

Catahoula Parish School Board

Harrisonburg, Louisiana

June 30, 2018

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

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Harrisonburg, Louisiana
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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1946

Independent Auditor's Report

To the Catahoula Parish School Board
Harrisonburg, 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 Catahoula Parish School Board, Harrisonburg, Louisiana, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Catahoula Parish 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.

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PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

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 Catahoula Parish School Board, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2018, the Catahoula Parish School Board adopted new accounting guidance, *GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of employer contributions - OPEB, schedules of employer's share of net pension liability, schedules of employer contributions, and notes to required supplemental information labeled "Required Supplemental Information" in the table of contents (Part I and Part II) 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 supplemental 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.



PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Catahoula Parish School Board's basic financial statements. The schedule of compensation paid board members and the schedule of compensation, benefits, and other payments to the agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018, on our consideration of the Catahoula 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 Catahoula Parish 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 Catahoula Parish School Board's internal control over financial reporting and compliance.

Payne, Moore & Herrington, LLP
Certified Public Accountants
Alexandria, Louisiana

December 19, 2018

Required Supplemental Information – Part I

Management's Discussion and Analysis

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2018**

The discussion and analysis of Catahoula Parish School Board's financial performance provides an overall review of the School Board's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the School Board's financial performance as a whole; readers should also review the financial statements and notes to the financial statements to enhance their understanding of the School Board's financial performance.

Government-wide Financial Statements:

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

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

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

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

Fund Financial Statements:

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

Governmental Funds:

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2018**

impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The School Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Title I Fund. The remaining funds are combined into a single, aggregated presentation under the label of other governmental funds, which contains all non-major funds.

The School Board adopts annual appropriated budgets for the General Fund and Special Revenue Funds. Budgets were not adopted for Debt Service Funds. As such, a budget to actual was not prepared for the Debt Service Funds.

Fiduciary Funds:

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

Notes to the financial statements:

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

Financial Analysis of the Entity

**Statement of Net Position
As of June 30, 2018**

Current and other assets	\$ 4,868,840
Investments	203,000
Deferred Outflow of Resources Due to Pensions	3,501,531
Capital Assets	<u>5,075,873</u>
Total Assets	\$ 13,649,244
Other liabilities	\$ 1,190,500
Compensated Absences Payable	415,551
Pension Liability	16,191,810
Deferred Inflow of Pension Resources	2,191,171
Post-employment Benefit Obligation	19,404,417
Deferred Inflow of Other Post-employment benefit resources	968,288
Bonds Payable	<u>1,050,000</u>
Total Liabilities	\$ 41,411,737

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2018**

Net Position	
Net investment in capital assets	\$ 4,025,873
Restricted for debt service	344,278
Restricted for salaries & benefits	10,336
Grants	59,845
Unrestricted	<u>(32,202,825)</u>
Total Net Position	\$ (27,762,493)

- Capital assets, which are reported net of depreciation, account for 50% of the total assets of the School Board. This does not include the Deferred Pension Outflow.
- Bonds payable account for 40% of total liabilities reported. This does not include the Net Pension Liability, Post-employment Benefit Obligation, or Deferred Inflows.
- Net investment in capital assets in capital assets account for 51% of the total net assets reported. This does not include the Net Position due to pensions or post-employment benefit obligation.
- Unrestricted net position account for 43% of the total net position reported. This does not include the Net Position due to pensions or post-employment benefit obligation.

**Statement of Activities
For the year ended June 30, 2018**

Revenues	
Charges for services	\$ 49,044
Operating Grants	2,624,033
General Revenues	
Property Taxes	945,180
Sales Taxes	2,640,150
Rents/Leases	163,287
Earnings on Investments	15,405
MFP	9,290,299
Other	<u>160,014</u>
Total Revenues	\$ 15,887,412
Expenses	
Regular Education	\$ 5,175,227
Special Education	1,522,769
Vocational Education	810,343
Other Instructional	269,927
Special Programs	604,223
Adult Education	129,909
Pupil Support	1,056,475
Instructional Staff Support	923,215
General Administrative	477,730
School Administration	627,116
Business Services	503,807
Operations & Maintenance	1,296,534
Pupil Transportation	1,242,118

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2018**

Central Services	34,427
Community Services	15,178
Food Services	1,056,270
Facility Acquisition	-
Unallocated Depreciation	-
Interest on Debt Services	27,030
Transfer to Charter Schools	254,190
Total Expenses	<u>\$ 16,026,488</u>
 Change in Net Position	 \$ (139,076)
Net Position, Beginning of Year, as Restated	<u>\$ (27,623,417)</u>
Net Position, End of Year	\$ (27,762,493)

- Property tax collections decreased by \$36,344 or 4% mainly due to the decreasing millage on the bond issue for Central High School.
- Sales tax collections decreased from the prior year by \$89,448 or 3%. This seems to be tied to the declining population of our parish.
- MFP accounts for 58% of total revenues, even though there was a significant reduction in funding due to student loss.
- Grant funding decreased 15%, due to the end of SRCL grant and the loss of the Adult Education Grants to the Technical College System.
- Most other revenue and expense accounts did not change significantly from prior year.

Capital Asset and Debt Administration

Capital Assets

At the end of 2018, the Catahoula Parish School Board had \$5,075,873. This amount represents a net decrease of \$230,490 or 4%. This decrease includes all additions, deletions, and annual depreciation.

Capital Assets at Year-end
(Net of Depreciation)

	2017	2018
Land and land improvements	\$ 2,390,950	\$ 2,389,899
Buildings	2,700,759	2,531,590
Equipment	214,654	154,384
Totals	<u>\$ 5,306,363</u>	<u>\$ 5,075,873</u>

Long-term Debt

At the end of the current fiscal year, the Catahoula Parish School Board had bonded debt outstanding of \$1,050,000. This includes Qualified School Construction Bonds that are low interest.

**Catahoula Parish School Board
Management's Discussion and Analysis
June 30, 2018**

Variations Between Original and Final Budgets

Sales Tax collections were as expected for the year. Expenses were lower due to the decrease in MFP funding available along with the reduction in grant funding. The transfer of local dollars to charter schools remained relatively the same.

Economic Factors and Next Year's Budgets

Growth of the parish seems to be in a continued state of decline. Student population for 2018-2019 has decreased from 2017-2018 at an alarming rate. The board will still have a substantial mid-year adjustment for the 2018-2019 MFP which may trigger a budget revision during the year.

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

- Property tax millages were levied at the same amount as the previous year.
- Teacher's retirement increased by .1%, but decreased 1.5% for TRS-B.
- School Employee's retirement increased .7%.
- State Group Insurance rates did not increase.
- The board continued budget cuts that had been made in 2017-2018 for one year only to counteract the decreased MFP.
- Positions were eliminated throughout the district due to attrition, without the need to invoke a RIF.
- Other expenditures are expected to remain the consistent with the current year.

The Catahoula Parish School Board expects that next year's results will be a significant deficit that will go against the current fund balance. The board has petitioned the U.S. Justice Department for permission to close Jonesville Jr. High and move the grades to the existing Jonesville Elementary and Block High School Campuses. If approved, this move would be effective for the 2019-2020 school year.

Contacting the Catahoula Parish School Board's Management

This financial report is designed to provide a general overview of the School Board's finances with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Christi Lofton, Business Manager, Catahoula Parish School Board, P.O. Box 690, Harrisonburg, LA 71340.

