BOARD
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The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. The investments in LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool share.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company. LAMP issues a publicly available financial report that includes financial statements and required supplementary information for LAMP. That report may be obtained by writing to the LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, Louisiana 70130.

Custodial credit risk is the risk that, in the event of a bank failure, the School Board's deposits may not be recovered. Under state law, the School Board's deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the School Board or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2018, the School Board has \$22,671,395 in deposits (collected bank balances) in local financial institutions, including certificates of deposit. These deposits are secured from risk by \$1,737,117 of federal deposit insurance and \$20,337,936 of pledged securities held by the custodial bank in the name of the School Board, leaving \$596,342 in deposits uncollateralized. The deposits covered by insurance and pledged securities are not considered subject to custodial credit risk according to GASB Statement No. 3.

4. INVESTMENTS

Investments at June 30, 2018 consisted of a certificate of deposit. All certificates have maturities of six months from their original purchase dates.

As discussed in Note 3, certificates of deposit are considered fully collateralized under the provisions of GASB Statement 3. Deposits with LAMP are not categorized as those deposits are not evidenced by securities that exist in physical or book-entry form.

BEAUREGARD PARISH SCHOOL BOARD
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Notes to the Financial Statements

Although the School Board’s policy does not formally address credit or interest rate risk, it does emphasize safety and liquidity over investment return. This policy does limit exposure to fluctuations in interest rates due to the short-term nature of securities purchased and the School Board’s intent and ability to hold debt securities to maturity. Interest rates on certificates of deposit range from 0.08-1.0% and it is the practice of the School Board to generally purchase certificates with maturities of six months or less and never over one year. LAMP’s investment policy also emphasizes safety and liquidity with a substantial portion of the underlying securities pool having maturities of less than 30 days. LAMP is rated AAAM with Standard & Poors.

The School Board entered into a security agreement with the State of Louisiana Office of Workers’ Compensation (OWC) that grants to OWC a security interest in the School Board’s \$300,000 certificate of deposit. The security interest is to secure the prompt payment of all obligations under the provisions of the Louisiana Workers’ Compensation Act. This certificate of deposit is classified as restricted investment in the General Fund.

5. RECEIVABLES

The receivables of \$2,434,995 at June 30, 2018, are as follows:

Class of Receivable	General Fund	Sales Tax Fund	Operations & Maintenance Fund	Debt Service Fund	Non-Major Funds	Total
Taxes:						
Sales	\$ -	\$ 901,407	\$ -	\$ -	\$ -	\$ 901,407
Ad valorem	5,348	-	15,755	9,273	-	30,376
Intergovernmental:						
Federal	-	-	-	-	1,397,402	1,397,402
State	105,606	-	-	-	204	105,810
Total	\$ 110,954	\$ 901,407	\$ 15,755	\$ 9,273	\$ 1,397,606	\$ 2,434,995

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Notes to the Financial Statements

6. CAPITAL ASSETS

The changes in capital assets follow:

	Balance, Beginning of Year	Additions	Deletions	Transfers	Balance, End of Year
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 305,618	\$ -	\$ -	\$ -	\$ 305,618
Construction in progress	597,742	760,668	-	(1,358,410)	-
	<u>903,360</u>	<u>760,668</u>	<u>-</u>	<u>(1,358,410)</u>	<u>305,618</u>
Capital assets being depreciated:					
Buildings and improvements	86,265,665	117,943	(7,896)	1,358,410	87,734,122
Furniture and equipment	12,118,194	561,052	(835,278)	-	11,843,968
	<u>98,383,859</u>	<u>678,995</u>	<u>(843,174)</u>	<u>1,358,410</u>	<u>99,578,090</u>
Less accumulated depreciation:					
Buildings and improvements	(44,376,754)	(1,545,563)	-	-	(45,922,317)
Furniture and equipment	(9,217,654)	(582,992)	833,825	-	(8,966,821)
	<u>(53,594,408)</u>	<u>(2,128,555)</u>	<u>833,825</u>	<u>-</u>	<u>(54,889,138)</u>
Total capital assets being depreciated, net	<u>44,789,451</u>	<u>(1,449,560)</u>	<u>(9,349)</u>	<u>1,358,410</u>	<u>44,688,952</u>
Governmental activities capital assets, net	<u>\$ 45,692,811</u>	<u>\$ (688,892)</u>	<u>\$ (9,349)</u>	<u>\$ -</u>	<u>\$ 44,994,570</u>

Depreciation expense of \$2,128,555 for the year ended June 30, 2018, was charged to the following governmental functions:

Instruction:	
Regular Education	\$ 1,533,930
Special Education	278,484
Support Services:	
Student Services	52,933
Instructional Staff Support	39,807
General Administration	2,791
School Administration	21,994
Business Services	6,206
Plant Services	15,546
Student Transportation Services	34,375
Central Services	736
School Food Services	141,753
Total	<u>\$ 2,128,555</u>

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7. ACCOUNTS, SALARIES, AND OTHER PAYABLES

Accounts, salaries, and other payables of \$7,809,967 at June 30, 2018, consists of the following:

	General Fund	Sales Tax Fund	Operations & Maintenance	Capital Projects Fund	Non-major Special Revenue Funds	Total
Salaries and benefits	\$ 7,265,877	\$ -	\$ -	\$ -	\$ -	\$ 7,265,877
Accounts	327,756	16,830	166,194	-	33,310	544,090
Retainage	-	-	-	-	-	-
Total	\$ 7,593,633	\$ 16,830	\$ 166,194	\$ -	\$ 33,310	\$ 7,809,967

8. RETIREMENT SYSTEMS

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

The School Board has implemented Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. This standard requires the School Board to record its proportional share of each of the pension plan's Net Pension Liability and report the following disclosures:

A. TEACHERS' RETIREMENT SYSTEM OF LOUISIANA (TRSL)

Plan Description. TRSL consists of three membership plans: Regular Plan, Plan A, and Plan B. TRSL provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. TRSL issues a publicly available financial report that includes financial statements and required supplementary information for TRSL. That report may be obtained at trsl.org, by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446.

Benefits Provided. The following is a description of the plan and its benefits and is provided for general informational purposes only. TRSL provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. Participants should refer to the appropriate statutes for more complete information.

BEAUREGARD PARISH SCHOOL BOARD
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1) Normal Retirement

Regular Plan - Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after January 1, 2011 may retire with a 2.5% accrual rate after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. All other members, if initially hired on or after July 1, 1999, are eligible for a 2.5% accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% accrual rate at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.

- Plan A - Members may retire with a 3.0% annual accrual rate at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants.
- Plan B - Members may retire with a 2.0% annual accrual rate at age 55 with 30 years of service, or age 60 with 5 years of service.

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

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

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

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2) Deferred Retirement Option Plan (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DROP) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

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

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

3) Disability Benefits

Active members whose first employment makes them eligible for membership in a Louisiana state retirement system before January 1, 2011, and who have five or more years of service credit are eligible for disability retirement benefits if certified by the State Medical Disability Board (SMDB) to be disabled from performing their job. All other members must have at least 10 years of service to be eligible for a disability benefit. Calculation of the disability benefit as well as the availability of a minor child benefit is determined by the plan to which the member belongs and the date on which the member's first employment made them eligible for membership in a Louisiana state retirement system.

4) Survivor Benefits

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

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 18, marriage, or age 23 if enrolled in an approved institution of higher education.

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A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$600 per month, or (b) the option 2 equivalent of the benefit calculated at the 2.5% accrual rate for all creditable service.

5) Cost of Living Adjustments

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

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

2017 TRSL Sub Plan	Contributions	
	Employee	Employer
K-12 Regular Plan	8.0%	26.6%
Higher Ed Regular Plan	8.0%	25.4%
Plan A	9.1%	26.6%
Plan B	5.0%	26.6%

The School Board's contractually required composite contribution rate for the year ended June 30, 2018, was 26.6% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. The School Board's contributions to TRSL for the years ending June 30, 2018, 2017, and 2016, were \$7,249,707, \$7,337,238, and \$7,838,707, respectively, equal to the required contributions for each year.

