

# Vernon Parish School Board

Leesville, Louisiana



**Comprehensive Annual Financial Report**

**for the year ended June 30, 2017**



**VERNON PARISH SCHOOL BOARD**  
**Leesville, Louisiana**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2017**

**Steve Woods**  
**President**

**James Williams**  
**Superintendent**

**Tim Ward**  
**Director of Finance**

**Prepared by the Department of Finance**



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# INTRODUCTORY SECTION



President  
Steve Woods

Superintendent  
James Williams

Vice-President  
Angie Davis

**Vernon Parish School Board**  
201 Belview Road  
LEESVILLE, LOUISIANA 71446  
(337) 239-3401  
Fax (337) 238-5777

BOARD MEMBERS:

District One  
Doug Brandon  
Robert Pynes, Jr.  
Jim Seaman  
Jackie Self  
Steve Woods

Transmittal Letter

December 29, 2017

District Two  
Angie Davis

To the Elected School Board  
Members and Citizens of Vernon Parish:

District Three  
David Detz

District Four  
Randy Martin

The Comprehensive Annual Financial Report of the Vernon Parish School Board (School Board) for the year ended June 30, 2017, is submitted herewith. Finance Department personnel following the guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada have prepared this report.

District Five  
Shad Stewart

District Six  
Vernon L. Travis, Jr.

**A. Management Responsibility** Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the School Board. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the School Board. All disclosures necessary to enable the reader to gain an understanding of the School Board's financial activities have been included.

District Seven  
John Blankenbaker

District Eight  
Gerald Cooley

**B. Reporting Entity** The report includes all entities or organizations that are required to be included in the School Board's reporting entity. The basic criteria for determining whether a governmental department, agency, institution, commission, public authority, or other governmental organization should be included in a governmental unit's reporting entity is financial accountability. Financial accountability includes the appointment of a voting majority of the organization's governing body and either the ability of the primary government to impose its will on the organization or if there is a financial benefit/burden relationship. In addition, an organization which is fiscally dependent on the primary government should be included in its reporting entity.

The financial statements present the Vernon Parish School Board (the primary government). Based on the above criteria, there are no component units included in the School Board's reporting entity.

The School Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the Uniform Guidance. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditors' reports on internal control and compliance with applicable laws and regulations. The single audit report is issued separately from this Comprehensive Annual Financial Report.

"An Equal Opportunity Employer"

The School Board provides a full range of educational services appropriate to grade levels Pre K through 12 for 8,825 students, in which Pre K enrollment was 566 and MFP enrollment was 8,259. Projected enrollment by 2017-2018 is estimated to be similar to current year.

These services include providing instructional personnel, instructional materials, instructional facilities, child nutrition, administrative support, business services, systems operations, and plant maintenance and bus transportation. These basic services are supplemented by a wide variety of offerings in the fine arts and athletics. These education services are provided at eighteen school sites across the Parish with the school buildings ranging in age from 1955 to 1995 with all school sites being renovated over the last 10 ten years.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Vernon Parish School Board's MD&A can be found immediately after the report of the independent auditors.

**C. Internal Control** Management of the School Board is responsible for establishing and maintaining internal control designed to ensure that the assets of the School Board are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

We believe the School Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the School Board also is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs.

As a part of the School Board's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the School Board has complied with applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 2017, provided no instances of material weaknesses in internal control.

#### **D. Major Initiatives**

- All schools have developed comprehensive improvement plans to provide direction for future curriculum, staff development, assessment, and technology improvements. To support these comprehensive school plans, our central office staff developed district improvement plans. Our School Board supported all the plans by developing its own strategic goals. Much progress has been made in meeting the objectives addressed in these plans. Staff development in our schools is targeted to help schools meet these goals.
- All new teachers to our system were given one day of intensive induction. The teachers received training in classroom management, parish and state policies, and special programs appropriate for their grade levels and/or their subject area. Most of our new teachers also go through the Louisiana Teacher Assistance and Assessment Program. New teachers are paired with a mentor and given two years of support.
- The State of Louisiana has implemented "Reading for Results," a high-stakes testing policy. Teachers are working to prepare students for tests, which are rigorous, standards-driven, and high stakes for students.

- Vernon Parish cares about education and has a tradition of pride in its schools. That tradition will be continued through a commitment to innovation in learning programs. We must continue to seek out new methods to ensure success for every student.
- Vernon Parish School Board receives federal Impact Aid funding due to the Fort Polk military installation being located in Vernon Parish. The amount of aid received can fluctuate. This uncertainty provides a challenge in addressing the problems shared by many school systems across America - teachers' salaries and school plant improvement. Effective and decisive leadership will be required to address these problems given the fluctuation in Impact Aid funding.

**E. Economic Conditions and Outlook and Long Term Financial Planning** The economy of Vernon Parish is driven primarily by the Fort Polk military installation, the fifth largest such facility in the nation. More than half the work force of Vernon Parish is comprised of active duty military personnel, and the base also employs civilians. Aside from its \$970 million annual direct economic impact on Vernon Parish, Fort Polk indirectly influences the surrounding parishes' economy as well. One-third of the population of Vernon Parish is comprised of military personnel or their families living on- or off-base. This influx of career- and family-age population gives the area a relatively low median age, a factor, which appeals to companies seeking to build industrial and manufacturing establishments. The large military population has also drawn specialists to both Bayne-Jones Army Community Hospital and civilian medical practice, giving the Vernon Parish area substantially better medical and health care technology.

The local economy has remained stable over the last five to ten years with unemployment rates holding steady to slightly decreasing over that time period. Unemployment should continue to remain steady depending on the impact of Fort Polk.

The School Board receives Impact Aid because of the number of students that are federally connected. The federally connected child count fluctuates from year to year based on activity at the base. Elected officials and administrators must be conscious of the effect this fluctuation has on funding while assuring that critical instructional needs are met.

The School Board has been trying to build its fund balance to deal with future anticipated state funding reductions and the likelihood of future school bus purchases. Long-term planning is a goal of the School Board but is difficult due to the uncertainty of state funding.

**F. Budgetary Controls** In addition, the School Board maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the School Board. Activities of the general fund and special revenue funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function by fund. School Board policy provides that expenditures within a fund may not exceed appropriations by more than five percent. Revisions to the budget enacted require School Board approval.

As demonstrated by the statements and schedules included in the financial section of this report, the School Board continues to meet its responsibility for sound financial management.

**G. Independent Audits** The report of our independent certified public accountants, Allen, Green & Williamson, LLP, follows as an integral component of this report. Their audit of the basic financial statements and accompanying combining and individual fund statements and schedules was performed in accordance with auditing standards generally accepted in the United States of America and, accordingly, included a review of the School Board's system of budgetary and accounting controls.



**H. Awards** The Government Finance Officers Association (GFOA) of the United States and Canada issues a Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) issues a Certificate of Excellence in Financial Reporting to governments for their Comprehensive Annual Financial Report (CAFR). To be awarded these certificates, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. These certificates are valid for a period of one year only. The School Board was awarded the Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the years ended June 30, 1998 and thereafter.



The School Board received the Association of School Business Officials International Certificate of Excellence in Financial Reporting for the fiscal years ended June 30, 1998 and thereafter. The awards certified that the Comprehensive Annual Financial Report for these fiscal years substantially conforms to the principles and Standards of financial reporting as recommended and adopted by the Association of School Business Officials International. The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials.

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017, which will be submitted to GFOA and ASBO for review, continues to conform to the principles and standards of each organization.

**I. Acknowledgments** The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Department of Finance. We want to express our appreciation to them for their assistance. We also thank the members of the School Board for their interest and support in planning and conducting the financial operations of the school system in a responsible and progressive manner.

A handwritten signature in blue ink, appearing to read 'James Williams', written in a cursive style.

James Williams  
Superintendent

A handwritten signature in blue ink, appearing to read 'Tim Ward', written in a cursive style.

Tim Ward  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Vernon Parish School Board  
Louisiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

Vernon Parish School Board

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**ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Vernon Parish School Board**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona'.

**Anthony N. Dragona, Ed.D., RSBA**  
President

A handwritten signature in black ink, appearing to read 'John D. Musso'.

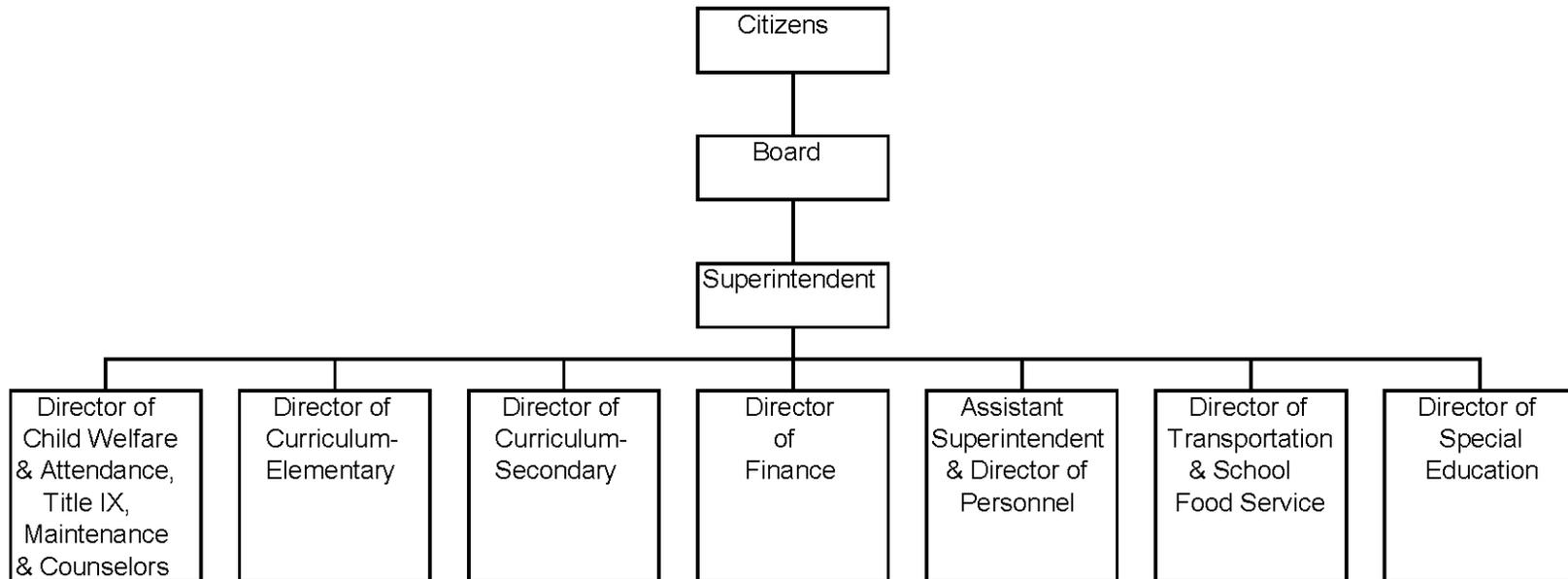
**John D. Musso, CAE**  
Executive Director

Vernon Parish School Board

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# Vernon Parish School Board Organization Chart

June 30, 2017



**Vernon Parish School Board**

**Elected Officials**

**June 30, 2017**

<u>Board Member</u>	<u>District</u>
Steve Woods, President	1
Angie Davis, Vice President	2
John Blankenbaker	7
Doug Brandon	1
Gerald Cooley	8
David Detz	3
Randy Martin	4
Robert Pynes, Jr.	1
Jim Seaman	1
Jackie Self	1
Shad Stewart	5
Vernon L. Travis, Jr.	6

**Vernon Parish School Board**

**Selected Administrative Officials  
June 30, 2017**

James Williams	Superintendent
Tim Ward	Director of Finance
Charlotte Cooper	Director of Special Education
Tom Neubert	Director of Child Welfare and Attendance, Title IX, Maintenance and Counselors
Michael Kay	Director of Personnel
Joey Whiddon	Director of Transportation and School Food Service
Anne Smith	Director of Curriculum - Elementary
Renita Page	Director of Curriculum - Secondary

**Vernon Parish School Board**

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# FINANCIAL SECTION



# ALLEN, GREEN & WILLIAMSON, LLP



CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive  
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA  
Amy Tynes, CPA  
Jaunicia Mercer, CPA, CFE  
Aimee Buchanan, CPA  
Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA  
Aimee Jackson CPA  
Ronnie Jacola, CPA  
Audit Manager Margie Williamson, CPA

Ernest L. Allen, CPA  
(Retired) 1963 - 2000A

## **Independent Auditor's Report**

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish School Board, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish School Board, as of June 30, 2017, and the respective changes in financial position 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 the Management's Discussion and Analysis, Schedule of Funding Progress for Other Post-Employment Benefit Plan, Schedule of Employer's Proportionate Share of Net Pension Liability, Schedule of Employer Contributions to Pension Plans, the Budgetary Comparison Schedules and the notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Vernon Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other information, listed as the introductory and statistical sections in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report, under a separate cover, dated December 29, 2017 on our consideration of the Vernon Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's 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.

*Allen, Green + Williamson, LLP*  
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2017

**REQUIRED SUPPLEMENTARY INFORMATION:**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

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**Vernon Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2017**

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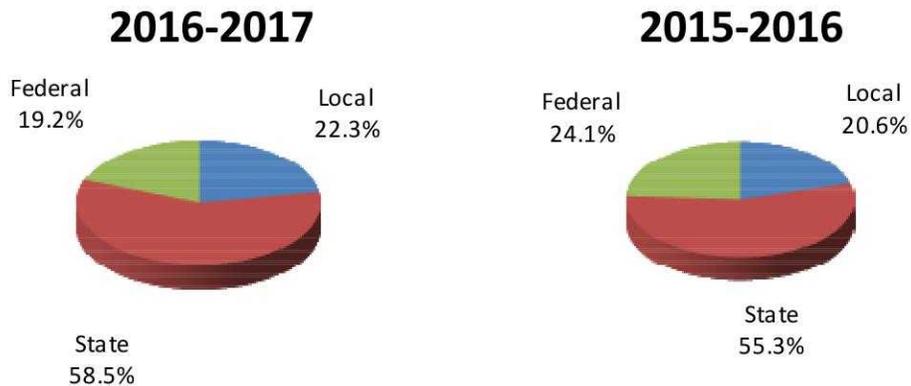
Our discussion and analysis of Vernon Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the transmittal letter included in the introductory section of this report and the School Board's financial statements, which follows this Management's Discussion and Analysis. Amounts are reported in millions unless otherwise noted.

**FINANCIAL HIGHLIGHTS**

Our financial statements provide these insights into the results of this year's operations:

This year, the primary resources available to the school system are local revenues, primarily tax receipts, which total \$21.2 million or 22.3% of the total; state revenues, primarily minimum foundation funding (equalization) program and special grants, totaling \$55.5 million or 58.5% of the total; and federal funds, primarily impact aid and special grants totaling \$18.3 million or 19.2%. Last year, local revenues were \$21.4 million or 20.6% of the total, while state revenues were \$57.6 million or 55.3%, and federal revenues were \$25.0 million or 24.1%.

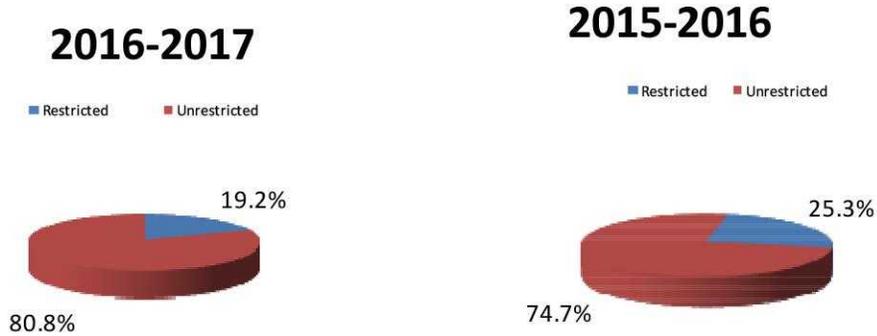
**TOTAL REVENUES BY SOURCE**



Of the total \$95.0 million in revenues received by the school system this year, \$18.2 million or 19.2% is restricted. Unrestricted revenues were \$76.8 million or 80.8%. Last year total revenue was \$104.0 million, of which total \$25.8 million or 24.8% was restricted revenue and \$78.2 million or 75.2% was unrestricted revenue.

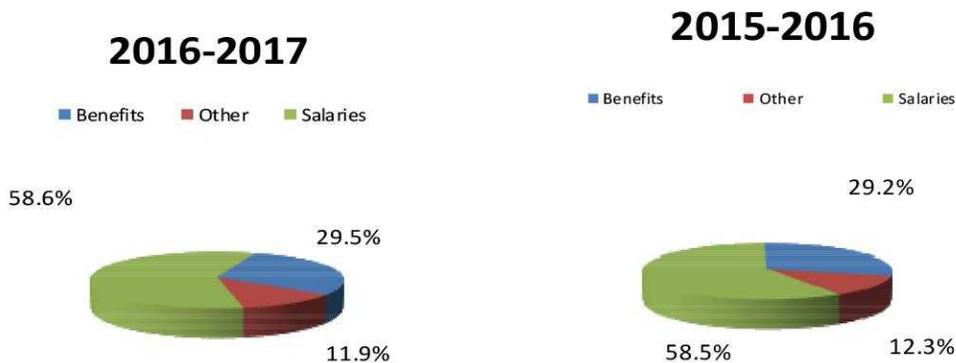
**Vernon Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2017**

**RESTRICTED VS. UNRESTRICTED REVENUES**



Of the unrestricted amount of \$76.8 million in 2016-2017, 58.6% was spent for salaries; 29.5% was spent for employee benefits; and 11.9% was spent for other functions of the school system. Of the unrestricted amount of \$78.2 million in 2015-2016, 58.5% was spent for salaries, 29.2% was spent for employee benefits, and 12.3% was spent for other functions in the school system.

**USES OF UNRESTRICTED REVENUE**



**FUND FINANCIAL STATEMENTS**

The fund balances of all governmental funds showed a decrease of \$1.4 million, which is due mainly to decrease in the general fund. The general fund, a major fund of the School Board, showed a decrease of \$1.9 million due primarily to declining student enrollment. Fund balances in nonmajor maintenance funds and other special revenue funds increased \$100,577 due primarily to increased property tax revenue. Fund balances in the debt service funds decreased \$16,136 primarily due to slight decrease in ad valorem revenue. The nonmajor capital project funds increased \$439,707 due to new bond proceeds for Pickering Construction.

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**Vernon Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2017**

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Total revenue for all governmental funds for the current year was \$95.0 million, a decrease of \$9.0 million from the prior year. Total expenditures of \$99.4 million for the current year were a decrease of \$6 million over last year.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Most of the School Boards taxes and State Minimum Foundation Program funds were used to support the net cost (after deducting restricted grants and fees charged to users) of these four areas: instruction \$53.4 million or 58.2%, plant services \$8.3 million or 9.1%, student transportation \$7.2 million or 7.8%, and food services \$2.7 million or 2.9%. The changes between these areas and the prior year were: 6.4% increase in instruction, 1.1% decrease in plant services, .8% decrease in student transportation, and .3% increase in food services.

**USING THIS ANNUAL REPORT** The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant fund, the General fund. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

<b>Comprehensive Annual Financial Report</b>
<p><b><u>Introductory Section</u></b>          Transmittal Letter          Certificates of Excellence in Financial Reporting          Organization Chart          Elected Officials and Selected Administrative Officers</p>
<p><b><u>Financial Section</u></b>          (Details outlined in the next chart)</p>
<p><b><u>Statistical Section</u></b>          Financial Trends          Revenue Capacity          Debt Capacity          Demographic and Economic Information          Operating Information</p>
<p>(Refer to the Table of Contents in the front of this report for more details and the specific location of items identified above)</p>

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**Vernon Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2017**

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***Financial Section***

**Required Supplementary Information  
Management's Discussion & Analysis (MD&A)**

**Basic Financial Statements**

**Government-wide  
Financial Statements**



**Fund  
Financial Statements**

**Notes to the Basic Financial Statements**

**Required Supplementary Information  
Schedule of Funding Progress for Other Post-Employment Benefit Plan  
Schedule of Employer's Proportionate Share of Net Pension Liability  
Schedule of Employer Contributions to Pension Plans  
Budgetary Information for the General Fund**

**Supplementary Information  
Nonmajor Funds Combining Statements & Budgetary Information  
Agency Funds Statements/Schedules  
Schedule of Compensation Paid Board Members  
Schedule of Compensation, Benefits and Other Payments to Superintendent**

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**Reporting the School Board as a Whole**

***The Statement of Net Position and the Statement of Activities***

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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**Vernon Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2017**

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These two statements report the School Board's net position - the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Position and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

### **Reporting the School Board's Most Significant Funds**

#### ***Fund Financial Statements***

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

### **The School Board as Trustee**

#### ***Reporting the School Board's Fiduciary Responsibilities***

The School Board is the trustee, or fiduciary, for its student activities funds, scholarship fund, sales tax fund, and the protested sales tax fund. All of the School Board's fiduciary activities are reported in the Statement of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Vernon Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2017**

**THE SCHOOL BOARD AS A WHOLE** The School Board's net position was \$(127.6) million at June 30, 2017. The School Board reported an unrestricted deficit in net position of \$(173.4) million. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

**Table 1**  
**Net Position**  
**(in millions)**  
**June 30,**

	Governmental Activities		
	2017	2016	Variance
Other assets	\$ 27.4	\$ 30.1	\$ (2.7)
Capital assets	72.9	71.3	1.6
Total assets	<u>100.3</u>	<u>101.4</u>	<u>(1.1)</u>
Deferred outflows of resources	<u>24.6</u>	<u>15.5</u>	<u>9.1</u>
Other liabilities	6.8	8.1	(1.3)
Long-term liabilities	237.2	212.6	24.6
Total liabilities	<u>244.0</u>	<u>220.7</u>	<u>23.3</u>
Deferred inflows of resources	<u>8.5</u>	<u>12.5</u>	<u>(4.0)</u>
Net position			
Net investment in capital assets	39.6	37.1	2.5
Restricted	6.2	6.0	0.2
Unrestricted (deficit)	(173.4)	(159.4)	(14.0)
Total net position	<u>\$ (127.6)</u>	<u>\$ (116.3)</u>	<u>\$ (11.3)</u>

The \$(173.4) million in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today the School Board would be short \$173.4 million.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

Total net position decreased \$11.3 million as a result of current year activity. Total revenues decreased \$9.0 million primarily due to decreases in student enrollment and decreased capital proceeds. The total expenses increased \$7.4 million mainly due to increased OPEB expenditures.

**Vernon Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2017**

**Table 2**  
**Changes in Net Position**  
**(in millions)**  
**For the Years Ended June 30,**

	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Governmental Activities:			
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ 0.7	\$ 0.7	\$ -
Operating grants and contributions	13.0	13.8	(0.8)
Capital grants and contributions	0.7	7.6	(6.9)
General Revenue			
Ad Valorem	7.8	7.7	0.1
Sales Taxes	11.5	12.0	(0.5)
State minimum foundation program	53.8	55.2	(1.4)
Other general revenues	7.5	7.0	0.5
Total revenues	<u>95.0</u>	<u>104.0</u>	<u>(9.0)</u>
<b>Functions/Program Expenses:</b>			
Instruction			
Regular programs	42.1	37.7	4.4
Special programs	10.3	9.8	0.5
Other instructional programs	8.8	7.6	1.2
Support services			
Student services	5.3	4.7	0.6
Instructional staff support	4.6	4.2	0.4
General administration	2.3	3.9	(1.6)
School administration	6.9	6.5	0.4
Business services	0.7	0.7	-
Plant services	9.0	7.9	1.1
Student transportation services	7.2	6.7	0.5
Central service	1.3	1.2	0.1
Food services	6.6	6.7	(0.1)
Interest on long term debt	1.2	1.3	(0.1)
Total expenses	<u>106.3</u>	<u>98.9</u>	<u>7.4</u>
<b>Increase (decrease) in net position</b>	<u>(11.3)</u>	<u>5.1</u>	<u>(16.4)</u>
Net Position - beginning	<u>(116.3)</u>	<u>(121.4)</u>	<u>5.1</u>
Net Position – ending	<u>\$ (127.6)</u>	<u>\$ (116.3)</u>	<u>\$ (11.3)</u>

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**Vernon Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2017**

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**Governmental Activities** As reported in the Statement of Activities, the cost of all governmental activities this year was \$106.3 million. The amount that was paid for these activities through School Board general revenues including taxes and minimum foundation program revenues was \$80.6 million because some of the cost was paid by those who benefited from the programs \$.7 million or by other governments and organizations who subsidized certain programs with grants and contributions \$13.7 million. The \$11.3 million deficit was funded by using resources available from the prior year.

In the table below, we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, school administration, plant services, and student transportation services, as well as each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

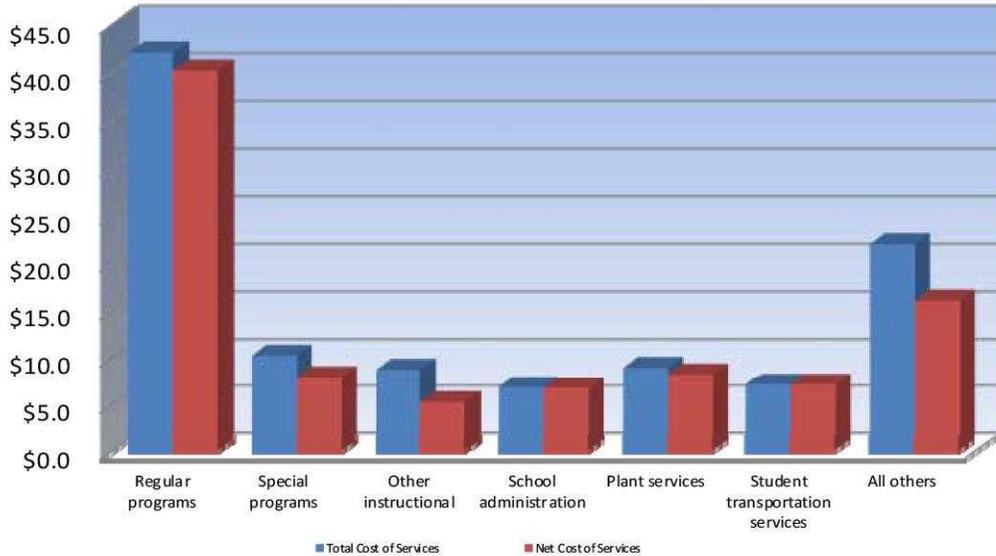
**Table 3**  
**For the Years Ended June 30,**  
*(in millions)*

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Regular programs	\$ 42.1	\$ 37.7	\$ 40.2	\$ 28.4
Special programs	10.3	9.8	8.0	5.3
Other instructional programs	8.8	7.6	5.3	6.1
School administration	6.9	6.5	6.8	6.4
Plant services	9.0	7.9	8.3	7.8
Student transportation services	7.2	6.7	7.2	6.6
All others	22.0	22.7	16.1	16.2
<b>Totals</b>	<u>\$ 106.3</u>	<u>\$ 98.9</u>	<u>\$ 91.9</u>	<u>\$ 76.8</u>

**Vernon Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2017**

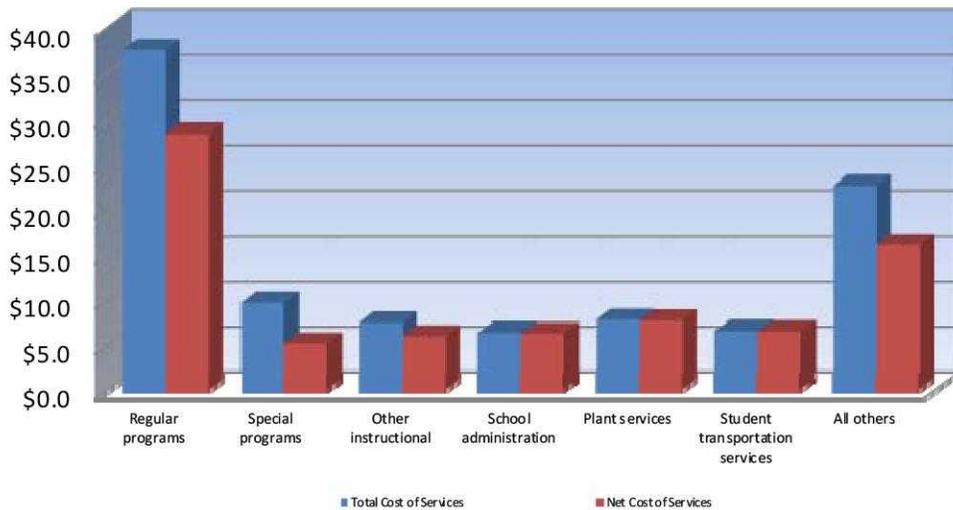
**Total Cost of Services  
Versus  
Net Cost of Services  
(In Millions)**

**2016-2017**



**Total Cost of Services  
Versus  
Net Cost of Services  
(In Millions)**

**2015-2016**



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**Vernon Parish School Board**  
**Management's Discussion and Analysis (MD&A)**  
**June 30, 2017**

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**THE SCHOOL BOARD'S FUNDS** As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

As the School Board completed this year, our governmental funds reported a combined fund balance of \$21.0 million.