Basic Financial Statements

Government-Wide Financial Statements (GWFS)

**Catahoula Parish School Board
Harrisonburg, Louisiana
Statement of Net Position
Governmental Activities
June 30, 2018**

Exhibit A

Assets		
Cash and cash equivalents		\$ 3,789,263
Receivables		346,488
Due from other governmental agencies		690,963
Inventory		42,126
Restricted certificates of deposit		203,000
Capital assets		
Nondepreciable		
Land	2,365,000	
Depreciable		
Land improvements	295,700	
Buildings and improvements	28,380,613	
Furniture and equipment	731,719	
Less - accumulated depreciation	<u>(26,697,159)</u>	
Net Capital Assets		<u>5,075,873</u>
Total Assets		<u>10,147,713</u>
Deferred Outflows of Resources		
Deferred outflow of pension resources		3,501,531
Liabilities		
Accounts payable and accrued expenses		54,856
Due to other governmental agencies		205
Salaries and employee benefits payable		1,135,239
Unearned revenues		200
Long-term liabilities		
Due within one year		
Bonds payable		35,000
Compensated absences		415,551
Due in more than one year		
Bonds payable		1,015,000
Net pension liability		16,191,810
Post-employment benefit obligation		<u>19,404,417</u>
Total Liabilities		<u>38,252,278</u>
Deferred Inflows of Resources		
Deferred inflow of pension resources		2,191,171
Deferred inflow of other post-employment benefit resources		<u>968,288</u>
Total Deferred Inflows of Resources		<u>3,159,459</u>
Net Position		
Net investment in capital assets		4,025,873
Restricted for		
Salaries and related benefits		10,336
Grants		59,845
Debt service		344,278
Unrestricted		<u>(32,202,825)</u>
Total Net Position		<u>\$ (27,762,493)</u>

The accompanying notes are an integral part of the financial statements.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Statement of Activities
Governmental Activities
For the Year Ended June 30, 2018**

Exhibit B

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Current				
Instruction				
Regular programs	\$ 5,175,227	\$ -	\$ 23,832	\$ (5,151,395)
Special education programs	1,522,769	-	91,514	(1,431,255)
Vocational programs	810,343	-	18,773	(791,570)
Other instructional programs	269,927	805	16,345	(252,777)
Special programs	604,223	-	661,176	56,953
Adult and continuing education programs	129,909	-	125,528	(4,381)
Support services				
Student services	1,056,475	-	135,943	(920,532)
Instructional staff support	923,215	-	747,855	(175,360)
General administration	477,730	-	-	(477,730)
School administration	627,116	-	-	(627,116)
Business services	503,807	-	-	(503,807)
Plant services	1,296,534	-	26,861	(1,269,673)
Student transportation services	1,242,118	-	1,125	(1,240,993)
Central services	34,427	-	-	(34,427)
Food services	1,056,270	48,239	775,081	(232,950)
Community service programs	15,178	-	-	(15,178)
Debt Service				
Interest and other charges	27,030	-	-	(27,030)
Total Governmental Activities	\$ 15,772,298	\$ 49,044	\$ 2,624,033	(13,099,221)
General Revenues				
Taxes				
Property taxes levied for				
General purposes				893,176
Debt service				52,004
Sales taxes levied for				
General purposes				1,101,617
Salaries and related benefits				1,538,533
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				9,290,299
State revenue sharing				45,408
Rentals and leases				163,287
Investment earnings				15,405
Miscellaneous				114,606
Local revenue transfers - other LEAs				(254,190)
Total General Revenues				12,960,145
Change in Net Position				(139,076)
Net Position, Beginning of Year, as Restated				(27,623,417)
Net Position, End of Year				\$ (27,762,493)

The accompanying notes are an integral part of the financial statements.

Fund Financial Statements

**Catahoula Parish School Board
Harrisonburg, Louisiana
Balance Sheet
Governmental Funds
June 30, 2018**

Exhibit C

	<u>General Fund</u>	<u>Title I Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 2,762,123	\$ -	\$ 1,027,140	\$ 3,789,263
Receivables	344,028	-	2,460	346,488
Due from other funds	554,672	-	-	554,672
Due from other governmental agencies	26,770	290,390	373,803	690,963
Inventory	-	-	42,126	42,126
Restricted certificates of deposit	-	-	203,000	203,000
Total Assets	\$ 3,687,593	\$ 290,390	\$ 1,648,529	\$ 5,626,512
Liabilities and Fund Balances				
Liabilities				
Accounts payable and accrued expenses	\$ 44,692	\$ 436	\$ 9,728	\$ 54,856
Due to other funds	-	275,109	279,563	554,672
Due to other governmental agencies	205	-	-	205
Salaries and employee benefits payable	1,037,261	14,845	83,133	1,135,239
Unearned revenues	200	-	-	200
Total Liabilities	1,082,358	290,390	372,424	1,745,172
Fund Balances				
Nonspendable				
Inventories	-	-	42,126	42,126
Restricted				
Salaries and related benefits	10,336	-	-	10,336
Grants	-	-	59,845	59,845
Debt Service	-	-	344,278	344,278
Committed	-	-	829,856	829,856
Assigned				
Worker's compensation	250,039	-	-	250,039
Casualty reserve	100,000	-	-	100,000
Medicaid	105,240	-	-	105,240
Insurance settlement fund	23,871	-	-	23,871
Unassigned	2,115,749	-	-	2,115,749
Total Fund Balances	2,605,235	-	1,276,105	3,881,340
Total Liabilities and Fund Balances	\$ 3,687,593	\$ 290,390	\$ 1,648,529	\$ 5,626,512

The accompanying notes are an integral part of the financial statements.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Reconciliation of Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2018**

Exhibit D

Total Fund Balances - Governmental Funds

\$ 3,881,340

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the fund financial statements.

Cost of capital assets	31,773,032	
Less - accumulated depreciation	<u>(26,697,159)</u>	5,075,873

Deferred outflow of pension resources are not current assets or financial resources and, therefore, are not reported in the fund financial statements.

3,501,531

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements.

Compensated absences payable	(415,551)	
Bonds payable	(1,050,000)	
Net pension liability	(16,191,810)	
Post-employment benefit obligation	<u>(19,404,417)</u>	(37,061,778)

Deferred inflows are not due and payable in the current year and, therefore, are not reported in the fund financial statements.

Deferred inflow of pension resources	(2,191,171)	
Deferred inflow of other post-employment benefit resources	<u>(968,288)</u>	<u>(3,159,459)</u>

Net Position

\$ (27,762,493)

The accompanying notes are an integral part of the financial statements.

Catahoula Parish School Board
Harrisonburg, Louisiana
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

Exhibit E

	General Fund	Title I Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Local sources				
Taxes				
Property	\$ 429,558	\$ -	\$ 515,621	\$ 945,179
Sales and use	2,640,150	-	-	2,640,150
Rentals and leases	163,287	-	-	163,287
Tuition	805	-	-	805
Food services	-	-	48,239	48,239
Investment earnings	10,143	-	5,261	15,404
Other revenue from local sources	47,349	-	245,438	292,787
State sources				
Minimum Foundation Program	9,091,119	-	199,180	9,290,299
State revenue sharing	21,524	-	28,012	49,536
Other revenue from state sources	23,313	-	151,739	175,052
Federal sources	-	701,437	1,511,530	2,212,967
Total Revenues	12,427,248	701,437	2,705,020	15,833,705
Expenditures				
Current				
Instruction				
Regular programs	5,155,930	52	2,987	5,158,969
Special education programs	1,452,592	-	68,078	1,520,670
Vocational programs	794,935	-	18,773	813,708
Other instructional programs	249,729	-	20,362	270,091
Special programs	21,052	396,844	186,459	604,355
Adult and continuing education programs	10,397	-	120,223	130,620
Support services				
Student services	917,935	16,621	117,942	1,052,498
Instructional support staff	245,082	253,263	428,308	926,653
General administration	453,979	-	18,905	472,884
School administration	592,180	-	36,335	628,515
Business services	528,676	-	2,000	530,676
Plant services	934,327	26,462	336,168	1,296,957
Student transportation services	1,177,531	1,125	19,783	1,198,439
Central services	13,470	-	20,957	34,427
Food services	187,536	-	871,606	1,059,142
Community service programs	-	-	6,341	6,341
Debt service				
Principal	-	-	30,000	30,000
Interest and other charges	-	-	27,030	27,030
Capital outlay	9,950	-	-	9,950
Total Expenditures	12,745,301	694,367	2,332,257	15,771,925
Excess (Deficiency) of Revenues over Expenditures	(318,053)	7,070	372,763	61,780
Other Financing Sources (Uses)				
Transfers in	119,424	69,730	3	189,157
Transfers out	-	(76,800)	(112,357)	(189,157)
Local revenue transfers - other LEAs	(254,190)	-	-	(254,190)
Total Other Financing Sources (Uses)	(134,766)	(7,070)	(112,354)	(254,190)
Net Change in Fund Balances	(452,819)	-	260,409	(192,410)
Fund Balances, Beginning of Year, as Restated	3,058,054	-	1,015,696	4,073,750
Fund Balances, End of Year	\$ 2,605,235	\$ -	\$ 1,276,105	\$ 3,881,340

The accompanying notes are an integral part of the financial statements.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018**

Exhibit F

Net Change in Fund Balances - Governmental Funds **\$ (192,410)**

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 the estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the current period.

Capital outlays	9,950	
Less - depreciation expense	<u>(240,440)</u>	(230,490)

Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the governmental funds.