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B. LOUISIANA SCHOOL EMPLOYEES' RETIREMENT SYSTEM (LSERS)

Plan Description. The LSERS provides retirement benefits as well as disability and survivor benefits. Ten years of service credit is required to become vested for retirement benefits and five years to become vested for disability and survivor benefits. Benefits are established and amended by state statute. The LSERS issues a publicly available financial report that includes financial statements and required supplementary information for the LSERS. That report may be obtained at lsers.org, by writing to the Louisiana School Employees' Retirement System, Post Office Box 44516, Baton Rouge, Louisiana 70804, or by calling (225) 925-6484.

Benefits Provided. The following is a description of the plan and its benefits and is provided for general informational purposes only. Benefit provisions are authorized under Louisiana Revised Statutes 11:1141 - 11:1153. LSERS provides retirement, deferred retirement option (DROP), and disability. Participants should refer to the appropriate statutes for more complete information.

1) Normal Retirement

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

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

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2) Deferred Retirement Option Plan (DROP)

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

The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements.

The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

3) Disability Benefits

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

4) Initial Benefit Retirement Plan (IBRP)

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

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Contributions. The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Plan members are required to contribute 7.5% (8.0% for members hired after July 1, 2010) of their annual covered salary and the School Board is required to contribute at an actuarially determined rate. The current rate is 27.6% of annual covered payroll. Contributions for the LSERS are established by state law and rates are established by the Public Retirement Systems' Actuarial Committee. The School Board's employer contribution for the LSERS is set by state statute at the greater of 6% or the actuarially determined required rate. Since the statutory rate has been significantly greater than the actuarially required rate in recent years, employers have accumulated a contribution credit. As such, the School Board's contributions to the LSERS for the years ending June 30, 2018, 2017, and 2016, were \$778,886, \$800,446, and \$942,741, respectively, which is equal to the required contributions each year.

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

At June 30, 2018, the School Board reported liability of \$70,896,267 (\$64,338,218 and \$6,558,049, respectively, for TRSL and LSERS) for its proportionate share of the Net Pension Liability for both plans. The Net Pension Liabilities were measured as of June 30, 2017 and the total pension liability used to calculate the Net Pension Obligation for each plan was determined by an actuarial valuation as of that date. 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. At June 30, 2017, the School Board's proportion was 0.62758% for TRSL and 1.024812% for LSERS, which represented a decrease of .04201 percentage points for TRSL and a decrease of .073214 percentage points for LSERS from its proportions measured as of June 30, 2016.

For the year ended June 30, 2018, the School Board recognized pension expense of \$6,066,898 (\$5,603,074 and \$463,824, respectively, for TRSL and LSERS) which includes current year amortization of deferrals related to pensions of \$632,689 (\$630,720 and \$1,969, respectively for TRSL and LSERS).

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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 annual experience	\$ -	\$ 2,267,829
Changes of assumptions	815,957	102,164
Net difference between projected and actual earnings on pension plan investments	-	1,764,286
Changes in proportion	4,522,550	3,204,659
Differences between actual contributions and proportionate share of contributions	30,299	-
Contributions subsequent to the measurement date	<u>8,028,593</u>	<u>-</u>
 Total	 <u>\$ 13,397,399</u>	 <u>\$ 7,338,938</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	\$ 12,476,774	\$ 6,618,416
School Employees' Retirement System	<u>920,625</u>	<u>720,522</u>
 Total	 <u>\$ 13,397,399</u>	 <u>\$ 7,338,938</u>

The School Board reported \$8,028,593 as deferred outflows of resources related to pensions resulting from School Board contributions subsequent to the measurement date of June 30, 2017, will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2018. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 7,249,707
School Employees' Retirement System	<u>800,446</u>
 Total	 <u>\$ 8,028,593</u>

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

Year	TRSL	LSERS	Total
2019	\$ (935,743)	\$ (416,258)	\$ (1,352,001)
2020	486,786	32,856	519,642
2021	(120,404)	43,226	(77,178)
2022	(821,988)	(238,607)	(1,060,595)
	<u>\$ (1,391,349)</u>	<u>\$ (578,783)</u>	<u>\$ (1,970,132)</u>

Actuarial Assumptions

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

System	TRSL	LSERS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization approach	Closed	Closed
Actuarial assumptions:	The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2007 through June 30, 2012.	The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2012.
Expected Remaining Service Lives	5 years	3 years

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<p>Investment rate of return</p>	<p>7.70% net of investment expenses. The long-term expected rate of return 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 long-term expected rate of return by weighting the expected future real rates of return by target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification.</p>	<p>7.125% net of investment expenses. 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.</p>
<p>Inflation rate</p>	<p>2.5% per annum</p>	<p>2.625% per annum</p>
<p>Projected salary increases</p>	<p>3.50% - 10.0% varies depending on duration of service</p>	<p>3.075% - 5.375% varies depending on duration of service</p>
<p>Cost-of-living adjustments</p>	<p>None</p>	<p>Cost-of-living raises may be granted from the Experience Account provided there are sufficient funds needed to offset the increase in the actuarial liability and the plan has met the criteria and eligibility requirements outlined by Act 399 of 2014.</p>
<p>Mortality</p>	<p>Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.</p>	<p>Mortality rates based on the RP-2000 Sex Distinct Mortality Table.</p>
<p>Termination and disability</p>	<p>Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.</p>	

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

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Domestic equity	27.0%	20.0%	4.28%	6.44%
International equity	19.0%	31.0%	4.96%	7.53%
Domestic fixed income	13.0%	13.0%	1.98%	3.23%
International fixed income	5.5%	17.0%	2.75%	3.05%
Alternatives	35.5%	13.0%	7.07%	6.41%
Real assets	-	6.0%	-	7.50%

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, 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 year ended June 30, 2017.

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

The following presents the School Board’s proportionate share of the Net Pension Liability using the discount rate of each system as well as what the School Board’s proportionate share of the Net Pension Liability 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 system:

	Rates		Share of Net Pension Liability	
	TRSL	LSERS	TRSL	LSERS
Current discount rate	7.70%	7.125%	\$64,338,218	\$ 6,558,049
One percentage point decrease	6.70%	6.125%	\$82,901,262	\$ 8,990,314
One percentage point increase	8.70%	8.125%	\$48,547,085	\$ 4,469,303

Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2018, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$280,379 for its participation in TRSL.

Payables to the Pension Plan

The School Board recorded accrued liabilities to each of the retirement systems for the year ended June 30, 2018, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries, and other payables. At June 30, 2018, \$2,079,653 and \$0 were payable to TRSL and LSERS, respectively.

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9. INTERFUND ACTIVITIES

The following is a summary of interfund receivables and payables at June 30, 2018:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-major special revenue funds	\$ 1,614,043
General Fund	Sales Tax Fund	<u>777,902</u>
		<u>\$ 2,391,945</u>

Generally, interfund receivables/payables result from overdrafts of the common cash pool.

The following is a summary of interfund transfers for the year ended June 30, 2018:

<u>Receiving Fund</u>	<u>Paying Fund</u>	<u>Amount</u>
General Fund	Non-major special revenue funds	\$ 248,303
Non-major special revenue funds	General Fund	<u>299,201</u>
		<u>\$ 547,504</u>

Generally, interfund transfers result from the 1) reimbursement of indirect costs from federal programs to the General Fund, or 2) reimbursement to other funds for expenditures paid on behalf of the General Fund. Additionally, the General Fund subsidizes the School Food Service Fund for the amount of expenditures not covered by meal sales and federal grants.

10. LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 2018:

	<u>Bonded Debt</u>	<u>Compensated Absences</u>	<u>Workers Comp Claims Liability</u>	<u>Sales Tax Claims Liability</u>	<u>OPEB Liability</u>	<u>Net Pension Liability</u>	<u>Total</u>
Long-term obligations at beginning of year	\$ 35,778,000	\$ 1,288,156	\$ 311,350	\$ 625,788	\$109,612,165	\$ 86,872,150	\$234,487,609
Additions	-	1,075,964	333,546	-	6,514,202	-	7,923,712
Deductions	<u>(3,440,000)</u>	<u>(878,265)</u>	<u>(192,803)</u>	<u>(306,681)</u>	<u>(10,240,181)</u>	<u>(15,975,883)</u>	<u>(31,033,813)</u>
Long-term obligations at end of year	<u>\$ 32,338,000</u>	<u>\$ 1,485,855</u>	<u>\$ 452,093</u>	<u>\$ 319,107</u>	<u>\$105,886,186</u>	<u>\$ 70,896,267</u>	<u>\$211,377,508</u>
Due within one year	<u>\$ 2,524,000</u>	<u>\$ 878,265</u>	<u>\$ 192,803</u>	<u>\$ 319,107</u>	<u>\$ 299,364</u>	<u>\$ 8,050,153</u>	<u>\$ 12,263,692</u>

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General Obligation Bonds

All School Board bonds outstanding at June 30, 2018, are general obligation bonds with maturities from 2017 to 2031 and interest rates from 1.97% to 4.95%. Bond principal and interest payable in the next fiscal year are \$2,524,000 and \$907,198, respectively. Proceeds of these bonds are restricted to construction projects as outlined in the related parish-wide elections authorizing the issuance of the bonds. The individual issues are as follows:

Bond Issue	Original Issue	Interest Rates	Final Payment Due	Interest to Maturity	Principal Outstanding	Current Portion
Series 2007	2,000,000	4.1%	2019	\$ 11,475	\$ 5,000	\$ 5,000
Series 2009	10,000,000	1.0-4.95%	2019	66,788	465,000	465,000
Series 2009A	10,000,000	1.25-4.3%	2019	57,400	485,000	485,000
Series 2010	10,000,000	3.0-4.125%	2030	2,394,463	7,475,000	485,000
Series 2011 Refunding	1,339,000	2.4	2021	36,857	458,000	149,000
Series 2012	9,800,000	2.0-3.6%	2031	2,192,975	7,815,000	450,000
Series 2013 Refunding	3,315,000	2.0%	2024	199,292	2,085,000	315,000
Series 2016 Refunding	7,005,000	2.0%	2029	1,034,743	6,825,000	95,000
Series 2017 Refunding	6,920,000	2.0%	2029	1,155,383	6,725,000	75,000
	<u>\$ 60,379,000</u>			<u>\$ 7,149,376</u>	<u>\$ 32,338,000</u>	<u>\$ 2,524,000</u>

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish.

At June 30, 2018, the School Board has accumulated \$2,287,113 in the debt service fund for future debt requirements. The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2019	\$ 2,524,000	\$ 907,198	\$ 3,431,198
2020	2,621,000	827,883	3,448,883
2021	2,723,000	764,681	3,487,681
2022	2,665,000	696,542	3,361,542
2023	2,760,000	629,634	3,389,634
2024-2028	13,770,000	2,042,507	15,812,507
2029-2031	5,275,000	287,125	5,562,125
Total	<u>\$ 32,338,000</u>	<u>\$ 6,155,570</u>	<u>\$ 38,493,570</u>

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In accordance with R.S. 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2018, the statutory limit is approximately \$150 million.

Defeased Bonds

In 2016 and 2017, the School Board took the opportunity to refinance some older bonds with new bonds at lower rates. However, the refunded bonds were not available to be called until a future date. As such, the proceeds of the refunding bonds were placed in trust and used to purchase U.S. Treasury securities which future cash flows and maturities match the intended future call amounts and call dates of the bonds. The bonds are considered legally defeased and are no longer carried as liabilities on the books of the School Board.

The total principal balance of the defeased bonds outstanding at June 30, 2018 is as follows:

Series 2009	\$ 6,340,000
Series 2009A	<u>6,360,000</u>
Total	<u>\$ 12,700,000</u>

Sales Tax Claim

During the year ended June 30, 2017, the School Board was notified by the tax collector's office of a sales tax claim. The claim will be repaid as 18 monthly installments of \$35,827 beginning in September 2017. The net present value of the payments of \$625,788 was recorded as a long-term liability in the government-wide financial statements in the prior year. During the year ended June 30, 2018, the School Board paid \$306,681, leaving a balance of \$319,107 at year end.

11. EQUITY RESTRICTIONS

As discussed in Note 1(P), the School Board receives the proceeds of two one-cent sales taxes which are dedicated to employee salaries and benefits. Revenues from these taxes and the related expenditures are recorded in the Sales Tax Fund and the resulting fund balance is considered restricted for future salaries.

As discussed in Note 2, certain property tax millages are restricted as to use. The two Maintenance and Operating millages are restricted for facilities maintenance and certain educational items. Revenues from these millages and the related expenditures are recorded in the Operations and Maintenance Fund and the resulting fund balance is considered restricted for future maintenance. There is also a Bond and Interest millage dedicated to debt service which is recorded in the Debt Service Fund and the resulting fund balance is considered restricted for future debt service.

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As discussed in Note 10, proceeds of general obligation bonds authorized in parish-wide elections held in 1997 and 2008 are restricted to certain construction projects as outlined in the tax propositions. The proceeds of the bonds are recorded in the Capital Projects Fund and the resulting fund balance in the Capital Projects Fund is considered restricted for future construction projects.

It is the Board's policy to set aside five percent of revenues for contingencies. This amount was recorded as committed fund balance in the General Fund at June 30, 2018.

12. RISK MANAGEMENT

The School Board maintains insurance coverage through commercial insurance carriers for liability, errors and omissions, employee bonds, and property insurance. The School Board is partially self-insured for workers' compensation claims. The School Board has hired a third-party administrator to track and pay workers' compensation claims and make reserve estimates on each claim. The liability for workers' compensation claims has been recorded in the government-wide financial statements.

13. LITIGATION, CLAIMS, AND OTHER CONTINGENT LIABILITIES

The School Board is a defendant in a number of lawsuits arising principally in the normal course of operations. In the opinion of the School Board and legal counsel, the outcomes of these lawsuits will not have a material adverse effect on the accompanying basic financial statements and, accordingly, no provision for losses has been recorded.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applied funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time; however, the School Board expects such amounts, if any, to be immaterial.

Under the Internal Revenue Code, interest earned on debt proceeds in excess of interest expense prior to the disbursement of such proceeds (called "arbitrage") must be rebated to the Internal Revenue Service. Management believes there is no arbitrage rebate liability at year end.

14. COMMITMENTS

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances are re-appropriated in the next year. At June 30, 2018, the School Board had outstanding purchase orders in the amount of \$538.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

The School Board is committed under several construction contracts that are to be paid from the General Fund as the construction projects progress. At June 30, 2018, there were remaining commitments of \$0 related to these contracts. This amount is included in the restricted fund balance in the Capital Projects Fund.

15. OTHER POST-EMPLOYMENT BENEFITS

In adopting the requirements of Governmental Accounting Standard Board (GASB) Statement No. 75 during the year ended June 30, 2018, the School Board recognizes the cost of other post-employment benefits (OPEB) in the year when employee services are received, recognizes a liability for OPEB obligations, on the statement of net position, and provides information useful in assessing potential demands on the School Board's future cash flows. Changes in total OPEB liability will be immediately recognized as OPEB expense on the statement of activities or reported as deferred inflows/outflows of resources depending on the nature of the change.

Plan Description. In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees and similar benefits for active employees are provided through Office of Group Benefits, whose monthly premiums are paid jointly by the employee and by the School Board. The cost of retiree benefits is included in these expenditures.

Funding Policy. The contribution requirements of plan members and the School Board are established and may be amended by LA R.S. 42:801-883. Employees do not contribute to their other post-employment benefits cost until they become retirees and begin receiving those benefits. The healthcare and life insurance premiums are paid 25% by the retiree and 75% by the employer.

The plan is currently financed on a pay-as-you-go basis, with the School Board contributing \$3,501,023 for 415 retirees and \$3,143,817 for 430 retirees during the years ended June 30, 2018 and 2017, respectively.

Total OPEB Liability

The School Board's total OPEB liability of \$105,886,186 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

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:

Actuarial cost method	Entry age normal
Inflation	2.80%
Discount rate	3.13%
Health care cost trend rates	5.5% for 2017, varying gradually until an ultimate rate of 4.50% for 2029 and beyond

The discount rate used to calculate total OPEB liability was 3.13%, which was based on the S&P 20-year general obligation bond index.