Other significant changes in revenues and expenditures, which affected fund balances, were:

The general fund is our principal operating fund. The fund balance in the general fund decreased by \$1.9 million, with the following events occurring:

- .5 million decrease due to lower sales tax revenue
- 1.3 million decrease in state revenue due to lower student count

Nonmajor special revenue funds had an increase in fund balance of \$100,577 due mainly to addition of new Department of Defense grants.

Nonmajor debt service funds had a decrease in fund balance of \$16,136 mainly due to slight decrease in property tax revenue.

Nonmajor capital project funds had an increase in fund balance of \$439,707 million mainly due to bond proceeds for Pickering Construction.

***General Fund Budgetary Highlights*** The School Board is mandated by state law to adopt its budget by September 15 of each year. This original budget is based on a "bare bones" approach that reflects only guaranteed revenues and necessary expenditures since the major sources of revenues, i.e., minimum foundation program and impact aid, are based on October 1 student enrollment figures. The original budget figures are amended when revenues or expenditures exceed 5% of estimate. Additionally, the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. A schedule showing the School Board's original and final budget amounts compared with actual amounts paid and received is provided later in this report as Required Supplemental Information.

There were significant revisions made to the 2016-2017 general fund original budget. Budgeted revenues decreased by \$2.3 million primarily due to the following:

- Decrease in student count of approximately 300 students
- .5 million decrease in sales tax revenue

Budgeted expenditures decreased by \$1.1 million due to the following:

- 1.5 million decrease due to reduction in staff
- .3 million increase in plant services

The total actual revenue exceeded budgeted revenues by \$0.6 million due to slightly higher impact aid revenue.

The total actual expenditures were \$1.5 million more than budget expenditures due to increased employee benefit costs and higher plant services costs.

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**Vernon Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2017**

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** At June 30, 2017, the School Board had \$72.9 million invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$1.6 million or 2.2%, from last year.

**Capital Assets at Year-end  
(in millions)**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Land	\$ 1.6	\$ 1.6
Construction in progress	0.8	19.0
Buildings	67.8	48.7
Furniture and equipment	2.7	2.0
<b>Totals</b>	<b>\$ 72.9</b>	<b>\$ 71.3</b>

This year's additions of \$4.2 million include construction in progress for the ongoing construction at Rosepine and Pickering schools as well as the finishing of construction at Parkway.

We present more detailed information about our capital assets in Note 6 of the notes to the financial statements.

**DEBT ADMINISTRATION** At June 30, 2017, the School Board had \$34.4 million in general obligation bonds outstanding with maturities from 2021 to 2036 with interest rates ranging from 0.10 to 6.00 percent. Under state statute, 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, 2017, the School Board's net bonded debt of \$32.4 million (total bonded debt of \$34.4 million less assets in debt service funds of \$2.0 million) was well below the legal limit of \$97.4 million.

For more detailed information, please refer to Note 12 of the notes to the financial statement.

	<u>Amount</u>	<u>Debt per Capita</u>
June 30, 2017 Net direct general obligation bonded debt	\$34,412,000	\$680

The School Board maintained a Baa bond rating from Moody's Investors Service.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** Our elected and appointed officials and citizens consider many factors when setting the School Board's 2017-2018 fiscal year budget and tax rates. One of the most important factors affecting the budget is our student count. The 2017-2018 budget was adopted in September, 2017, based on an estimate of students that will be enrolled on October 1. The October 1 student count affects our Minimum Foundation Program (MFP) funding from the state. Approximately 56.7% of total revenues are from the MFP. Our Impact Aid federal funding is also tied to the number of federally connected students. Impact Aid fluctuates between \$4 to \$7 million per year.

We have projected a decrease of \$1 million in revenues for the 2017-2018 fiscal year with no major uncertainties anticipated for the future.

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**Vernon Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2017**

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**CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT** Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Tim Ward, Director of Finance, at Vernon Parish School Board, 201 Belview Road, Leesville, Louisiana 71446, telephone number (337) 239-3401.

**BASIC FINANCIAL STATEMENTS:**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

VERNON PARISH SCHOOL BOARD

STATEMENT OF NET POSITION  
June 30, 2017

	Statement A
	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,805,123
Investments	6,586,481
Receivables	5,851,111
Inventory	203,421
Capital assets:	
Land and construction in progress	2,393,506
Depreciable capital assets, net of depreciation	<u>70,519,993</u>
<b>TOTAL ASSETS</b>	<u>100,359,635</u>
<b>DEFERRED OUTFLOWS</b>	
Deferred outflow related to refunding	85,371
Deferred outflow related to pensions	<u>24,485,542</u>
<b>TOTAL DEFERRED OUTFLOWS</b>	<u>24,570,913</u>
<b>LIABILITIES</b>	
Accounts, salaries and other payables	6,344,883
Unearned revenues	78,010
Interest payable	379,774
Long-term liabilities	
Due within one year	3,884,466
Due in more than one year	<u>233,310,238</u>
<b>TOTAL LIABILITIES</b>	<u>243,997,371</u>
<b>DEFERRED INFLOWS</b>	
Deferred inflows related to pensions	<u>8,496,708</u>
<b>NET POSITION</b>	
Net investment in capital assets	39,560,172
Restricted for:	
Grant funds	100,475
Facility maintenance	3,873,319
Debt service	1,618,165
Workers' compensation	646,000
Unrestricted (deficit)	<u>(173,361,662)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (127,563,531)</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS		CAPITAL GRANTS AND CONTRIBUTIONS
<i>Governmental activities:</i>					
Instruction:					
Regular programs	\$ 42,110,760	\$ -	\$ 1,929,329	\$ -	\$ (40,181,431)
Special programs	10,303,623	-	2,331,756	-	(7,971,867)
Other instructional programs	8,780,832	-	3,509,927	-	(5,270,905)
Support services:					
Student services	5,298,562	-	703,605	-	(4,594,957)
Instructional staff support	4,604,856	-	1,004,085	-	(3,600,771)
General administration	2,267,488	-	3,447	-	(2,264,041)
School administration	6,853,830	-	10,452	-	(6,843,378)
Business services	695,921	-	145,483	-	(550,438)
Plant services	9,036,509	-	27,078	673,908	(8,335,523)
Student transportation services	7,187,943	-	26,343	-	(7,161,600)
Central services	1,313,514	-	75,746	-	(1,237,768)
Food services	6,602,763	706,938	3,195,748	-	(2,700,077)
Community services	35,302	-	48	-	(35,254)
Interest on long-term debt	1,184,909	-	64,592	-	(1,120,317)
Total Governmental Activities	\$ 106,276,812	\$ 706,938	\$ 13,027,639	\$ 673,908	\$ (91,868,327)
General revenues:					
Taxes:					
Property taxes, levied for general purposes					3,954,442
Property taxes, levied for debt services					3,845,591
Sales taxes					11,454,481
Grants and contributions not restricted to specific programs					
Minimum Foundation Program					53,833,632
Other unrestricted state					335,821
Federal Forest Lands					116,904
State revenue sharing					272,050
Impact Aid - Department of Defense					5,565,092
Interest and investment earnings					122,333
Miscellaneous					1,060,062
Total general revenues					80,560,408
Change in net position					(11,307,919)
Net position - beginning					(116,255,612)
Net position - ending					\$ (127,563,531)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**BASIC FINANCIAL STATEMENTS:**  
**FUND FINANCIAL STATEMENTS (FFS)**

VERNON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2017

Statement C

	GENERAL	NONMAJOR GOVERNMENTAL	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,207,211	\$ 9,597,912	\$ 14,805,123
Investments	6,586,481	-	6,586,481
Receivables	2,939,836	2,911,275	5,851,111
Interfund receivables	2,658,602	26,192	2,684,794
Inventory	-	203,421	203,421
<b>TOTAL ASSETS</b>	<b>17,392,130</b>	<b>12,738,800</b>	<b>30,130,930</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts, salaries and other payables	4,783,591	1,561,292	6,344,883
Interfund payables	24,219	2,660,575	2,684,794
Unearned revenues	-	78,010	78,010
<b>Total Liabilities</b>	<b>4,807,810</b>	<b>4,299,877</b>	<b>9,107,687</b>
Fund Balances:			
Nonspendable	-	125,411	125,411
Restricted	646,000	7,511,362	8,157,362
Committed	600,000	1,414,791	2,014,791
Unassigned	11,338,320	(612,641)	10,725,679
<b>Total Fund Balances</b>	<b>12,584,320</b>	<b>8,438,923</b>	<b>21,023,243</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,392,130</b>	<b>\$ 12,738,800</b>	<b>\$ 30,130,930</b>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VERNON PARISH SCHOOL BOARD**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2017**

**Statement D**

Total fund balances - governmental funds \$ 21,023,243

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 116,768,502	
Depreciation expense to date	<u>(43,855,003)</u>	72,913,499

Deferred outflows/inflows are not due and payable in the current period and accordingly are not reported in the fund financial statements.

Deferred outflows related to pensions		24,485,542
Deferred inflows related to pensions		(8,496,708)
Deferred outflows related to refundings		85,371

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

Balances at June 30, 2017 are:

Long-term liabilities		
Bonds payable	(34,412,000)	
Workers' compensation payable	(923,956)	
Capital lease	(480,956)	
Compensated absences payable	(1,137,971)	
Net pension liability	(120,389,259)	
OPEB liability	(79,850,562)	
Interest payable	<u>(379,774)</u>	
		<u>(237,574,478)</u>

Net Position - Governmental Activities		<u><u>\$ (127,563,531)</u></u>
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THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

VERNON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2017

Statement E

	GENERAL	NONMAJOR GOVERNMENTAL	TOTAL
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,845,200	\$ 5,954,833	\$ 7,800,033
Sales and use	11,454,481	-	11,454,481
Interest earnings	78,944	43,389	122,333
Food services	-	706,938	706,938
Other	623,036	487,011	1,110,047
State sources:			
Equalization	53,374,531	459,101	53,833,632
Other	627,629	1,092,227	1,719,856
Federal sources	5,788,566	12,482,992	18,271,558
Total Revenues	<u>73,792,387</u>	<u>21,226,491</u>	<u>95,018,878</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	32,795,376	1,810,735	34,606,111
Special programs	8,322,708	898,951	9,221,659
Other instructional programs	3,099,238	4,755,903	7,855,141
Support services:			
Student services	4,011,123	631,225	4,642,348
Instructional staff support	3,066,375	1,023,425	4,089,800
General administration	1,127,837	912,804	2,040,641
School administration	5,830,387	196,528	6,026,915
Business services	342,143	284,396	626,539
Plant services	6,945,878	1,352,412	8,298,290
Student transportation services	6,071,250	98,356	6,169,606
Central services	1,114,502	83,630	1,198,132
Food services	349,419	5,585,426	5,934,845
Community service programs	29,181	-	29,181
Capital outlay	862,712	3,404,415	4,267,127
Debt service:			
Principal retirement	495,546	2,566,000	3,061,546
Interest and bank charges	97,882	1,171,012	1,268,894
Bond issuance costs	-	49,293	49,293
Total Expenditures	<u>74,561,557</u>	<u>24,824,511</u>	<u>99,386,068</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (769,170)</u>	<u>\$ (3,598,020)</u>	<u>\$ (4,367,190)</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS  
 Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2017

Statement E

	<u>GENERAL</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 202,500	\$ 1,795,875	\$ 1,998,375
Transfers out	(1,775,375)	(223,000)	(1,998,375)
Bond proceeds	-	2,500,000	2,500,000
Refunding bonds issued	-	1,835,000	1,835,000
Capital leases	412,816	-	412,816
Payments to refunded bond escrow agent	-	(1,785,707)	(1,785,707)
Total Other Financing Sources (Uses)	<u>(1,160,059)</u>	<u>4,122,168</u>	<u>2,962,109</u>
Net Change in Fund Balances	(1,929,229)	524,148	(1,405,081)
FUND BALANCES - BEGINNING	<u>14,513,549</u>	<u>7,914,775</u>	<u>22,428,324</u>
FUND BALANCES - ENDING	<u>\$ 12,584,320</u>	<u>\$ 8,438,923</u>	<u>\$ 21,023,243</u>

(CONCLUDED)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VERNON PARISH SCHOOL BOARD**

**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, 2017**

**Statement F**

Total net change in fund balances - governmental funds \$ (1,405,081)

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 for assets over the capitalization threshold. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlay additions	\$ 4,267,127	
Depreciation expense	<u>(2,613,711)</u>	1,653,416

The Statement of Activities reflects the effects of the disposition of capital assets during the year.

The cost less the depreciation (net value) of the items disposed of during the year are not reflected in the fund financial statements. (34,985)

The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. 1,504,374

The issuance of long-term debt provides current financial resources of the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Repayment of bond principal		2,566,000
Repayment of certificate of indebtedness		335,000
Repayment of capital lease		160,546
New bond proceeds		(2,500,000)
Refunding bond proceeds		(1,835,000)
Payments to refunded bond escrow agent		1,785,707
New capital lease proceeds		(412,816)

Deferred charges on advanced refundings are reported in the governmental funds as expenditures when debt is issued, whereas these amounts are deferred and amortized as interest expense in the statement of activities. The amortization for the current year is \$5,336. (5,336)

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned 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 year, vacation and sick time used (\$598,001) was less than the amounts earned (\$631,971) by \$33,970. (33,970)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Increase of interest payable		(1,400)
Increase of incurred but not reported workers' compensation claims		(179,556)
Increase in OPEB liabilities		<u>(12,904,818)</u>

Change in net position of governmental activities \$ (11,307,919)

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**VERNON PARISH SCHOOL BOARD**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**June 30, 2017**

**Statement G**

**AGENCY  
FUNDS**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,385,437
Investments	164,214
Accounts receivables	<u>3,636,632</u>
<b>TOTAL ASSETS</b>	<u><u>5,186,283</u></u>
<b>LIABILITIES</b>	
Deposits due others	<u>5,186,283</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 5,186,283</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**Vernon Parish School Board**  
**Notes to the Basic Financial Statements**  
**June 30, 2017**

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**Vernon Parish School Board**  
**Notes to the Basic Financial Statements**  
**June 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Vernon Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The School Board operates eighteen schools within the parish with a total enrollment of 8,825 pupils in which Pre K enrollment was 566 and MFP enrollment was 8,259. 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.

The School Board is considered a primary government, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

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

The funds of the School Board are classified into two categories: governmental and fiduciary.

**Governmental Funds** Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental fund:

**General fund** – The primary operating fund of the School Board accounts for all financial resources, except those required to be accounted for in other funds.

**Fiduciary Funds** Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

*Agency funds* are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

**Vernon Parish School Board**  
**Notes to the Basic Financial Statements**  
**June 30, 2017**

**School activities fund** – accounts for assets held by the School Board as an agent for the individual schools and school organizations.

**Scholarship fund** – accounts for voluntary employee contributions and is used to provide an annual scholarship for a graduate from the parish schools.

**Sales tax fund** – accounts for monies collected on behalf of other taxing authorities within the parish.

**Protested sales tax fund** – accounts for collection of sales tax receipts that are paid under protest and are set aside until the protest has been resolved.

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**Government-Wide Financial Statements (GWFS)** The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources 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 include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Allocation of indirect expenses** The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

### **Fund Financial Statements (FFS)**

**Governmental Funds** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on long-term debt which is recognized when due. Compensated absences and claims and judgments are reported in a governmental fund only if the claims are due and payable.

**Vernon Parish School Board**  
**Notes to the Basic Financial Statements**  
**June 30, 2017**

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

**Revenues**

**Ad valorem taxes** are recognized when all applicable eligibility requirements are met and the resources are available.

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

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

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

**Expenditures**

**Salaries** are recorded as paid. The unpaid balance of salaries for employees who work nine months of the year but elect to be paid over twelve months ending August 31 are accrued at June 30.

**Other Financing Sources (Uses)** Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of capital assets, debt extinguishments, long-term debt proceeds, et cetera) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Fiduciary Funds** The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

**D. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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 and national banks having their principal offices in Louisiana.

The School Board participates in the Louisiana Asset Management Pool, Inc. (LAMP) which is an external investment pool that is not SEC-registered. Because the LAMP is an arrangement sponsored by a type of governmental entity, it is exempt by statute from regulation by the SEC.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. 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-R.S. 33:2955.

**Vernon Parish School Board**  
**Notes to the Basic Financial Statements**  
**June 30, 2017**

GASB Statement No. 40 Deposit and Investment Risk Disclosure, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7-like investment pools:

- Credit risk: Lamp is rated AAAM by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by share of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosures using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM for LAMP's total investment is 39 days as of June 30, 2017.
- Foreign currency risk: Not applicable to 2a7-like pools.

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 shares.

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.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the state of Louisiana has full access to the records of the LAMP.

LAMP issues financial reports. These financial reports can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

**E. INVESTMENTS** Under state law, the School Board may invest in United States bonds, treasury notes or certificates. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The School Board's adopted investment policy does not address interest rate risk, credit risk or custodial credit risk.

Investments in certificates of deposits are stated at amortized cost. Investments in U. S. Treasury securities are stated at market value. Investments in the Louisiana Asset Management Pool (LAMP) are valued at market value.

The investments are reflected at fair value except for the following which are permitted per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

**Vernon Parish School Board  
Notes to the Basic Financial Statements  
June 30, 2017**

The School Board reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**Definitions:**

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

**F. SHORT-TERM INTERFUND RECEIVABLES /PAYABLES** During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund financial statements balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**G. ELIMINATION AND RECLASSIFICATIONS** In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column. Interfund services provided and used are not eliminated in the process of consolidation.

**H. INVENTORY** Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used.

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. Unused commodities at June 30 are reported as unearned revenue. All purchased inventory items are valued at cost (first-in, first-out) and commodities are assigned values based on information provided by the United States Department of Agriculture.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$5,000 for capital assets and \$100,000 for intangibles-software. Donated capital assets are recorded at their acquisition value at the date of donation. Estimated useful life is management’s estimate of how long the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of five percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

Buildings	10-40 years
Furniture and equipment	3-10 years
Intangible software	3-5 years

**J. UNEARNED REVENUES** The School Board reports unearned revenues on its Statement of Net Position and fund Balance Sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

**Vernon Parish School Board**  
**Notes to the Basic Financial Statements**  
**June 30, 2017**

**K. COMPENSATED ABSENCES** All 12-month employees earn ten days of vacation leave each year. Employees cannot accumulate more than 13 days of vacation leave. Upon retirement, unused vacation leave of up to 13 days is paid to employees.

All School Board employees earn ten days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement, unused sick leave of up to 25 days is paid to employees per Louisiana Revised Statute 17:425 at the employees' current rate of pay and all unused sick leave is used in the retirement computation as earned service.

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.

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

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

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

A liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals. The School Board uses this approach to accrue the liability for sick leave which includes salary related payments. The School Board accrues those employees that have a minimum experience of 20 years.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

Sabbatical leave benefits are accrued in the government-wide financial statements if they are based on past service, will be used as unrestricted time off, and are probable of being paid. In the fund financial statements, sabbatical leave benefits are recorded in the governmental fund only if the benefits are due and payable.

**L. LONG-TERM LIABILITIES** For government-wide reporting, the costs associated with the bonds are recognized as expense in the period incurred.

For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

**Vernon Parish School Board**  
**Notes to the Basic Financial Statements**  
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For purposes 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 retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the accrual basis as they are reported by the retirement systems. 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.

**M. RESTRICTED NET POSITION** For the government-wide Statement of Net Position, net position is reported as restricted if either of the following conditions exist:

- Restrictions are externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments.
- Restrictions are imposed by law through constitutional provisions or enabling legislation.

Net position restricted for facility maintenance and debt service are restricted by enabling legislation.

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

**N. FUND EQUITY OF FUND FINANCIAL STATEMENTS** GASB 54 requires the fund balance amounts to be reported within the fund balance categories as follows:

**Non-spendable:** Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

**Restricted:** Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Committed:** Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. The Board is the highest level of decision making authority for the School Board which can commit fund balance prior to the close of the fiscal year through the submission and adoption of a board resolution. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds.

**Assigned:** Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. The School Board's policies do not address assignment of fund balance.

**Unassigned:** Fund balance that is the residual classification for the general fund. Negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The School Board considers restricted amounts to have been spent when an expenditure has incurred for purposes for which both restricted and unrestricted fund balance is available.

**O. INTERFUND ACTIVITY** Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination

**Vernon Parish School Board**  
**Notes to the Basic Financial Statements**  
**June 30, 2017**

upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

**P. SALES TAXES** The Vernon Parish School Board has the following two sales tax ordinances:

The School Board collects a one percent parish-wide sales and use tax as authorized in a special election held January 12, 1991. In accordance with the proposition approved by the voters of the parish, the “net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the Vernon Parish School System” and for benefits of the retirees of the Vernon Parish School System.

The School Board collects a one percent parish-wide sales and use tax authorized in a special election held March 31, 1973. In accordance with the proposition approved by the voters of the parish, the “net revenues derived from said sales and use tax is to be dedicated and used solely for the purpose to provide funds for the payment of salaries of school employees in the Vernon Parish School System.”

**Q. BUDGETS**

**General Budget Policies** The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund and all special revenue funds. Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and all special revenue funds. Public hearings are conducted, prior to the Board’s approval, to obtain citizens’ comments. The operating budgets include proposed expenditures and the means of financing them. Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the 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.

**Encumbrances** Encumbrance accounting is employed in governmental funds. Outstanding encumbrances lapse at year end. To the extent the Board intends to honor the purchase orders and commitments, they are disclosed in the notes to the financial statements. Authorization for the eventual expenditure will be included in the following year’s budget appropriations.

**Budget Basis of Accounting** All governmental funds’ budgets are prepared on the modified accrual basis of accounting, with some variations. 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. The budget was amended after the close of the year. This is not prohibited by state law.

**Vernon Parish School Board**  
**Notes to the Basic Financial Statements**  
**June 30, 2017**

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Excess of Expenditures Over Appropriations in Individual Funds** The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2017:

General Fund	\$ 73,037,338	\$ 74,561,557	\$ (1,524,219)
Ward 2 Hornbeck Maintenance	78,619	79,853	(1,234)
Ward 5 Maintenance	354,885	355,080	(195)
Ward 6 Maintenance	120,741	123,680	(2,939)

**B. Deficit Fund Balance** The South Polk Construction, a non-major capital project fund, had a deficit fund balance of \$497,988 at June 30, 2017. This deficit will be cleared by a transfer from the general fund.

**NOTE 3 - LEVIED TAXES** The School Board levies taxes on real and business personal property located within Vernon Parish’s boundaries. Property taxes are levied by the School Board on property values assessed by the Vernon Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Vernon Parish Sheriff’s Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

	<u>Property Tax Calendar</u>
Assessment date	January 1, 2016
Levy date	September 19, 2016
Tax bills mailed	December 9, 2016
Due date	December 31, 2016
Collection Date	December 2016-February 2017
Lien date	July 3, 2017
Tax sale – 2016 delinquent	May 10, 2017

Assessed values are established by the Vernon Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% industrial improvements
15% machinery	15% commercial improvements
10% residential improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$194,822,170 in calendar year 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer’s primary residence from parish property taxes. This homestead exemption was \$53,431,546 of the assessed value in calendar year 2016.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is

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required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general, special revenue funds and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2016 property taxes to be collected occurs in December and January and February of the next year.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

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	<u>Date of Voter Approval</u>	<u>Authorized</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:				
Constitutional and Operations	Statutory	4.18	4.16	Statutory
Maintenance and Operations	November 16, 2013	8.12	8.10	2024
District Taxes:				
Ward				
1	November 16, 2013	13.03	12.89	2024
2 Hornbeck	December 6, 2014	10.39	10.39	2025
2 Hornbeck	November 16, 2013	13.83	13.12	2024
2 Orange	November 16, 2013	13.24	12.39	2024
3	April 9, 2016	19.49	19.49	2025
4 Pickering	December 8, 2012	14.14	14.03	2023
5	December 8, 2012	19.11	19.11	2023
6	December 8, 2012	12.68	12.16	2023
6 District 151 additional funding	April 9, 2016	10.00	10.00	2026
7	April 9, 2016	17.42	17.17	2025
8	December 8, 2012	14.00	12.57	2023
8 District 161 additional funding	April 9, 2016	10.00	10.00	2026
District Sinking Fund Taxes:				
1	May 4, 2002	Variable	34.53	2021
2 Hornbeck	January 20, 2001	Variable	17.10	2020
2 Orange	November 4, 2008	Variable	33.08	2033
3	February 9, 2008	Variable	24.00	2037
3 (Wildlife Management Area)	February 9, 2008	Variable	8.52	2037
4 Pickering	September 18, 2004	Variable	19.21	2024
5	April 5, 2003	Variable	17.40	2022
6	January 18, 1992	Variable	39.19	2021
7	May 3, 2003	Variable	25.53	2022
8	September 18, 2004	Variable	24.01	2034

**NOTE 4 - DEPOSITS AND INVESTMENTS** Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair 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 pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Total investments of the School Board are \$6,750,695; however, \$164,214 is reported in agency funds (Statement G). The municipal bonds, Build American Bonds Income Trust and stock certificates were donated to Pitkin High School FFA for educational training on the stock market. The school does not invest school funds but uses the donated funds for training, in which all earnings and losses flow through the account.

Interest Rate Risk: The School Boards' policy does not address interest rate risk. For information regarding the interest rate risk on LAMP investments, see note 1D. The weighted average years to maturity for the municipal bonds is 20 years. The investment trust bonds are rated investment grade or higher. Investment trust bonds can be liquidated on any business day.

Credit Risk: The School Board's policy does not address credit rate risk.

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**Custodial Credit Risk-Deposits:** This represents the risk that in the event of a bank failure, the School Board's deposits may not be returned to it. As of June 30, 2017 the School Board's bank balance was \$13,247,216 (including \$6,586,481 which is in certificates of deposit, classified as investments under Statement A). Of the bank balance, \$500,000 was covered with federal depository insurance or by collateral held in the School Board's name. The remaining balance was collateralized with securities held by pledging financial institutions trust department or agent but not in the School Board's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon request. The School Board has no formal custodial credit risk for deposit policy.

**Custodial Credit Risk - Investments:** For an investment, this is the risk that, in the event of the failure of the counter party, the School Board will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The School Board does maintain investment accounts at a financial institution.