Change in pensions	(3,013,176)	
Change in other post-employment benefits	<u>(968,288)</u>	(3,981,464)

Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal retirement		30,000
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In the Statement of Activities, certain operating expenses are measured by the amounts consumed during the year. In the governmental funds, however, these expenditures are measured by the amount of financial resources used (essentially, the amounts actually paid).

(Increase) decrease in compensated absences accrued		(43,473)
(Increase) decrease in net pension liability accrued		3,695,552
(Increase) decrease in post-employment benefit obligation		<u>583,209</u>

Change in Net Position of Governmental Activities **\$ (139,076)**

The accompanying notes are an integral part of the financial statements.

Catahoula Parish School Board
Harrisonburg, Louisiana
Statement of Assets and Liabilities
Fiduciary Funds
June 30, 2018

Exhibit G

		<u>School Activity Agency Fund</u>
Assets		
Cash and cash equivalents		\$ 145,559
Certificates of deposit		<u>2,870</u>
Total Assets		<u><u>\$ 148,429</u></u>
Liabilities		
Deposits due others		<u>\$ 148,429</u>
Total Liabilities		<u><u>\$ 148,429</u></u>

The accompanying notes are an integral part of the financial statements.

Notes to Basic Financial Statements

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

1. Reporting Entity and Significant Accounting Policies

Reporting Entity

The Catahoula Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children in Catahoula 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 nine members who are elected from nine districts for terms of four years.

The School Board operates 6 schools within the parish with a total enrollment of approximately 1,273 at the October 1, 2017 count date. In conjunction with the regular education 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 financial statements of the 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. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

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

Because the School Board has a separately elected governing body and is legally separate and fiscally independent, the School Board is a separate governmental reporting entity. For financial reporting purposes, the School Board's financial statements include all funds, schools, agencies, and committees for which the School Board is financially accountable. The School Board is not aware of any other entities that should be included within the financial statements.

Basis of Presentation

The School Board's Basic Financial Statements consist of Government-Wide Financial Statements, including a Statement of Net Position and a Statement of Activities, and Fund Financial Statements, which provide a more detailed level of financial information.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

Government-Wide Financial Statements – The Government-Wide Financial Statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the School Board as a whole.

Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and School Board general revenues, from business-type activities (if any), generally financed in whole or in part with fees charged to external customers. The activity of internal service funds (if any), is eliminated to avoid duplicating revenues and expenses. The School Board does not have any business-type activities or internal service funds.

The Statement of Net Position presents the financial position of the governmental activities at year-end.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the School Board's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The School Board charges indirect expenses to functions in the Statement of Activities. The Statement of Activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the School Board's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, if any, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted. Revenues not classified as program revenues are presented as general revenues, which include property taxes, sales taxes, Minimum Foundation Program receipts, state revenue sharing, interest, and other unrestricted revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the School Board.

Fiduciary activities are not included at the government-wide reporting level. Fiduciary funds are reported only in the fiduciary funds Statement of Assets and Liabilities at the fund financial statement level.

Fund Financial Statements – The accounting system is organized on the basis of funds. The financial transactions of the School Board are recorded in individual funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that include its assets, liabilities, fund equity, revenues, and expenditures. 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.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate "fund types". The School Board uses the following fund types: Governmental funds are used to account for all or most of the School Board's general activities, including the collection and disbursement of specifically or legally restricted monies (special revenue funds), the acquisition or construction of general fixed assets (capital project funds), the servicing of general long-term debt (debt service funds), and the recording of activity related to endowment funds (permanent funds). The fund financial statements report financial information by major funds and nonmajor funds.

The following governmental funds are considered major funds:

- General Fund - The general operating fund of the School Board accounts for all financial resources, except those required to be accounted for in other funds.
- Title I Fund - This fund accounts for the proceeds of the Title I grant designed to improve the teaching and learning of children who are at risk of not meeting challenging academic standards and who reside in areas of high concentrations of children from low-income families.

All other funds are considered nonmajor funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. There is only one fiduciary fund:

- School Activity Agency Fund – This fund accounts for monies generated by the individual schools and certain organizations within the schools of Catahoula Parish. While the school activity 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.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The more significant of the School Board's accounting policies are described below.

Basis of Accounting/Measurement Focus

Government-Wide Financial Statements (GWFS)

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

Fund Financial Statements

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

Fund financial statements report detailed information about the School Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Governmental Funds

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (collected within ninety days after year-end, except for property taxes where sixty days is used). Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debts are recorded only when payment is due. Budgets are prepared and adopted using the same basis of accounting. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Property taxes are recorded in the year the taxes are due and payable. Property taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Property taxes become delinquent if not paid by December 31. The taxes are normally collected in December, January, and February of the current fiscal year.

Federal and state entitlements (which include state equalization and state revenue sharing) are recorded when available and measurable. State equalization entitlement funds are recognized when the School Board is entitled to them. State revenue sharing, which is based on population and homesteads in the parish, is recorded as revenue in the year received which coincides with the recognition of the related property taxes discussed above. Federal and state grants are recorded when the School Board is entitled to the funds, usually after reimbursable expenditures have been incurred.

Sales taxes are recognized in the period when the underlying sales or use transaction occurred.

Federal commodities are recognized as revenues when received.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

Revenue from services provided to other local governments is recorded as other revenues from local sources when the School Board is entitled to the funds.

Interest earnings on time deposits are recognized as revenue when the time deposits have matured and the interest is available.

Substantially all other revenues are recognized when received by the School Board.

Based on the above criteria, sales taxes, federal and state grants, and certain revenues from local sources have been treated as susceptible to accrual.

Expenditures

Salaries are recorded as expenditures when earned by employees. The salaries for teachers and most other school-level employees are earned over a nine-month period but may be paid over a twelve-month period.

Purchases of various operating supplies, etc. are recorded as expenditures in the accounting period in which they are purchased.

Food costs are recognized as expenditures in the accounting period in which the food is consumed.

Commitments under construction contracts are recognized when earned by the contractor.

Substantially all other expenditures are recognized when the related fund liability has been incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid, proceeds from indebtedness, the sale of fixed assets, and proceeds from insurance are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds

Agency funds, unlike all other types of funds, report only assets and liabilities. Therefore agency funds cannot be said to have a measurement focus. They do, however, use the accrual basis of accounting to recognize receivables and payables.

Budget and Budgetary Accounting

Preliminary budgets for the ensuing year are prepared by the business manager and made available for public inspection and comments from the taxpayers at the School Board office during August. At a board meeting in September, a public hearing is held and the proposed budgets are legally adopted by the School Board. The budgets, which include proposed expenditures and the means of financing them, are published in the official journal at least 15 days prior to the public hearings.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

The School Board adopted budgets for the General Fund and all special revenue funds. Budgets are prepared on the modified accrual basis of accounting. All appropriations lapse at year-end and must be reappropriated during the following year to be expended. Formal budget integration (within the accounting records) is employed as a management control device. The superintendent of schools is authorized to transfer amounts between line items within any fund. However, when actual revenues within a fund fail to meet budgeted revenues by five percent or more and/or actual 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. Budget amounts included in the accompanying required supplemental information include the original adopted budget and all subsequent amendments.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, interest-bearing demand deposits, and time deposits, if any, with an original maturity of three months or less from the date of acquisition.

Certificates of Deposit

The bank certificates of deposit have a maturity of more than three months when purchased. These certificates of deposit are stated at cost which approximates fair value.

Receivables

Receivables are charged against income as they become uncollectible. In the opinion of management, all accounts at year-end were considered collectible, and an allowance for doubtful accounts was not considered necessary.

Inventory

Inventory is accounted for using the consumption method, where expenditures are recognized as inventory is used, using a first-in, first-out basis. Inventory of the School Lunch Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. Commodities are recorded as revenues, based on value information from the USDA, when received. Inventory on hand at year-end is reported as nonspendable fund balance to indicate that it is not a part of expendable available financial resources.

Capital Assets

In the government-wide financial statements, capital assets are capitalized and depreciated on a straight line method over their estimated useful lives. The School Board has adopted a capitalization threshold of \$5,000 for reporting purposes. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. A breakdown of the asset valuation between actual and estimated cost is not available. Donated capital assets, if any, are valued at their estimated fair market value on the date received. Useful lives are approximately 40 years for buildings and 3 to 20 years for land and building improvements, furniture, and equipment.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

Expenditures that extend the useful lives of capital assets beyond their initial estimated useful lives or improve their efficiency or capacity are capitalized, whereas expenditures for repairs and maintenance are expensed. Interest costs on debt used to finance the construction of assets are not capitalized.