For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017. For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2017.

Changes in total OPEB liability are as follows:

Total OPEB liability at beginning of year	\$ 109,612,165
Changes during year:	
Annual Required Contribution	3,489,516
Interest on prior year liability	3,024,686
Annual OPEB cost	6,514,202
Change in OPEB obligation due to change in assumptions	(7,240,817)
Current year premiums paid	(2,999,364)
Net change in total OPEB liability	<u>(3,725,979)</u>
Total OPEB liability at end of year	<u>\$ 105,886,186</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the School Board, as well as what the School Board's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (4.87 percent) than the current discount rate:

	1% Decrease 2.13%	Discount Rate 3.13%	1% Increase 4.13%
Total OPEB liability	<u>\$ 124,406,735</u>	<u>\$ 105,886,186</u>	<u>\$ 91,224,666</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Financial Statements

Sensitivity of the total OPEB liability to changes in the healthcare cost trend 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 healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Assumed Rate</u>	<u>1% Increase</u>
Total OPEB liability	<u>\$ 125,867,693</u>	<u>\$ 105,886,186</u>	<u>\$ 90,373,337</u>

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

For the year ended June 30, 2018, the School Board recognized an OPEB expense of \$10,170,536. At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	<u>\$ -</u>	<u>\$ (5,909,784)</u>

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

<u>Year Ending June 30,</u>	
2019	\$ (1,331,033)
2020	(1,331,033)
2021	(1,331,033)
2022	(1,331,033)
2023	<u>(585,654)</u>
	<u>\$ (5,909,786)</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Exhibit 1

Budgetary (GAAP Basis) Comparison Schedule
General Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 1,351,611	\$ 1,425,117	\$ 1,430,452	\$ 5,335
Interest earnings	22,224	27,965	29,342	1,377
Other	509,793	460,093	395,941	(64,152)
State sources:				
Equalization	35,411,895	35,076,133	35,142,773	66,640
Other	230,289	244,913	222,491	(22,422)
Federal sources	20,000	17,633	99,862	82,229
Total revenues	37,545,812	37,251,854	37,320,861	69,007
Expenditures:				
Instruction:				
Regular programs	17,249,759	16,744,185	16,937,481	(193,296)
Special education programs	4,409,517	4,297,285	4,298,041	(756)
Vocational educational programs	1,395,313	1,367,030	1,364,883	2,147
Other instructional programs	1,351,699	1,319,372	1,333,494	(14,122)
Special programs	373,606	326,284	328,451	(2,167)
Support services:				
Student services	2,485,660	2,385,585	2,420,324	(34,739)
Instructional staff support	1,592,031	1,475,636	1,568,934	(93,298)
General administration	1,068,527	1,050,379	1,076,578	(26,199)
School administration	3,104,892	3,073,074	3,046,423	26,651
Business administration	535,361	529,780	511,069	18,711
Plant services	5,000	29,922	29,771	151
Student transportation services	3,593,578	3,335,421	3,338,589	(3,168)
Central services	390,079	415,089	468,435	(53,346)
Food services	130,000	1,079	107,789	(106,710)
Community service programs	12,530	12,530	12,525	5
Total expenditures	38,364,552	37,150,654	37,603,455	(452,801)
Excess (deficiency) of revenues over (under) expenditures	(818,740)	101,200	(282,594)	(383,794)
Other financing sources (uses)				
Proceeds of sale of capital assets	8,000	9,719	9,894	175
Operating transfers in	262,807	335,633	248,303	(87,330)
Operating transfers out	(618,811)	(224,543)	(299,201)	(74,658)
Total other financing sources (uses)	(348,004)	120,809	(41,004)	(161,813)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,166,744)	222,009	(323,598)	(545,607)
Fund balances - beginning of year	13,159,883	13,159,883	13,159,883	-
Fund balances - end of year	\$ 11,993,139	\$ 13,381,892	\$ 12,836,285	\$ (545,607)

See accompanying notes to the required supplementary information.

Budgetary (GAAP Basis) Comparison Schedule
Sales Tax Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Sales and use taxes	\$ 11,435,522	\$ 10,764,758	\$ 10,764,650	\$ (108)
Total revenues	11,435,522	10,764,758	10,764,650	(108)
Expenditures:				
Instruction:				
Regular programs	4,836,061	4,369,128	4,506,797	(137,669)
Special education programs	1,305,020	1,125,326	1,221,334	(96,008)
Vocational educational programs	429,515	334,548	334,549	(1)
Other instructional programs	191,571	161,125	161,125	-
Special programs	91,350	101,950	101,950	-
Support services:				
Student services	630,165	601,836	608,594	(6,758)
Instructional staff support	446,834	385,437	388,535	(3,098)
General administration	329,311	280,182	269,511	10,671
School administration	910,220	816,380	816,378	2
Business administration	140,400	121,277	121,299	(22)
Plant services	772,868	570,752	570,919	(167)
Student transportation services	615,225	589,115	589,118	(3)
Central services	184,114	152,065	151,393	672
Food services	552,868	436,314	436,315	(1)
Total expenditures	11,435,522	10,045,435	10,277,817	(232,382)
Excess (deficiency) of revenues over (under) expenditures	-	719,323	486,833	(232,490)
Other financing sources (uses)				
Sales tax claims		(322,441)	(322,441)	-
Total other financing sources (uses)	-	(322,441)	(322,441)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	396,882	164,392	(232,490)
Fund balances - beginning of year	(57,717)	(57,717)	(57,717)	-
Fund balances - end of year	\$ (57,717)	\$ 339,165	\$ 106,675	\$ (232,490)

See accompanying notes to the required supplementary information.

Budgetary (GAAP Basis) Comparison Schedule
Operations and Maintenance Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance Over (Under)
	Original	Final		
Revenues:				
Local sources:				
Ad valorem taxes	\$ 6,809,577	\$ 7,120,082	\$ 7,135,838	\$ 15,756
Other	30,671	952	952	-
State sources:				
Other	172,404	260,481	260,481	-
Total revenues	7,012,652	7,381,515	7,397,271	15,756
Expenditures:				
Instruction:				
Regular programs	1,093,695	1,027,539	1,038,920	(11,381)
Special education programs	10,050	6,782	6,782	-
Vocational educational programs	104,400	91,305	92,741	(1,436)
Other instructional programs	1,500	1,149	1,149	-
Special programs	450	437	437	-
Support services:				
Instructional staff support	113,960	121,222	121,222	-
Plant services	5,353,130	5,262,844	5,330,885	(68,041)
Central services	555,450	534,289	320,602	213,687
Facilities acquisition and construction	6,000	14,196	14,196	-
Total expenditures	7,238,635	7,059,763	6,926,934	132,829
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(225,983)	321,752	470,337	148,585
Fund balances - beginning of year	2,957,184	2,957,184	2,957,184	-
Fund balances - end of year	<u>\$ 2,731,201</u>	<u>\$ 3,278,936</u>	<u>\$ 3,427,521</u>	<u>\$ 148,585</u>

See accompanying notes to the required supplementary information.

Schedule of Changes in Total OPEB Liability and Related Ratios

	<u>2018</u>
Total OPEB Liability	
Service cost	\$ 3,489,516
Interest on total OPEB liability	3,024,686
Effect of assumptions changes or inputs	(7,240,817)
Benefit payments	<u>(2,999,364)</u>
Net change in OPEB liability	(3,725,979)
Total OPEB liability, beginning	<u>109,612,165</u>
Total OPEB liability, ending	<u>\$ 105,886,186</u>
Covered payroll	<u>\$ 23,507,708</u>
Total OPEB liability as a percentage of covered payroll	<u>450.4%</u>

See accompanying notes to the required supplementary information.