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the Statement of Net Position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2017:

<u>Investment type</u>	<u>Maturities</u>	<u>Percentage of</u>	<u>Fair Market Value</u>	<u>Credit Risk</u>	<u>Fair Value</u>
		<u>Investment</u>	<u>Hierarchy</u>		
Municipal Bonds	> 10 years	29.77%	Level 1	A3	48,879
Build American Bonds Income Trust	< 1 year	54.54%	Level 2	Unrated	89,568
Mutual Funds	< 1 year	4.11%	Level 1	Unrated	6,751
Stock Certificates	< 1 year	10.50%	Level 1	Unrated	17,247
Money Market	< 1 year	1.08%	Level 1	Unrated	1,769
Total					\$ 164,214

**NOTE 5 – RECEIVABLES** The receivables at June 30, 2017, are as follows:

<u>Class of Receivables</u>	<u>Nonmajor</u>		<u>Total</u>
	<u>General</u>	<u>Governmental</u>	
Taxes:			
Ad Valorem	\$ 496	\$ 1,861	\$ 2,357
Sales	1,061,655	-	1,061,655
Intergovernmental - grants:			
Federal	1,514,767	2,566,498	4,081,265
State	13,024	290,572	303,596
Other	349,894	52,344	402,238
Total	\$ 2,939,836	\$ 2,911,275	\$ 5,851,111

No allowance for doubtful accounts has been established as the School Board expects to collect the full balance.

All significant balances included in the above chart are expected to be collected within twelve months of the year-end.

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**NOTE 6 – CAPITAL ASSETS** Capital asset balances and activity for the year ended June 30, 2017 is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Capital asset not being depreciated				
Land	\$ 1,593,197	\$ -	\$ -	\$ 1,593,197
Construction in progress	18,958,641	3,140,715	21,299,047	800,309
Total capital assets not being depreciated	<u>20,551,838</u>	<u>3,140,715</u>	<u>21,299,047</u>	<u>2,393,506</u>
Capital assets being depreciated				
Buildings	84,020,245	21,320,047	149,351	105,190,941
Furniture and equipment	8,259,920	1,105,412	181,277	9,184,055
Total capital assets being depreciated	<u>92,280,165</u>	<u>22,425,459</u>	<u>330,628</u>	<u>114,374,996</u>
Less accumulated depreciation				
Buildings	35,285,207	2,163,746	118,035	37,330,918
Furniture and equipment	6,251,728	449,965	177,608	6,524,085
Total accumulated depreciation	<u>41,536,935</u>	<u>2,613,711</u>	<u>295,643</u>	<u>43,855,003</u>
Total capital assets being depreciated, net	<u>50,743,230</u>	<u>19,811,748</u>	<u>34,985</u>	<u>70,519,993</u>
Governmental activities				
Capital assets, net	<u>\$ 71,295,068</u>	<u>\$ 22,952,463</u>	<u>\$ 21,334,032</u>	<u>\$ 72,913,499</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,910,385
Special programs	3,007
Other instructional programs	18,045
Instructional staff support	1,188
General administration	3,822
School administration	116,906
Plant services	19,657
Student transportation services	308,474
Food services	232,227
Total depreciation expense	<u>\$ 2,613,711</u>

**NOTE 7 – PENSION PLANS**

The School Board is a participating employer in two statewide, public employee retirement systems, the Louisiana School Employees' Retirement System (LSERS) and the Teacher's Retirement System of Louisiana (TRSL). Both systems have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. Each system issues a public report that includes financial statements and required supplementary information. Copies of these reports for LSERS and TRSL may be obtained at [www.lasers.net](http://www.lasers.net) and [www.trsl.org](http://www.trsl.org), respectively.

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan. A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan. The School Board had no participants in ORP.

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**General Information about the Pension Plans**

**Plan Descriptions/Benefits Provided:**

Louisiana School Employees' Retirement System: LSERS administers a plan to provide retirement, disability, and survivor's benefits to non-teacher school employees excluding those classified as lunch workers and their beneficiaries as defined in R.S. 11:1001. The age and years of creditable service (service) required in order for a member to receive retirement benefits are established by R.S. 11:1141-1153 and vary depending on the member's hire date.

A member who joined the system on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62. A member who joined between July 1, 2010 and June 30, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60. 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, or 10 years of creditable service and is at least age 60. All members are eligible for retirement with 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 3 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 joined 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 plan 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.

A member is eligible to retire and receive disability benefits if the member has at least 5 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 10 years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the plan 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.

Teachers' Retirement System of Louisiana: TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S. 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in R.S. 11:761. Statutory changes closed existing, and created new, sub-plans for members hired on or after January 1, 2011 and July 1, 2015.

Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of service, 2) at the age of 55 with at least 25 years of service, or 3) at any age with at least 30 years of service. For members joining on or after July 1, 2015, retirement benefits are paid at age 62 with at least 5 years of service credit. Members may retire with an actuarially reduced benefit with 20 years of service credit. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment

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for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if employed prior to January 1, 2011 and attained at least 5 years of service or if employed on or after January 1, 2011 and attained at least 10 years of service. Members employed prior to January 1, 2011 receive disability benefits equal to 2½% of average compensation multiplied by the years of service, but not more than 50% of average compensation subject to statutory minimums. Members employed on or after January 1, 2011 receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2½% regardless of years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. The minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or a qualified handicapped child.

**Deferred Retirement Option Program (DROP)**

In lieu of terminating employment and accepting a service retirement, an eligible LSERS or TRSL member can begin participation in the DROP on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit 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.

**Cost of Living Adjustments**

As fully described in Title 11 of the Louisiana Revised Statutes, LSERS and TRSL allow for the payment of permanent benefit increases, also known as cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. These ad hoc COLAs are not considered to be substantively automatic.

**Contributions**

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. For those members participating in the TRSL defined contribution ORP, a portion of the employer contributions are used to fund the TRSL defined benefit plans' unfunded accrual liability.

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Employer contributions to LSERS for fiscal year 2017 were \$1,211,630, with active member contributions ranging from 7.5% to 8%, and employer contributions of 27.3%. Employer defined benefit plan contributions to TRSL for fiscal year 2017 were \$10,916,659, with active member contributions ranging from 7.5% to 8%, and employer contributions of 25.5%. Non-employer contributions to TRSL, which are comprised of \$180,671 from ad valorem taxes and revenue sharing funds and \$8,161 from the State for PIP salaries, totaled \$188,832 for fiscal year 2017. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2017, the School Board reported liabilities of \$12,117,668 and \$108,271,591 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2016, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2016, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were 1.606378%, or a increase of .006205% for LSERS and .92248% or a increase of .00429% for TRSL.

For the year ended June 30, 2017, the School Board recognized a total pension expense of \$10,623,915, or \$1,397,660 and \$9,226,255 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 330,681	\$ 2,137,583	\$ 2,468,264
Changes of assumptions	287,069	-	287,069	320,280	-	320,280
Net difference between projected and actual earnings on pension plan investments	1,535,106	7,881,920	9,417,026	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,904	2,625,254	2,653,158	225,814	5,482,350	5,708,164
Employer contributions subsequent to the measurement date	1,211,630	10,916,659	12,128,289	-	-	-
<b>Total</b>	<b>\$ 3,061,709</b>	<b>\$ 21,423,833</b>	<b>\$ 24,485,542</b>	<b>\$ 876,775</b>	<b>\$ 7,619,933</b>	<b>\$ 8,496,708</b>

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	LSERS	TRSL	Total
2018	\$ (209,833)	\$ (1,247,671)	\$ (1,457,504)
2019	47,618	(1,247,671)	(1,200,053)
2020	693,749	3,249,467	3,943,216
2021	441,770	2,133,116	2,574,886

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*Actuarial Assumptions*

The total pension liabilities for LSERS and TRSL in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	<u>LSERS</u>	<u>TRSL</u>
Valuation Date	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years	5 years
Investment Rate of Return	7.125% per annum	7.75%, net of investment exp.
Inflation Rate	2.625% per annum	2.5% per annum
Mortality - Non-disabled	RP-2000 Sex Distinct Mortality Table	RP-2000, scale AA to 2025
Mortality - Disabled	RP-2000 Sex Distinct Disabled/Mortality Table	RP-2000
Termination, Disability, Retirement	2008-2012 experience study	2008-2012 experience study
Salary Increases	3.075% to 5.375%	3.5% - 10% varies depending on duration of service
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

For LSERS 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.

For TRSL, 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 the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of real rates of return for each major asset class are summarized for each plan in the following table:

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	Target Allocation	Long-Term Expected Real Rate of Return
TRSL (arithmetic)		
Domestic equity	31.00%	4.50%
International equity	19.00%	5.31%
Domestic fixed income	14.00%	2.45%
International fixed income	7.00%	3.28%
Alternatives	29.00%	11.62%
Total	<u>100.00%</u>	
LSERS (geometric)		
Fixed income	30.00%	1.82%
Equity	51.00%	3.10%
Alternative investments	13.00%	0.79%
Real assets	6.00%	0.36%
Total	<u>100.00%</u>	<u>6.07%</u>
Inflation		<u>2.00%</u>
Expected arithmetic nominal return		<u>8.07%</u>

*Discount Rate.* The discount rate used to measure the total pension liability was 7.125% for LSERS and 7.75% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. 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.

For LSERS, the discount rate used in the June 30, 2016 net pension liability valuation was increased from the 7.0% used in the June 30, 2015 valuation to 7.125%. For the June 30, 2015 year, the discount rate assumed 0.25% of investment return would offset administrative expenses. Based on Act 94 of the 2016 regular session of the legislature, beginning with the June 30, 2016 actuarial evaluation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contributions for the System. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. With this change, the valuation of plan liabilities based on a valuation interest rate set for .25% below the assumed long-term rate of return is no longer necessary. Instead, for the June 30, 2016 actuarial valuation, the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return.

*Sensitivity of the proportionate share of the NPL to changes in the discount rate.* The following presents the School Board's proportionate share of the NPL for LSERS and TRSL using the current discount rate as well as what the School Board's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSERS	\$ 15,907,123	\$ 12,117,668	\$ 8,871,087
TRSL	135,047,813	108,271,591	85,486,835

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*Pension plan fiduciary net position.* Detailed information about LSERS and TRSL fiduciary net position is available in the separately issued financial reports referenced above.

*Payables to the Pension Plan.* At June 30, 2017, the School Board had \$98,203 and \$1,764,695 in payables to LSERS and TRSL, respectively, for the June 2017 employee and employer legally required contributions.

**NOTE 8 – OTHER POST EMPLOYMENT BENEFITS**

*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. The School Board’s OPEB Plan is a single-employer defined benefit “substantive plan” as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB Plan is reported based on communication to plan members. 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 and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board.

*Funding Policy* – The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their 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 \$4,931,282 for 645 retirees.

The plan does not issue a stand-alone financial report.

*Annual Other Post Employment Benefit Cost and Liability* – The School Board’s Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented for the year ended June 30, 2009 prospectively. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year, closed amortization period has been used. The level dollar amortization method is used. The total ARC for fiscal year 2017 is \$19,790,820 as set forth below:

Normal Cost	\$ 7,395,149
30-year UAL amortization amount	12,395,671
Annual required contribution (ARC)	\$ 19,790,820

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The following table presents the School Board’s OPEB Obligation for fiscal years 2017, 2016, and 2015:

	2017	2016	2015
Beginning Net OPEB Obligation July 1	\$ 66,945,744	\$ 57,634,651	\$ 48,310,158
Annual required contribution	19,790,820	15,099,068	15,099,068
Interest on prior year Net OPEB Obligation	2,677,825	2,305,506	1,932,406
Adjustment to ARC	<u>(4,632,545)</u>	<u>(3,780,282)</u>	<u>(3,168,519)</u>
Annual OPEB Cost	17,836,100	13,624,292	13,862,955
Less current year retiree premiums	<u>(4,931,282)</u>	<u>(4,313,199)</u>	<u>(4,538,462)</u>
Increase in Net OPEB Obligation	<u>12,904,818</u>	<u>9,311,093</u>	<u>9,324,493</u>
Ending Net OPEB Obligation at June 30	<u>\$ 79,850,562</u>	<u>\$ 66,945,744</u>	<u>\$ 57,634,651</u>

Utilizing the “pay as you go” method, the School Board contributed 27.6% of the annual post-employment benefits cost during 2017, 31.7% during 2016, and 32.7% during 2015.

Funded Status and Funding Progress – Since the plan is not funded, the School Board’s entire actuarial accrued liability of \$179,131,746 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2016 was as follows:

	2017
Actuarial accrued liability (AAL)	\$ 179,131,746
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 179,131,746
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 49,502,757
UAAL as a percentage of covered payroll	362%

The Schedule of Funding Progress required supplemental information follows the notes. The Schedule presents multi year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2016, Vernon School Board actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return and initial actual healthcare cost trend rate of 4.8%, scaling down to ultimate rates of 4.4% per year. The inflation rate is a subset of the healthcare cost trend rate, in which a rate of 2.5% was assumed. The RP-2000 Combined Healthy Mortality Table Projected to 2031 was used in making actuarial assumptions. Withdrawal rates for employees ranged from 9% at age 25 to 4% at age 50.

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Disability rates ranged from .01% at age 25 to .47% at age 55. Retirement rates ranged from 4% at age 39 to 100% at age 73. The School Board uses the level dollar amortization method with the remaining amortization period at June 30, 2017, of twenty-one years.

**NOTE 9 – ACCOUNTS, SALARIES AND OTHER PAYABLES** The payables at June 30, 2017, are as follows:

	General	Nonmajor Governmental	Total
Salaries	\$ 4,459,728	\$ 1,286,553	\$ 5,746,281
Accounts	226,863	272,627	499,490
Retainage	-	2,112	2,112
Claims	97,000	-	97,000
Total	<u>\$ 4,783,591</u>	<u>\$ 1,561,292</u>	<u>\$ 6,344,883</u>

**NOTE 10 – AGENCY FUND DEPOSITS DUE OTHERS (FFS LEVEL ONLY)** A summary of changes in agency fund deposit due others follows:

	Balance at Beginning of year	Additions	Reductions	Balance at Ending of year
School activities agency	\$ 1,333,579	\$ 3,333,907	\$ 3,228,721	\$ 1,438,765
Scholarship	1,837	1,159	798	2,198
Sales tax agency	3,466,748	28,415,130	28,245,709	3,636,169
Protested sales tax	105,261	3,890	-	109,151
Total	<u>\$ 4,907,425</u>	<u>\$ 31,754,086</u>	<u>\$ 31,475,228</u>	<u>\$ 5,186,283</u>

The following details the changes in deposits due others for the Sales Tax Agency fund:

Beginning Balance, July 1, 2016	\$ 3,466,748
Additions (Sales Tax Collections)	28,415,130
Deductions	
Collection Fees	\$ 423,685
Vernon Parish School Board	11,322,779
Vernon Parish Police Jury	8,492,021
Vernon Parish Sheriff's Office	2,830,686
City of Leesville	4,195,832
Town of Rosepine	194,156
Town of New Llano	469,980
Town of Hornbeck	63,766
Tourism & Use Tax Collections	252,804
Total Deductions:	<u>28,245,709</u>
Ending Balance, June 30, 2017	<u>\$ 3,636,169</u>

**Vernon Parish School Board**  
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**NOTE 11 – SALES TAX DISTRIBUTIONS** The following is a schedule of the sales tax disbursements made to local governmental sales tax entities on a cash basis for the fiscal year ended June 30, 2017:

	<u>Gross Amounts</u>	<u>Less Collection Fees</u>	<u>Net Distributions</u>
Vernon Parish School Board (2%)			
School Board (1%) 1973	\$ 5,747,603	\$ 86,214	\$ 5,661,389
School Board (1%) 1991	5,747,603	86,213	5,661,390
	<u>11,495,206</u>	<u>172,427</u>	<u>11,322,779</u>
Vernon Parish Police Jury ( 1.5%)			
Police Jury (1%) 2006 Renewal	5,747,561	86,213	5,661,348
Police Jury (0.5%) 2006 Renewal	2,873,780	43,107	2,830,673
	<u>8,621,341</u>	<u>129,320</u>	<u>8,492,021</u>
Vernon Parish Sheriff's Office			
Law Enforcement District (0.5%) 2004	<u>2,873,793</u>	<u>43,107</u>	<u>2,830,686</u>
Town of Leesville (1.5%)			
Town of Leesville (1%) 2004 Renewal	2,839,819	42,597	2,797,222
Town of Leesville (0.5%) 2004	1,419,909	21,299	1,398,610
	<u>4,259,728</u>	<u>63,896</u>	<u>4,195,832</u>
Town of Rosepine (1.5%)			
Town of Rosepine (1%) 2011 Renewal	131,409	1,971	129,438
Town of Rosepine (.5%) 2011	65,704	986	64,718
	<u>197,113</u>	<u>2,957</u>	<u>194,156</u>
Town of New Llano (1.5%)			
Town of New Llano (1%)	318,091	4,771	313,320
Town of New Llano (.5%) 2007	159,046	2,386	156,660
	<u>477,137</u>	<u>7,157</u>	<u>469,980</u>
Town of Hornbeck (1%)	<u>64,737</u>	<u>971</u>	<u>63,766</u>
Tourism (3%)	<u>256,654</u>	<u>3,850</u>	<u>252,804</u>
Total	<u>\$ 28,245,709</u>	<u>\$ 423,685</u>	<u>\$ 27,822,024</u>

A total of \$103,607 was billed to these entities for audit fees paid to external auditors. Payments were made from each entity directly to the external auditor.

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**NOTE 12 – LONG-TERM LIABILITIES** The following is a summary of the long-term obligation transactions for the year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One year</u>
Governmental Activities					
Bonds payable:					
General obligation debt	\$ 34,338,000	\$ 4,335,000	\$ 4,261,000	\$ 34,412,000	\$ 2,646,000
Excess Revenue					
Certificate of indebtedness	335,000	-	335,000	-	-
Other liabilities:					
Worker's compensation	744,400	642,288	462,732	923,956	485,000
Capital leases	228,686	412,816	160,546	480,956	155,465
Compensated absences	1,104,001	631,971	598,001	1,137,971	598,001
Net pension liability	108,873,542	24,472,796	12,957,079	120,389,259	-
OPEB liability	<u>66,945,744</u>	<u>17,836,100</u>	<u>4,931,282</u>	<u>79,850,562</u>	-
Governmental activities					
Long-term liabilities	<u>\$ 212,569,373</u>	<u>\$ 48,330,971</u>	<u>\$ 23,705,640</u>	<u>\$ 237,194,704</u>	<u>\$ 3,884,466</u>

Payments on the general obligation bonds payable that pertain to the School Board's governmental activities are made by the debt service funds. The compensated absences and the net pension liability attributable to the governmental activities will be liquidated by several of the School Board's governmental funds based on employee's salary expense. In the past, approximately 90% was paid by the general fund, 3% by Special Education fund, 3% by the school food service fund and the remaining 4% by other governmental funds. The payments on the workers' compensation claims payable and OPEB liability are made by the general fund.

There is no specific revenue stream pledged for the Excess Revenue Certificate of Indebtedness. This Certificate was approved to be paid with levied taxes or other revenue sources, and is paid for with transfers from the General Fund.

The capital lease used to purchase buses will be repaid by the General Fund.

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The following table lists the pertinent information on each outstanding issue:

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
WARD I					
September 01, 2010	\$ 21,500,000	2.00 - 4.00	2030	\$ 4,840,525	\$ 16,470,000
December 12, 2011 (Refunding)	3,560,000	2.34	2022	135,720	1,892,000
WARD II - HORNBECK					
June 01, 2001	600,000	.10-5.7	2021	17,412	180,000
WARD 2 - ORANGE					
April 01, 2009	425,000	2.95	2024	34,517	280,000
February 6, 2014 (Refunding)	3,068,000	.5 - 4.6	2034	988,998	2,690,000
WARD III					
November 1, 2007 (Refunding)	900,000	4.25	2022	48,322	364,000
May 01, 2008	2,225,000	3.00 - 6.00	2033	-	70,000
March 24, 2015 (Refunding)	376,000	2.94	2030	73,176	334,000
Nov. 16, 2016 (Refunding)	1,835,000	2.65	2033	464,837	1,822,000
WARD IV					
March 01, 2005	3,200,000	.9-5.9	2025	227,915	1,705,000
July 19, 2016	2,500,000	2.89	2031	747,064	2,500,000
WARD V					
June 14, 2012 (Refunding)	2,465,000	2.92	2023	161,622	1,550,000
WARD VI					
November 26, 2007 (Refunding)	949,000	1.00 - 4.5	2021	31,015	295,000
February 23, 2011 (Refunding)	381,000	2.00 - 4.00	2030	87,760	290,000
WARD VII					
March 17, 2015 (Refunding)	1,200,000	2.28	2025	104,310	985,000
June 14, 2012 (Refunding)	2,835,000	2.67	2023	171,146	1,785,000
WARD VIII					
February 6, 2014 (Refunding)	1,339,000	.50 - 5.00	2036	547,776	1,200,000
Total general obligation bonds				<u>\$ 8,682,115</u>	<u>\$ 34,412,000</u>

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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 year end, the School Board has accumulated \$1,997,939 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Bonds Principal Payments	Interest Payments	Total
2018	\$ 2,646,000	\$ 1,127,922	\$ 3,773,922
2019	2,801,000	1,063,140	3,864,140
2020	2,920,000	987,562	3,907,562
2021	2,985,000	905,013	3,890,013
2022	3,010,000	814,679	3,824,679
2023-2027	11,083,000	2,834,818	13,917,818
2028-2032	8,143,000	882,866	9,025,866
2033-2036	824,000	66,115	890,115
Total	<u>\$ 34,412,000</u>	<u>\$ 8,682,115</u>	<u>\$ 43,094,115</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50 percent of the assessed value of taxable property. At year end, the statutory limit is \$97,411,085 and outstanding net bonded debt totals \$32,414,061.

Advance Refunding: In November 2016, the School Board issued \$1,835,000 in general obligation refunding bonds for Ward 3 to advance refund \$1,695,000 of the series 2008 general obligation bonds to reduce total future debt service payments. The proceeds were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the refunded general obligation bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$90,707. This amount is considered a deferred outflow of resources and amortized over the life of the new bonds. The refunding resulted in a present value savings of \$88,359 in future debt service payments over the next 17 years for a net economic savings of \$137,833.

Defeasance of Debt: In the current year, the School Board defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statement. At June 30, 2017, \$1,695,000 of defeased bonds remain outstanding. These bonds will be called on March 1, 2018.

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Capital Leases

During the 2015 fiscal year, the School Board purchased five school buses under a new capital lease for \$381,260. During the 2017 fiscal year, the School Board purchased an additional five school buses under a new capital lease for \$412,816. The current depreciation for fiscal year end June 30, 2017 was \$55,432 and accumulated depreciation for these buses at June 30, 2017 fiscal year end was \$118,977. The following is a schedule of future minimum lease payments under the capital lease agreements and the present value of the net minimum lease payments, as of June 30, 2017:

2018		\$	165,511
2019			165,510
2020			85,947
2021			<u>85,947</u>
Net minimum lease payments			502,915
Less: amounts representing interest			<u>21,959</u>
Present value of net minimum lease payments		\$	<u><u>480,956</u></u>

**NOTE 13 – INTERFUND ASSETS / LIABILITIES (FFS LEVEL ONLY)**

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 2,658,602	Nonmajor Governmental	\$ 2,658,602
Nonmajor Governmental	24,219	General	24,219
Nonmajor Governmental	<u>1,973</u>	Nonmajor Governmental	<u>1,973</u>
Total	<u><u>\$ 2,684,794</u></u>		<u><u>\$ 2,684,794</u></u>

The purpose of the interfund assets/liabilities was to cover current-year expenditures on cost reimbursement programs until the reimbursement requisitions are deposited.

All interfund balances are expected to be paid within twelve months of year-end.

**NOTE 14 – RESTRICTED NET POSITION FOR WORKERS’ COMPENSATION** The School Board entered into a security agreement with the State of Louisiana Office of Workers’ Compensation (OWC) Department of Employment and Training that grants to OWC a security interest in the School Board’s \$646,000 U.S. Government Security. The security interest is to secure the prompt payment of all present and future obligations, including, but not limited to, prompt payment of workers’ compensation payments, the furnishing of medical treatment, and or any other requirement under the provisions of the Louisiana Workers’ Compensation Act and Rules of the OWC Fiscal Responsibility Unit. The following is a summary of transactions relating to the restricted net position for the year ended June 30, 2017:

Balance, beginning		\$	646,000
Additions			-
Deletions			-
Balance, ending		\$	<u><u>646,000</u></u>

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**NOTE 15 – INTERFUND TRANSFERS (FFS LEVEL ONLY)**

<u>Transfer In Fund</u>	<u>Amount</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
Nonmajor Governmental	\$ 1,775,375	General	\$ 1,775,375
General	202,500	Nonmajor Governmental	202,500
Nonmajor Governmental	20,500	Nonmajor Governmental	20,500
Totals	<u>\$ 1,998,375</u>		<u>\$ 1,998,375</u>

The purpose of interfund transfers was due mainly to transferring money to School Food Service and South Polk Construction to cover shortfalls in these funds. The non-major governmental Sales Tax fund transferred to the General fund to reimburse the cost of operations of sales tax agency.

**NOTE 16 – RISK MANAGEMENT** The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. A risk management program for workers’ compensation insurance was established by the School Board several years ago. Premiums are paid into the general fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. As of June 30, 2017 such interfund premiums did not exceed reimbursable expenditures. Interfund premiums are based primarily upon the individual funds’ payroll and are reported as expenditures in the individual funds.

An insurance policy covers individual claims in excess of \$500,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board’s best estimate based on available information and does not include incremental costs.

Changes in the claims amount in previous fiscal years were as follows:

<u>Years Ended June 30</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payment and Claims</u>	<u>Ending of Fiscal Year Liability</u>
2015	\$ 633,440	\$ 1,420,423	\$ 921,970	\$ 1,131,893
2016	1,131,893	712,074	945,445	898,522
2017	898,522	585,166	462,732	1,020,956

Of the total liability of \$1,020,956, \$97,000 is recorded as an accounts payable in the governmental funds balance sheet (Statement C) and the remaining liability of \$923,956 is recorded as long-term debt in the statement of net position (Statement A), in which \$485,000 is considered due within one year.

The School Board continues to carry commercial insurance for all other risks of loss. The School Board has not made any significant reductions in insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The School Board also participates in an entity risk pool for insurance coverage, including property and casualty insurance and the reinsurance of such coverage, in order to provide a more efficient and effective way to acquire insurance coverage. The entity risk pool is known as Property Casualty Alliance of Louisiana (PCAL), which is established only for School Boards and is overseen by a board made up of School Board Members. The responsibilities of the School Board is to pay contributions based upon a risk-funding plan developed by the program as well as to have a loss prevention plan to make all reasonable efforts to eliminate and minimize hazards that would

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contribute to property/casualty losses. The pool is responsible for handling any and all claims after notice of loss has been received.

**NOTE 17 – LITIGATION AND CLAIMS**

**Litigation** At June 30, 2017, the School Board is involved in various litigations. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

**Self-Insurance** The School Board is partially self-insured for workers' compensation. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$500,000 per occurrence for each employee.

**Construction Projects** The School Board had signed contracts for renovations for the Rosepine High School and Pickering High School totaling \$3,700,000. The construction in progress at June 30, 2017 totaled \$800,309.

**Grant Disallowances** The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Tax Arbitrage Rebate** Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

**Energy Performance Contract** The School Board entered into an energy performance contract with TAC Americas, Inc. in May 2005 which includes an operational stipulated savings. The School Board contracts with Associated Design Group to monitor savings. The contract may be terminated by the School Board at any time by giving 30 days written notice. The Louisiana Attorney General recently issued an opinion (A. G. Opinion No. 07-0002) regarding a similar contract with another School Board and concluded that some of these contracts may not meet the statutory definition of a performance based energy contract. The School Board signed an addendum to the contract excluding the operational stipulated savings.

**NOTE 18 – ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES** On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$8,161. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The Parish Tax Collector makes pension contributions to the Teacher's Retirement System of Louisiana on behalf of the School Board. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure is the actual contribution made by the Tax Collector's office. For the 2017 fiscal year the Tax Collector paid the Teacher's

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Retirement System of Louisiana \$180,671 on behalf of the School Board. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution.