In the fund financial statements, capital assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds.

No provision is made for depreciation on capital assets in the fund financial statements since the full cost is expensed at the time of purchase or construction.

Interfund Transactions

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

Interfund balances are eliminated in the government-wide financial statements.

Compensated Absences

Vested or accumulated sick or vacation leave that is expected to be liquidated with expendable available financial resources is recognized as a governmental fund liability and expenditure of the governmental functions/programs that will pay it. This includes payments that come due before the end of the reporting period upon the occurrence of employee resignation, retirement, or death that will be paid during the first month of the following year. Vested or accumulated leave is not reported in the fund financial statements. The full liability and related costs are reported in the government-wide financial statements.

All twelve month employees earn from 10 to 18 days of vacation leave each year, depending upon length of service with the School Board. Vacation leave can be accumulated up to a maximum of twenty-four days for employees with up to 10 years of experience and thirty-six days for those employees with more than 10 years of experience. Upon separation from service, all unused vacation leave is paid to the employee at their daily rate of pay.

All School Board employees earn from 10 to 18 days of sick leave each year, depending upon length of service with the School Board. All sick leave can be accumulated without limitation. Upon retirement or death, employees or their heirs are paid for up to 25 days of accumulated sick leave at the employee's current rate of pay. The estimated liability for vested sick leave benefits is considered long-term and is not recorded in the fund financial statements. The estimated liability includes required salary-related payments. Under the Louisiana Teachers' Retirement System, all accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement System and for sick leave earned under the Louisiana School Employees' Retirement System, all accumulated sick leave, excluding the 25 days paid to the employee, is used in the retirement benefit computation as earned service.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

Sabbatical leave may be granted for professional and cultural improvement and for medical reasons. 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. Professional and cultural improvement sabbaticals are restricted in nature as a condition of the leave and, therefore, are considered only a change in the types of services being rendered and not subject to accrual. Medical sabbaticals require the use of virtually all sick leave before a sabbatical can be taken and are not material. Sabbatical leave benefits are recorded as expenditures in the period paid.

Long-Term Liabilities

Long-term liabilities expected to be financed from governmental funds are not reported in the Balance Sheet for the fund financial statements. All liabilities, including long-term debt, are included on the face of the Statement of Net Position in the government-wide financial statements. Interest expense on long-term debt is recognized in the government-wide financial statements as the interest accrues, regardless of when it is due.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. Deferred outflows of resources represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently the School Board has only one that that qualifies for reporting in this category, deferred outflow of pension resources.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position that applies to future periods and so will not be recognized as inflow of resources (revenues) until that time. The School Board has deferred inflows of pension resources and other post-employment benefit resources that qualify for reporting in this category. These amounts will be recognized as an inflow of resources in the period that the amounts become available.

Net Position

The net position is reported as restricted when constraints placed on the net position's use is either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

In cases where restricted and unrestricted monies are received by the School Board for the same function or purpose, the restricted monies are used first.

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

Fund Balances

Nonspendable fund balances include amounts that cannot be spent because they are either not in a spendable form or legally or contractually required to be maintained intact. Restricted fund balances represent those portions of fund balance that are restricted to specific purposes by external parties, such as creditors, grantors, contributors, or laws or regulations of other governments or by law through constitutional provisions or enabling legislation. Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which is the nine member school board. Formal action of the School Board to establish or rescind committed funds is by adopting a resolution in a public meeting. Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as assigned fund balances. In cases where restricted and unrestricted monies are received by the School Board for the same function or purpose, the restricted monies are used first. Unrestricted monies are then spent in the following order: committed, assigned, and unassigned.

Sales Tax

On November 18, 1967, voters of Catahoula Parish passed a one percent sales tax for an indefinite period of time. Seventy-five percent (75%) of the proceeds is dedicated to salaries of school teachers and other School Board employees, while the remaining twenty-five percent (25%) of the proceeds is dedicated to the operation of the parish school system.

On April 7, 1987, voters of the parish passed a one percent tax for an indefinite period of time. The tax is dedicated to the operation of the parish school system.

On November 4, 2008, voters of the parish passed an additional one percent tax for an indefinite period of time. The tax is dedicated to salaries of school teachers and other School Board employees.

All sales taxes are collected by the Concordia Parish School Board and deposited in a bank account for the Catahoula Parish School Board. For its collection services, the Concordia Parish School Board receives one and a quarter percent (1.25%) of collected sales taxes. The sales taxes are recorded as revenue in the general fund.

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 at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GASB Statement No. 75 Implementation

Effective for the year ending June 30, 2018, the Catahoula Parish School Board implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

2. Cash and Cash Equivalents and Certificates of Deposit

Under state law, the School Board may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. At June 30, 2018, the School Board had cash and cash equivalents and certificates of deposit as follows:

Cash and cash equivalents – Governmental Funds	\$ 3,789,263
Cash and cash equivalents – Fiduciary Funds	145,559
Certificates of deposit – Fiduciary Funds	<u>2,870</u>
Total unrestricted cash, cash equivalents, and certificates of deposit	\$ 3,937,692
Restricted certificates of deposit – Governmental Funds	\$ 203,000

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 market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. As of June 30, 2018, the School Board's bank balance of \$4,615,159 was covered by depository insurance or collateral held by fiscal agent banks for Catahoula Parish School Board.

3. Receivables and Due from Other Governmental Agencies

Taxes receivable	\$ 241,887
Other receivables	104,601
Subtotal	<u>346,488</u>
Due from other governmental agencies	<u>690,963</u>
	\$ 1,037,451

Description	Sales Taxes	Federal and State Grants	Other	Total
General Fund	\$ 241,887	\$ 26,770	\$ 102,141	\$ 370,798
Title I Fund	-	290,390	-	290,390
Other Governmental Funds	-	373,803	2,460	376,263
	<u>\$ 241,887</u>	<u>\$ 690,963</u>	<u>\$ 104,601</u>	<u>\$ 1,037,451</u>

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

4. Interfund Assets, Interfund Liabilities, and Operating Transfers

Due from/to other funds:

Individual balances due from/to other funds at June 30, 2018, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Title I Fund	\$ 275,109
General Fund	Other Governmental Funds	279,563
		\$ 554,672

Balances at June 30, 2018, resulted from the routine lag between the dates that interfund goods or services are provided and reimbursable expenditures occur. Transactions are recorded in the accounting system, and payments between funds are made to satisfy the balances.

Transfer In	Transfer Out	Amount
General Fund	Title I Fund	\$ 76,800
General Fund	Other Governmental Funds	42,624
Title I Fund	Other Governmental Funds	69,730
Other Governmental Funds	Other Governmental Funds	3
		\$ 189,157

Transfers are used to (1) move revenues from the collecting fund required by statute, voter-approved resolution or budget to the fund required by statute or budget to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

5. Capital Assets

Capital assets activity for the year ended June 30, 2018, is as follows:

	Balance at July 1, 2017	Increases	Decreases	Balance at June 30, 2018
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 2,365,000	\$ -	\$ -	\$ 2,365,000
Total Capital Assets Not Being Depreciated	2,365,000	-	-	2,365,000
Other Capital Assets				
Land improvements	295,700	-	-	295,700
Buildings and improvements	28,380,613	-	-	28,380,613
Furniture and equipment	721,769	9,950	-	731,719
Total Other Capital Assets	29,398,082	9,950	-	29,408,032

**Catahoula Parish School Board
Harrisonburg, Louisiana
June 30, 2018**

Notes to Basic Financial Statements

	<u>Balance at July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2018</u>
Less				
Accumulated depreciation				
Land improvements	269,750	1,051	-	270,801
Buildings and improvements	25,679,853	169,170	-	25,849,023
Furniture and equipment	507,116	70,219	-	577,335
Total Accumulated Depreciation	<u>26,456,719</u>	<u>240,440</u>	<u>-</u>	<u>26,697,159</u>
Other Capital Assets, Net	<u>2,941,363</u>	<u>(230,490)</u>	<u>-</u>	<u>2,710,873</u>
Governmental Activities Capital Assets, Net	\$ 5,306,363	\$ (230,490)	\$ -	\$ 5,075,873

Depreciation expense was charged to functions as follows:

Governmental Activities

Instruction

Regular programs	\$ 81,369
Special education programs	20,024
Vocational programs	9,996
Other instructional programs	3,510
Special programs	4,649
Adult and continuing education programs	1,330

Support services

Student services	11,782
Instructional staff support	11,278
General administration	3,539
School administration	8,572
Business services	7,190
Plant services	10,468
Student transportation services	56,761

Food services

Community service programs	8,834
Total	<u>\$ 240,440</u>

6. Bonds Payable and Compensated Absences

General Obligation Debts

General obligation liabilities are direct obligations and pledge full faith and credit of the School Board.