**Schedule of Employer's Proportionate Share
of Net Pension Liability**

<u>Measurement Date</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Proportionate Share of NPL as a % of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a % of Total Pension Liability</u>
TRSL:					
06/30/17	0.62758%	\$ 64,338,218	\$ 28,773,483	224%	65.6%
06/30/16	0.66959%	\$ 78,589,221	\$ 29,804,971	264%	59.9%
06/30/15	0.64458%	\$ 69,307,352	\$ 29,999,918	231%	62.5%
06/30/14	0.66985%	\$ 68,467,970	\$ 28,794,327	238%	63.7%
LSERS:					
06/30/17	1.02481%	\$ 6,558,049	\$ 2,932,035	224%	75.0%
06/30/16	1.11149%	\$ 7,048,271	\$ 3,121,659	226%	70.1%
06/30/15	1.11149%	\$ 7,048,271	\$ 3,148,240	224%	74.5%
06/30/14	1.08960%	\$ 6,316,530	\$ 3,056,684	207%	76.2%

See accompanying notes to the required supplementary information.

Schedule of Employer Contributions

Year Ended June 30,	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
TRSL:					
2018	\$ 7,249,707	\$ 7,249,707	\$ -	\$ 27,254,538	26.6%
2017	\$ 7,337,238	\$ 7,337,238	\$ -	\$ 28,773,483	25.5%
2016	\$ 7,838,707	\$ 7,838,707	\$ -	\$ 29,804,970	26.3%
2015	\$ 8,399,977	\$ 8,399,977	\$ -	\$ 29,999,918	28.0%
2014	\$ 7,832,057	\$ 7,832,057	\$ -	\$ 28,794,327	27.2%
LSERS:					
2018	\$ 778,886	\$ 778,886	\$ -	\$ 2,822,051	27.6%
2017	\$ 800,446	\$ 800,446	\$ -	\$ 2,932,035	27.3%
2016	\$ 942,741	\$ 942,741	\$ -	\$ 3,121,659	30.2%
2015	\$ 1,048,364	\$ 1,048,364	\$ -	\$ 3,148,240	33.3%
2014	\$ 987,307	\$ 987,307	\$ -	\$ 3,056,678	32.3%

See accompanying notes to the required supplementary information.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Notes to the Required Supplementary Information
As of and for the Year Ended June 30, 2018

1. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the division, departmental, or project level. However, when projected revenues within a fund fail to meet budgeted revenues and/or projected expenditures within a fund exceed budgeted expenditures by five percent or more, a budget amendment is adopted by the School Board in an open meeting.

Budgets are prepared for all governmental funds of the School Board. The budgets are prepared on the modified accrual basis of accounting (GAAP). Budgeted amounts are as originally adopted or as 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 budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected 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.

2. PENSIONS

Changes of Benefit Terms. For TRSL, a 1.5% cost-of-living adjustment was approved effective July 1, 2017. For LSERS, there were no changes in benefit terms for the year ended June 30, 2018.

Changes of Assumptions. For TRSL, the investment rate of return was 7.70% for 2017, down from 7.75% in 2016. For LSERS, there were no changes of benefit assumptions for the year ended June 30, 2018.

3. OPEB PLAN

Changes of Benefit Terms. There were no changes in benefit terms.

Changes of Assumptions. The discount rate changed from 2.71% as of July 1, 2016 to 3.13% as of July 1, 2017.

No assets are accumulated in a trust that meets the criteria of GASB No. 75, paragraph 4, to pay related benefits.

SUPPLEMENTAL INFORMATION SCHEDULES

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes. The non-major special revenue funds consist of individual federal grant programs. Following is a description of the significant programs:

School Food Service. Program that provides food for students during the school year. The fund records the various expenditures related to providing food to students. Charges to students for meals as well as federal monies subsidizing the costs of providing the food are also recorded in this fund.

Title I. Federal program that provides funds for instructional activities and services to meet the educational needs of educationally deprived students. School must qualify as economically deprived. A qualified school may offer services to all students kindergarten through fifth grade.

Title II. Federal program that focuses on reducing class sizes and preparing, training, and recruiting high-quality teachers.

Individuals with Disabilities Education Act (IDEA). Federal program that provides materials, supplies, equipment and related services. Serves special education population students age 3-22.

Preschool. Federal program that provides materials, supplies, equipment and related services. Serves special education students age 3-5 at all k-12 schools and KR Hanchey Elementary.

Medicaid. Generated by services provided by the school board for families of Medicaid recipients (for example, speech or occupational therapy). Serves Medicaid recipients and special education population.

Vocational Education Basic (Carl Perkins). Federal program that provides funds to implement a vigorous program to students pursuing a vocation.

JROTC. A high school course given during regular school hours. Covers history, government, technology awareness, and current events.

Rural Education Assistance Program (REAP). Federal program to assist rural schools.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

Schedule 1

Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2018

	School Food Service	Title I	Title II	Title IV	IDEA	Preschool	Child Care and Development
Assets							
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	607,334	127,462	10,045	534,723	24,282	5,047
Inventory	110,885	-	-	-	-	-	-
Total assets	\$ 110,885	\$ 607,334	\$ 127,462	\$ 10,045	\$ 534,723	\$ 24,282	\$ 5,047
Liabilities and fund equity							
Liabilities:							
Accounts, salaries, and other payables	\$ 19,343	\$ 3,053	\$ -	\$ -	\$ 10,914	\$ -	\$ -
Deferred revenue	44,297	-	-	-	-	-	-
Due to General Fund	213,133	604,005	133,220	10,045	533,602	24,282	6,923
Total liabilities	276,773	607,058	133,220	10,045	544,516	24,282	6,923
Fund equity:							
Fund balances:							
Reserved for federal programs	(165,888)	276	(5,758)	-	(9,793)	-	(1,876)
Total liabilities and fund equity	\$ 110,885	\$ 607,334	\$ 127,462	\$ 10,045	\$ 534,723	\$ 24,282	\$ 5,047

Combining Balance Sheet - Nonmajor Special Revenue Funds (Continued)
June 30, 2018

	Carl Perkins	JROTC	Rural Education Achievement	Medicaid- Nurses	Medicaid- Direct Services	Title I- Local	Totals
Assets							
Equity in pooled cash and investments	\$ -	\$ -	\$ -	\$ 39,669	\$ 81,412	\$ 16,902	\$ 137,983
Receivables	27,859	9,168	51,686	-	-	-	1,397,606
Inventory	-	-	-	-	-	-	110,885
Total assets	\$ 27,859	\$ 9,168	\$ 51,686	\$ 39,669	\$ 81,412	\$ 16,902	\$ 1,646,474
Liabilities and fund equity							
Liabilities:							
Accounts, salaries, and other payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,310
Deferred revenue	-	-	-	-	-	-	44,297
Due to General Fund	27,805	8,841	52,187	-	-	-	1,614,043
Total liabilities	27,805	8,841	52,187	-	-	-	1,691,650
Fund equity:							
Fund balances:							
Reserved for federal programs	54	327	(501)	39,669	81,412	16,902	(45,176)
Total liabilities and fund equity	\$ 27,859	\$ 9,168	\$ 51,686	\$ 39,669	\$ 81,412	\$ 16,902	\$ 1,646,474

**Combining Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2018**

	School Food Service	Title I	Title II	Title IV	IDEA	Preschool	Child Care and Development
Revenues:							
Local sources	\$ 315,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	39,467	-	-	-	-	-	6,611
Federal sources	1,715,459	1,567,814	323,894	28,345	1,416,325	65,075	8,235
Total revenues	2,070,350	1,567,814	323,894	28,345	1,416,325	65,075	14,846
Expenditures:							
Instruction:							
Regular programs	-	15,512	239,271	-	143,796	-	-
Special education programs	-	-	-	-	609,679	10,008	-
Vocational educational programs	-	-	-	-	-	-	-
Other instructional programs	-	7,736	-	-	11,360	-	-
Special programs	-	1,259,665	-	-	-	-	1,957
Support services:							
Student services	-	14,468	-	-	320,715	-	-
Instructional staff support	-	131,864	50,714	26,278	232,259	50,319	13,569
School administration	-	-	1,965	-	-	-	-
Student transportation services	-	-	-	-	3,865	-	-
Central services	5,501	33,100	13,777	-	7,129	-	-
Food Services	2,462,495	-	-	-	-	-	-
Community services	-	-	-	-	-	-	878
Total expenditures	2,467,996	1,462,345	305,727	26,278	1,328,803	60,327	16,404
Excess (deficiency) of revenues over (under) expenditures	(397,646)	105,469	18,167	2,067	87,522	4,748	(1,558)
Other financing sources (uses):							
Transfers in	210,074	-	-	-	-	-	-
Transfers out	-	(113,672)	(23,922)	(2,067)	(96,269)	(4,748)	-
Total other financing sources (uses)	210,074	(113,672)	(23,922)	(2,067)	(96,269)	(4,748)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(187,572)	(8,203)	(5,755)	-	(8,747)	-	(1,558)
Beginning fund balances	21,684	8,479	(3)	-	(1,046)	-	(318)
Ending fund balances	\$ (165,888)	\$ 276	\$ (5,758)	\$ -	\$ (9,793)	\$ -	\$ (1,876)