**NOTE 19 – ECONOMIC DEPENDENCY** Approximately one-half of the student population consists of students from military families at Fort Polk which impacts the funding of the School Board. The Minimum Foundation Program funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$53,833,632 to the School Board, which represents approximately 56% of the School Board's total revenues for the year. Potentially up to approximately one-half of this Minimum Foundation Program funding is attributable to the students of military personnel at Fort Polk. Additionally, the federal government provided \$5,565,092 in direct funding (Impact Aid) to the School Board. A realignment or reduction in force at Fort Polk would adversely impact the funding for the School Board from both sources.

**NOTE 20 – NEW GASB STANDARDS** In fiscal year 2017, the School Board adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

*Statement 77 - Abatement Disclosures* establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

*Statement No. 82 – Pension Issues:* This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The adoption of these Statements did not impact the School Board's government-wide financial statements nor fund financial statements.

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**NOTE 21 - TAX ABATEMENTS** The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2017 by authorized millage is as follows:

<b>Tax Code</b>	<b>Taxable Value</b>	<b>Taxpayer Exemption</b>
Parishwide constitutional and maintenance	\$ 636,378	\$ 7,802
Ward 1 maintenance and sinking fund	258,076	12,238
Ward 4 maintenance and sinking fund	372,353	12,577
		\$ 32,617

**NOTE 22 - FUND BALANCE CLASSIFICATION DETAILS** The following are the details of the fund balance classifications:

	General	Nonmajor Governmental	Total
Nonspendable:			
Inventory	\$ -	\$ 125,411	\$ 125,411
Restricted:			
Worker's compensation	646,000	-	646,000
Debt service	-	1,997,939	1,997,939
Capital projects	-	1,539,629	1,539,629
Facility maintenance	-	3,873,319	3,873,319
Grant funds	-	100,475	100,475
Committed:			
Food processing centers	-	2,772	2,772
Sales tax collection operations	-	1,412,019	1,412,019
Fire insurance	600,000	-	600,000
Unassigned	11,338,320	(612,641)	10,725,679
Total	\$ 12,584,320	\$ 8,438,923	\$ 21,023,243

**NOTE 23 - SUBSEQUENT EVENTS** During August 2017, the 2010 Leesville bond issue refunding began with an anticipated completion date of November 2017.

During the 2017 fiscal year, Fort Polk deployed 2,500 soldiers to Afghanistan, which may affect student count and local taxes.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**Vernon Parish School Board**

**Schedule Of Funding Progress For Other Post-Employment Benefit Plan  
June 30, 2017**

**Exhibit 1-1**

Fiscal Year Ended	Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b-a) Unfunded AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	(b-a/c) UAAL as a Percentage of Covered Payroll
June 30, 2013	7/1/2012	-	116,833,980	116,833,980	0%	56,093,577	208%
June 30, 2014	7/1/2012	-	116,833,980	116,833,980	0%	54,671,552	214%
June 30, 2015	7/1/2014	-	129,334,331	129,334,331	0%	52,419,215	247%
June 30, 2016	7/1/2014	-	129,334,331	129,334,331	0%	52,338,026	247%
June 30, 2017	7/1/2016	-	179,131,746	179,131,746	0%	49,502,757	362%

**Vernon Parish School Board**

**Schedule of Employer's Proportionate Share of Net Pension Liability  
June 30, 2017**

**Exhibit 1-2**

<u>Fiscal Year</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>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	1.694000%	\$ 9,836,365	\$ 4,733,399	208%	76.18%
2016	1.600173%	10,147,129	4,518,115	225%	74.49%
2017	1.606378%	12,117,668	4,568,757	265%	70.09%
Teacher's Retirement System of Louisiana					
2015	0.95197%	\$ 97,305,295	\$ 46,245,446	210%	63.7%
2016	0.91819%	98,726,413	45,618,169	216%	62.5%
2017	0.92248%	108,271,591	44,106,560	245%	59.9%

**Notes:**

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

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

**Vernon Parish School Board**

**Schedule of Employer Contributions to Pension Plans  
June 30, 2017**

**Exhibit 1-3**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 1,476,379	\$ 1,476,379	\$ -	\$ 4,518,115	32.7%
2016	1,376,067	1,376,067	-	4,568,757	30.1%
2017	1,211,630	1,211,630	-	4,433,554	27.3%
Teacher's Retirement System of Louisiana					
2015	\$ 12,894,938	\$ 12,894,938	\$ -	\$ 45,618,169	28.3%
2016	11,396,334	11,396,334	-	44,106,560	25.8%
2017	10,916,659	10,916,659	-	42,900,065	25.4%

**Notes:**

The amounts presented were determined as of the fiscal year end.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is presented.

## Vernon Parish School Board

### Notes to Required Supplementary Information for Pensions

#### Louisiana School Employees' Retirement System

*Changes in Benefit Terms:* Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after June 30, 2010 to 62.

*Changes in assumptions:* For amounts reported in 2016, the valuation investment rate of return was reduced from the 7.25% reported in 2015 to 7.00%. The reduction was made to account for the funding of administrative expenses out of investment earnings. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. In addition, the valuation model was revised. The long-term expected portfolio real rate of return (expected arithmetic nominal return) was increased .77% in 2016 to 8.30% from the rate of 7.53% used in the 2015 valuation.

*Change in discount rate:* For LSERS, the discount rate used in the June 30, 2016 net pension liability valuation was increased from the 7.0% used in the June 30, 2015 valuation to 7.125%. For the June 30, 2015 year, the discount rate assumed 0.25% of investment return would offset administrative expenses. Based on Act 94 of the 2016 regular session of the legislature, beginning with the June 30, 2016 actuarial evaluation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contributions for the System. Prior to this valuation, no explicit provision was made to fund or offset administrative expenses. With this change, the valuation of plan liabilities based on a valuation interest rate set for .25% below the assumed long-term rate of return is no longer necessary. Instead, for the June 30, 2016 actuarial valuation, the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return.

#### Teacher's Retirement System of Louisiana

*Changes in Benefit Terms:* Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015 may retire with a 2.5% benefit factor after attaining the age of 62 with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. This benefit change raised the age requirement from 60 years of age for members hired after January 1, 2011 to 62.

**Vernon Parish School Board**

**Budgetary Comparison Schedule**

**General Fund With a Legally Adopted Annual Budget**

**GENERAL FUND** The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

VERNON PARISH SCHOOL BOARD

GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2017

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (GAAP Basis)	FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 1,911,973	\$ 1,912,526	\$ 1,845,200	\$ (67,326)
Sales and use	11,964,441	11,435,000	11,454,481	19,481
Interest earnings	37,072	78,947	78,944	(3)
Other	505,766	321,144	623,036	301,892
State sources:				
Equalization	54,972,149	53,375,000	53,374,531	(469)
Other	478,807	493,263	627,629	134,366
Federal sources	5,623,433	5,554,757	5,788,566	233,809
<b>Total Revenues</b>	<b>75,493,641</b>	<b>73,170,637</b>	<b>73,792,387</b>	<b>621,750</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	33,750,923	32,333,083	32,795,376	(462,293)
Special programs	8,458,995	8,319,544	8,322,708	(3,164)
Other instructional programs	2,739,097	2,962,242	3,099,238	(136,996)
Support services:				
Student services	3,975,396	4,016,453	4,011,123	5,330
Instructional staff support	3,212,558	2,975,290	3,066,375	(91,085)
General administration	1,443,330	1,129,702	1,127,837	1,865
School administration	5,874,543	5,786,303	5,830,387	(44,084)
Business services	362,751	341,808	342,143	(335)
Plant services	6,210,041	7,057,563	6,945,878	111,685
Student transportation services	6,364,921	6,337,222	6,071,250	265,972
Central services	1,037,715	1,115,162	1,114,502	660
Food services	610,135	286,216	349,419	(63,203)
Community service programs	28,390	27,411	29,181	(1,770)
Capital outlay	-	-	862,712	(862,712)
Debt Service:				
Principal retirement	-	251,457	495,546	(244,089)
Interest and bank charges	112,176	97,882	97,882	-
<b>Total Expenditures</b>	<b>74,180,971</b>	<b>73,037,338</b>	<b>74,561,557</b>	<b>(1,524,219)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,312,670</b>	<b>133,299</b>	<b>(769,170)</b>	<b>(902,469)</b>

(CONTINUED)

VERNON PARISH SCHOOL BOARD

GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2017

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (GAAP Basis)	FINAL BUDGET POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,679,922	2,365,000	202,500	(2,162,500)
Transfers out	(2,844,357)	(2,727,603)	(1,775,375)	952,228
Capital leases	-	-	412,816	412,816
Total Other Financing Sources (Uses)	(1,164,435)	(362,603)	(1,160,059)	(797,456)
Net Change in Fund Balance	148,235	(229,304)	(1,929,229)	(1,699,925)
FUND BALANCES, BEGINNING	14,634,894	14,513,549	14,513,549	-
FUND BALANCES, ENDING	\$ 14,783,129	\$ 14,284,245	\$ 12,584,320	(1,699,925)

(CONCLUDED)

Vernon Parish School Board

Notes to the Budgetary Comparison Schedule  
For the Year Ended June 30, 2017

NOTE A. BUDGETS

**General Budget Policies** The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets be adopted for the general fund and all special revenue funds. Each year prior to September 15, the Superintendent submits to the Board proposed annual budgets for the general fund and all special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain citizens' comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the 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.

**Encumbrances** Encumbrance accounting is employed in governmental funds. Outstanding encumbrances lapse at year end. To the extent the Board intends to honor the purchase orders and commitments, they are disclosed in the notes to the financial statements. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

**Budget Basis of Accounting** All governmental funds' budgets are prepared on the modified accrual basis of accounting, with some variations. 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. The budget was amended after the close of the year. This is not prohibited by state law.

**Excess of Expenditures Over Appropriations** The general fund had actual expenditures over budgeted expenditures for the year ended June 30, 2017:

	<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund		\$ 73,037,338	\$ 74,561,557	\$ (1,524,219)

**SUPPLEMENTARY INFORMATION**  
**COMBINING**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AGENCY FUNDS**

**VERNON PARISH SCHOOL BOARD**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**Combining Balance Sheet - By Fund Type**  
**June 30, 2017**

Exhibit 2

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,057,735	\$ 1,991,330	\$ 1,548,847	\$ 9,597,912
Receivables	2,904,666	6,609	-	2,911,275
Interfund receivables	26,192	-	-	26,192
Inventory	203,421	-	-	203,421
<b>TOTAL ASSETS</b>	<b>9,192,014</b>	<b>1,997,939</b>	<b>1,548,847</b>	<b>12,738,800</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	1,552,074	-	9,218	1,561,292
Interfund payables	2,162,587	-	497,988	2,660,575
Unearned revenue	78,010	-	-	78,010
<b>Total Liabilities</b>	<b>3,792,671</b>	<b>-</b>	<b>507,206</b>	<b>4,299,877</b>
<b>Fund Balances:</b>				
Nonspendable	125,411	-	-	125,411
Restricted	3,973,794	1,997,939	1,539,629	7,511,362
Committed	1,414,791	-	-	1,414,791
Unassigned	(114,653)	-	(497,988)	(612,641)
<b>Total Fund Balances</b>	<b>5,399,343</b>	<b>1,997,939</b>	<b>1,041,641</b>	<b>8,438,923</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,192,014</b>	<b>\$ 1,997,939</b>	<b>\$ 1,548,847</b>	<b>\$ 12,738,800</b>

VERNON PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances - By Fund Type  
 For the Year Ended June 30, 2017

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 2,109,242	\$ 3,845,591	\$ -	\$ 5,954,833
Interest earnings	32,705	8,402	2,282	43,389
Food services	706,938	-	-	706,938
Other	487,011	-	-	487,011
State sources:				
Equalization	459,101	-	-	459,101
Other	1,092,227	-	-	1,092,227
Federal sources	11,809,084	-	673,908	12,482,992
Total Revenues	<u>16,696,308</u>	<u>3,853,993</u>	<u>676,190</u>	<u>21,226,491</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	1,810,628	-	107	1,810,735
Special programs	898,951	-	-	898,951
Other instructional programs	4,755,903	-	-	4,755,903
Support services:				
Student services	631,225	-	-	631,225
Instructional staff support	1,023,425	-	-	1,023,425
General administration	779,687	133,117	-	912,804
School administration	196,528	-	-	196,528
Business services	284,396	-	-	284,396
Plant services	1,256,751	-	95,661	1,352,412
Student transportation services	98,356	-	-	98,356
Central services	83,630	-	-	83,630
Food services	5,585,426	-	-	5,585,426
Capital outlay	263,700	-	3,140,715	3,404,415
Debt service:				
Principal retirement	-	2,566,000	-	2,566,000
Interest and bank charges	-	1,171,012	-	1,171,012
Bond issuance costs	-	49,293	-	49,293
Total Expenditures	<u>17,668,606</u>	<u>3,919,422</u>	<u>3,236,483</u>	<u>24,824,511</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>\$ (972,298)</u>	<u>\$ (65,429)</u>	<u>\$ (2,560,293)</u>	<u>\$ (3,598,020)</u>

(CONTINUED)

VERNON PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances - By Fund Type  
 For the Year Ended June 30, 2017

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,295,875	\$ -	\$ 500,000	\$ 1,795,875
Transfers out	(223,000)	-	-	(223,000)
Bond proceeds	-	-	2,500,000	2,500,000
Refunding bonds issued	-	1,835,000	-	1,835,000
Payments to refunded bond escrow agent	-	(1,785,707)	-	(1,785,707)
Total Other Financing Sources (Uses)	<u>1,072,875</u>	<u>49,293</u>	<u>3,000,000</u>	<u>4,122,168</u>
Net Change in Fund Balances	100,577	(16,136)	439,707	524,148
FUND BALANCES - BEGINNING	<u>5,298,766</u>	<u>2,014,075</u>	<u>601,934</u>	<u>7,914,775</u>
FUND BALANCES - ENDING	<u>\$ 5,399,343</u>	<u>\$ 1,997,939</u>	<u>\$ 1,041,641</u>	<u>\$ 8,438,923</u>

(CONCLUDED)

**Vernon Parish School Board**

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Vernon Parish School Board

Nonmajor Special Revenue Funds

MAINTENANCE FUNDS

- Ward 1
- Ward 2 – Orange
- Ward 2 – Hornbeck
- Ward 3
- Ward 4
- Ward 5
- Ward 6
- Ward 7
- Ward 8

The maintenance funds for the various school districts are used to account for the proceeds of ad valorem taxes levied for the purpose of maintaining and improving schools within each school district.

8G AND EARLY CHILDHOOD FUNDS The 8G State Program and Early Childhood Program are programs to provide enhancement to elementary early childhood programs funded through state and federal funds.

INDIAN EDUCATION GRANT To address the unique education and culturally related academic needs of Indian students.

VOCATIONAL EDUCATION To make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

SPECIAL EDUCATION To provide grants to states to assist them in providing free appropriate public education to all children with disabilities.

LA 4 To increase the availability of early childhood development programs.

SCHOOL FOOD SERVICE To assist through grants and food donations in providing a nutritious breakfast and lunch service for school students and to encourage the domestic consumption of nutritious agricultural commodities.

FOOD PROCESSING CENTERS The food processing centers receive revenues from sales and services for the purpose of operating the food processing centers.

JAG To implement a school-to-career program to assist in keeping young people in school through graduation and provide work-based learning experiences that will lead to career advancement opportunities or to enroll in a postsecondary institution.

MISCELLANEOUS FEDERAL GRANTS These are additional funding the School Board receives from the Department of Defense for education and Louisiana State Opportunity Grant to enhance the education of students within the Parish.

(Continued)

## Vernon Parish School Board

### Nonmajor Special Revenue Funds

**TITLE I** To improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Primarily for provision of compensatory instructional activities to educationally deprived children that reside in low-income areas and have been selected on the basis of a needs assessment. Services supplement, not supplant, those normally provided by state and local educational agencies.

**TITLE II** To ensure that teachers, staff and administrators have access to sustained and intensive high-quality professional development. To challenge state content standards in core academic subjects.

**TITLE III** To provide funds to teach English to limited English proficient children and helping them to meet the state standards.

**SALESTAX** Vernon Parish School Board is the centralized sales tax collection agency for all taxing authorities in Vernon Parish. As a result, Vernon Parish School Board receives a fee of 1.5 percent of collections for performing the duties of collection agency. Expenditures are the cost of operating the sales tax department.

**HEAD START** To provide comprehensive health, educational, nutritional, social and other services primarily to economically disadvantaged preschool children, including Indian children on federally-recognized reservations, and children of migratory workers and their families; and to involve parents in activities with their children so that the children will attain overall social competence.

**PRESCHOOL** To provide grants to states to assist them in providing free appropriate public education to preschool disabled children aged three through five years.

**EDUCATION EXCELLENCE** To enhance instructional programs approved by the legislature for students of pre-kindergarten through twelfth grade with proceeds received from tobacco settlement monies.

**REAP** To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in schools.

(Concluded)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2017

	WARD 1 MAINTENANCE	WARD 2 - ORANGE MAINTENANCE	WARD 2 - HORNBECK MAINTENANCE	WARD 3 MAINTENANCE
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,098,599	\$ 51,369	\$ 80,273	\$ 426,905
Receivables	354	4	6	142
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<b>2,098,953</b>	<b>51,373</b>	<b>80,279</b>	<b>427,047</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts, salaries and other payables	14,471	7,945	25,996	7,609
Interfund payables	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>14,471</b>	<b>7,945</b>	<b>25,996</b>	<b>7,609</b>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	2,084,482	43,428	54,283	419,438
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>2,084,482</b>	<b>43,428</b>	<b>54,283</b>	<b>419,438</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,098,953</b>	<b>\$ 51,373</b>	<b>\$ 80,279</b>	<b>\$ 427,047</b>

Exhibit 4

<u>WARD 4</u>	<u>WARD 5</u>	<u>WARD 6</u>	<u>WARD 7</u>	<u>WARD 8</u>
<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>
\$ 176,919	\$ 554,274	\$ 58,444	\$ 497,837	\$ 50,326
3	914	21	130	12
-	-	-	-	-
-	-	-	-	-
<u>176,922</u>	<u>555,188</u>	<u>58,465</u>	<u>497,967</u>	<u>50,338</u>
13,096	40,201	2,474	5,558	5,863
-	-	-	-	-
-	-	-	-	-
<u>13,096</u>	<u>40,201</u>	<u>2,474</u>	<u>5,558</u>	<u>5,863</u>
-	-	-	-	-
163,826	514,987	55,991	492,409	44,475
-	-	-	-	-
-	-	-	-	-
<u>163,826</u>	<u>514,987</u>	<u>55,991</u>	<u>492,409</u>	<u>44,475</u>
<u>\$ 176,922</u>	<u>\$ 555,188</u>	<u>\$ 58,465</u>	<u>\$ 497,967</u>	<u>\$ 50,338</u>

(Continued)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2017

	8G AND EARLY CHILDHOOD FUNDS	INDIAN EDUCATION GRANT	VOCATIONAL EDUCATION	SPECIAL EDUCATION
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables	11,687	2,172	30,227	512,251
Interfund receivables	1,129	773	63	-
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<b>12,816</b>	<b>2,945</b>	<b>30,290</b>	<b>512,251</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	-	2,126	23,309	171,584
Interfund payables	12,816	819	6,981	340,667
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>12,816</b>	<b>2,945</b>	<b>30,290</b>	<b>512,251</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 12,816</b>	<b>\$ 2,945</b>	<b>\$ 30,290</b>	<b>\$ 512,251</b>

Exhibit 4

LA 4	SCHOOL FOOD SERVICE	FOOD PROCESSING CENTERS	JAG	MISCELLANEOUS FEDERAL GRANTS
\$ 207	\$ 237,067	\$ 2,772	\$ -	\$ -
678,135	949	-	57,634	100,341
4	-	-	22,503	-
-	203,421	-	-	-
<u>678,346</u>	<u>441,437</u>	<u>2,772</u>	<u>80,137</u>	<u>100,341</u>
219,578	352,669	-	17,476	38,418
458,561	-	-	62,661	61,923
-	78,010	-	-	-
<u>678,139</u>	<u>430,679</u>	<u>-</u>	<u>80,137</u>	<u>100,341</u>
-	125,411	-	-	-
207	-	-	-	-
-	-	2,772	-	-
-	(114,653)	-	-	-
<u>207</u>	<u>10,758</u>	<u>2,772</u>	<u>-</u>	<u>-</u>
<u>\$ 678,346</u>	<u>\$ 441,437</u>	<u>\$ 2,772</u>	<u>\$ 80,137</u>	<u>\$ 100,341</u>

(Continued)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Balance Sheet  
 June 30, 2017

	TITLE I	TITLE II	TITLE III	SALES TAX
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,702,790
Receivables	562,791	142,156	3,903	45,061
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<b>562,791</b>	<b>142,156</b>	<b>3,903</b>	<b>1,747,851</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts, salaries and other payables	177,653	57,472	1,221	135,832
Interfund payables	385,138	84,684	2,682	200,000
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>562,791</b>	<b>142,156</b>	<b>3,903</b>	<b>335,832</b>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	1,412,019
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,412,019</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 562,791</b>	<b>\$ 142,156</b>	<b>\$ 3,903</b>	<b>\$ 1,747,851</b>

Exhibit 4

HEAD START	PRESCHOOL	EDUCATION EXCELLENCE	REAP	TOTAL
\$ -	\$ -	\$ 119,953	\$ -	\$ 6,057,735
712,363	26,878	241	16,291	2,904,666
-	-	1,720	-	26,192
-	-	-	-	203,421
<u>712,363</u>	<u>26,878</u>	<u>121,914</u>	<u>16,291</u>	<u>9,192,014</u>
200,828	9,832	20,863	-	1,552,074
511,035	17,046	1,283	16,291	2,162,587
-	-	-	-	78,010
<u>711,863</u>	<u>26,878</u>	<u>22,146</u>	<u>16,291</u>	<u>3,792,671</u>
-	-	-	-	125,411
500	-	99,768	-	3,973,794
-	-	-	-	1,414,791
-	-	-	-	(114,653)
<u>500</u>	<u>-</u>	<u>99,768</u>	<u>-</u>	<u>5,399,343</u>
<u>\$ 712,363</u>	<u>\$ 26,878</u>	<u>\$ 121,914</u>	<u>\$ 16,291</u>	<u>\$ 9,192,014</u>

(Concluded)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2017

	WARD 1 MAINTENANCE	WARD 2 - ORANGE MAINTENANCE	WARD 2 - HORNBECK MAINTENANCE	WARD 3 MAINTENANCE
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 762,531	\$ 104,953	\$ 71,075	\$ 222,330
Interest earnings	11,973	283	572	2,167
Food services	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	40,966	16,383	15,399	13,015
Federal sources				
	-	-	-	-
<b>Total Revenues</b>	<b>815,470</b>	<b>121,619</b>	<b>87,046</b>	<b>237,512</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	1,777	-	6,329
Special programs	-	-	-	-
Other instructional programs	133,000	13,441	4,536	10,523
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	51
General administration	25,344	3,685	10,151	7,448
School administration	7,637	980	265	38,020
Business services	9,689	14,719	4,957	7,487
Plant services	399,802	102,166	55,802	126,302
Student transportation services	6,626	8,477	4,142	7,413
Central services	-	-	-	-
Food services	-	-	-	-
Capital outlay	32,327	8,195	-	20,660
<b>Total Expenditures</b>	<b>614,425</b>	<b>153,440</b>	<b>79,853</b>	<b>224,233</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 201,045</b>	<b>\$ (31,821)</b>	<b>\$ 7,193</b>	<b>\$ 13,279</b>

Exhibit 5

<u>WARD 4</u>	<u>WARD 5</u>	<u>WARD 6</u>	<u>WARD 7</u>	<u>WARD 8</u>
<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>
\$ 205,354	\$ 242,274	\$ 80,255	\$ 325,856	\$ 94,614
639	3,677	162	2,752	119
-	-	-	-	-
-	-	61,000	-	-
-	-	-	-	-
10,115	9,849	7,873	30,492	9,900
-	-	-	-	-
<u>216,108</u>	<u>255,800</u>	<u>149,290</u>	<u>359,100</u>	<u>104,633</u>
634	45,045	-	1,074	-
-	-	-	-	-
18,439	25,143	-	22,268	2,297
-	75,905	-	-	-
-	-	-	-	-
6,853	10,013	2,722	10,755	10,729
1,894	21,577	2,247	52,143	-
10,391	7,598	-	7,836	-
111,010	123,616	32,644	183,324	55,499
11,818	5,111	7,642	7,424	4,418
-	-	-	-	-
-	31,077	-	-	-
14,200	9,995	78,425	8,000	-
<u>175,239</u>	<u>355,080</u>	<u>123,680</u>	<u>292,824</u>	<u>72,943</u>
\$ 40,869	\$ (99,280)	\$ 25,610	\$ 66,276	\$ 31,690

(Continued)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2017

	WARD 1 MAINTENANCE	WARD 2 - ORANGE MAINTENANCE	WARD 2 - HORNBECK MAINTENANCE	WARD 3 MAINTENANCE
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 11,864	\$ -
Transfers out	-	-	-	(20,500)
Total Other Financing Sources (Uses)	-	-	11,864	(20,500)
Net Change in Fund Balances	201,045	(31,821)	19,057	(7,221)
FUND BALANCES - BEGINNING	1,883,437	75,249	35,226	426,659
FUND BALANCES - ENDING	\$ 2,084,482	\$ 43,428	\$ 54,283	\$ 419,438

Exhibit 5

<u>WARD 4</u> <u>MAINTENANCE</u>	<u>WARD 5</u> <u>MAINTENANCE</u>	<u>WARD 6</u> <u>MAINTENANCE</u>	<u>WARD 7</u> <u>MAINTENANCE</u>	<u>WARD 8</u> <u>MAINTENANCE</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	(2,500)	-	-
-	-	(2,500)	-	-
40,869	(99,280)	23,110	66,276	31,690
122,957	614,267	32,881	426,133	12,785
<u>\$ 163,826</u>	<u>\$ 514,987</u>	<u>\$ 55,991</u>	<u>\$ 492,409</u>	<u>\$ 44,475</u>

(Continued)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2017

	8G AND EARLY CHILDHOOD FUNDS	INDIAN EDUCATION GRANT	VOCATIONAL EDUCATION	SPECIAL EDUCATION
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-
Food services	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	-	-	-	-
Federal sources	44,169	5,574	91,158	2,086,886
<b>Total Revenues</b>	<b>44,169</b>	<b>5,574</b>	<b>91,158</b>	<b>2,086,886</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	12,484	5,091	-	224,754
Special programs	18,188	254	-	765,095
Other instructional programs	1,930	-	90,510	-
Support services:				
Student services	-	-	-	554,805
Instructional staff support	11,567	-	648	398,569
General administration	-	229	-	140,502
School administration	-	-	-	-
Business services	-	-	-	1,206
Plant services	-	-	-	-
Student transportation services	-	-	-	1,955
Central services	-	-	-	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>44,169</b>	<b>5,574</b>	<b>91,158</b>	<b>2,086,886</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Exhibit 5

LA 4	SCHOOL FOOD SERVICE	FOOD PROCESSING CENTERS	JAG	MISCELLANEOUS FEDERAL GRANTS
\$ -	\$ -	\$ -	\$ -	\$ -
-	351	-	-	-
-	706,938	-	-	-
-	-	1,766	-	-
-	459,101	-	-	-
774,479	21,957	-	-	-
920,123	3,185,249	-	143,333	458,514
1,694,602	4,373,596	1,766	143,333	458,514
3,468	287	-	141,992	399,000
-	-	-	-	38,367
1,629,759	-	-	479	-
-	-	-	-	-
51	-	-	670	6,988
61,434	-	-	-	2,706
-	46,956	-	-	-
-	3,791	-	-	-
13	31,451	19,709	50	-
-	19,949	-	142	-
-	9,917	-	-	11,453
-	5,553,634	715	-	-
-	27,306	-	-	-
1,694,725	5,693,291	20,424	143,333	458,514
\$ (123)	\$ (1,319,695)	\$ (18,658)	\$ -	\$ -