During 2010, the School Board issued general obligation school bonds, Series 2010, in the amount of \$750,000 due in annual installments of \$10,000 to \$60,000 on March 1 of each year with an interest rate from 5.50% to 3.85% and maturing March 1, 2030. Debt retirement payments are made from the School District No. 25 Debt Service Fund.

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During 2011, the School Board issued revenue bonds (Taxable QSCB), Series 2011, in the amount of \$500,000 that require the School Board to make mandatory sinking fund deposits annually in the amount of \$29,000. The sinking fund deposits will result in a balloon principal payment of \$500,000 made payable upon the final maturity date of March 1, 2028. Interest payments are due on March 1 and September 1 of each year beginning September 1, 2011 with an interest rate of 0.61%. The revenue bonds are payable from the pledge and dedication of the funds to be derived from the levy and collection of the constitutional property tax millage currently set at 4.16 mills annually. The bonds were issued to provide funds for the purpose of construction, rehabilitation, and/or repair of public school facilities within the district.

In addition, the School Board's obligation relative to the liability for compensated absences is also reported as a general obligation debt.

A summary of changes in the general long-term obligations is as follows:

	<u>Bonds Payable</u>	<u>Compensated Absences</u>	<u>Total</u>
Balance at July 1, 2017	\$ 1,080,000	\$ 372,078	\$ 1,452,078
Additions	-	85,332	85,332
Deductions	(30,000)	(41,859)	(71,859)
Balance at June 30, 2018	\$ 1,050,000	\$ 415,551	\$ 1,465,551

	<u>Balance 06/30/18</u>	<u>Due within one year</u>	<u>Due in more than one year</u>
Bonds payable	\$ 1,050,000	\$ 35,000	\$ 1,015,000
Compensated absences	415,551	415,551	-
Total	\$ 1,465,551	\$ 450,551	\$ 1,015,000

The annual requirement to amortize outstanding bonds payable is as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2019	\$ 35,000	\$ 25,380	\$ 60,380
2020	35,000	23,455	58,455
2021	40,000	21,530	61,530
2022	40,000	19,990	59,990
2023	40,000	18,450	58,450
2024-2028	745,000	66,648	811,648
2029-2030	115,000	6,738	121,738
Total	\$ 1,050,000	\$ 182,191	\$ 1,232,191

**Catahoula Parish School Board
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Notes to Basic Financial Statements

7. Property Taxes

The following is a summary of authorized and levied property tax millage for the year ended June 30, 2018:

	<u>Authorized</u>	<u>Levied</u>	<u>Expiration Date</u>
Parishwide taxes -			
Constitutional	4.16	4.16	Indefinite
Special operational	5.85	5.85	2024
Special leeway	5.85	5.85	2023
School building repair and equipment	1.57	1.57	2026
District taxes -			
Maintenance:			
School District No. 1	5.11	5.11	2020
School District No. 2	5.03	5.03	2020
School District No. 5	4.01	4.01	2027
School District No. 25	5.56	5.56	2020
Bond Sinking:			
School District No. 25	59.56	14.50	2027

The authorized millages are based on the reassessment of tax rolls required by Article 7, Section 23 of the Louisiana Constitution of 1974. The Sheriff of Catahoula Parish, as provided by state law, is the official tax collector of general property taxes levied by the Catahoula Parish School Board. Historically, virtually all property taxes are collected since they are secured by property. Therefore, no allowance for uncollected taxes has been established.

For the fiscal year ending June 30, 2018, the property tax calendar was approximately as follows:

Levy date	July 1, 2017
Lien date	July 1, 2017
Due date	December 31, 2017
Delinquent date	January 1, 2018

8. Post-employment Health Care and Life Insurance Benefits

The Catahoula Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. The Catahoula Parish School Board's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the School Board. The authority to establish and/or amend the obligation of the employer, employees, and retirees rests with the School Board. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Post-employment Benefits Other Than Pensions – Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria – Defined Benefit*.

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Plan Description

The School Board's medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region.

The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be a single employer defined benefit OPEB plan (within the meaning of GASB 74/75) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Since more than 80% of the employees are covered by the Teachers' Retirement System of Louisiana (TRSL), we have used those retirement eligibility (DROP entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; age 60 and 10 years of service, or age 65 and 5 years of service. Employees hired on and after January 1, 2011 may not receive an unreduced retirement benefit before age 60.

Life insurance coverage under the OGB program is available to retirees by election and is based on a blended rate (active and retired). The employer pays 50% of the "cost" of the retiree life insurance, but it is based on the blended rate. Insurance coverage amounts are reduced by 25% at age 65 and by an additional 25% at age 70 according to the OGB plan provisions.

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

Inactive employees or beneficiaries currently receiving benefit payments	132
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	159
	291

Total OPEB Liability

The School Board's total OPEB liability of \$19,404,417 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

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

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.58% annually (Beginning of Year to Determine ADC)
	3.87% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

The discount rate was based on the average of the Bond Buyer's 20 Year General Obligation municipal bond index as of June 30, 2018, the end of the applicable measurement period.

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

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

Changes in Total OPEB Liability

Balance at June 30, 2017		\$ 19,987,626
Changes for the year:		
Service cost		625,912
Interest		701,171
Differences between expected and actual experience		(314,709)
Changes in assumptions		(791,906)
Benefit payments and net transfers		(803,677)
Net changes		(583,209)
Balance at June 30, 2018		\$ 19,404,417

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability of the School Board using the healthcare cost trend rate of 5.50%, as well as what the School Board's liability would be if it were calculated using a healthcare cost trend rate that is one percentage-point lower (4.50%) or one percentage-point higher (6.50%) than the current rate:

	1.0% Decrease (4.50%)	Current Discount Rate (5.50%)	1.0% Increase (6.50%)
Total OPEB liability	\$ 17,064,917	\$ 19,404,417	\$ 22,234,267

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School Board using the discount rate of 3.87%, as well as what the School Board's liability would be if it were calculated using a discount rate that is one percentage-point lower (2.87%) or one percentage-point higher (4.87%) than the current rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
Total OPEB liability	\$ 22,263,895	\$ 19,404,417	\$ 17,072,983

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

For the year ended June 30, 2018, the School Board recognized OPEB expense of \$1,188,756. At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (275,370)
Changes of assumptions	-	(692,918)
Total	\$ -	\$ (968,288)

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

<u>Year Ending June 30,</u>	
2019	\$ (138,327)
2020	(138,327)
2021	(138,327)
2022	(138,327)
2023	(138,327)
Thereafter	(276,653)

9. Leases

Lessee

The School Board entered into a five year lease agreement in March 2013 with Canon Financial Services, Inc. for six risographs and related equipment at \$460 per month. This lease expired in April of 2018. Rent expense was \$4,600 for the year ended June 30, 2018.

Lessor

On October 1, 2006, the School Board, as lessor, entered into an agreement with the U.S. Department of Agriculture, the lessee, to lease 560 acres of land located in Catahoula Parish under the Conservation Reserve Program. The term of the lease is for fifteen years commencing on October 1, 2006 and ending on September 30, 2021. The lease calls for an annual rental payment of \$30,027. The School Board collected \$30,027 from the lessee for the year ended June 30, 2018. A portion of these proceeds in the amount of \$2,603 were paid to Avoyelles Parish School Board as required by the State of Louisiana.

On September 5, 2008, the School Board, as lessor, entered into an agreement with Randall Ewing, the lessee, to lease approximately 640 acres of land located in Catahoula Parish for hunting purposes. The term of the lease is for five years commencing on September 3, 2008 and ending in June 2013. At the April 9, 2013 meeting, the School Board passed a unanimous motion to extend this lease term for another five years ending in June 2018 with the same terms. The lease calls for an annual rental payment of \$7,000. The lease expired in June 2018. On June 1, 2018, the School Board entered into a new agreement with Randall Ewing for a lease term of five years commencing on June 1, 2018 and ending on June 1, 2023. The lease calls for an annual rental payment of \$18,001. The School Board collected \$18,001 from the lessee for the year ended June 30, 2018.