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

Schedule 2 (cont'd)

**Combining Schedule of Revenues, Expenditures, and Changes in
Fund Balances - Nonmajor Special Revenue Funds (continued)
For the Year Ended June 30, 2018**

	Carl Perkins	JROTC	Rural Education Achievement	Medicaid- Nurses	Medicaid- Direct Services	Title I- Local	Total
Revenues:							
Local sources	\$ -	\$ -	\$ -	\$ 123,378	\$ 143,248	\$ 7,630	\$ 589,680
State sources	-	-	-	-	-	-	46,078
Federal sources	58,717	120,471	104,504	-	-	-	5,408,839
Total revenues	58,717	120,471	104,504	123,378	143,248	7,630	6,044,597
Expenditures:							
Instruction:							
Regular programs	-	-	62,629	-	-	-	461,208
Special education programs	-	-	-	-	17,349	-	637,036
Vocational educational programs	49,130	-	-	-	-	-	49,130
Other instructional programs	-	149,773	-	-	-	-	168,869
Special programs	-	-	-	-	-	-	1,261,622
Support services:							
Student services	911	-	450	185,503	16,427	-	538,474
Instructional staff support	8,622	-	32,989	-	28,060	4,779	579,453
School administration	-	-	-	-	-	-	1,965
Student transportation services	-	-	-	-	-	-	3,865
Central services	-	-	1,312	2,983	-	-	63,802
Food services	-	-	-	-	-	-	2,462,495
Community services	-	-	-	-	-	2,320	3,198
Total expenditures	58,663	149,773	97,380	188,486	61,836	7,099	6,231,117
Excess (deficiency) of revenues over (under) expenditures	54	(29,302)	7,124	(65,108)	81,412	531	(186,520)
Other financing sources (uses):							
Transfers in	-	29,629	-	59,498	-	-	299,201
Transfers out	-	-	(7,625)	-	-	-	(248,303)
Total other financing sources (uses)	-	29,629	(7,625)	59,498	-	-	50,898
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	54	327	(501)	(5,610)	81,412	531	(135,622)
Beginning fund balances	-	-	-	45,279	-	16,371	90,446
Ending fund balances	\$ 54	\$ 327	\$ (501)	\$ 39,669	\$ 81,412	\$ 16,902	\$ (45,176)

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Agency Fund

Agency funds account for assets held in a fiduciary capacity by the School Board.

School Activity Funds

The School Activity Funds account for monies generated by the individual schools and school organizations within the parish. While these accounts are under the supervision of the School Board, they belong to the individual schools, related organizations, or student bodies and are not available for use by the School Board.

Schedule of Changes in Assets and Liabilities - Agency Fund
June 30, 2018

	STUDENT ACTIVITY FUND			
	Beginning Balance	Additions	Deductions	Ending Balance
Assets				
Cash and cash equivalents	\$ 1,108,147	\$ 2,683,516	\$ (2,649,682)	\$ 1,141,981
Total assets	<u>\$ 1,108,147</u>	<u>\$ 2,683,516</u>	<u>\$ (2,649,682)</u>	<u>\$ 1,141,981</u>
Liabilities				
Deposits due others	\$ 1,108,147	\$ 2,683,516	\$ (2,649,682)	\$ 1,141,981
Total liabilities	<u>\$ 1,108,147</u>	<u>\$ 2,683,516</u>	<u>\$ (2,649,682)</u>	<u>\$ 1,141,981</u>

Schedule of Changes in Deposits Due Others -
School Activity Agency Fund
For the Year Ended June 30, 2018

<u>School</u>	<u>Balance at Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at End of Year</u>
G.W. Carver Elementary School	\$ 35,161	\$ 70,943	\$ (67,930)	\$ 38,174
DeRidder High School	209,743	660,133	(677,061)	192,815
DeRidder Junior High School	119,222	186,547	(180,277)	125,492
East Beauregard Elementary School	48,681	73,237	(71,347)	50,571
East Beauregard High School	203,565	274,042	(271,785)	205,822
K.R. Hanchey Elementary School	4,784	67,955	(67,808)	4,931
Merryville High School	35,885	256,167	(274,683)	17,369
Pinewood Elementary School	84,869	106,775	(104,878)	86,766
Singer High School	56,031	150,767	(155,448)	51,350
South Beauregard Elementary School	40,564	108,910	(84,603)	64,871
South Beauregard Upper Elementary School	49,499	77,953	(62,534)	64,918
South Beauregard High School	220,143	650,087	(631,328)	238,902
	<u>\$ 1,108,147</u>	<u>\$ 2,683,516</u>	<u>\$ (2,649,682)</u>	<u>\$ 1,141,981</u>

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

Schedule 5

**Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2018**

<u>MEMBERS</u>	<u>AMOUNT</u>
Ray Bowman	\$ 8,400
Kathy Brunner	8,400
Don Gray	8,400
Cassie Henry	8,400
Timothy Hudson	8,400
Martha Jackson	8,400
Darrin Manuel	8,400
L. D. Spears	8,400
Wesley Taylor	8,400
David Vidrine	<u>9,600</u>
	<u>\$ 85,200</u>

**BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana**

Schedule 6

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

Agency Head Name: Mr. Timothy Cooley

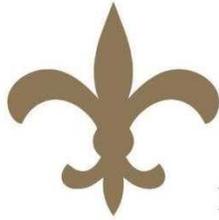
<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 108,055
Benefits-insurance	11,790
Benefits-retirement	29,792
Benefits-other	-
Car allowance	6,000
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	4,978
Registration fees	325
Conference travel	310
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-
Other-dues	659
	<hr/>
	\$ 161,909
	<hr/> <hr/>

**REPORTS AND ADDITIONAL
INFORMATION REQUIRED BY
*GOVERNMENT AUDITING
STANDARDS AND
SINGLE AUDIT ACT
AMENDMENTS OF 1996***

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana

June 30, 2018

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

Beauregard Parish School Board
DeRidder, Louisiana

I have audited, 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, the financial statements of governmental activities, the major funds, and the aggregate remaining fund information of the Beauregard Parish School Board as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued my report thereon dated December 30, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my 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, I 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 combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the 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.

My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. I did identify deficiencies in internal control, described in the accompanying schedule of findings and questioned costs (Findings 2018-1(IC) and 2018-2(IC)) that I consider to be significant deficiencies.

Compliance and Other Matters

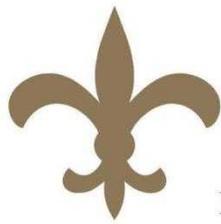
As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and described in the accompanying schedule of findings and questioned costs (Findings 2018-1(C) and 2018-2(C))

Purpose of this Report

This report is intended solely for the information and use of the Beauregard Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

DeRidder, Louisiana
December 30, 2018



J. Aaron Cooper , CPA, LLC

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

Beauregard Parish School Board
DeRidder, Louisiana

Report on Compliance for Each Major Program

I have audited the compliance of the Beauregard Parish School Board with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its 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 laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on the compliance for each of the School Board's major programs based on my audit of the types of compliance requirement referred to above. I conducted my 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 Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I 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 I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major program. However, my audit does not provide a legal determination on the School Board's compliance with those requirements.

Opinion on Each Major Program

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

Report on Internal Control Over Compliance

The management of the Beauregard Parish School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I 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 does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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.

My 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 the entity's internal control over compliance that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Management's response to the internal control over compliance finding identified in my audit is described in the schedule of findings and questioned costs. Management'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.

This report is intended solely for the information and use of the Beauregard Parish School Board, the School Board's management, the Legislative Auditor of the State of Louisiana, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "J. Aaron Cozart, CPA, LLC". The signature is written in a cursive style.