(Continued)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2017

	8G AND EARLY CHILDHOOD FUNDS	INDIAN EDUCATION GRANT	VOCATIONAL EDUCATION	SPECIAL EDUCATION
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

Exhibit 5

LA 4	SCHOOL FOOD SERVICE	FOOD PROCESSING CENTERS	JAG	MISCELLANEOUS FEDERAL GRANTS
\$ -	\$ 1,263,511	\$ 20,500	\$ -	\$ -
-	-	-	-	-
-	1,263,511	20,500	-	-
(123)	(56,184)	1,842	-	-
330	66,942	930	-	-
<u>\$ 207</u>	<u>\$ 10,758</u>	<u>\$ 2,772</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2017

	TITLE I	TITLE II	TITLE III	SALES TAX
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	10,010
Food services	-	-	-	-
Other	-	-	-	423,745
State sources:				
Equalization	-	-	-	-
Other	-	-	-	-
Federal sources	2,062,945	480,257	17,316	-
<b>Total Revenues</b>	<b>2,062,945</b>	<b>480,257</b>	<b>17,316</b>	<b>433,755</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	190,823	447,923	6,009	-
Special programs	-	-	-	-
Other instructional programs	1,354,105	-	10,853	-
Support services:				
Student services	-	-	-	-
Instructional staff support	175,164	-	-	-
General administration	137,380	32,334	454	168,166
School administration	-	-	-	23,666
Business services	143,213	-	-	73,509
Plant services	-	-	-	2,583
Student transportation services	-	-	-	-
Central services	62,260	-	-	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total Expenditures</b>	<b>2,062,945</b>	<b>480,257</b>	<b>17,316</b>	<b>267,924</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 165,831</b>

Exhibit 5

HEAD START	PRESCHOOL	EDUCATION EXCELLENCE	REAP	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 2,109,242
-	-	-	-	32,705
-	-	-	-	706,938
500	-	-	-	487,011
-	-	-	-	459,101
-	-	141,799	-	1,092,227
2,064,996	79,529	-	169,035	11,809,084
2,065,496	79,529	141,799	169,035	16,696,308
-	-	166,283	157,655	1,810,628
-	74,175	2,872	-	898,951
1,438,430	-	190	-	4,755,903
420	-	95	-	631,225
403,487	-	26,230	-	1,023,425
132,048	5,354	-	11,380	779,687
-	-	1,143	-	196,528
-	-	-	-	284,396
12,780	-	-	-	1,256,751
13,239	-	-	-	98,356
-	-	-	-	83,630
-	-	-	-	5,585,426
64,592	-	-	-	263,700
2,064,996	79,529	196,813	169,035	17,668,606
\$ 500	\$ -	\$ (55,014)	\$ -	\$ (972,298)

(Continued)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2017

	<u>TITLE I</u>	<u>TITLE II</u>	<u>TITLE III</u>	<u>SALES TAX</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	(200,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-	(200,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	-	-	-	(34,169)
FUND BALANCES - BEGINNING	-	-	-	1,446,188
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,412,019</u>

Exhibit 5

HEAD START	PRESCHOOL	EDUCATION EXCELLENCE	REAP	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 1,295,875
-	-	-	-	(223,000)
-	-	-	-	1,072,875
500	-	(55,014)	-	100,577
-	-	154,782	-	5,298,766
<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 99,768</u>	<u>\$ -</u>	<u>\$ 5,399,343</u>

(Concluded)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-1

\*\*\*\*\*WARD 1 MAINTENANCE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 762,500	\$ 762,531	\$ 31
Interest earnings	12,000	11,973	(27)
State sources: Other	41,000	40,966	(34)
Total Revenues	<u>815,500</u>	<u>815,470</u>	<u>(30)</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	132,923	133,000	(77)
Support services:			
General administration	25,465	25,344	121
School administration	7,502	7,637	(135)
Business services	9,073	9,689	(616)
Plant services	430,475	399,802	30,673
Student transportation services	7,876	6,626	1,250
Central services	4,620	-	4,620
Capital outlay	-	32,327	(32,327)
Total Expenditures	<u>617,934</u>	<u>614,425</u>	<u>3,509</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	197,566	201,045	3,479
FUND BALANCES - BEGINNING	<u>1,883,437</u>	<u>1,883,437</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,081,003</u>	<u>\$ 2,084,482</u>	<u>\$ 3,479</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-2

\*\*\*\*\*WARD 2 - ORANGE MAINTENANCE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 103,668	\$ 104,953	\$ 1,285
Interest earnings	414	283	(131)
State sources: Other	17,823	16,383	(1,440)
Total Revenues	<u>121,905</u>	<u>121,619</u>	<u>(286)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	-	1,777	(1,777)
Other instructional programs	13,450	13,441	9
Support services:			
General administration	3,665	3,685	(20)
School administration	4,551	980	3,571
Business services	13,931	14,719	(788)
Plant services	109,373	102,166	7,207
Student transportation services	8,700	8,477	223
Capital Outlay	-	8,195	(8,195)
Total Expenditures	<u>153,670</u>	<u>153,440</u>	<u>230</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(31,765)	(31,821)	(56)
FUND BALANCES - BEGINNING	<u>75,249</u>	<u>75,249</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 43,484</u>	<u>\$ 43,428</u>	<u>\$ (56)</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-3

\*\*\*\*\*WARD 2 - HORNBECK MAINTENANCE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 70,045	\$ 71,075	\$ 1,030
Interest earnings	452	572	120
State sources: Other	15,989	15,399	(590)
Total Revenues	<u>86,486</u>	<u>87,046</u>	<u>560</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	5,815	4,536	1,279
Support services:			
General administration	12,540	10,151	2,389
School administration	1,632	265	1,367
Business services	4,179	4,957	(778)
Plant services	52,642	55,802	(3,160)
Student transportation services	1,811	4,142	(2,331)
Total Expenditures	<u>78,619</u>	<u>79,853</u>	<u>(1,234)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	7,867	7,193	(674)
OTHER FINANCING SOURCES (USES)			
Transfers in	11,864	11,864	-
Net Changes in Fund Balances	19,731	19,057	(674)
FUND BALANCES - BEGINNING	<u>35,226</u>	<u>35,226</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 54,957</u>	<u>\$ 54,283</u>	<u>\$ (674)</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-4

\*\*\*\*\*WARD 3 MAINTENANCE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 226,403	\$ 222,330	\$ (4,073)
Interest earnings	1,420	2,167	747
State sources: Other	11,779	13,015	1,236
Total Revenues	<u>239,602</u>	<u>237,512</u>	<u>(2,090)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	-	6,329	(6,329)
Other instructional programs	17,112	10,523	6,589
Support services:			
Instructional staff support	232	51	181
General administration	7,563	7,448	115
School administration	42,550	38,020	4,530
Business services	7,649	7,487	162
Plant services	142,889	126,302	16,587
Student transportation services	7,410	7,413	(3)
Capital outlay	-	20,660	(20,660)
Total Expenditures	<u>225,405</u>	<u>224,233</u>	<u>1,172</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	14,197	13,279	(918)
OTHER FINANCING SOURCES (USES)			
Transfers out	(20,500)	(20,500)	-
Net Change in Fund Balances	(6,303)	(7,221)	(918)
FUND BALANCES - BEGINNING	<u>426,659</u>	<u>426,659</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 420,356</u>	<u>\$ 419,438</u>	<u>\$ (918)</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-5

\*\*\*\*\*WARD 4 MAINTENANCE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 206,303	\$ 205,354	\$ (949)
Interest earnings	600	639	39
State sources: Other	10,121	10,115	(6)
Total Revenues	<u>217,024</u>	<u>216,108</u>	<u>(916)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	-	634	(634)
Other instructional programs	16,429	18,439	(2,010)
Support services:			
General administration	6,901	6,853	48
School administration	12,480	1,894	10,586
Business services	8,510	10,391	(1,881)
Plant services	127,861	111,010	16,851
Student transportation services	4,356	11,818	(7,462)
Capital outlay	-	14,200	(14,200)
Total Expenditures	<u>176,537</u>	<u>175,239</u>	<u>1,298</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	40,487	40,869	382
FUND BALANCES - BEGINNING	<u>122,957</u>	<u>122,957</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 163,444</u>	<u>\$ 163,826</u>	<u>\$ 382</u>

**VERNON PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUND**  
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**For the Year Ended June 30, 2017**

Exhibit 6-6

\*\*\*\*\*WARD 5 MAINTENANCE\*\*\*\*\*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 245,000	\$ 242,274	\$ (2,726)
Interest earnings	1,844	3,677	1,833
State sources: Other	8,917	9,849	932
<b>Total Revenues</b>	<u>255,761</u>	<u>255,800</u>	<u>39</u>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	43,458	45,045	(1,587)
Other instructional programs	17,800	25,143	(7,343)
Support services:			
Student services	76,210	75,905	305
General administration	11,802	10,013	1,789
School administration	33,558	21,577	11,981
Business services	9,009	7,598	1,411
Plant services	127,466	123,616	3,850
Student transportation services	4,704	5,111	(407)
Food services	30,878	31,077	(199)
Capital outlay	-	9,995	(9,995)
<b>Total Expenditures</b>	<u>354,885</u>	<u>355,080</u>	<u>(195)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(99,124)	(99,280)	(156)
<b>FUND BALANCES - BEGINNING</b>	<u>614,267</u>	<u>614,267</u>	<u>-</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 515,143</u>	<u>\$ 514,987</u>	<u>\$ (156)</u>

**VERNON PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUND**  
**Schedule of Revenues, Expenditures, and Changes**  
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**For the Year Ended June 30, 2017**

Exhibit 6-7

\*\*\*\*\*WARD 6 MAINTENANCE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 81,000	\$ 80,255	\$ (745)
Interest earnings	112	162	50
Other	61,000	61,000	-
State sources: Other	7,800	7,873	73
 Total Revenues	149,912	149,290	(622)
 <b>EXPENDITURES</b>			
Current:			
Instruction:			
Other instructional programs	22	-	22
Support services:			
General administration	1,464	2,722	(1,258)
School administration	2,250	2,247	3
Business services	60	-	60
Plant services	54,634	32,644	21,990
Student transportation services	62,311	7,642	54,669
Capital outlay	-	78,425	(78,425)
 Total Expenditures	120,741	123,680	(2,939)
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	29,171	25,610	(3,561)
 OTHER FINANCING SOURCES (USES)			
Transfers out	(5,000)	(2,500)	2,500
 Net Changes in Fund Balances	24,171	23,110	(1,061)
 FUND BALANCES - BEGINNING	32,881	32,881	-
 FUND BALANCES - ENDING	\$ 57,052	\$ 55,991	\$ (1,061)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
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 For the Year Ended June 30, 2017

Exhibit 6-8

\*\*\*\*\*WARD 7 MAINTENANCE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 326,000	\$ 325,856	\$ (144)
Interest earnings	2,750	2,752	2
State sources: Other	29,988	30,492	504
Total Revenues	<u>358,738</u>	<u>359,100</u>	<u>362</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	616	1,074	(458)
Other instructional programs	57,175	22,268	34,907
Support services:			
General administration	10,631	10,755	(124)
School administration	14,092	52,143	(38,051)
Business services	7,495	7,836	(341)
Plant services	193,109	183,324	9,785
Student transportation services	9,209	7,424	1,785
Central services	1,740	-	1,740
Capital outlay	-	8,000	(8,000)
Total Expenditures	<u>294,067</u>	<u>292,824</u>	<u>1,243</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	64,671	66,276	1,605
FUND BALANCES - BEGINNING	<u>426,133</u>	<u>426,133</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 490,804</u>	<u>\$ 492,409</u>	<u>\$ 1,605</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-9

\*\*\*\*\*WARD 8 MAINTENANCE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 95,000	\$ 94,614	\$ (386)
Interest earnings	200	119	(81)
State sources: Other	10,000	9,900	(100)
Total Revenues	<u>105,200</u>	<u>104,633</u>	<u>(567)</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	2,300	2,297	3
Support services:			
General administration	9,248	10,729	(1,481)
School administration	3,382	-	3,382
Business services	2,188	-	2,188
Plant services	55,103	55,499	(396)
Student transportation services	1,107	4,418	(3,311)
Total Expenditures	<u>73,328</u>	<u>72,943</u>	<u>385</u>
Net Change in Fund Balances	31,872	31,690	(182)
FUND BALANCES - BEGINNING	<u>12,785</u>	<u>12,785</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 44,657</u>	<u>\$ 44,475</u>	<u>\$ (182)</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
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 For the Year Ended June 30, 2017

Exhibit 6-10

\*\*\*\*\*8G AND EARLY CHILDHOOD FUNDS\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 44,169	\$ 44,169	\$ -
Total Revenues	44,169	44,169	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	12,484	12,484	-
Special programs	18,188	18,188	-
Other instructional programs	1,930	1,930	-
Support services:			
Instructional staff support	11,567	11,567	-
Total Expenditures	44,169	44,169	-
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
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 For the Year Ended June 30, 2017

Exhibit 6-11

\*\*\*\*\*INDIAN EDUCATION GRANT\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 5,574	\$ 5,574	\$ -
Total Revenues	<u>5,574</u>	<u>5,574</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	5,091	5,091	-
Special programs	254	254	-
Support services:			
General administration	229	229	-
Total Expenditures	<u>5,574</u>	<u>5,574</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VERNON PARISH SCHOOL BOARD  
**NONMAJOR SPECIAL REVENUE FUND**  
 Schedule of Revenues, Expenditures, and Changes  
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Exhibit 6-12

\*\*\*\*\*VOCATIONAL EDUCATION \*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 91,085	\$ 91,158	\$ 73
Total Revenues	91,085	91,158	73
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	90,752	90,510	242
Support services:			
Instructional staff support	648	648	-
Total Expenditures	91,400	91,158	242
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(315)	-	315
OTHER FINANCING SOURCES (USES)			
Transfers in	315	-	(315)
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
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 For the Year Ended June 30, 2017

Exhibit 6-13

\*\*\*\*\*SPECIAL EDUCATION\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 2,086,886	\$ 2,086,886	\$ -
Total Revenues	<u>2,086,886</u>	<u>2,086,886</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	224,754	224,754	-
Special programs	765,095	765,095	-
Support services:			
Student services	554,805	554,805	-
Instructional staff support	398,569	398,569	-
General administration	140,502	140,502	-
Business services	1,206	1,206	-
Student transportation services	1,955	1,955	-
Total Expenditures	<u>2,086,886</u>	<u>2,086,886</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
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 For the Year Ended June 30, 2017

Exhibit 6-14

\*\*\*\*\*LA 4\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>			
State sources: other	\$ 774,479	\$ 774,479	\$ -
Federal sources	920,123	920,123	-
<b>Total Revenues</b>	<b>1,694,602</b>	<b>1,694,602</b>	<b>-</b>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	3,468	3,468	-
Other instructional programs	1,629,759	1,629,759	-
Support services:			
Instructional staff support	51	51	-
General administration	61,434	61,434	-
Plant services	13	13	-
<b>Total Expenditures</b>	<b>1,694,725</b>	<b>1,694,725</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(123)</b>	<b>(123)</b>	<b>-</b>
<b>FUND BALANCES - BEGINNING</b>	<b>330</b>	<b>330</b>	<b>-</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ 207</b>	<b>\$ 207</b>	<b>\$ -</b>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
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 For the Year Ended June 30, 2017

Exhibit 6-15

\*\*\*\*\*SCHOOL FOOD SERVICE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Interest earnings	\$ 350	\$ 351	\$ 1
Food services	707,200	706,938	(262)
State sources:			
Equalization	459,100	459,101	1
Other	21,938	21,957	19
Federal sources	3,186,000	3,185,249	(751)
 Total Revenues	 <u>4,374,588</u>	 <u>4,373,596</u>	 <u>(992)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	-	287	(287)
Support services:			
School administration	45,524	46,956	(1,432)
Business services	4,378	3,791	587
Plant services	32,919	31,451	1,468
Student transportation services	20,987	19,949	1,038
Central services	9,900	9,917	(17)
Food services	5,580,435	5,553,634	26,801
Capital outlay	-	27,306	(27,306)
 Total Expenditures	 <u>5,694,143</u>	 <u>5,693,291</u>	 <u>852</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 (1,319,555)	 (1,319,695)	 (140)
OTHER FINANCING SOURCES (USES)			
Transfers in	1,263,500	1,263,511	11
 Net Change in Fund Balances	 (56,055)	 (56,184)	 (129)
 FUND BALANCES - BEGINNING	 <u>66,942</u>	 <u>66,942</u>	 <u>-</u>
 FUND BALANCES - ENDING	 <u>\$ 10,887</u>	 <u>\$ 10,758</u>	 <u>\$ (129)</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
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 For the Year Ended June 30, 2017

Exhibit 6-16

\*\*\*\*\*FOOD PROCESSING CENTERS\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Other	\$ 1,765	\$ 1,766	\$ 1
Total Revenues	<u>1,765</u>	<u>1,766</u>	<u>1</u>
EXPENDITURES			
Current:			
Support services:			
Business services	53	-	53
Plant services	18,903	19,709	(806)
Food services	1,526	715	811
Total Expenditures	<u>20,482</u>	<u>20,424</u>	<u>58</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(18,717)	(18,658)	59
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>20,500</u>	<u>20,500</u>	<u>-</u>
Net Change in Fund Balances	1,783	1,842	59
FUND BALANCES - BEGINNING	<u>930</u>	<u>930</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 2,713</u>	<u>\$ 2,772</u>	<u>\$ 59</u>

**VERNON PARISH SCHOOL BOARD**  
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**Schedule of Revenues, Expenditures, and Changes**  
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**For the Year Ended June 30, 2017**

Exhibit 6-17

\*\*\*\*\* JAG \*\*\*\*\*

	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE POSITIVE (NEGATIVE)</b>
<b>REVENUES</b>			
Federal sources	\$ 138,373	\$ 143,333	\$ 4,960
Total Revenues	138,373	143,333	4,960
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	141,992	141,992	-
Other instructional programs	479	479	-
Support services:			
Instructional staff support	670	670	-
Plant services	50	50	-
Student transportation services	142	142	-
Total Expenditures	143,333	143,333	-
Net Change in Fund Balances	(4,960)	-	4,960
<b>FUND BALANCES - BEGINNING</b>	4,960	-	(4,960)
<b>FUND BALANCES - ENDING</b>	\$ -	\$ -	\$ -

**VERNON PARISH SCHOOL BOARD**  
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**Schedule of Revenues, Expenditures, and Changes**  
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**For the Year Ended June 30, 2017**

Exhibit 6-18

\*\*\*\*\*MISCELLANEOUS FEDERAL GRANTS\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 451,129	\$ 458,514	\$ 7,385
Total Revenues	451,129	458,514	7,385
EXPENDITURES			
Current:			
Instruction:			
Regular programs	399,000	399,000	-
Special programs	38,367	38,367	-
Support services:			
Instructional staff support	6,988	6,988	-
General administration	2,706	2,706	-
Central services	11,453	11,453	-
Total Expenditures	458,514	458,514	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(7,385)	-	7,385
FUND BALANCES - BEGINNING	7,385	-	(7,385)
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
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 For the Year Ended June 30, 2017

Exhibit 6-19

\*\*\*\*\*TITLE I\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 2,062,945	\$ 2,062,945	\$ -
Total Revenues	<u>2,062,945</u>	<u>2,062,945</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	190,823	190,823	-
Other instructional programs	1,354,105	1,354,105	-
Support services:			
Instructional staff support	175,164	175,164	-
General administration	137,380	137,380	-
Business services	143,213	143,213	-
Central services	62,260	62,260	-
Total Expenditures	<u>2,062,945</u>	<u>2,062,945</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**VERNON PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUND**  
**Schedule of Revenues, Expenditures, and Changes**  
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Exhibit 6-20

\*\*\*\*\*TITLE II\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 480,257	\$ 480,257	\$ -
Total Revenues	480,257	480,257	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	447,923	447,923	-
Support services:			
General administration	32,334	32,334	-
Total Expenditures	480,257	480,257	-
Net Change in Fund Balance	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-21

\*\*\*\*\*TITLE III\*\*\*\*\*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Federal sources	\$ 17,316	\$ 17,316	\$ -
Total Revenues	<u>17,316</u>	<u>17,316</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	6,009	6,009	-
Other instructional programs	10,853	10,853	-
Support services:			
General administration	<u>454</u>	<u>454</u>	<u>-</u>
Total Expenditures	<u>17,316</u>	<u>17,316</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-22

\*\*\*\*\*SALES TAX\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Interest earnings	\$ 10,000	\$ 10,010	\$ 10
Other	423,745	423,745	-
Total Revenues	<u>433,745</u>	<u>433,755</u>	<u>10</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	6,743	-	6,743
Support services:			
General administration	167,398	168,166	(768)
School administration	23,666	23,666	-
Business services	70,662	73,509	(2,847)
Plant services	4,111	2,583	1,528
Total Expenditures	<u>272,580</u>	<u>267,924</u>	<u>4,656</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>161,165</u>	<u>165,831</u>	<u>4,666</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	106,435	-	(106,435)
Transfers out	(201,906)	(200,000)	1,906
Total Other Financing Sources (Uses)	<u>(95,471)</u>	<u>(200,000)</u>	<u>(104,529)</u>
Net Change in Fund Balances	65,694	(34,169)	(99,863)
FUND BALANCES - BEGINNING	<u>1,446,188</u>	<u>1,446,188</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,511,882</u>	<u>\$ 1,412,019</u>	<u>\$ (99,863)</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-23

\*\*\*\*\*HEAD START\*\*\*\*\*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Local sources:			
Other	\$ 500	\$ 500	\$ -
Federal sources	2,064,996	2,064,996	-
Total Revenues	<u>2,065,496</u>	<u>2,065,496</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	1,503,022	1,438,430	64,592
Support services:			
Student services	420	420	-
Instructional staff support	403,487	403,487	-
General administration	132,048	132,048	-
Plant services	12,780	12,780	-
Student transportation services	13,239	13,239	-
Capital outlay	-	64,592	(64,592)
Total Expenditures	<u>2,064,996</u>	<u>2,064,996</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	500	500	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-24

\*\*\*\*\*PRESCHOOL\*\*\*\*\*

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Federal sources	\$ 79,529	\$ 79,529	\$ -
Total Revenues	<u>79,529</u>	<u>79,529</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Special programs	74,175	74,175	-
Support services:			
General administration	<u>5,354</u>	<u>5,354</u>	<u>-</u>
Total Expenditures	<u>79,529</u>	<u>79,529</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-25

\*\*\*\*\*EDUCATION EXCELLENCE\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
State sources:			
Other	\$ 141,799	\$ 141,799	\$ -
Total Revenues	<u>141,799</u>	<u>141,799</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	166,283	166,283	-
Special programs	2,872	2,872	-
Other instructional programs	190	190	-
Support services:			
Student services	95	95	-
Instructional staff support	26,230	26,230	-
School administration	<u>1,143</u>	<u>1,143</u>	<u>-</u>
Total Expenditures	<u>196,813</u>	<u>196,813</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(55,014)	(55,014)	-
FUND BALANCES - BEGINNING	<u>154,782</u>	<u>154,782</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 99,768</u>	<u>\$ 99,768</u>	<u>\$ -</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2017

Exhibit 6-26

\*\*\*\*\*REAP\*\*\*\*\*

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 169,035	\$ 169,035	\$ -
Total Revenues	169,035	169,035	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	157,655	157,655	-
Support services:			
General administration	11,380	11,380	-
Total Expenditures	169,035	169,035	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

**Vernon Parish School Board**

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**Vernon Parish School Board**

**Nonmajor Debt Service Funds**

- Ward No. 1
- Ward No. 2 – Orange
- Ward No. 2 – Hornbeck
- Ward No. 3
- Ward No. 4
- Ward No. 5
- Ward No. 6
- Ward No. 7
- Ward No. 8

The debt service funds are used to accumulate monies to pay outstanding bond issues. The bonds were issued by the respective school districts to acquire lands for building sites and to purchase, erect, and improve school buildings, equipment, and furnishings. The bond issues are financed by ad valorem tax on property within the territorial boundaries of the respective wards.

VERNON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2017

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
ASSETS				
Cash and cash equivalents	\$ 982,547	\$ 176,120	\$ 27,819	\$ 124,167
Receivables	6,321	12	4	175
TOTAL ASSETS	<u>988,868</u>	<u>176,132</u>	<u>27,823</u>	<u>124,342</u>
FUND BALANCES:				
Restricted	<u>988,868</u>	<u>176,132</u>	<u>27,823</u>	<u>124,342</u>
TOTAL FUND BALANCES	<u>\$ 988,868</u>	<u>\$ 176,132</u>	<u>\$ 27,823</u>	<u>\$ 124,342</u>

Exhibit 7

<u>WARD 4</u>	<u>WARD 5</u>	<u>WARD 6</u>	<u>WARD 7</u>	<u>WARD 8</u>	<u>TOTAL</u>
\$ 144,413 5	\$ 145,832 39	\$ 85,684 39	\$ 235,144 -	\$ 69,604 14	\$ 1,991,330 6,609
<u>144,418</u>	<u>145,871</u>	<u>85,723</u>	<u>235,144</u>	<u>69,618</u>	<u>1,997,939</u>
<u>144,418</u>	<u>145,871</u>	<u>85,723</u>	<u>235,144</u>	<u>69,618</u>	<u>1,997,939</u>
<u>\$ 144,418</u>	<u>\$ 145,871</u>	<u>\$ 85,723</u>	<u>\$ 235,144</u>	<u>\$ 69,618</u>	<u>\$ 1,997,939</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2017

	WARD 1	WARD 2 - ORANGE	WARD 2 - HORNBECK	WARD 3
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 2,042,454	\$ 280,212	\$ 51,694	\$ 284,852
Interest earnings	3,830	743	-	680
Total Revenues	<u>2,046,284</u>	<u>280,955</u>	<u>51,694</u>	<u>285,532</u>
EXPENDITURES				
Current:				
Support services:				
General administration	68,294	9,838	1,928	10,561
Debt Service:				
Principal retirement	1,276,000	162,000	40,000	168,000
Interest and bank charges	676,046	102,491	8,131	84,063
Bond issuance costs	-	-	-	49,293
Total Expenditures	<u>2,020,340</u>	<u>274,329</u>	<u>50,059</u>	<u>311,917</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	25,944	6,626	1,635	(26,385)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	-	1,835,000
Payments to refunded bond escrow agent	-	-	-	(1,785,707)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,293</u>
Net Change in Fund Balances	25,944	6,626	1,635	22,908
FUND BALANCES - BEGINNING	<u>962,924</u>	<u>169,506</u>	<u>26,188</u>	<u>101,434</u>
FUND BALANCES - ENDING	<u>\$ 988,868</u>	<u>\$ 176,132</u>	<u>\$ 27,823</u>	<u>\$ 124,342</u>

Exhibit 8

WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$ 281,170	\$ 220,594	\$ 141,893	\$ 442,072	\$ 100,650	\$ 3,845,591
738	934	329	937	211	8,402
281,908	221,528	142,222	443,009	100,861	3,853,993
9,383	8,873	4,813	15,992	3,435	133,117
170,000	235,000	93,000	375,000	47,000	2,566,000
94,507	52,522	28,744	80,101	44,407	1,171,012
-	-	-	-	-	49,293
273,890	296,395	126,557	471,093	94,842	3,919,422
8,018	(74,867)	15,665	(28,084)	6,019	(65,429)
-	-	-	-	-	1,835,000
-	-	-	-	-	(1,785,707)
-	-	-	-	-	49,293
8,018	(74,867)	15,665	(28,084)	6,019	(16,136)
136,400	220,738	70,058	263,228	63,599	2,014,075
\$ 144,418	\$ 145,871	\$ 85,723	\$ 235,144	\$ 69,618	\$ 1,997,939

**Vernon Parish School Board**

**Nonmajor Capital Project Funds**

**South Polk Construction** was established to account for the construction of a new elementary school on the Fort Polk Base.

**Rosepine Construction** was established to make renovations to the classrooms and other various building improvements.

**Leesville High School Construction** was established to provide new construction and renovations for the Leesville High School.