On January 5, 2010, the School Board, as lessor, entered into an agreement with Mike McGee, the lessee, to lease approximately 200 acres of land located in Catahoula Parish. The term of the lease is for ten years commencing on December 31, 2009 and ending on December 31, 2019, or when harvesting of that year's crop is complete, if earlier. The lease calls for an annual rental payment of \$17,000 cash or 21.6% of cotton crops or 30% of grain crops, whichever is greater in any given year. The School Board collected \$17,000 from the lessee for the year ended June 30, 2018. A portion of these proceeds in the amount of \$5,550 were paid to Avoyelles Parish School Board as required by the State of Louisiana.

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On May 1, 2012, the School Board, as lessor, entered into an agreement with M. J. Farms, Ltd., the lessee, to lease 605 acres of land located in Catahoula Parish for hunting purposes. The term of the lease is for ten years commencing on May 1, 2012 and ending on April 30, 2022. The lease calls for an annual rental payment of \$52,755. The School Board collected \$52,755 from the lessee for the year ended June 30, 2018.

On December 31, 2013, the School Board, as lessor, entered into an agreement with M. J. Farms, Ltd. d/b/a Louisiana Delta Plantation, the lessee, to lease 640 acres of land located in Catahoula Parish. The term of the lease is for ten years commencing on December 31, 2013 and ending on December 31, 2023, or when harvesting of that year's crop is complete, if earlier. The lease calls for an annual rental payment of \$42,600 cash or 20.5% of cotton crops or 20.5% of grain crops, whichever is greater in any given year. The School Board collected \$42,600 from the lessee for the year ended June 30, 2018.

On July 24, 2013, the School Board, as lessor, entered into an agreement with Catahoula Parish Hospital District #2, the lessee, to lease a tract of land located by Jonesville Elementary School for a school based health center. The lease calls for an initial term of seven years commencing on August 1, 2013 to and including June 30, 2020. The lessee has the option to renew this lease for successive one-year terms commencing on July 1, 2020, and on each July 1 thereafter, unless the lease is terminated. The lease calls for monthly rental payments of \$200 due on the first of every month. The School Board collected \$2,400 from the lessee for the year ended June 30, 2018.

The minimum future rental payments for the above referenced leases are as follows:

<u>Year Ending</u>	
2019	\$ 162,784
2020	162,784
2021	143,384
2022	60,601
2023	42,600
Total	<u>\$ 572,153</u>

10. Net Position and Fund Balances

Nonspendable Fund Balances

The School Board has recorded a nonspendable fund balance of \$42,126 for unused food commodities in the fund financial statements. This amount is recorded as unrestricted net position in the government-wide financial statements.

Restricted Fund Balances

In accordance with the provisions of the sales tax propositions passed by the voters on November 18, 1967, April 7, 1987, and November 4, 2008, the School Board has a \$10,336 restriction on total net position and related fund balances for salaries and related benefits of all School Board employees from enabling legislation. This restriction is in the sales tax special revenue funds and is a result from the wording of the sales tax resolution approved by voters.

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External parties have restricted the use of grants in the special revenue funds totaling \$59,845. It is recorded as restricted net position and restricted fund balances.

The School Board reports restricted fund balance and net position in the amount of \$344,278 for debt service.

Committed Fund Balances

The School Board has formally designated fund balances totaling \$829,856 for the governmental funds other than those that are nonspendable and restricted by recording them as committed fund balances. This amount is shown as unrestricted net position, as follows:

School Lunch Fund	\$	374,451
Maintenance Supply Fund		7,420
Parish-wide Maintenance Fund		220,425
District #1 Fund		64,309
District #2 Fund		35,475
District #5 Fund		45,035
District #25 Fund		79,432
Education Excellence Fund		3,309
		\$ 829,856

Assigned Fund Balances

Funds designated for worker's compensation, casualty reserves, Medicaid, and insurance settlements are shown as assigned fund balances for the governmental funds and unrestricted net position on the government-wide financial statements.

11. Retirement Systems

The School Board contributes to the Teachers' Retirement System of Louisiana, the Louisiana School Employees' Retirement System, and the Louisiana State Employees' Retirement System. The School Board recognizes its proportionate share of the net pension liability in its government-wide financial statements. The following recap shows the total deferred outflows and inflows of pension resources and net pension liability, as reported in the Statement of Net Position, for each of these plans, which is explained further in this note disclosure.

	Deferred Outflows of Pension Resources	Deferred Inflows of Pension Resources	Net Pension Liability
Teachers' Retirement System of Louisiana (TRSL)	\$ 3,142,615	\$ 2,041,429	\$ 14,204,181
Louisiana School Employees' Retirement System (LSERS)	269,589	127,686	1,682,355
Louisiana State Employees' Retirement System (LASERS)	89,327	22,056	305,274
Total	\$ 3,501,531	\$ 2,191,171	\$ 16,191,810

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Notes to Basic Financial Statements

A. Teachers' Retirement System of Louisiana (TRSL)

General Information about the Plans

Plan Description

Employees of Catahoula Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Teachers' Retirement System of Louisiana (TRSL). Section 11:401 of the Louisiana Revised Statutes grants to TRSL Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. TRSL issues a publicly available financial report that can be obtained at www.trsl.org.

Benefits Provided

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

1. Retirement

Normal Retirement

- a. Regular Plan** - 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% accrual rate after attaining age sixty-two with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between January 1, 2011 and June 30, 2015 may retire with a 2.5% benefit factor after attaining age sixty with at least 5 years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age. Members hired between July 1, 1999 and December 21 2010, are eligible for a 2.5% benefit factor at the earliest of age 60 with 5 years of service, accrual rate at the earliest of age 60 with 5 years of service, age 55 with 25 years of service, or at any age with 30 years of service. Members may retire with an actuarially reduced benefit with 20 years of service at any age. If hired before July 1, 1999, members are eligible for a 2.0% accrual rate at the earliest of age 60 with 5 years of service, or at any age with 20 years of service and are eligible for a 2.5% benefit factor at the earliest of age 65 with 20 years of service, age 55 with 25 years of service, or at any age with 30 years of service.
- b. Plan A** - Members may retire with a 3.0% benefit factor at age 55 with 25 years of service, age 60 with 5 years of service or 30 years of service, regardless of age. Plan A is closed to new entrants.
- c. Plan B** - Members may retire with a 2.0% benefit factor at age 55 with 30 years of service, or age 60 (first employed before July 1, 2015) with 5 years of service. Members first eligible to join and hired on or after July 1, 2015 may retire with a 2.0% benefit factor at age 62 with 5 years of service or an actuarially reduced benefit with 20 years of service at any age.

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

Payment Options – A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or as a lump sum that can't exceed 36 months of the members' maximum monthly benefit amount. Effective July 1, 2009, members may make an irrevocable election at retirement to receive an actuarially reduced benefit which increases 2.5% annually, beginning on the first retirement anniversary date, but not before age 55 or before the retiree would have attained age 55 in the case of a surviving spouse. This option can be chosen in combination with the above options.

Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) was established for academic employees of public institutions of higher education who are eligible for membership in TRSL. This plan was designed to provide certain academic and unclassified employees of public institutions of higher education an optional method of funding for their retirement.

The ORP is a defined contribution pension plan which provides for portability of assets and full and immediate vesting of all contributions submitted on behalf of the affected employees to the approved providers. These providers are selected by the TRSL Board of Trustees. Monthly employer and employee contributions are invested as directed by the employee to provide the employee with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the employee's working lifetime. Employees in eligible positions of higher education can make an irrevocable election to participate in the ORP rather than TRSL and purchase annuity contracts—fixed, variable, or both—for benefits payable at retirement.

2. Deferred Retirement Option Program (DROP)

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

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

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

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Notes to Basic Financial Statements

3. Disability Retirement Benefits

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

4. Survivor Benefits

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

Each minor child (maximum of 2) shall receive an amount equal to the greater of (a) 50% of the spouse's benefit, or (b) \$300 (up to 2 eligible children). Benefits to minors cease at attainment of age 21, marriage, or age 23 if enrolled in an approved institution of higher education.

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

5. Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

The employer contribution rate is established annually under Louisiana Revised Statute 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's actuary. Each sub plan pays a separate actuarially determined employer contribution rate. However, all assets of TRSL are used for the payment of benefits for all classes of members, regardless of their plan.

The normal cost portion of each plan's employer contribution rate varies based upon that plan's benefits, member demographics, and the rate contributed by employees. The Unfunded Accrued Liability (UAL) contribution rate is determined in aggregate for all plans. The UAL resulting from legislation specific to a plan or group of plans will be allocated entirely to that plan or those plans.