DeRidder, Louisiana
December 30, 2018

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Federal Expenditures</u>
United States Department of Agriculture			
Passed through Louisiana Department of Education:			
Child Nutrition Cluster:			
Cash Assistance:			
National School Lunch Program	10.555	N/A	\$ 1,102,433
School Breakfast Program	10.553	N/A	362,319
Non-cash Assistance:			
National School Lunch Program			<u>250,707</u>
Total Child Nutrition Cluster			<u>1,715,459</u>
Total United States Department of Agriculture			1,715,459
United States Department of Education			
Passed through Louisiana Department of Education:			
Special Education Cluster:			
Individuals with Disabilities Education Act	84.027	28-17-B1-06	1,416,325
Preschool Grants	84.173	28-17-P1-06	<u>65,075</u>
Total Special Education Cluster			1,481,400
Impact Aid	84.041	N/A	99,862
Title I Grants to Local Educational Agencies	84.010	28-17-TI-06	1,567,814
Vocational Education - Basic Grants to States	84.048	28-17-02-06	58,717
Title II - Teacher & Principal Training and Recruiting	84.367A	28-17-50-06	323,894
Title IV - Student Support & Academic Enrichment	84.424	28-18-71-06	28,345
Rural Education Assistance Program	84.358	28-17-RE-06	<u>104,504</u>
Total United States Department of Education			3,664,536
United States Department of Health and Human Services			
Passed through Louisiana Department of Education:			
Child Care and Development Block Grant I	93.575	28-16-Z1-06	6,794
Child Care and Development Block Grant II	93.575	28-16-Z2-06	<u>1,441</u>
Total United States Department of Health and Human Services			8,235
United States Department of Defense			
JROTC	12.609	N/A	<u>120,471</u>
Total Expenditures of Federal Awards			<u>\$ 5,508,701</u>

* Denotes major Federal program

The accompanying notes are an integral part of this schedule.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Beauregard Parish School Board, DeRidder, Louisiana. The Beauregard Parish School Board (the "School Board") reporting entity is defined in Note 1 to the School Board's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's financial statements.

3. RELATIONSHIP TO FINANCIAL STATEMENTS

Federal awards revenues are reported in the School Board's financial statements as follows:

General Fund	\$ 99,862
Special Revenue:	
School Food Service	1,485,365
Non-major special revenue funds	<u>3,693,380</u>
Total	\$ <u>5,278,607</u>

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

5. MATCHING REVENUES

For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

6. NONCASH PROGRAMS

The commodities received from the food distribution program, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture. Commodities valued at \$250,707 were received by the School Board and is included in National School Lunch Program.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section I - Summary of Audit Results

Financial Statements

Type of auditors' report issued	Unqualified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over compliance:	
• Material weaknesses identified?	No
• Reportable conditions identified that are not considered to be material weaknesses?	No
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)?	No
Identification of major programs:	
• Title I Grants to Local Education Agencies	
• Special Education Cluster	
Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	No
Utilized de minimis indirect cost rate?	No

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2018

Internal Control

Finding 2018-1(IC) – Bank reconciliation

Finding. During testing of bank accounts, it was noted that the bank reconciliation for the payroll account was incomplete. All differences between the bank and the books were identified; however, items totaling over \$500,000 that should have been adjusted for in the books were recorded.

Criteria. Internal controls should be established to ensure that reconciling items identified in the bank reconciliation process are properly recorded.

Effect. The payroll bank account was understated by over \$500,000.

Cause. The person responsible for preparing the bank reconciliation did not make the adjustments that she identified during the reconciliation process. Additionally, the issue was not identified and corrected during the review of the bank reconciliation.

Recommendation. The School Board should ensure that personnel are properly trained on the bank reconciliation process and supervised so that adjustments that are identified are properly recorded.

Planned Corrective Action. Management concurs with the auditor finding and will implement his recommendation. The person responsible for preparing the reconciliation is no longer employed by the School Board.

Finding 2018-2(IC) – State reimbursement requests

Finding. During our testing of grant receipts from the state and comparing such receipts to the expenditures under the IDEA program, it was noted that the state was not billed for \$86,392 in salaries and benefits.

Criteria. Internal controls should be established to ensure that billings to the state for reimbursement grants include all allowable expenditures.

Effect. The School Board did not receive \$86,392 in reimbursements to which it was entitled.

Cause. The reports used to prepare the reimbursement requests did not include all accounts.

Recommendation. The School Board should ensure that personnel are properly trained and supervised so that reimbursement requests are accurate.

Planned Corrective Action. Management concurs with the auditor finding and will implement his recommendation. The person responsible for preparing the reimbursement requests is no longer employed by the School Board.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Findings and Questioned Costs (concluded)
For the Year Ended June 30, 2018

Compliance

Finding 2018-1(C) – Sales Tax Fund did not maintain sufficient fund balance

Finding. Sales Tax Fund did not maintain a minimum \$300,000 reserve as required by Board policy.

Criteria. A minimum \$300,000 reserve is required to be maintained in the Sales Tax Fund at all times according to policy.

Effect. The Sales Tax Fund was not in compliance with School Board policy.

Cause. The School Board is struggling to maintain the reserve due to decreased sales tax collections. Additionally, the School Board is required to pay PCA (formerly Boise Packaging and Newsprint) \$35,827 per month from sales tax proceeds due to a settlement for protested taxes in previous years.

Recommendation. In order to comply with policy, the School Board will either have to reduce expenditures in the Sales Tax Fund or transfer money from the General Fund to the Sales Tax Fund.

Planned Corrective Action. Management concurs with the auditor finding and will implement his recommendation.

Finding 2018-2(C) – Inadequate collateralization of deposits

Finding. The School Board did not maintain adequate collateral on deposits at a local bank.

Criteria. State law requires that all deposits of public funds be either insured by FDIC or collateralized by a pledge of investment securities owned by the depository financial institution.

Effect. Approximately \$600,000 in deposits were not collateralized in accordance with state law.

Cause. Turnover in the Finance Department and lack of training for new personnel appear to be the cause of the noncompliance. Banks typically monitor deposits and ensure that adequate collateral is maintained. However, responsibility ultimately lies with the School Board.

Recommendation. The School Board should ensure that personnel are properly trained as to the requirements for deposit collateralization and assign someone to monitor pledge securities. Additionally, the School Board should work with its banks and monitor deposit and collateral levels to ensure compliance.

Planned Corrective Action. Management concurs with the auditor finding and will implement his recommendation.

Federal Awards – N/A

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Corrective Action Plan
For the Year Ended June 30, 2018

Internal Control

Finding 2018-1(IC) – Bank reconciliation

Name of contact person. Lesia Casanovas

Corrective Action. The School Board will ensure that personnel are properly trained and procedures are followed to ensure bank accounts are properly recorded.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2018-2(IC) – State reimbursement requests

Name of contact person. Lesia Casanovas

Corrective Action. The School Board will ensure that personnel are properly trained and procedures are followed to ensure that reimbursement requests are accurate.

Proposed completion date. The School Board will implement the above corrective action immediately.

Compliance

Finding 2018-1(C) – Sales Tax Fund did not maintain sufficient fund balance

Name of contact person. Lesia Casanovas

Corrective Action. The School Board will take appropriate action to increase and maintain reserves in accordance with School Board policy.

Proposed completion date. The School Board will implement the above corrective action immediately.

Finding 2018-2(C) – Inadequate collateralization of deposits

Name of contact person. Lesia Casanovas

Corrective Action. The School Board will ensure that personnel are properly trained as to the requirements for deposit collateralization. Additionally, the School Board will work with its banks to help ensure compliance.

Proposed completion date. The School Board will implement the above corrective action immediately.

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Prior Year Findings
For the Year Ended June 30, 2018

Internal Control

Finding 2017-1(IC) – Duplicate payments

Finding. During testing of accounts payable, it was discovered that duplicate payments totaling \$64,391 were made to two vendors. The Finance Department discovered the errors prior to the audit and recouped the funds.

Criteria. Internal controls should be established to ensure that duplicate payments cannot be made for the same invoice.