**Pickering Construction** was established to provide renovations and construction in the Pickering school district from the 2016 bond issue.

VERNON PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS  
Combining Balance Sheet  
June 30, 2017

Exhibit 9

	<u>SOUTH POLK CONSTRUCTION</u>	<u>ROSEPINE CONSTRUCTION</u>	<u>LEESVILLE HIGH SCHOOL CONSTRUCTION</u>	<u>PICKERING CONSTRUCTION</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 128,563	\$ 74,135	\$ 1,346,149	\$ 1,548,847
Total Assets	<u>-</u>	<u>128,563</u>	<u>74,135</u>	<u>1,346,149</u>	<u>1,548,847</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts, salaries and other payables	-	4,400	-	4,818	9,218
Interfund payables	<u>497,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>497,988</u>
Total Liabilities	<u>497,988</u>	<u>4,400</u>	<u>-</u>	<u>4,818</u>	<u>507,206</u>
Fund Balances:					
Restricted	-	124,163	74,135	1,341,331	1,539,629
Unassigned	<u>(497,988)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(497,988)</u>
Total Fund Balances	<u>(497,988)</u>	<u>124,163</u>	<u>74,135</u>	<u>1,341,331</u>	<u>1,041,641</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ 128,563</u>	<u>\$ 74,135</u>	<u>\$ 1,346,149</u>	<u>\$ 1,548,847</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2017

Exhibit 10

	SOUTH POLK CONSTRUCTION	ROSEPINE CONSTRUCTION	LEESVILLE HIGH SCHOOL CONSTRUCTION	PICKERING CONSTRUCTION	TOTAL
<b>REVENUES</b>					
Local sources:					
Interest earnings	\$ -	\$ 228	\$ 778	\$ 1,276	\$ 2,282
Federal sources	673,908	-	-	-	673,908
<b>Total Revenues</b>	<b>673,908</b>	<b>228</b>	<b>778</b>	<b>1,276</b>	<b>676,190</b>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Regular programs	-	-	107	-	107
Support services:					
Plant services	-	-	95,661	-	95,661
Capital outlay	1,668,788	197,167	191,688	1,083,072	3,140,715
<b>Total Expenditures</b>	<b>1,668,788</b>	<b>197,167</b>	<b>287,456</b>	<b>1,083,072</b>	<b>3,236,483</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>(994,880)</b>	<b>(196,939)</b>	<b>(286,678)</b>	<b>(1,081,796)</b>	<b>(2,560,293)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	500,000	-	-	-	500,000
Bond proceeds	-	-	-	2,500,000	2,500,000
<b>Total Other Financing Sources (Uses)</b>	<b>500,000</b>	<b>-</b>	<b>-</b>	<b>2,500,000</b>	<b>3,000,000</b>
<b>Net Change in Fund Balances</b>	<b>(494,880)</b>	<b>(196,939)</b>	<b>(286,678)</b>	<b>1,418,204</b>	<b>439,707</b>
<b>FUND BALANCES - BEGINNING</b>	<b>(3,108)</b>	<b>321,102</b>	<b>360,813</b>	<b>(76,873)</b>	<b>601,934</b>
<b>FUND BALANCES - ENDING</b>	<b>\$ (497,988)</b>	<b>\$ 124,163</b>	<b>\$ 74,135</b>	<b>\$ 1,341,331</b>	<b>\$ 1,041,641</b>

## Vernon Parish School Board

### Agency Funds

**SCHOOL ACTIVITIES FUND** The activities of the various individual school accounts are accounted for in the school activities fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

**SCHOLARSHIP FUND** This scholarship fund is funded by voluntary employee contributions. The proceeds are used to provide an annual scholarship for an outstanding graduate who plans to major in education.

**SALES TAX FUND** The sales tax fund accounts for monies collected on behalf of the other taxing authorities in Vernon Parish. Upon receipt of sales tax returns and monies, a direct deposit is made into the bank account of the other taxing authorities.

**PROTESTED SALES TAX FUND** This fund accounts for collection of sales tax receipts that are paid under protest and are set aside until the protest has been resolved.

VERNON PARISH SCHOOL BOARD

AGENCY FUNDS

Combining Statement of Fiduciary Assets and Liabilities  
June 30, 2017

Exhibit 11

	<u>SCHOOL ACTIVITIES FUND</u>	<u>SCHOLARSHIP FUND</u>	<u>SALES TAX FUND</u>	<u>PROTESTED SALES TAX FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,274,551	\$ 2,198	\$ -	\$ 108,688	\$ 1,385,437
Investments	164,214	-	-	-	164,214
Accounts receivable	<u>-</u>	<u>-</u>	<u>3,636,169</u>	<u>463</u>	<u>3,636,632</u>
Total assets	<u><u>1,438,765</u></u>	<u><u>2,198</u></u>	<u><u>3,636,169</u></u>	<u><u>109,151</u></u>	<u><u>5,186,283</u></u>
<b>LIABILITIES</b>					
Deposits due others	<u>1,438,765</u>	<u>2,198</u>	<u>3,636,169</u>	<u>109,151</u>	<u>5,186,283</u>
Total liabilities	<u><u>\$ 1,438,765</u></u>	<u><u>\$ 2,198</u></u>	<u><u>\$ 3,636,169</u></u>	<u><u>\$ 109,151</u></u>	<u><u>\$ 5,186,283</u></u>

VERNON PARISH SCHOOL BOARD

AGENCY FUNDS

Combining Statement of Changes in Fiduciary Assets and Liabilities  
For the Year Ended June 30, 2017

Exhibit 12

	Balance, Beginning	Additions	Deductions	Balance, Ending
<b>*****SCHOOL ACTIVITIES FUND*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,167,923	\$ 3,325,549	\$ 3,218,921	\$ 1,274,551
Investments	165,656	8,358	9,800	164,214
<b>Total Assets</b>	<b>\$ 1,333,579</b>	<b>\$ 3,333,907</b>	<b>\$ 3,228,721</b>	<b>\$ 1,438,765</b>
<b>LIABILITIES</b>				
Deposits due others	\$ 1,333,579	\$ 3,333,907	\$ 3,228,721	\$ 1,438,765
<b>*****SCHOLARSHIP FUND*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,837	\$ 1,159	\$ 798	\$ 2,198
<b>LIABILITIES</b>				
Deposits due others	\$ 1,837	\$ 1,159	\$ 798	\$ 2,198
<b>*****SALES TAX FUND*****</b>				
<b>ASSETS</b>				
Accounts receivable	\$ 3,466,748	\$ 28,415,130	\$ 28,245,709	\$ 3,636,169
<b>LIABILITIES</b>				
Deposits due others	\$ 3,466,748	\$ 28,415,130	\$ 28,245,709	\$ 3,636,169
<b>*****PROTESTED SALES TAX FUND*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 105,261	\$ 3,427	\$ -	\$ 108,688
Receivables	-	463	-	463
<b>Total Assets</b>	<b>\$ 105,261</b>	<b>\$ 3,890</b>	<b>\$ -</b>	<b>\$ 109,151</b>
<b>LIABILITIES</b>				
Deposits due others	\$ 105,261	\$ 3,890	\$ -	\$ 109,151

(Continued)

VERNON PARISH SCHOOL BOARD

AGENCY FUNDS

Combining Statement of Changes in Fiduciary Assets and Liabilities  
For the Year Ended June 30, 2017

Exhibit 12

	Balance, Beginning	Additions	Deductions	Balance, Ending
*****ALL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	\$ 1,275,021	\$ 3,330,135	\$ 3,219,719	\$ 1,385,437
Investments	165,656	8,358	9,800	164,214
Accounts receivable	3,466,748	28,415,593	28,245,709	3,636,632
Total Assets	<u>\$ 4,907,425</u>	<u>\$ 31,754,086</u>	<u>\$ 31,475,228</u>	<u>\$ 5,186,283</u>
LIABILITIES				
Deposits due others	\$ 4,907,425	\$ 31,754,086	\$ 31,475,228	\$ 5,186,283
Total Liabilities	<u>\$ 4,907,425</u>	<u>\$ 31,754,086</u>	<u>\$ 31,475,228</u>	<u>\$ 5,186,283</u>

(Concluded)

VERNON PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND  
 Schedule of Changes in Deposits Due Others  
 For the Year Ended June 30, 2017

Exhibit 13

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
ANACOCO HIGH	\$ 125,035	\$ 236,332	\$ 231,866	\$ 129,501
ANACOCO ELEMENTARY	30,111	123,249	110,721	42,639
EAST LEESVILLE ELEMENTARY	26,193	37,275	37,152	26,316
EVANS	68,121	133,485	118,303	83,303
HICKS	69,184	235,032	231,413	72,803
HORNBECK	44,884	166,293	130,644	80,533
LEESVILLE HIGH	91,213	672,292	630,359	133,146
LEESVILLE JUNIOR HIGH	57,810	139,119	131,512	65,417
NORTH POLK ELEMENTARY	22,192	24,870	24,469	22,593
OPTIONAL SCHOOL	1,019	250	125	1,144
PICKERING HIGH	74,482	289,088	312,171	51,399
PICKERING ELEMENTARY	73,955	103,505	93,637	83,823
PITKIN HIGH	238,584	220,435	227,984	231,035
ROSEFINE HIGH	143,108	513,473	496,384	160,197
ROSEFINE ELEMENTARY	96,351	118,694	128,374	86,671
SIMPSON	65,557	134,354	132,660	67,251
PARKWAY ELEMENTARY	14,362	79,834	82,068	12,128
VERNON ELEMENTARY	45,893	62,016	63,649	44,260
WEST LEESVILLE ELEMENTARY	45,525	44,311	45,230	44,606
TOTAL	<u>\$ 1,333,579</u>	<u>\$ 3,333,907</u>	<u>\$ 3,228,721</u>	<u>\$ 1,438,765</u>

**SCHEDULES OF COMPENSATION PAID:**

**BOARD MEMBERS**

**SUPERINTENDENT**

Vernon Parish School Board

Exhibit 14

Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2017

The schedule of compensation paid to the School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month, and the president receives \$900 per month for performing the duties of his office.

Steve Woods, President	\$ 10,800
Angie Davis, Vice President	9,600
Doug Brandon	9,600
David Detz	9,600
John Blankenbaker	9,600
Gerald Cooley	9,600
Randi Gleason	3,200
Randy Martin	9,600
Robert Pynes, Jr.	9,600
Jim Seaman	9,600
Jackie Self	5,600
Shad Stewart	5,600
Vernon L. Travis, Jr.	9,600
Sandra Whitlock	4,000
Total	<u>\$115,600</u>

Vernon Parish School Board

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO SUPERINTENDENT  
For the Year Ended June 30, 2017

Exhibit 15

Agency Head Name: James Williams , Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$116,556
Benefits-insurance	6,809
Benefits-retirement	29,721
Reimbursements	185

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# STATISTICAL SECTION



**Vernon Parish School Board  
Statistical Section  
Contents**

	<b>Table Number</b>	<b>Page Number</b>
<b>Financial Trends</b>		
These schedules contain trend information to help the reader understand how the School Board's financial performance and well being has changed over time.		
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Changes in Net Position	2	164
Fund Balances of Governmental Funds	3	165
Changes in Fund Balances of Governmental Funds	4	166
<b>Revenue Capacity</b>		
These schedules contain information to help the reader assess one of the School Board's most significant local revenue sources, property and sales tax.		
Assessed Value and Estimated Actual Value of Taxable Property	5	167
Overlapping Governments	6	168
Principal Property Taxpayers	7	169
Property Tax Levies and Collections	8	170
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<b>Debt Capacity</b>		
These schedules present information to help the reader assess the affordability of the School Board's current levels of outstanding debt and the School Board's ability to issue debt in the future.		
Ratios of Outstanding Debt by Type	10	172
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Statistical Section  
Contents**

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.		
Demographic and Economic Statistics	14	176
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<b>Operating Information</b>		
These schedules contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.		
School Personnel	16	178
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant year.

(concluded)

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Net Position by Component  
Fiscal Years Ended June 30, 2008 through June 30, 2017  
(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 14,823,115	\$ 16,396,072	\$ 16,821,258	\$ 17,110,626	\$ 17,817,725	\$ 17,594,873	\$ 19,563,790	\$ 29,610,182	\$ 37,075,297	\$ 39,560,172
Restricted	7,189,495	4,510,684	4,848,075	5,297,917	5,147,840	5,753,340	5,552,144	5,691,497	6,066,405	6,237,959
Unrestricted	10,217,118	7,339,119	4,601,368	(2,188,347)	(8,266,158)	(18,847,134)	(29,896,245)	(156,744,487)	(159,397,316)	(173,361,662)
<b>Total governmental activities net position</b>	<b>\$ 32,229,728</b>	<b>\$ 28,245,875</b>	<b>\$ 26,270,701</b>	<b>\$ 20,220,196</b>	<b>\$ 14,699,407</b>	<b>\$ 4,501,079</b>	<b>\$ (4,780,311)</b>	<b>\$ (121,442,808)</b>	<b>\$ (116,255,614)</b>	<b>\$ (127,563,531)</b>

Source: Comprehensive Annual Financial Report

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Changes in Net Position  
Fiscal Years Ended June 30, 2008 through June 30, 2017  
(Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Instruction:										
Regular programs	\$ 32,701,309	\$ 38,037,707	\$ 37,428,401	\$ 39,488,548	\$ 43,005,602	\$ 42,628,714	\$ 42,985,954	\$ 41,319,191	\$ 37,735,478	\$ 42,110,760
Special programs	14,538,577	14,560,675	12,963,275	14,576,985	16,000,695	14,184,535	12,627,239	10,270,790	9,844,714	10,303,623
Other instructional programs	3,804,143	5,528,132	8,151,800	5,567,933	4,494,574	5,743,328	5,527,661	6,746,247	7,627,559	8,780,832
Support services:										
Student services	3,276,441	3,573,479	4,831,485	5,123,873	5,367,333	5,297,452	5,127,729	4,919,127	4,736,599	5,298,562
Instructional staff support	3,186,308	3,675,020	4,453,507	4,883,683	4,327,332	4,307,987	4,684,588	4,269,329	4,164,416	4,604,856
General administration	1,753,800	1,536,052	1,611,112	1,907,569	1,906,467	2,001,812	2,121,497	2,013,156	3,910,914	2,267,488
School administration	5,467,501	6,299,070	6,097,743	6,528,311	6,573,618	6,762,117	6,937,725	6,648,565	6,466,520	6,853,830
Business services	532,187	609,644	637,752	612,852	669,182	602,374	569,332	669,247	653,218	695,921
Plant services	7,812,785	8,902,972	8,558,445	8,913,033	9,188,026	8,620,193	9,264,377	8,479,562	7,852,440	9,036,509
Student transportation services	6,644,271	7,202,412	7,294,482	7,180,796	7,715,968	7,815,764	7,349,972	6,905,439	6,690,661	7,187,943
Central services	462,815	736,495	773,622	733,513	630,565	1,010,764	1,257,347	1,133,596	1,195,328	1,313,514
Food services	5,911,613	6,747,081	6,929,730	6,924,015	7,270,604	7,415,613	7,393,967	7,165,689	6,690,780	6,602,763
Community services	59,904	72,201	57,780	58,772	66,260	24,390	25,502	25,694	31,977	35,302
Interest on long-term debt	865,655	954,381	897,882	1,427,467	1,973,433	1,263,918	1,355,712	1,260,559	1,249,477	1,184,909
Total expenses	<u>87,017,309</u>	<u>98,435,321</u>	<u>100,687,016</u>	<u>103,929,350</u>	<u>109,189,659</u>	<u>107,678,961</u>	<u>107,228,602</u>	<u>101,826,191</u>	<u>98,850,081</u>	<u>106,276,812</u>
<b>Program Revenues</b>										
Charges for services:										
Food Service Operations	895,971	878,308	942,971	925,693	1,004,166	905,096	811,651	826,273	703,263	706,938
Operating Grants and Contributions	12,830,019	13,851,498	18,557,756	15,073,056	14,547,924	13,486,407	13,672,847	12,422,748	13,824,955	13,027,639
Capital Grants and Contributions								8,957,526	7,576,380	673,908
Total program revenues	<u>13,725,990</u>	<u>14,729,806</u>	<u>19,500,727</u>	<u>15,998,749</u>	<u>15,552,090</u>	<u>14,391,503</u>	<u>14,484,498</u>	<u>22,206,547</u>	<u>22,104,598</u>	<u>14,408,485</u>
<b>Net (Expense) / Revenue</b>	<u>(73,291,319)</u>	<u>(83,705,515)</u>	<u>(81,186,289)</u>	<u>(87,930,601)</u>	<u>(93,637,569)</u>	<u>(93,287,458)</u>	<u>(92,744,104)</u>	<u>(79,619,644)</u>	<u>(76,745,483)</u>	<u>(91,868,327)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes										
Ad valorem taxes levied for general purposes	2,720,354	3,184,211	3,245,871	3,244,532	3,404,612	3,811,940	3,979,481	3,925,678	4,044,606	3,954,442
Ad valorem taxes levied for debt service purposes	2,403,961	1,563,709	2,294,839	3,041,503	3,805,546	4,021,574	3,829,468	3,597,917	3,699,130	3,845,591
Sales taxes	9,610,440	10,621,006	10,775,453	10,818,744	12,231,273	12,098,220	11,824,150	12,537,062	11,989,856	11,454,481
Grants and contributions not restricted to specific	52,587,881	55,096,124	55,630,986	57,175,819	56,929,909	55,175,980	56,251,232	55,871,289	55,745,881	54,558,407
Interest and investment earnings	732,244	326,571	252,338	274,139	152,816	135,720	59,457	51,707	64,180	122,333
Impact Aid, Department of Defense, ROTC	7,626,843	8,140,126	5,980,891	5,927,128	10,030,372	6,928,669	6,705,595	6,108,826	5,455,857	5,565,092
Miscellaneous	726,274	789,915	947,669	1,012,562	978,077	917,027	813,331	951,767	933,167	1,060,062
Total	<u>76,407,997</u>	<u>79,721,662</u>	<u>79,128,047</u>	<u>81,494,427</u>	<u>87,532,605</u>	<u>83,089,130</u>	<u>83,462,714</u>	<u>83,044,246</u>	<u>81,932,677</u>	<u>80,560,408</u>
<b>Change in Net Position</b>	<u>\$ 3,116,678</u>	<u>\$ (3,983,853)</u>	<u>\$ (2,058,242)</u>	<u>\$ (6,436,174)</u>	<u>\$ (6,104,964)</u>	<u>\$ (10,198,328)</u>	<u>\$ (9,281,390)</u>	<u>\$ 3,424,602</u>	<u>\$ 5,187,194</u>	<u>\$ (11,307,919)</u>

Source: Comprehensive Annual Financial Report

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 693,376	\$ 699,109	\$ 656,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	12,141,268	16,185,848	19,495,960	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	679,425	646,000	646,000	646,000	646,000	646,000	646,000
Committed	-	-	-	-	600,000	600,000	600,000	600,000	600,000	600,000
Unassigned	-	-	-	21,730,728	23,935,602	20,799,034	17,473,031	14,056,940	13,267,549	11,338,320
Total general fund	<u>12,834,644</u>	<u>16,884,957</u>	<u>20,152,838</u>	<u>22,410,153</u>	<u>25,181,602</u>	<u>22,045,034</u>	<u>18,719,031</u>	<u>15,302,940</u>	<u>14,513,549</u>	<u>12,584,320</u>
All Other Governmental Funds										
Reserved	1,995,566	1,470,228	1,689,706	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	2,390,824	2,747,241	3,535,590	-	-	-	-	-	-	-
Capital projects funds	2,164,211	1,770,305	10,716	-	-	-	-	-	-	-
Nonspendable	-	-	-	142,009	101,861	89,765	117,511	56,027	117,765	125,411
Restricted	-	-	-	26,483,283	21,887,480	11,928,079	7,579,931	6,916,802	6,480,694	7,511,362
Committed	-	-	-	962,407	1,300,694	1,547,023	1,860,731	2,016,368	1,447,118	1,414,791
Unassigned	-	-	-	(501,008)	(192,216)	18,799	-	(526,974)	(130,804)	(612,641)
Total all other governmental funds	<u>6,550,601</u>	<u>5,987,774</u>	<u>5,236,012</u>	<u>27,086,691</u>	<u>23,097,819</u>	<u>13,583,666</u>	<u>9,558,173</u>	<u>8,462,223</u>	<u>7,914,773</u>	<u>8,438,923</u>
Grand total of funds	<u>\$ 19,385,245</u>	<u>\$ 22,872,731</u>	<u>\$ 25,388,850</u>	<u>\$ 49,496,844</u>	<u>\$ 48,279,421</u>	<u>\$ 35,628,700</u>	<u>\$ 28,277,204</u>	<u>\$ 23,765,163</u>	<u>\$ 22,428,322</u>	<u>\$ 21,023,243</u>

Source: Comprehensive Annual Financial Report

Note:

(1) GASB Statement No. 54 was implemented for the year ended June 30, 2011.

(2) The reserved fund balances before GASB 54 was implemented were classified as restricted after GASB 54 was implemented

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Ad valorem taxes	\$ 5,124,315	\$ 4,747,920	\$ 5,540,710	\$ 6,286,035	\$ 7,210,158	\$ 7,833,514	\$ 7,808,949	\$ 7,523,595	\$ 7,743,736	\$ 7,800,033
Sales & use taxes	9,610,440	10,621,006	10,775,453	10,818,744	12,231,273	12,098,220	11,824,150	12,537,062	11,989,856	11,454,481
Investment Earning	732,244	326,571	252,338	274,139	152,816	135,720	59,457	51,707	64,180	122,333
Food services	895,971	878,308	942,971	925,693	1,004,166	905,096	811,651	826,273	703,263	706,938
Other Revenues	837,784	907,465	1,097,371	1,079,910	1,004,223	1,091,525	914,920	1,013,393	948,167	1,110,047
Total revenues from local sources	17,200,754	17,481,270	18,608,843	19,384,521	21,602,636	22,064,075	21,419,127	21,952,030	21,449,202	21,193,832
Equalization	52,007,161	54,576,977	55,103,810	54,275,158	56,465,134	54,734,675	55,385,942	55,359,232	55,170,245	53,833,632
Other	3,289,495	4,190,703	1,990,435	1,395,570	1,495,551	714,344	2,740,043	1,994,095	2,384,360	1,719,856
Total revenue from state sources	55,296,656	58,767,680	57,094,245	55,670,728	57,960,685	55,449,019	58,125,985	57,353,327	57,554,605	55,553,488
Revenue from federal sources	17,748,087	18,320,068	23,158,456	22,890,944	24,165,120	20,142,037	18,503,689	26,007,064	25,048,468	18,271,558
Total Revenues	90,245,497	94,569,018	98,861,544	97,946,193	103,728,441	97,655,131	98,048,801	105,312,421	104,052,275	95,018,878
<b>Expenditures:</b>										
<b>Current</b>										
Instruction services	49,619,659	51,935,494	53,580,570	52,593,523	55,912,775	55,708,501	54,731,386	54,906,061	52,848,548	51,682,911
Student services	3,276,441	3,239,010	4,404,846	4,608,378	4,765,205	4,763,831	4,593,860	4,595,319	4,530,918	4,642,348
Instructional staff support	3,185,255	3,357,095	4,084,880	4,398,974	4,883,499	3,920,150	4,280,031	4,095,878	4,042,024	4,089,800
General administration	1,851,805	1,474,787	1,632,086	1,806,824	1,801,407	2,047,289	2,027,683	1,981,473	1,964,596	2,040,641
School administration	5,382,558	5,656,743	5,573,420	5,802,597	5,838,013	6,068,667	6,185,661	6,307,958	6,236,908	6,026,915
Business services	529,874	556,717	581,479	548,509	601,605	548,645	519,173	637,115	624,910	626,539
Plant services	7,778,948	8,530,650	8,349,579	8,443,651	8,582,495	8,184,249	8,812,079	8,222,018	7,789,971	8,298,290
Student transportation services	6,597,148	6,713,371	7,002,635	6,605,648	7,115,861	7,277,919	6,850,665	6,544,931	6,387,142	6,169,606
Central services	462,815	698,998	734,601	692,947	592,738	946,478	1,181,360	1,114,332	1,196,691	1,198,132
Food service	5,643,117	6,165,063	6,441,802	6,230,640	6,580,326	6,918,755	6,786,114	6,681,948	6,513,786	5,934,845
Community services	59,904	66,213	55,945	56,456	62,890	21,417	22,693	22,163	28,390	29,181
Capital Outlay	954,270	1,130,810	1,877,936	3,098,715	9,122,016	10,509,740	5,173,063	12,000,905	9,127,265	4,267,127
Debt service										
Principal	1,377,505	1,121,430	1,105,230	1,066,008	1,979,742	2,471,168	7,081,458	2,994,363	2,848,562	3,061,546
Interest, bank charges, & debt issue costs	916,735	942,038	920,416	1,218,882	1,909,604	1,397,243	1,562,071	1,310,558	1,249,405	1,318,187
Total Expenditures	87,636,034	91,588,419	96,345,425	97,171,752	108,748,176	110,784,052	109,807,297	111,415,022	105,389,116	99,386,068
Excess of revenues over (under) expenditures	2,609,463	2,980,599	2,516,119	774,441	(5,019,735)	(13,128,921)	(11,758,496)	(6,102,601)	(1,336,841)	(4,367,190)
<b>Other Financing Sources (Uses)</b>										
Debt issuance	4,189,400	506,887	-	23,311,763	3,550,737	-	-	1,590,560	-	2,912,816
Debt refinancing	(1,848,609)	-	-	381,000	8,860,000	-	4,407,000	376,000	-	1,835,000
Payments to escrow agent	-	-	-	(381,000)	(8,575,000)	-	-	(376,000)	-	(1,785,007)
Transfers in	1,565,007	1,690,715	1,406,132	1,369,021	1,842,717	1,641,371	1,685,435	1,944,641	2,513,516	1,998,375
Transfers out	(1,565,007)	(1,690,715)	(1,406,132)	(1,369,021)	(1,842,717)	(1,641,371)	(1,685,435)	(1,944,641)	(2,513,516)	(1,998,375)
Premium on bonds issued	3,379	-	-	21,790	-	478,200	-	-	-	-
Total other financing sources (uses)	2,344,170	506,887	-	23,333,553	3,835,737	478,200	4,407,000	1,590,560	-	2,962,109
Net change in fund balances	\$ 4,953,633	\$ 3,487,486	\$ 2,516,119	\$ 24,107,994	\$ (1,183,998)	\$ (12,650,721)	\$ (7,351,496)	\$ (4,512,041)	\$ (1,336,841)	\$ (1,405,081)
Debt service as a percentage of noncapital expenditures	2.6%	2.3%	2.1%	2.4%	3.9%	3.9%	8.3%	4.3%	4.3%	4.6%

Source: Comprehensive Annual Financial Report

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	Less:	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property		Homestead Exempt Property				
2008	\$ 74,483,380	\$ 31,868,780	38,645,600	\$ 40,805,178	\$ 104,192,582	500.86	\$ 1,111,344,816	13.05%
2009	80,359,490	35,800,130	50,959,170	42,640,030	124,478,760	342.62	1,278,859,295	13.07%
2010	83,540,140	35,638,030	46,163,720	43,883,160	121,458,730	444.29	1,277,762,150	12.94%
2011	89,062,970	35,780,470	38,177,500	45,925,907	117,095,033	432.99	1,278,471,460	12.75%
2012	93,035,570	35,472,550	39,589,200	47,441,907	120,655,413	428.72	1,325,668,067	12.68%
2013	95,327,900	38,361,480	42,317,950	47,592,300	128,415,030	433.14	1,388,295,897	12.68%
2014	97,896,180	37,697,300	53,918,680	48,670,969	140,841,191	391.26	1,430,984,520	13.24%
2015	102,305,550	39,796,230	46,540,100	50,234,143	138,407,737	385.19	1,432,651,519	13.17%
2016	103,023,169	41,855,890	47,011,100	51,117,725	140,772,434	394.17	1,432,680,444	13.39%
2017	102,944,643	48,770,017	43,107,510	53,431,546	141,390,624	418.15	1,550,562,932	12.56%

Source: Vernon Parish Tax Assessor Agency

Notes:

- (1) Property in the parish is reassessed every four years
- (2) Assessed values are established by the Assessor each year on a uniform basis at the following ratios of assessed value to actual value:
  - 10% land
  - 10% residential improvements
  - 15% industrial improvements
  - 15% machinery
  - 15% commercial improvements
  - 25% public service properties, excluding land
- (3) Tax rates are per \$1,000 of assessed value.
- (4) For years prior to 2007 oil and gas wells were classified as commercial property. For 2007 this was changed to classify oil and gas wells as personal property.