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For ORP, only the UAL portion of the employer contribution is retained by the plan. Therefore, only the UAL projected rates were used in the projection of future contributions in determining an employer's proportionate share.

The rates in effect during the fiscal year ended June 30, 2017 are as follows:

Plan	Plan Type	Employee Contribution Rate	Employer Contribution Rate
K-12 Regular Plan	Sub	8.0%	25.5%
Higher Education Regular Plan	Sub	8.0%	24.4%
Plan A	Sub	9.1%	30.7%
Plan B	Sub	5.0%	28.2%
ORP	ORP	8.0%	21.2%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 25.62% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$1,737,473 for the year ended June 30, 2018.

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

At June 30, 2018, the Catahoula Parish School Board reported a liability of \$14,204,181 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the School Board's proportion was 0.138550%, which was a decrease of 0.011400% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School Board recognized pension expense of \$1,097,765 plus employer's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions, \$104,908.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 466,914
Changes of assumptions	149,783	-
Net difference between projected and actual earnings on pension plan investments	-	366,868

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,255,359	1,207,647
Employer contributions subsequent to the measurement date	1,737,473	-
Total	\$ 3,142,615	\$ 2,041,429

The \$1,737,473 reported as deferred outflows of resources related to pensions resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>		
2019	\$	(240,925)
2020		350,857
2021		(169,332)
2022		(576,887)

Actuarial Assumptions

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Amortization Approach	Closed
Actuarial Assumptions:	
Expected Remaining Service Lives	5 years
Investment Rate of Return	7.70% net of investment expenses
Inflation Rate	2.5% per annum
Mortality	Mortality rates based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2008-2012) experience study of the System's members.
Salary Increases	3.50%-10.0%; varies depending on duration of service
Cost of Living Adjustments	None

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.33% for 2017. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	27.0%	4.50%
International Equity	19.0%	5.31%
Domestic Fixed Income	13.0%	2.45%
International Fixed Income	5.5%	3.28%
Alternative Investments	35.5%	6.80%
Total	<u>100.0%</u>	

Discount Rate

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

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.70%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.70%) or one percentage-point higher (8.70%) than the current rate:

	<u>1.0% Decrease (6.70%)</u>	<u>Current Discount Rate (7.70%)</u>	<u>1.0% Increase (8.70%)</u>
Employer's proportionate share of the net pension liability	\$ 18,302,411	\$ 14,204,181	\$ 10,717,915

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Support of Non-employer Contributing Entities

Contributions received by a pension plan from non-employer contributing entities that are not in a special funding situation are recorded as revenue by the respective pension plan. The School Board recognizes revenue in an amount equal to their proportionate share of the total contributions to the pension plan from these non-employer contributing entities. During the year ended June 30, 2018, the School Board recognized revenue as a result of support received from non-employer contributing entities of \$53,707 for its participation in TRSL.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TRSL 2017 Comprehensive Annual Financial Report at www.trsl.org.

B. Louisiana School Employees' Retirement System (LSERS)

General Information about the Pension Plan

Plan Description

Employees of Catahoula Parish School Board are provided with pensions through a cost-sharing multiple employer defined benefit plan administered by the State of Louisiana School Employees' Retirement System (LSERS). Section 11:1001 of the Louisiana Revised Statutes grants to LSERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LSERS issues a publicly available financial report that can be obtained at www.lasers.net.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement

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

For members who joined the System prior to July 1, 2006, the maximum retirement benefit is an amount equal to 3.33% of the average compensation for the three highest consecutive years of membership service, subject to the 10.0% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. For members who joined the System on or after July 1, 2006 through June 30, 2010, 3.33% 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 10.0% salary limitation.

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For members who joined the System on or after July 1, 2010, 2.5% of the average compensation is used to calculate benefits and consists of the five highest consecutive years' average salary, subject to the 15.0% salary limitation. The supplemental allowance was eliminated for members entering the System on or after July 1, 1986. Effective January 1, 1992, the supplemental allowance was reinstated to all members whose service retirement became effective after July 1, 1971.

2. Deferred Retirement Benefits

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

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

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

3. Disability Benefits

A member is eligible to retire and receive disability benefits if he has at least five years of creditable service, is not eligible for normal retirement, and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service is eligible for a disability benefit until normal retirement age. A member who joins the System on or after July 1, 2006, must have at least ten years of service to qualify for disability benefits.

Upon the death of a member with five or more years of creditable service, the System provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

4. Initial Benefit Retirement Plan

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

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Contributions

Contributions for all participating school boards are actuarially determined as required by Act 81 of 1988 but cannot be less than the rate required by the Constitution.

The employer's contribution rate for the year ended June 30, 2017 was 27.37% of annual payroll, with the employee contributing 7.5% of annual payroll. Contributions to the pension plan from the School Board were \$195,434 for the year ended June 30, 2018.

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

At June 30, 2018, the Catahoula Parish School Board reported a liability of \$1,682,355 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the School Board's proportion was 0.262898%, which was an increase of 0.008387% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the School Board recognized pension expense of \$139,805 plus employer's amortization of change in proportionate share and difference between employer contributions and proportionate share of contributions, \$597.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 39,231
Changes of assumptions	35,276	26,208
Net difference between projected and actual earnings on pension plan investments	-	26,306
Changes in proportion and differences between Employer contributions and proportionate share of contributions	38,879	35,941
Employer contributions subsequent to the measurement date	195,434	-
Total	<u>\$ 269,589</u>	<u>\$ 127,686</u>

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The \$195,434 reported as deferred outflows of resources related to pensions resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ (73,122)
2020	69,712
2021	11,089
2022	(61,210)

Actuarial Assumptions

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.125% per annum (increased from 7.0% in 2015)
Inflation Rate	2.625% per annum (decreased from 2.75% in 2015)
Mortality	Mortality rates based on the RP-2000 Sex Distinct Mortality Table.
Salary Increases	Salary increases were projected based on a 2008-2012 experience study of the Plan's members' years of service.
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values and accrued liabilities do not include provisions for potential future increases not yet authorized by the Board of Trustees, but do include a recognition of the existing balance in the Experience Account together with the present value of future contributions to the Account up to the maximum permissible value of the Account based upon current account limitations.

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The total pension liability has been changed to recognize that a portion of future investment gains will be used to fund the System's Experience Account. Since neither the existing funds in the account nor future deposits to the account may be used to pay for existing benefits the liability was added for one future cost of living increase to the system's liabilities. However, since it will take an act of the legislature to pay a cost of living increase from the Experience Account and such an act will be dependent upon a range of economic and political factors, no pattern of future increases can be forecast on a reliable basis. Hence, no liability for payments beyond that of one future COLA is included in the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up), and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting long-term arithmetic nominal expected return is 8.07%. The target allocation and best estimates of arithmetic real rates of return for each major asset as of June 30, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	51%	3.10%
Domestic Fixed Income	30%	1.82%
Alternative investments	13%	0.79%
Real Assets	6%	0.36%
Total	100%	6.07%
International Fixed Income		2.00%
Expected Arithmetic Nominal Return		8.07%

Discount Rate

The discount rate used to measure the total pension liability was 7.125%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by Public Retirement System's Actuarial Committee, taking into consideration the recommendation of the System's actuary. 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.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.125%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.125%) or one percentage-point higher (8.125%) than the current rate:

	1.0% Decrease (6.125%)	Current Discount Rate (7.125%)	1.0% Increase (8.125%)
Employer's proportionate share of the net pension liability	\$ 2,306,311	\$ 1,682,355	\$ 1,146,523

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LSERS 2017 Comprehensive Annual Financial Report at www.lasers.net.

C. Louisiana State Employees' Retirement System (LASERS)

General Information about the Pension Plan

Plan Description

Employees of Catahoula Parish School Board are provided with pensions through a cost-sharing multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System (LASERS). Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401) grants to LASERS Board of Trustees and the Louisiana Legislature the authority to review administration, benefit terms, investments, and funding of the plan. LASERS issues a publicly available financial report that is available for download at www.lasersonline.org.

Benefits Provided

The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

1. Retirement

The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's hire date, employer, and job classification. LASERS rank and file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service or at age 60 upon completing five to ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015 may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015 may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

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Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session, changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with twelve years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and, may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

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2. Deferred Retirement Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

3. Disability Benefits

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching age 60, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

4. Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned 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 qualified handicapped child.