Effect. Duplicate payments would reduce funding for School Board activities.

Cause. The School Board's accounting system does have controls in place to ensure invoices are not paid twice. However, there was a personnel change during the time these duplicate payments were made and it appears that procedures were not followed.

Recommendation. The School Board should ensure that personnel are properly trained and procedures are followed to avoid duplicate payments.

Corrective Action Taken. New accounts payable clerk was instructed as to the procedures to be followed to ensure that payments are not duplicated.

Compliance

Finding 2017-1(C) – Sales Tax Fund did not maintain sufficient fund balance

See Finding 2018-1(C)

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Schedule of Prior Year Findings (concluded)
For the Year Ended June 30, 2018

Compliance (continued)

Federal Awards

US Department of Education

Passed through the Louisiana Department of Education

Program Name: Title I Grants to Local Education Agencies

CFDA # 84.010

Grant Number: 28-17-TI-06

Finding 2017-1(FIC) – Internal controls over time and effort documentation

Finding. My audit found that the School Board did maintain an effective process to monitor employees whose positions are funded with federal grant funds to ensure all required time and effort documentation is completed and retained. A significant number of personnel activity reports for employees that spend less than 100% of their time on the Title I program were not completed or were not signed by the program supervisor. Additionally no semi-annual certifications for those employees that spend 100% of their time on Title I were completed.

Criteria. Federal grant guidelines require that time spent on Federal programs be properly documented.

Effect. Without proper time and effort documentation, federal funds used to pay for salaries could be jeopardized.

Cause. It appears that changes in personnel caused the forms to not be collected.

Questioned Costs. Unknown.

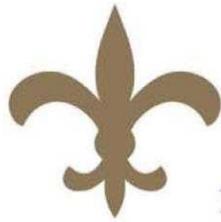
Recommendation. The School Board should ensure that personnel are properly trained as to the requirements for time and effort documentation. Additionally, a person should be appointed to ensure that all the completed forms are completed timely and properly approved.

Corrective Action Taken. The employee newly responsible for maintaining the time and effort documentation was given instruction on what needed to be done. The time and effort documentation appeared in good order in the current year.

BEAUREGARD PARISH SCHOOL BOARD

**STATEWIDE AGREED-UPON
PROCEDURES REPORT**

For the Year Ended June 30, 2018



J. Aaron Cooper , CPA, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Beauregard Parish School Board
DeRidder, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Beauregard Parish School Board and the Legislative Auditor, State of Louisiana, on the control and compliance 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 control and compliance 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 the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The School Board maintains written policies for all areas noted above.

Board (or Finance Committee, if applicable)

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.
 - 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.
 - 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.

The School Board and the Finance Committee meet monthly. No meetings without a quorum were noted. The minutes of the meetings mentioned review of monthly budget-to-actual reports of all major funds. There were numerous references to non-budgetary financial information in the minutes during the year. The School Board did not have negative unassigned fund balance in the general fund at the beginning of the year.

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) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched items that have been outstanding for more than 12 months from the statement closing date, if applicable.

All bank reconciliations, including the student activity fund accounts, were tested. The reconciliations were all prepared and properly approved except the payroll account. For the payroll account, the reconciliation was not performed within two months of the bank statement date and there was no evidence of approval. There were instances of stale-dated checks, however, there was no documentation reflecting that those items were being investigated.

Management is aware of the exception and will consider implementing additional procedures.

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

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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).
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:
 - a) At least two employees are 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.
 - 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.
 - 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.

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

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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.
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:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
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).

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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:
- 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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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.
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:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
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' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
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.

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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.
 - 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.

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Debt Service (excluding nonprofits)

22. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
23. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.
24. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

Other

21. 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.
22. 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.

There were no exceptions noted in the previous year during testing of collections, therefore this section's procedures were not performed this year as per instruction from the Legislative Auditor.

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

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

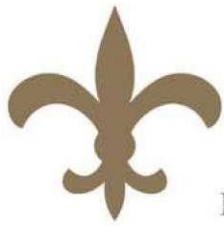
J. Aaron Coym, CPA, LLC

December 30, 2018

BEAUREGARD PARISH SCHOOL BOARD

PERFORMANCE MEASURES SCHEDULES

**For the Year Ended June 30, 2018
With Independent Accountant's Report
on Applying Agreed-Upon Procedures**



J. Aaron Cooper , CPA, LLC

P.O. Box 918 • 510 North Cutting Avenue • Jennings, Louisiana 70546

*Member of the American Institute of Certified Public Accountants and the Society of Louisiana Certified Public Accountants.
Recipient of Advanced Single Audit Certificate*

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Beauregard Parish School Board
DeRidder, Louisiana

I have performed the procedures enumerated below, which were agreed to by the Beauregard Parish School Board, the Louisiana Department of Education, and the Legislative Auditor, State of Louisiana (the specified parties), on the performance and statistical data for the fiscal year ended June 30, 2018; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE), in compliance with Louisiana Revised Statute 24:514 I. Management of the Beauregard 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. I selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

No exceptions were noted during the performance of these procedures.

Class Size Characteristics (Schedule 2)

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

No exceptions were noted during the performance of these procedures.

Education Levels/Experience of Public School Staff

3. 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 and experience, 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 education level and experience was properly classified on the PEP data or equivalent listing prepared by management.

No exceptions were noted during the performance of these procedures.

Public School Staff Data: Average Salaries

4. 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).

No exceptions were noted during the performance of these procedures.

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 (City or Parish School Board or Charter School), 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.

J. Aaron Cozart, CPA, LLC

December 30, 2018

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
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	\$ 13,675,011	
Other Instructional Staff Activities	1,730,966	
Employee Benefits	8,344,141	
Purchased Professional and Technical Services	28,807	
Instructional Materials and Supplies	214,382	
Instructional Equipment	5,755	
Total Teacher and Student Interaction Activities	<u>23,999,062</u>	\$ 23,999,062

Other Instructional Activities 263,287

Pupil Support Activities 2,420,324

Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	<u>2,420,324</u>	2,420,324

Instructional Staff Services	1,568,934	
Less: Equipment for Instructional Staff Services	-	
	<u>1,568,934</u>	1,568,934

School Administration	3,046,423	
Less: Equipment for School Administrative Services	-	
	<u>3,046,423</u>	3,046,423

Total General Fund Instructional Expenditures \$ 31,298,030

Total General Fund Equipment Expenditures \$ 522,838

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 1,150,074
Renewable Ad Valorem Taxes	7,135,838
Debt Service Ad Valorem Taxes	3,990,501
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	280,379
Sales and Use Taxes	10,764,650
Total Local Taxation Revenue	<u>\$ 23,321,442</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$ 13
Earnings from Other Real Property	3,800
Total Local Earnings on Investments in Real Property	<u>\$ 3,813</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 41,627
Revenue Sharing - Other Taxes	260,481
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	<u>\$ 302,108</u>

Nonpublic Textbook Revenue	<u>\$ -</u>
Nonpublic Transportation Revenue	<u>\$ -</u>

BEAUREGARD PARISH SCHOOL BOARD
DeRidder, Louisiana
Class Size Characteristics
As of October 1, 2017

Schedule 2

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	22.67%	484.00	50.69%	405.00	19.57%	45.00	0.00%	-
Elementary Activity Classes	1.64%	35.00	6.13%	49.00	5.22%	12.00	25.00%	3.00
Middle/Jr. High	8.62%	184.00	7.13%	57.00	6.96%	16.00	0.00%	-
Middle/Jr. High Activity Classes	0.80%	17.00	1.00%	8.00	3.91%	9.00	25.00%	3.00
High	35.08%	749.00	22.78%	182.00	53.48%	123.00	0.00%	-
High Activity Classes	8.06%	172.00	1.50%	12.00	2.17%	5.00	41.67%	5.00
Combination	19.06%	407.00	9.89%	79.00	7.39%	17.00	0.00%	-
Combination Activity Classes	2.81%	60.00	0.88%	7.00	1.30%	3.00	8.33%	1.00
Other	1.26%	27.00	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	2,135.00	100.00%	799.00	100.00%	230.00	100.00%	12.00

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various 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.

Note 2: Percentage columns may not total exactly due to rounding