Table 6

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year Ended June 30	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total School Millage	Vernon Parish Police Jury	City of Leesville	
2008	144.70	356.16	500.86	155.30	20.75	676.91
2009	144.97	197.65	342.62	117.17	15.06	474.85
2010	152.22	292.07	444.29	122.16	15.06	581.51
2011	157.20	275.79	432.99	130.07	16.60	579.66
2012	157.20	271.52	428.72	130.07	17.76	576.55
2013	158.45	274.69	433.14	134.43	17.76	585.33
2014	158.45	232.81	391.26	134.43	18.70	544.39
2015	158.45	226.74	385.19	135.43	18.10	538.72
2016	158.45	235.72	394.17	134.43	17.50	546.10
2017	175.58	242.57	418.15	140.41	17.50	576.06

## Notes:

- (1) School district debt service millage is for individual school districts.
- (2) The above schedule does not include water districts, fire districts, forestry districts, or levee districts.
- (3) Overlapping rates are those of city and parish governments that apply to property owners within Vernon Parish. Not all overlapping rates apply to all property owners.

Source: Vernon Parish Tax Assessor

Table 7

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Principal Property Taxpayers  
June 30, 2017 and Nine Years Ago

Taxpayer	Fiscal Year 2017			Fiscal Year 2008		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Cleco Corporation	\$ 5,478,400	1	3.87%	\$ 4,062,680	4	3.90%
Regency	4,964,830	2	3.51%			
Yuma Energy	4,189,460	3	2.96%			
Anadarko E&P Company, LP	3,546,270	4	2.51%			
Sola Energy Resources	3,758,710	5	2.66%	6,119,650	2	5.87%
Beauregard Electric Company	2,755,740	6	1.95%	1,884,860	9	1.81%
Bell South Telecommunications	2,666,080	7	1.89%	4,313,210	3	4.14%
Tenneco, Inc.	2,568,870	8	1.82%			
Amisub (Byrd Hospital)	2,371,930	9	1.68%	2,146,440	7	2.06%
Southwestern Electric	1,930,660	10	1.37%			
Merit Energy				6,802,070	1	6.53%
Merchants & Farmers Bank				2,002,490	8	1.92%
Meriwether Louisiana				2,184,890	6	2.10%
Entergy Louisiana				1,604,840	10	1.54%
Eagle Rock Energy				3,898,570	5	3.74%
Totals	\$ <u>34,230,950</u>			\$ <u>35,019,700</u>		

Source: Vernon Parish Tax Assessor Agency

Table 8

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 5,028,414	\$ 4,982,201	99.08%	\$ 45,253	\$ 5,027,454	99.98%
2009	4,734,204	4,617,879	97.54%	104,991	4,722,870	99.76%
2010	5,620,355	5,423,596	96.50%	136,017	5,559,613	98.92%
2011	6,274,406	6,132,048	97.73%	48,693	6,180,741	98.51%
2012	7,090,335	7,005,340	98.80%	5,857	7,011,197	98.88%
2013	7,396,853	7,372,832	99.68%	27,957	7,400,789	100.05%
2014	7,766,306	7,528,063	96.93%	57,415	7,585,478	97.67%
2015	7,388,322	7,388,413	100.00%	5,585	7,393,998	100.08%
2016	7,560,753	7,525,400	99.53%	10,478	7,535,878	99.67%
2017	7,826,588	7,684,511	98.18%	N/A	7,684,511	98.18%

Source: Vernon Parish Sheriff (ex-officio tax collector)

N/A - Information is not yet available.

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Sales and Use Tax Rates and Collections - All Governments  
Last Ten Fiscal Years

Fiscal Year	Sales and Use Tax Rates						Tax Collections					
	Parishwide				Municipalities		Parishwide			Municipalities		
	School Board	Police Jury	Sheriff's Office	Total Rate	Leesville	Other	School Board	Police Jury	Sheriff's Office	Leesville	Other	Total Collections
2008	2.00%	1.50%	0.50%	4.00%	1.50%	3.50%	\$ 9,682,872	\$ 7,405,130	\$ 2,396,185	\$ 3,855,955	\$ 255,172	\$ 23,595,314
2009	2.00%	1.50%	0.50%	4.00%	1.50%	3.50%	10,333,059	7,936,729	2,575,893	3,959,316	262,433	25,067,430
2010	2.00%	1.50%	0.50%	4.00%	1.50%	3.50%	10,929,707	8,196,150	2,731,383	4,164,579	498,759	26,520,578
2011	2.00%	1.50%	0.50%	4.00%	1.50%	3.50%	10,773,530	8,079,219	2,694,610	4,027,757	549,709	26,124,825
2012	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	11,966,547	8,973,442	2,990,986	4,183,411	704,918	28,819,304
2013	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	12,267,041	9,199,050	3,066,331	4,342,739	801,563	29,676,724
2014	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	11,932,505	8,944,410	2,981,459	4,210,115	806,217	28,874,706
2015	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	12,125,260	9,092,880	3,030,951	4,320,356	914,294	29,483,741
2016	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	12,300,332	9,225,248	3,075,082	4,544,340	930,031	30,075,033
2017	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	11,495,206	8,621,340	2,873,793	4,259,728	995,641	28,245,708

## Notes:

- (1) Information provided by Vernon Parish Sales and Use Tax Agency.
- (2) Total rate represents the maximum amount that may be assessed by local taxing authorities. These rates do not include the state sales and use tax rate.
- (3) The Municipalities - Other column includes 1% for Hornbeck and 1.5% each for New Llano and Rosepine.
- (4) Sales tax collections reported by the Vernon Sales and Use Tax Agency are on the cash basis.
- (5) The Sheriff's Office is a new sales and use tax levy of 1/2% effective for 4/1/2004.
- (6) The sales tax collection information is based on a cash basis.

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30</u>	<u>General Obligation Bonds</u>	<u>Certificate of Indebtedness</u>	<u>Capital Leases</u>	<u>Total Debt Outstanding</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2008	\$ 21,504,492	\$ 0	\$ 44,167	\$ 21,548,659	1.26%	\$ 455
2009	20,903,444	0	30,672	20,934,116	1.27%	459
2010	19,812,902	0	15,984	19,828,886	1.02%	425
2011	42,074,641	0	0	42,074,641	1.91%	804
2012	42,330,636	1,600,000	0	43,930,636	2.14%	843
2013	40,526,959	1,295,000	0	41,821,959	1.77%	776
2014	38,167,501	980,000	0	39,147,501	1.79%	744
2015	36,782,000	660,000	301,698	37,743,698	1.55%	724
2016	34,338,000	335,000	228,686	34,901,686	1.79%	687
2017	34,412,000	0	480,956	34,892,956	1.78%	690

Notes:

- (1) Details regarding the School Board's outstanding debt can be found in the notes to the financial statements.
- (2) General Obligation Bonds column excludes certificates of indebtedness.
- (3) See the Schedule of Demographic and Economic Statistics (Table 14) for personal income and population data.

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2008	\$ 21,504,492	\$ 1,995,566	\$ 19,508,926	1.76%	412
2009	20,903,444	1,470,228	19,433,216	1.52%	426
2010	19,812,902	1,689,706	18,123,196	1.42%	389
2011	42,074,641	2,351,667	39,722,974	3.11%	759
2012	42,330,636	2,363,758	39,966,878	3.01%	767
2013	40,526,959	2,722,207	37,804,752	2.72%	702
2014	38,167,501	2,515,292	35,652,209	2.49%	678
2015	36,782,000	2,090,610	34,691,390	2.42%	665
2016	34,338,000	2,014,073	32,323,927	2.26%	636
2017	34,412,000	1,997,939	32,414,061	2.09%	641

## Notes:

- (1) Details regarding the School Board's outstanding debt can be found in the notes to the financial statements.
- (2) General Obligation Bonds column excludes certificates of indebtedness.
- (3) See the Schedule of Demographic and Economic Statistics for personal income and population
- (4) See Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Direct and Overlapping Governmental Activities Debt  
As of June 30, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid</b>			
Vernon Parish Police Jury	\$ 12,513,517	100.00%	\$ 12,513,517
City of Leesville	3,462,000	100.00%	3,462,000
Subtotal, overlapping debt			<u>15,975,517</u>
<b>Vernon Parish School Board Direct Debt</b>			<u>34,892,956</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 50,868,473</u></u>

Sources: Debt outstanding data extracted from annual financial report of respective governments.

Notes:

- (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School Board. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School Board.
- (2) Various tax districts exist within Vernon Parish that involve a small percentage of parish taxpayers. These districts' debt is not included as the amounts and impact on this schedule is not significant.
- (3) Debt outstanding includes all debt outstanding in Table 10.

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Legal Debt Margin Information  
Last Ten Fiscal Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit	\$ 50,749,216	\$ 83,559,395	\$ 82,670,945	\$ 81,510,470	\$ 84,048,660	\$ 88,003,665	\$ 94,756,080	\$ 94,320,940	\$ 95,945,080	\$ 97,411,085
Total net debt applicable to limit	<u>19,508,926</u>	<u>19,433,216</u>	<u>18,123,196</u>	<u>39,722,974</u>	<u>39,966,878</u>	<u>37,804,752</u>	<u>35,652,209</u>	<u>34,691,390</u>	<u>32,323,927</u>	<u>32,414,061</u>
Legal debt margin	<u>\$ 31,240,290</u>	<u>\$ 64,126,179</u>	<u>\$ 64,547,749</u>	<u>\$ 41,787,496</u>	<u>\$ 44,081,782</u>	<u>\$ 50,198,913</u>	<u>\$ 59,103,871</u>	<u>\$ 59,629,550</u>	<u>\$ 63,621,153</u>	<u>\$ 64,997,024</u>
Total net debt applicable to the limit as a percentage of debt limit	38.44%	23.26%	21.92%	48.73%	47.55%	42.96%	37.63%	36.78%	33.69%	33.28%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 141,390,624
Add back: exempt real property	<u>53,431,546</u>
Total assessed value	<u>194,822,170</u>
Debt limit ( 50% of total assessed value)	<u>97,411,085</u>
Debt applicable to limit:	
General Obligation bonds	34,412,000
Less: Amount set aside for repayment of general obligation debt	<u>1,997,939</u>
Total net debt applicable to limit	<u>32,414,061</u>
Legal debt margin	<u>\$ 64,997,024</u>

Source: Comprehensive Annual Financial Report

Notes:

(1) The debt limit is 50% of total assessed value. This percentage is in accordance with Act 103 of 1980 Regular Session of the Louisiana Legislature R. S. 39:562 (C)

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	School Enrollment	Percentage on Free & Reduced Meals	Unemployment Rate
2008	47,380	\$ 1,716,304,000	36,224	8,997	55.83%	4.5%
2009	45,639	1,586,594,196	34,764	9,661	57.55%	4.6%
2010	46,616	1,943,234,576	41,686	9,363	59.25%	5.9%
2011	52,334	2,202,162,386	42,079	9,348	59.60%	7.3%
2012	52,107	2,055,047,973	39,439	9,496	57.50%	7.7%
2013	53,869	2,364,148,803	43,887	9,687	57.60%	6.5%
2014	52,606	2,187,094,450	41,575	9,716	58.90%	7.2%
2015	52,132	2,427,891,504	46,572	9,372	54.99%	8.4%
2016	50,803	1,950,022,352	38,384	8,649	47.09%	7.7%
2017	50,569	1,956,160,627	38,683	8,259	47.59%	7.3%

## Sources:

- (1) Population data and per capital income obtained from the U. S. Census Bureau.
- (2) School enrollment data, which doesn't include Pre-K, and free and reduced meals data obtained from Louisiana Department of Education,
- (3) Unemployment rate obtained from U. S. Department of Labor.
- (4) Personal income data obtained from Stats America

Table 15

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Principal Employers  
Current Year and Nine Years Ago

	2017			2008		
	Number of Employees		% of Total Employment	Number of Employees		% of Total Employment
Fort-Polk- JRTC (active duty)	8,122	1	33.84%	9,724	1	33.05%
Fort-Polk- JRTC (civilian employees)	5,919	2	24.66%	6,613	2	22.48%
Vernon Parish School Board	1,310	3	5.46%	1,447	4	4.92%
Wal-Mart Supercenter	430	4	1.79%	500	5	1.70%
Lowes Home Cntr	400	5	1.67%	125	10	0.42%
Byrd Regional Hospital	350	6	1.46%	260	6	0.88%
Barksdale Fed. Credit Union	200	7	0.83%			
Outpatient Medical Center	198	8	0.82%			
Vernon Parish Sheriff's Office	125	9	0.52%	179	8	0.61%
American Moving & Storage	120	10	0.50%			
Ameri-Tech Bldg. Systems				3,000	3	10.20%
Vernon Parish Police Jury				210	7	0.71%
The Woodlands				150	9	0.51%

Source: Louisiana Economic Development

Notes:

- (1) Employment data obtained from U.S. Department of Labor. Non civilian labor has been added to total.
- (2) Military stats obtained from [www.jrtc-polk.army.mil](http://www.jrtc-polk.army.mil)

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana  
School Personnel  
Fiscal Years Ended June 30, 2008 through June 30, 2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Teachers										
Less than a Bachelor's degree	6	3	5	-	-	3	3	1	1	1
Bachelor	462	472	492	487	483	495	480	474	447	441
Master	110	110	104	104	110	119	112	117	116	116
Master +30	44	43	35	27	23	23	22	25	22	17
Specialist in Education	3	2	1	1	1	1	1	2	2	2
Ph.D or Ed.D	1	1	1	-	-	-	-	-	-	-
Total	626	631	638	619	617	641	618	619	588	577
178 Principals & Assistants										
Bachelor	-	-	-	-	-	-	-	-	-	2
Master	19	20	16	16	21	18	20	2	3	21
Master +30	20	20	22	23	19	21	18	23	22	12
Specialist in Education	2	2	2	2	1	1	1	15	12	1
Ph.D or Ed.D	-	-	-	-	-	-	-	1	1	-
Total	41	42	40	41	41	40	39	41	38	36

Source: Agreed upon procedures report on performance and statistical data accompanying the annual financial statements.

Table 17

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Student Capacity and Utilization  
June 30, 2017

Instructional Sites	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
<b>High Schools:</b>								
<b>Anacoco High School</b>								
Square feet	53,712	53,712	53,712	53,712	53,712	53,712	53,712	53,712
Number of classrooms	26	26	26	26	26	26	26	26
Student capacity	898	898	898	898	898	898	898	898
Student enrollment	378	400	387	345	350	385	364	335
Enrollment per # of Classrooms	15	15	15	13	13	15	14	13
Square feet per enrollment	142	134	139	156	153	140	148	160
<b>Evans High School</b>								
Square feet	65,105	65,105	65,105	65,105	65,105	65,105	65,105	65,105
Number of classrooms	20	20	20	20	20	20	20	20
Student capacity	731	731	731	731	731	731	731	731
Student enrollment	366	349	425	397	391	396	382	371
Enrollment per # of Classrooms	18	17	21	20	20	20	19	19
Square feet per enrollment	178	187	153	164	167	164	170	175
<b>Hicks High School</b>								
Square feet	61,425	61,425	61,425	61,425	61,425	61,425	61,425	61,425
Number of classrooms	18	18	18	18	18	18	18	18
Student capacity	633	633	633	633	633	633	633	633
Student enrollment	305	333	363	344	340	367	352	344
Enrollment per # of Classrooms	17	19	20	19	19	20	20	19
Square feet per enrollment	201	184	169	179	181	167	175	179
<b>Hornbeck High School</b>								
Square feet	87,821	87,821	87,821	87,821	87,821	87,821	87,821	87,821
Number of classrooms	33	33	33	33	33	33	33	33
Student capacity	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067
Student enrollment	455	461	456	450	431	419	402	362
Enrollment per # of Classrooms	14	14	14	14	13	13	12	11
Square feet per enrollment	193	191	193	195	204	210	218	243
<b>Leesville High School</b>								
Square feet	217,411	217,411	217,411	217,411	217,411	217,411	217,411	217,411
Number of classrooms	66	66	66	66	66	66	66	66
Student capacity	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338
Student enrollment	905	890	877	804	800	782	787	735
Enrollment per # of Classrooms	14	13	13	12	12	12	12	11
Square feet per enrollment	240	244	248	270	272	278	276	296

(continued)

Table 17

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Student Capacity and Utilization  
June 30, 2017

Instructional Sites	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
<b>Pickering High School</b>								
Square feet	103,221	103,221	103,221	103,221	103,221	103,221	103,221	103,221
Number of classrooms	33	33	33	33	33	33	33	33
Student capacity	938	938	938	938	938	938	938	938
Student enrollment	443	488	578	586	616	630	617	519
Enrollment per # of Classrooms	13	15	18	18	19	19	19	16
Square feet per enrollment	233	212	179	176	168	164	167	199
<b>Pitkin High School</b>								
Square feet	105,812	105,812	105,812	105,812	105,812	105,812	105,812	105,812
Number of classrooms	45	45	45	45	45	45	45	45
Student capacity	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453
Student enrollment	511	531	526	507	512	518	512	449
Enrollment per # of Classrooms	11	12	12	11	11	12	11	10
Square feet per enrollment	207	199	201	209	207	204	207	236
<b>Rosepine High School</b>								
Square feet	82,887	82,887	82,887	82,887	82,887	82,887	82,887	82,887
Number of classrooms	35	35	35	35	35	35	35	35
Student capacity	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235
Student enrollment	526	516	548	498	500	507	516	526
Enrollment per # of Classrooms	15	15	16	14	14	14	15	15
Square feet per enrollment	158	161	151	166	166	163	161	158
<b>Simpson High School</b>								
Square feet	68,779	68,779	68,779	68,779	68,779	68,779	68,779	68,779
Number of classrooms	29	29	29	29	29	29	29	29
Student capacity	981	981	981	981	981	981	981	981
Student enrollment	322	354	347	323	317	302	283	263
Enrollment per # of Classrooms	11	12	12	11	11	10	10	9
Square feet per enrollment	214	194	198	213	217	228	243	262
<u>Middle Schools:</u>								
<b>Leesville Jr. High School</b>								
Square feet	71,544	71,544	71,544	71,544	71,544	71,544	71,544	71,544
Number of classrooms	40	40	40	40	40	40	40	40
Student capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Student enrollment	581	533	506	468	467	398	392	386
Enrollment per # of Classrooms	15	13	13	12	12	10	10	10
Square feet per enrollment	123	134	141	153	153	180	183	185

(continued)

Table 17

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Student Capacity and Utilization  
June 30, 2017

Instructional Sites	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
<b>Vernon Middle School</b>								
Square feet	77,919	77,919	77,919	77,919	77,919	77,919	77,919	77,919
Number of classrooms	41	41	41	41	41	41	41	41
Student capacity	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433
Student enrollment	542	543	514	459	419	367	407	390
Enrollment per # of Classrooms	13	13	13	11	10	9	10	10
Square feet per enrollment	144	143	152	170	186	212	191	200
<b>Elementary Schools:</b>								
<b>East Leesville Elementary School</b>								
Square feet	73,247	73,247	73,247	73,247	73,247	73,247	73,247	73,247
Number of classrooms	33	33	33	33	33	33	33	33
Student capacity	898	898	898	898	898	898	898	898
Student enrollment	353	525	512	521	514	483	479	355
Enrollment per # of Classrooms	11	16	16	16	16	15	15	11
Square feet per enrollment	207	140	143	141	143	152	153	206
<b>Pickering Elementary School</b>								
Square feet	60,601	60,601	60,601	60,601	60,601	60,601	60,601	60,601
Number of classrooms	46	46	46	46	46	46	46	46
Student capacity	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Student enrollment	717	865	931	904	895	903	898	709
Enrollment per # of Classrooms	16	19	20	20	19	20	20	15
Square feet per enrollment	85	70	65	67	68	67	67	85
<b>South Polk Elementary School</b>								
Square feet	62,313	62,313	62,313	62,313	62,313	62,313	62,313	62,313
Number of classrooms	29	29	29	29	29	29	29	29
Student capacity	857	857	857	857	857	857	857	857
Student enrollment	591	550	536	491	461	459	456	456
Enrollment per # of Classrooms	20	19	18	17	16	16	16	16
Square feet per enrollment	105	113	116	127	135	136	137	137
<b>Parkway Elementary School</b>								
Square feet								94,982
Number of classrooms								50
Student capacity								1,000
Student enrollment								638
Enrollment per # of Classrooms								13
Square feet per enrollment								149

(continued)

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Student Capacity and Utilization  
June 30, 2017

Instructional Sites	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
<b>West Leesville Elementary School</b>								
Square feet	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899
Number of classrooms	25	25	25	25	25	25	25	25
Student capacity	746	746	746	746	746	746	746	746
Student enrollment	512	453	449	424	399	423	436	441
Enrollment per # of Classrooms	20	18	18	17	16	17	17	18
Square feet per enrollment	146	165	167	177	188	177	172	170
<b>Rosepine Elementary School</b>								
Square feet	82,883	82,883	82,883	82,883	82,883	82,883	82,883	82,883
Number of classrooms	41	41	41	41	41	41	41	41
Student capacity	970	970	970	970	970	970	970	970
Student enrollment	759	860	884	830	779	780	768	711
Enrollment per # of Classrooms	19	21	22	20	19	19	19	17
Square feet per enrollment	109	96	94	100	106	106	108	117
<b>Anacoco Elementary School</b>								
Square feet	54,851	54,851	54,851	54,851	54,851	54,851	54,851	54,851
Number of classrooms	30	30	30	30	30	30	30	30
Student capacity	775	775	775	775	775	775	775	775
Student enrollment	532	538	519	531	538	564	550	492
Enrollment per # of Classrooms	18	18	17	18	18	19	18	16
Square feet per enrollment	103	102	106	103	102	97	100	111
<b>North Polk Elementary School</b>								
Square feet	83,457	83,457	83,457	83,457	83,457	83,457	83,457	83,457
Number of classrooms	40	40	40	40	40	40	40	40
Student capacity	895	895	895	895	895	895	895	895
Student enrollment	553	774	821	792	713	653	639	233
Enrollment per # of Classrooms	14	19	21	20	18	16	16	6
Square feet per enrollment	151	108	102	105	117	128	131	358
<b>Vemon Optional Elementary School</b>								
Square feet	8,000	8,000	8,000	8,000	8,000	8,000		
Number of classrooms	8	8	8	8	8	8		
Student capacity	35	35	35	35	35	35		
Student enrollment	12	15	2	13	22	0		
Enrollment per # of Classrooms	2	2	0	2	3	0		
Square feet per enrollment	667	533	4,000	615	364			

(concluded)

Note 1: Includes PreK

South Polk Elementary School closed in June 30, 2016

Source: Louisiana Dept. of Education Data Center

Note: Information for the fiscal years preceding 2010 was not readily available

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Operating Statistics  
For the Fiscal Years Ended June 30, 2008 through June 30, 2017

Fiscal Year Ended June 30	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2008	\$ 87,017,305	8,997	\$ 9,672	6.86%	626	14.37
2009	98,435,321	9,661	10,189	5.35%	631	15.31
2010	100,687,016	9,363	10,754	5.54%	638	14.68
2011	103,929,350	9,348	11,118	3.39%	619	15.10
2012	109,189,659	9,496	11,498	3.42%	617	15.39
2013	107,678,961	9,687	11,116	(3.33%)	641	15.11
2014	107,228,602	9,716	11,036	(0.72%)	618	15.71
2015	101,826,191	9,336	10,907	(1.17%)	619	15.08
2016	98,850,081	8,649	11,429	4.79%	588	14.71
2017	106,276,812	8,259	12,868	12.59%	577	14.31

## Notes:

- (1) The teaching staff information is extracted from the agreed upon procedures report on performance and statistical data
- (2) Expenses are on full accrual and is extracted from Table 2, Changes in Net Position
- (3) Enrollment is extracted from Table 14, Demographic and Economic Statistics, which does not include the Pre K enrollment.
- (4) Teaching staff is extracted from Table 16, School Personnel.

# **Vernon Parish School Board**

Leesville, Louisiana

**Compliance with Single Audit Act Amendment of 1996  
And Other Information  
For the Year Ended June 30, 2017**



**Vernon Parish School Board  
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# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive  
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA  
Amy Tynes, CPA, CFE  
Aimee Buchanan, CPA  
Nicia Mercer, CPA, CFE  
Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA  
Aimee Jackson, CPA  
Ronnie Jacola, CPA  
Audit Manager: Margie Williamson,  
CPA

Ernest L. Allen, CPA  
(Retired) 1963 - 2000

## **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***

### **Independent Auditor's Report**

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vernon Parish School Board as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 29, 2017.

### **Internal Control Over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen, Green + Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2017



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA  
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Ernest L. Allen, CPA  
(Retired) 1963 - 2000

## **Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

### **Independent Auditor's Report**

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

#### **Report on Compliance for Each Major Federal Program**

We have audited Vernon Parish School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2017. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

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

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. Although the intended use of this report may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated December 29, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been

subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2017

**Vernon Parish School Board**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2017**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA No.	Pass-Through Grantor No.	Expenditures
<b>United States Department of Agriculture</b>			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Cash Assistance			
School Breakfast Program	10.553	N/A	\$ 757,961
National School Lunch Program	10.555	N/A	2,125,402
Non-Cash Assistance			
National School Lunch Program	10.555	N/A	<u>301,886</u>
Total Child Nutrition Cluster			\$ 3,185,249
Passed Through Louisiana Department of Treasury:			
Schools and Roads - Grants to States (National Forest Lands)	10.665	N/A	<u>116,904</u>
Total United States Department of Agriculture			<u>3,302,153</u>
<b>United States Department of Education</b>			
Direct Programs:			
Impact Aid - Maintenance and Operation	84.041	N/A	5,565,092
Passed Through Louisiana Department of Education:			
Title I:			
Title I School Improvement Basic Grant Program	84.010A	28-17-TA-58	22,416
	84.010A	28-17-T1-58	<u>2,040,529</u>
Total Title I			2,062,945
Special Education Cluster:			
State Grants - Part B	84.027A	28-17-JP-58	2,086,886
Opportunity Grant	84.027A	28-17-B1-58	41,646
Early Childhood Lead	81.173A	28-17-CW-58	3,190
Early Childhood-Preschool Pilot	81.173A	28-17-CV-58	27,930
Preschool Grants	84.173A	28-17-PI-58	<u>79,529</u>
Total Special Education Cluster			2,239,181
Vocational Education - Basic			
Grants to States	84.048A	28-17-02-58	91,158
Improving Teacher Quality (Title II)	84.367A	28-17-50-58	480,257
Title III - Immigration Set-aside	84.365A	28-17-60-58	17,316
Rural Education Achievement Program	84.358B	28-17-RE-58	169,035
Indian Education	84.060	5060A150623	<u>5,574</u>
Total United States Department of Education			<u>\$ 10,630,558</u>

(Continued)

**Vernon Parish School Board**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2017**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA No.	Pass-Through Grantor No.	Expenditures
<b>United States Department of Health and Human Services</b>			
Direct Programs:			
Head Start	93.600	06CH5622/49	\$ 2,064,996
Passed Through Louisiana Department of Education:			
Temporary Assistance for Needy Families	93.558	28-17-JS-58	920,123
Gobs for American Graduates	93.558	28-17-36-58	<u>100,000</u>
			1,020,123
Early Childhood CCDF	93.575	28-17-C3-58	13,049
JAG Aim High	93.575	28-17-C3-58	<u>43,333</u>
			56,382
Total United States Department of Health and Human Services			<u>3,141,501</u>
<b>United States Department of Defense</b>			
Direct Programs:			
Department of the Army - JROTC	12.UKN	N/A	106,570
Office of Economic Adjustment	12.600	N/A	673,908
Promoting K-12 Student Achievement at Military Con. Schools	12.556	N/A	<u>416,868</u>
Total United States Department of Defense			<u>1,197,346</u>
<b>TOTAL FEDERAL AWARDS</b>			<u><u>\$ 18,271,558</u></u>

(Concluded)

**Vernon Parish School Board**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2017**

**NOTE 1 - BASIS OF PRESENTATION** The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of the Vernon Parish School Board, Leesville, Louisiana under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position or changes in net assets of the School Board.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** 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 basic financial statements of the School Board's Comprehensive Annual Financial Report. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS** Federal awards revenues are reported in the School Board's basic financial statements as follows:

<u>Federal Sources</u>	<u>Amount</u>
Major Funds:	
General	\$ 5,788,566
Non Major Funds:	
8G and Early Childhood Funds	44,169
Indian Education Grant	5,574
Vocational Education	91,158
Special Education	2,086,886
LA4	920,123
School Food Service	3,185,249
JAG	143,333
Miscellaneous Federal Grants	458,514
Title I	2,062,945
Title II	480,257
Title III	17,316
Head Start	2,064,996
Preschool	79,529
REAP	169,035
South Polk Construction	673,908
Total	<u>\$ 18,271,558</u>

**NOTE 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.

**NOTE 5 - MATCHING REVENUES** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**NOTE 6 - NONCASH PROGRAMS** The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**NOTE 7 - INDIRECT COST RATE** The School Board has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Vernon Parish School Board  
Schedule of Findings and Questioned Costs  
As of and For the Year Ended June 30, 2017**

**PART I - Summary of the Auditor's Results**

**Financial Statement Audit**

- i. The type of audit report issued was unmodified.
- ii. There were no significant deficiencies required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There was no instances of noncompliance considered material to the financial statements, as defined by the Government Auditing Standards.

**Audit of Federal Awards**

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance of major federal awards was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal awards are:

CFDA #84.041                      Impact Aid

CFDA #93.600                      Head-start

CFDA #12.556                      Promoting K-12 Student Achievement at Military Connected Schools

The dollar threshold used to distinguish between Type A and Type B programs as defined in the Uniform Guidance was \$750,000.

- ix. The auditee qualifies as a low-risk auditee under the Uniform Guidance.

**Vernon Parish School Board**

**OTHER INFORMATION**

**Vernon Parish School Board**  
**Summary Status of Prior Year Audit Findings And Questioned Costs**  
**As of and For the Year Ended June 30, 2017**

**Reference # and title:**                      **2016-001**              **Louisiana Bid Law**

**Origination date:** June 30, 2016.

**Entity-wide or program/department specific:** This finding is entity-wide.

**Condition:** The Louisiana Bid Laws as defined in Revised Statutes 38:2211, et seq. require that bid notices be published in the official journal of a governmental entity. In addition, the first ad cannot appear on a Saturday, Sunday or legal holiday.

In testing a sample of seven bids, it was noted that one bid for milk products had its first ad in the official journal appear on a Sunday and one bid for a school track was never published in the official journal.

**Corrective action taken:** See management's corrective action taken on page 18. This finding is considered cleared.

**Reference # and title:**                      **2016-002**              **Controls over Compensated Absences**

**Origination date:** June 30, 2016.

**Entity-wide or program/department specific:** This finding is entity-wide.

**Condition:** Proper internal controls over compensated absences require that all staff document when entering and leaving their place of employment and absences be reported properly to the payroll clerk so that the leave/absences can be properly documented and accounted for. This leave information should be maintained within the School Board's computer system.

Three schools were selected for testing regarding reporting of absences. For each school, one week in November 2015 and one week in February 2016 were selected and sign in sheets were obtained from each school. The sign in sheets were reviewed for days noted where an employee did not sign in and these days were compared to leave documented in the School Board's system. The following exceptions were noted:

- Out of fifty-eight instances selected in which an employee did not sign in, forty-five instances noted in which the employee did not have leave time reported for the days not signed in.
- It was also noted that the School Board does not have consistent procedures at the School Level for documenting employees coming and going as well as not all employees are being required to document/their coming and going.

**Corrective action taken:** See management's corrective action taken on page 18. This finding is considered cleared.

**Reference # and title:**                      **2016-003**              **Vendor and Payroll Disbursements**

**Origination date:** June 30, 2015.

**Entity-wide or program/department specific:** This finding is entity-wide.

**Vernon Parish School Board**  
**Summary Status of Prior Year Audit Findings And Questioned Costs**  
**As of and For the Year Ended June 30, 2017**

**Condition:** Proper internal controls over vendor disbursements require that invoices be paid timely, purchase orders, if required, be written before the purchase is made, travel expenses be for business purposes and expenses be charged to the correct Laugh Guide code. Proper internal controls over payroll disbursements require that hours worked be properly documented, direct deposit authorizations be maintained in personnel files, and an I-9 or other identification be maintained in employee personnel files. Furthermore, all personnel charged to federal program should maintain proper time certifications and payroll should be allocated in accordance with with the certification.

In testing forty-eight accounts payable disbursements and fifty-five payroll disbursements, the following exceptions were noted:

All Programs:

- One invoice was paid after the due date.
- One invoice was coded to the wrong general ledger code.
- Seven exceptions were noted for no direct deposit authorizations were maintained in personnel files.
- One exception for no I-9 or other identification was located in the personnel file.
- One exception noted in which there was no support for the hours worked and paid to an individual.

Special Education Program:

- Two exceptions for invoices being coded to the wrong general ledger code.
- One exception for an employee being reimbursed for a movie on hotel bill.
- One exception for an employee being reimbursed for sales tax paid on a hotel room.
- One employee did not have an adequate time certification in which the program did not perform a time study of work performed.
- One employee's time certification did not agree to the allocation of the employee's salary.

Child Nutrition:

- One purchase order was dated after the purchase was made.
- One employee did not have a time certification on time spent on federal program.

**Corrective action taken:** See management's corrective action taken on page 18. This finding is considered cleared.

**Reference # and title:**                2016-004                Title I Comparability Reporting

**Origination date:** June 30, 2016.

**CFDA#, Federal Award Title, Federal Agency, Federal Award # and Year, and the name of Pass-Through Entity:** This finding relates to the Title I Grant Program CFDA#84.010A for the Federal Award Year 2016, received from Federal Agency: U.S. Department of Education, passed through Louisiana Department of Education.

**Condition:** The data entered into the annual Title I, Part A Comparability Report must be accurate to ensure that the comparability ratios are correct.

In attempting to tie the data in the Comparability Report to the supporting documentation, multiple exceptions were noted in which it could not be determined why the report was incorrect. The School Board compiled the correct information; however, the amounts were keyed into the report incorrectly. The School Board had to redo the report, in which it was determined the School Board's schools were still considered to be comparable.

**Vernon Parish School Board**  
**Summary Status of Prior Year Audit Findings And Questioned Costs**  
**As of and For the Year Ended June 30, 2017**

**Corrective action taken:** See management's corrective action taken on page 18. This finding is considered cleared.

**Reference # and title:**                    **2016-005**                    **Vendor and Payroll Disbursements**

**CFDA#, Federal Award Title, Federal Agency, Federal Award # and Year, and the name of Pass-Through Entity:** This finding relates to the Child Nutrition Cluster: School Breakfast Program CFDA# 10.553 and National School Lunch CFDA# 10.555 for the Federal Award Year 2015, received from Federal Agency: U.S. Department of Agriculture, passed through Louisiana Department of Education and to the Special Education Cluster: State Grants Part B CFDA # 84.027A and Preschool Grants CFDA #84.173A for the Federal Award Year 2015, received from the U.S Department of Education, passed through the Louisiana Department of Education.

**Origination date:** June 30, 2015.

**Condition:** Proper internal controls over vendor disbursements require that invoices be paid timely, purchase orders, if required, be written before the purchase is made, travel expenses be for business purposes and expenses be charged to the correct Laugh Guide code. Proper internal controls over payroll disbursements require that hours worked be properly documented, direct deposit authorizations be maintained in personnel files, and an I-9 or other identification be maintained in employee personnel files. Furthermore, all personnel charged to federal program should maintain proper time certifications and payroll should be allocated in accordance with with the certification.

In testing forty-eight accounts payable disbursements and fifty-five payroll disbursements, the following exceptions were noted:

Special Education Program:

- Two exceptions for invoices being coded to the wrong general ledger code.
- One exception for an employee being reimbursed for a movie on hotel bill.
- One exception for an employee being reimbursed for sales tax paid on a hotel room.
- One employee did not have an adequate time certification in which the program did not perform a time study of work performed.
- One employee's time certification did not agree to the allocation of the employee's salary.

Child Nutrition:

- One purchase order was dated after the purchase was made.
- One employee did not have a time certification on time spent on federal program.

**Corrective action taken:** See management's corrective action taken on page 18. This finding is considered cleared.

## Vernon Parish School Board

201 Belview Road  
LEESVILLE, LOUISIANA 71446  
(337) 239-3401  
Fax (337) 238-5777

- BOARD MEMBERS: Updated responses to prior year audit findings.  
FYE 6/30/17
- District One  
Doug Brandon  
Robert Pynes, Jr.  
Jim Seaman  
Jackie Self  
Steve Woods
- 2016-001 Louisiana Bid Law
- Bid advertisements will be verified that they do not start on weekends or holidays and procedures have been developed to ensure that bid advertisements sent to the official journal are actually published.**
- District Two  
Angie Davis
- District Three  
David Detz
- Completion date: December 1, 2016
- District Four  
Randy Martin
- 2016-002 Controls over Compensated Absences
- A new daily sign in and out sheet has been developed and the proper employees have been trained on the procedures.**
- District Five  
Shad Stewart
- District Six  
Vernon L. Travis, Jr.
- Completion date: January 1, 2017
- District Seven  
John Blankenbaker
- District Eight  
Gerald Cooley
- 2016-003 Vendor and Payroll Disbursements
- All responsible personnel will be instructed and retrained to follow proper procedures and policies on the appropriate handling and coding of invoices and purchase orders. All program supervisors will ensure time certifications are done on all employees and all personnel files contain all the correct documents.**
- Completion date: January 1, 2017
- 2016-004 Title I Comparability Reporting
- The Title I Supervisor will ensure that the proper information is entered into the Comparability Report.**
- Completion date: December 1, 2016
- 2016-005 Vendor and Payroll Disbursements
- All responsible personnel will be instructed and retrained to follow proper procedures and policies on the appropriate handling and coding of invoices and purchase orders. All program supervisors will ensure time certifications are done on all employees and all personnel files contain all the correct documents.**

“An Equal Opportunity Employer”

President  
Steve Woods

Superintendent  
James Williams

Vice-President  
Angie Davis

## Vernon Parish School Board

201 Belview Road  
LEESVILLE, LOUISIANA 71446  
(337) 239-3401  
Fax (337) 238-5777

BOARD MEMBERS:

District One  
Doug Brandon  
Robert Pynes, Jr.  
Jim Seaman  
Jackie Self  
Steve Woods

Completion date: January 1, 2017

2016-M1 Controls over Maintenance Work Orders

**Administrative staff at the service locations will sign off on completed work orders.**

District Two  
Angie Davis

2016-M2 Temporary Authority to Teach

**The personnel department will maintain a spreadsheet of TATS and their expiration dates.**

District Three  
David Detz

District Four  
Randy Martin

District Five  
Shad Stewart

2016-M3 School Activity Funds

**All appropriate school personnel will be retrained on the proper handling of school activity funds and following of correct procedures and policies.**

District Six  
Vernon L. Travis, Jr.

District Seven  
John Blankenbaker

District Eight  
Gerald Cooley

“An Equal Opportunity Employer”

**Vernon Parish School Board  
Prior Year Management Letter Items  
For Year Ended June 30, 2017**

**2016-M1                    Controls over Maintenance Work Orders**

**Comment:** In testing forty maintenance work orders, it was noted that twenty-four were not signed by anyone at the schools or other service location as verifying that the work was completed.

**Recommendation:** It is recommended that each work order be signed by someone at each service location verifying that the work was completed.

**Management's response:** See management's response on page 19. This item is considered to be cleared.

**2016-M2                    Temporary Authority to Teach**

**Comment:** In testing three teachers who were being paid as having Temporary Authority to Teach, there were two exceptions noted. The salary for one employee who's TAT had expired should have been changed to a sub pay but was not. One employee was paid for several months as having a TAT when there was no evidence of a temporary certificate even being applied for. This expiration was eventually caught by the school board and the employee was changed at that time to being paid as a sub.

**Recommendation:** Procedures should be established to ensure that controls over paying employees on temporary teaching certificates are strengthened. Due to the timing of the TATS received, TATS can expire at all times during the school year. Therefore, it is recommended the School Board maintain a log of TATS and expiration dates to ensure TATS extensions are applied for and received properly and timely.

**Management's response:** See management's response on page 19. This item is considered to be cleared.

**2016-M3                    School Activity Funds**

**Comment:** Ten schools were chosen for testing. The areas addressed were bank reconciliations, disbursements and cash receipts. Although the school activity funds showed great improvement, there is still a main area of concern which is related to cash receipts especially for athletic events and concessions. The majority of the variances noted were related to concessions not having proper support for amounts deposited, ticket sales not having proper ticket reconciliations and deposits not made timely.

**Recommendation:** The School Board should continue to provide training for the staff at the schools in order to ensure that proper procedures are being followed according to School Board policy. The School Board should ensure that each school has the necessary policy and procedures manual on site and that the information contained therein is provided to all personnel who handle school funds.

**Management's response:** See management's response on page 19. This item is considered to be cleared.

**Vernon Parish School Board**

**AGREED UPON PROCECURES**



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075  
Monroe, LA 71211-6075

2441 Tower Drive  
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA  
Amy Tynes, CPA, CFE  
Aimee Buchanan, CPA  
Nicia Mercer, CPA, CFE  
Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA  
Aimee Jackson, CPA  
Ronnie Jacola, CPA  
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA  
(Retired) 1963 - 2000

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Vernon Parish School Board, Leesville, Louisiana, and the Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period April 1, 2016 through March 31, 2017. The School Board's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. This agreed-upon procedures engagement was performed 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 reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

### *Written Policies and Procedures*

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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

**Comment:** When reviewing the applicable written policies and procedures for the required elements, the following exceptions were noted:

- ***Payroll/Personnel*** - Procedures do not include reviewing and approving attendance records.
- ***Contracting*** - Policy does not include types of services to be contracted and standard terms and conditions.
- ***Credit Cards*** - No policy or written procedure.
- ***Debt Service*** - Policies and procedures do not include EMMA reporting requirements.

**Management's Response:** All policies and procedures have been updated to reflect new elements needed for agreed upon procedures.

**Board (or Finance Committee, if applicable)**

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- 2. Obtain and review the board/committee minutes for the fiscal period, and:
  - a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
    - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
  - c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Comment:** Nine exceptions noted in which board packet did not include documentation of budget comparisons.

**Management's Response:** Budget to actuals were given to the board members monthly but were not put into the official minutes, they are now added to the minutes each month.

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**Comment:** Seven of the 15 bank accounts tested did not have bank reconciliations. These were all accounts used by child nutrition to collect payments during the month and the collections are transferred to the school board account at month end. Six of the 15 accounts which were student activity fund accounts were reviewed by someone involved in the transactions of the account for the months of April 2016 through December 2016. One of the fifteen accounts which is maintained at the central office did not include check dates for outstanding checks.

**Management's Response:** Child nutrition accounts at the schools are now performing true bank reconciliations, before were just verifying deposits and only one check is done monthly to the School Board.

### ***Collections***

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5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank

account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
    - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

**Comment:** Thirteen locations were tested. At 7 of the 13 locations the person collecting money also enters the receipt into the accounting records. All of these locations were schools or school cafeterias. One deposit tested was deposited within 3 days of receipt not within one day.

**Management's Response:** These are all school locations; the bookkeeper enters the receipts at the school level. We do not have any other personnel at this level to enter receipts and this is the job of the bookkeeper. It has always been acceptable up to this year. We do not have any extra funds to hire another person to do this job.

**Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)**

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- 8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
- 9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.
10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
  11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
  12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
  13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

**Comment:** One check noted did not have a purchase order. One check did not have evidence of receipt of goods. At 11 of the 13 locations tested the personnel with signatory authority for disbursements is also responsible for initiation or recording purchases and has access to the supply of blank checks. All of the locations with exceptions are schools.

**Management's Response:** All school employees have been retrained with the proper procedures to handle purchases. These again are at the school level, this is the job of the bookkeeper at the school level, not enough personnel to completely separate these duties. We are attempting to find ways to satisfy the procedure but problem is personnel. This was standard procedure and okay before this new guidance.

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

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there

is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation 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) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
    - An original itemized receipt (i.e., identifies precisely what was purchased)
    - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
    - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
  - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
  - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Comment:** One receipt included payment of sales tax of \$10.32

**Management's Response:** This was an oversight by a school bookkeeper, that employee has been instructed to make sure sale taxes are not paid on invoices.

### ***Travel and Expense Reimbursement***

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
  - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
  - b) Report whether each expense is supported by:
    - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
    - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
    - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
  - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
  - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Comment:** There were no exceptions noted in applying agreed upon procedures.

### ***Contracts***

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
  - b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
    - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
    - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
  - c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
  - d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
  - e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

**Comment:** There were no exceptions noted in applying agreed upon procedures.

### ***Payroll and Personnel***

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management’s representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
- a) Report whether 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) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**Comment:** Three exceptions noted where employees did not sign in. Four exceptions noted where there was no written documentation of supervisor approval.

**Management's Response:** All employees are being retrained on proper signing in and administrators and supervisors are being instructed to properly approve all sign in sheets.

***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

**Comment:** There were no exceptions noted in applying agreed upon procedures.

***Debt Service (excluding nonprofits)***

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

29. 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.

30. 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.

**Comment:** There were no exceptions noted as a result of applying agreed upon procedures.

***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.lla.la.gov/hotline](http://www.lla.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

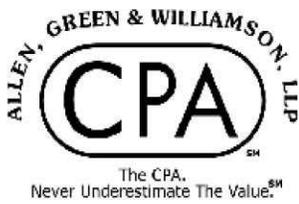
**Comment:** There were no exceptions noted in applying agreed upon procedures.

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

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

*Allen, Green + Williamson, LLP*  
ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2017



# ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive  
Monroe, LA 71201

Telephone: (318) 388-4422

Fax: (318) 388-4664

Toll-free: (888) 741-0205

Partners: Tim Green, CPA  
Amy Tynes, CPA, CFE  
Aimee Buchanan, CPA  
Nicia Mercer, CPA, CFE  
Principal: Cindy Thomason, CPA

Eddi Hernandez, CPA  
Aimee Jackson, CPA  
Ronnie Jacola, CPA  
Audit Manager: Margie Williamson, CPA

Ernest L. Allen, CPA  
(Retired) 1963 - 2000

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING BESE AGREED-UPON PROCEDURES

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

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

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

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

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:

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

**Comment:** No exceptions noted.

Education Levels of Public School Staff (Schedule 2)

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

**Comment:** No exceptions noted.

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

**Comment:** No exceptions noted.

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

**Comment:** One exception noted due to an employee getting paid for the wrong degree.

**Management's Response:** Employee was entered in computer wrong, employee's degree has been corrected and has been compensated for wrong degree level.

Number and Type of Public Schools (Schedule 3)

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

**Comment:** No exceptions noted.

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

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

**Comment:** No exceptions noted.

Public Staff Data (Schedule 5)

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

**Comment:** No exceptions noted.

Class Size Characteristics (Schedule 6)

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

**Comment:** No exceptions noted.

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

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

**Comment:** No exceptions noted.

The Iowa Tests (Schedule 9)

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

**Comment:** No exceptions noted.

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

This report is intended solely for the use of management of the Vernon 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.

*Allen, Green + Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 29, 2017

**VERNON PARISH SCHOOL BOARD**  
Leesville, Louisiana

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2017**

	Column A	Column B
<b><u>General Fund Instructional and Equipment Expenditures</u></b>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$26,244,649	
Other Instructional Staff Activities	3,078,356	
Instructional Staff Employee Benefits	13,923,074	
Purchased Professional and Technical Services	118,069	
Instructional Materials and Supplies	1,437,327	
Instructional Equipment	<u>0</u>	
Total Teacher and Student Interaction Activities		\$44,801,475
Other Instructional Activities		\$279,993
Pupil Support Activities	4,011,219	
Less: Equipment for Pupil Support Activities	<u>0</u>	
Net Pupil Support Activities		4,011,219
Instructional Staff Services	3,092,604	
Less: Equipment for Instructional Staff Services	<u>0</u>	
Net Instructional Staff Services		<u>3,092,604</u>
School Administration		
Less: Equipment for School Administration	5,897,591	
Net School Administration	<u>0</u>	5,897,591
Total General Fund Instructional Expenditures (Total of Column B)		<u>\$58,082,882</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>\$237,660</u>
<b><u>Certain Local Revenue Sources</u></b>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$564,801
Renewable Ad Valorem Tax		3,208,970
Debt Service Ad Valorem Tax		3,845,592
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		180,671
Sales and Use Taxes		<u>11,458,372</u>
Total Local Taxation Revenue		<u>19,258,406</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$0
Earnings from Other Real Property		<u>2</u>
Total Local Earnings on Investment in Real Property		<u>\$2</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$40,059
Revenue Sharing - Other Taxes		231,991
Revenue Sharing - Excess Portion		0
Other Revenue in Lieu of Taxes		<u>0</u>
Total State Revenue in Lieu of Taxes		<u>\$272,050</u>
Nonpublic Textbook Revenue		<u>\$0</u>
Nonpublic Transportation Revenue		<u>\$0</u>

**VERNON PARISH SCHOOL BOARD**  
**Leesville, Louisiana**

**Education Levels of Public School Staff**  
**As of October 1, 2016**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree			1	0.16				
Bachelor's Degree	426	69.50	15	2.44	2	0.32		
Master's Degree	111	18.10	5	0.82	21	3.44		
Master's Degree + 30	17	2.79			12	1.94		
Specialist in Education	2	0.33			1	0.16		
Ph. D. or Ed. D.								
<b>Total</b>	<b>556</b>	<b>90.72</b>	<b>21</b>	<b>3.42</b>	<b>36</b>	<b>5.86</b>		

**VERNON PARISH SCHOOL BOARD**  
Leesville, Louisiana

**Number and Type of Public Schools**  
**For the Year Ended June 30, 2017**

<b>Type</b>	<b>Number</b>
Elementary	8
Middle/Jr. High	1
Secondary	4
Combination	5
<b>Total</b>	<b>18</b>

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

**VERNON PARISH SCHOOL BOARD**  
Leesville, Louisiana

**Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers  
As of October 1, 2016**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals			1	3	3	4	4	15
Principals				1	3	6	11	21
Classroom Teachers	39	47	146	70	114	61	100	577
<b>Total</b>	39	47	147	74	120	71	115	613

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Public School Staff Data: Average Salaries  
For the Year Ended June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions
Average Classroom Teachers' Salary Including Extra Compensation	49,287	48,878
Average Classroom Teachers' Salary Excluding Extra Compensation	48,905	48,532
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	593	572

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

**VERNON PARISH SCHOOL BOARD**  
**Leesville, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2016**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	37.08	412	50.32	559	11.88	132	0.72	8
Elementary Activity Classes	14.92	37	56.05	139	18.15	45	10.88	27
Middle/Jr. High	68.66	92	23.88	32	7.46	10	0	0
Middle/Jr. High Activity Classes	91.18	31	8.82	3	0	0	0	0
High	66.73	710	19.92	212	12.67	136	0.57	6
High Activity Classes	91.74	211	4.35	10	2.61	6	1.3	3
Combination	83.13	695	11.24	94	5.38	45	0.25	2
Combination Activity Classes	85.29	145	7.65	13	6.47	11	0.59	1

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

**VERNON PARISH SCHOOL BOARD**  
Leesville, Louisiana

**Louisiana Educational Assessment Program (LEAP) - ELA and Math**  
**For the Year Ended June 30, 2017**

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	8	4	3	12	11	10
Mastery	46	43	44	46	48	40
Basic	27	30	32	25	27	34
Approaching Basic	12	17	15	14	10	13
Unsatisfactory	7	6	7	4	3	3
Total						

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	7	10	2	4	6	≤1
Mastery	44	45	46	44	40	39
Basic	32	29	38	32	34	33
Approaching Basic	15	13	12	17	19	23
Unsatisfactory	2	3	3	2	2	5
Total						

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5	3	<1	7	5	3
Mastery	50	43	34	35	35	30
Basic	30	33	38	35	34	35
Approaching Basic	12	17	23	19	22	28
Unsatisfactory	3	4	5	3	4	4
Total						

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	7	5	3	5	4	5
Mastery	38	44	44	34	34	35
Basic	31	35	40	33	43	38
Approaching Basic	20	14	12	25	16	19
Unsatisfactory	5	2	1	4	3	4
Total						

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 7 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	12	15	9	2	3	3
Mastery	44	35	39	29	33	26
Basic	26	31	33	38	35	42
Approaching Basic	13	14	14	24	25	23
Unsatisfactory	5	5	5	7	4	6
Total						

**VERNON PARISH SCHOOL BOARD**  
Leesville, Louisiana

**Louisiana Educational Assessment Program (LEAP) - ELA and Math**  
**For the Year Ended June 30, 2017**

<b>District Achievement Level Results</b>	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 8 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	11	10	4	4	5	7
Mastery	51	50	21	42	47	36
Basic	26	27	56	26	25	25
Approaching Basic	10	11	17	20	17	20
Unsatisfactory	3	2	2	8	6	12
Total						

**VERNON PARISH SCHOOL BOARD**  
Leesville, Louisiana

**Graduation Exit Examination (GEE)**  
For the Year Ended June 30, 2017

The Graduation Exit Examination is no longer administered. This schedule is no longer applicable.

**VERNON PARISH SCHOOL BOARD**  
Leesville, Louisiana

**iLEAP Tests**  
For the Year Ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	11	6	10	10	N/A	2
Mastery	31	20	26	25	N/A	19
Basic	42	42	48	29	N/A	58
Approaching Basic	13	22	14	24	N/A	15
Unsatisfactory	3	11	2	12	N/A	6
Total						

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5	6	4	5	N/A	2
Mastery	19	22	21	22	N/A	18
Basic	58	55	56	32	N/A	61
Approaching Basic	16	15	17	28	N/A	14
Unsatisfactory	2	≤1	2	12	N/A	6
Total						

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	7	3	4	5	N/A	8
Mastery	20	25	20	24	N/A	18
Basic	50	48	50	31	N/A	51
Approaching Basic	16	16	17	23	N/A	16
Unsatisfactory	6	8	2	18	N/A	6
Total						

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	8	5	8	8	N/A	15
Mastery	23	24	26	22	N/A	22
Basic	49	51	50	34	N/A	45
Approaching Basic	16	15	14	23	N/A	15
Unsatisfactory	4	6	3	12	N/A	4
Total						

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 7 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	8	8	8	12	N/A	12
Mastery	29	33	30	26	N/A	25
Basic	43	41	42	27	N/A	45
Approaching Basic	14	14	15	18	N/A	13
Unsatisfactory	6	5	5	6	N/A	5
Total						

**VERNON PARISH SCHOOL BOARD**  
Leesville, Louisiana

**iLEAP Tests**  
**For the Year Ended June 30, 2017**

<b>District Achievement Level Results</b>	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 8 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2	4	2	16	N/A	2
Mastery	23	23	23	36	N/A	16
Basic	51	47	46	27	N/A	54
Approaching Basic	19	22	22	14	N/A	19
Unsatisfactory	5	5	6	7	N/A	9
Total						