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The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are ten years, two years being earned immediately prior to death, and active state service at the time of death, or a minimum of twenty years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

5. Permanent Benefit Increases/Cost-of-Living Adjustments

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

Contributions

Contribution requirements of active employees are governed by Section 401 of Title II of the Louisiana Revised Statutes (Louisiana Revised Statute 11:401) and may be amended by the Louisiana Legislature. Employee contributions are deducted from a member's salary and remitted with the employer contributions to LASERS by participating employers. The rates in effect during the year ended June 30, 2017 for the various plans follow:

Plan	Plan Status	Employee Contribution Rate	Employer Contribution Rate
Optional Retirement Plan (ORP)			
Pre Act 75 (hired before 7/1/2006)	Closed	7.5%	37.9%
Post Act 75 (hired after 6/30/2006)	Closed	8.0%	37.9%

The School Board's contractually required composite contribution rate for the year ended June 30, 2017 was 35.87% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any Unfunded Actuarial Accrued Liability. Contributions to the pension plan from the School Board were \$33,280 for the year ended June 30, 2018.

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

At June 30, 2018, the Catahoula Parish School Board reported a liability of \$305,274 for its proportionate share of the Net Pension Liability. The Net Pension Liability was measured as of June 30, 2017, and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The School Board's proportion of the Net Pension Liability was based on a projection of the School Board's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2017, the School Board's proportion was 0.004340%, which was a decrease of 0.000350% from its proportion measured as of June 30, 2016.

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For the year ended June 30, 2018, the School Board recognized pension expense of \$27,934 less employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions, \$33,491.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 5,601
Changes of assumptions	1,206	-
Net difference between projected and actual earnings on pension plan investments	9,927	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	44,914	16,455
Employer contributions subsequent to the measurement date	<u>33,280</u>	<u>-</u>
Total	\$ 89,327	\$ 22,056

The \$33,280 reported as deferred outflows of resources related to pensions resulting from the School Board contributions subsequent to the measurement date will be recognized as a reduction of the Net Pension Liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2019	\$ 34,410
2020	1,754
2021	3,973
2022	(6,146)

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Actuarial Assumptions

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

Valuation Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Expected Remaining Service Lives	3 years
Investment Rate of Return	7.70% per annum
Inflation Rate	2.75% per annum
Mortality	
Non-disabled Members	Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015.
Disabled Members	Mortality rates based on the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.
Salary Increases	2.8%-14.3%; varies depending on duration of service
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The investment rate of return used in the actuarial valuation for funding purposes was 8.16%, recognizing an additional forty basis points for gain-sharing and fifteen basis points to offset administrative expenses. The net return available to fund regular plan benefits is 7.61%, which is reasonably close to the 7.70% discount rate. Therefore it was concluded that the 7.70% discount is reasonable.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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 3.25% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.69% for 2017. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 are summarized in the following table:

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<u>Asset Class</u>	<u>Target Allocation¹</u>	<u>Long-Term Expected Real Rate of Return¹</u>
Cash	0%	(0.24)%
Domestic Equity	25%	4.31%
International Equity	32%	5.35%
Domestic Fixed Income	10%	1.73%
International Fixed Income	4%	2.49%
Alternative Investments	22%	7.41%
Global Asset Allocation	7%	2.84%
Total	<u>100%</u>	<u>5.26%</u>

¹*For reference only: Long-Term Expected Real Rate of Return presented in LASERS 2017 CAFR, page 34.*

Discount Rate

The discount rate used to measure the total pension liability was 7.70%. 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 the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the pension plan's actuary. 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 active and inactive 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.

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

The following presents the Employer's proportionate share of the Net Pension Liability using the discount rate of 7.70%, as well as what the Employer's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is one percentage-point lower (6.70%) or one percentage-point higher (8.70%) than the current rate:

	<u>1.0% Decrease (6.70%)</u>	<u>Current Discount Rate (7.70%)</u>	<u>1.0% Increase (8.70%)</u>
Employer's proportionate share of the net pension liability	\$ 383,237	\$ 305,274	\$ 238,987

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued LASERS 2017 Comprehensive Annual Financial Report at www.lasersonline.org.

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12. Restatement of Beginning Fund Balance and Net Position

The School Board recorded the following prior period adjustments to restate fund balance and net position for correction of accounting errors:

Fund Balances, Beginning of Year	\$ 4,039,757
Reimbursement of overpaid insurance deductibles related to a lawsuit	20,000
Additional rental income from prior year crop sales	2,961
Employee physicals not accrued in the prior year	(2,278)
FEMA insurance reimbursements	13,499
Other adjustments	(189)
Total prior period adjustments to beginning fund balance	33,993
 Fund Balances, Beginning of Year, as Restated	 \$ 4,073,750
 Net Position, Beginning of Year	 \$ (13,525,912)
 Total prior period adjustments to beginning fund balance	33,993
Implementation of GASB 75 for post-employment benefits other than pensions	(14,131,498)
Total prior period adjustments to beginning net position	(14,097,505)
 Net Position, Beginning of Year, as Restated	 \$ (27,623,417)

13. Commitment and Contingencies

The School Board receives grants for specific purposes that are subject to review and audit by the Louisiana Department of Education and/or U.S. Department of Education or other grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowance, if any, would be insignificant.

14. 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; employee's health and natural disasters. During the year ended June 30, 2018, the School Board purchased commercial insurance to cover its risks of loss.

At June 30, 2018, the School Board is involved in various lawsuits. It is the opinion of management and the attorney for the School Board that, at June 30, 2018, resolution of the lawsuits will not result in any material adverse effect on the financial condition of the School Board.

Required Supplemental Information – Part II

Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (with Variances)
General Fund
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Statement H
	Original	Final		Variance with Final Budget - Positive (Negative)
Revenues				
Local sources				
Taxes				
Property	\$ 392,000	\$ 392,000	\$ 429,558	\$ 37,558
Sales and use	2,779,483	2,779,483	2,640,150	(139,333)
Rentals and leases	134,000	134,000	163,287	29,287
Tuition	5,000	5,000	805	(4,195)
Investment earnings	10,000	10,000	10,143	143
Other revenue from local sources	40,500	40,500	47,349	6,849
State sources				
Minimum Foundation Program	9,316,154	9,316,154	9,091,119	(225,035)
State revenue sharing	21,334	21,334	21,524	190
Other revenue from state sources	28,197	28,197	23,313	(4,884)
Federal sources	1,114	1,114	-	(1,114)
Total Revenues	<u>12,727,782</u>	<u>12,727,782</u>	<u>12,427,248</u>	<u>(300,534)</u>
Expenditures				
Current				
Instruction				
Regular programs	5,705,159	5,705,159	5,155,930	549,229
Special education programs	1,627,941	1,627,941	1,452,592	175,349
Vocational programs	818,394	818,394	794,935	23,459
Other instructional programs	326,308	326,308	249,729	76,579
Special programs	10,008	10,008	21,052	(11,044)
Adult and continuing education programs	4,876	4,876	10,397	(5,521)
Support services				
Student services	954,906	954,906	917,935	36,971
Instructional support staff	363,120	363,120	245,082	118,038
General administration	467,864	467,864	453,979	13,885
School administration	742,564	742,564	592,180	150,384
Business services	536,206	536,206	528,676	7,530
Plant services	1,018,345	1,018,345	934,327	84,018
Student transportation services	1,281,188	1,281,188	1,177,531	103,657
Central services	24,600	24,600	13,470	11,130
Food services	223,402	223,402	187,536	35,866
Capital outlay	-	-	9,950	(9,950)
Total Expenditures	<u>14,104,881</u>	<u>14,104,881</u>	<u>12,745,301</u>	<u>1,359,580</u>
Excess (Deficiency) of Revenues over Expenditures	(1,377,099)	(1,377,099)	(318,053)	1,059,046
Other Financing Sources (Uses)				
Transfers in	160,000	160,000	119,424	(40,576)
Local revenue transfers - other LEAs	(262,453)	(262,453)	(254,190)	8,263
Total Other Financing Sources (Uses)	<u>(102,453)</u>	<u>(102,453)</u>	<u>(134,766)</u>	<u>(32,313)</u>
Net Change in Fund Balances	(1,479,552)	(1,479,552)	(452,819)	1,026,733
Fund Balances - Beginning of Year, as Restated	<u>3,058,054</u>	<u>3,058,054</u>	<u>3,058,054</u>	-
Fund Balances - End of Year	<u>\$ 1,578,502</u>	<u>\$ 1,578,502</u>	<u>\$ 2,605,235</u>	<u>\$ 1,026,733</u>

GAAP serves as the budgetary basis of accounting.

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (with Variances)
Special Revenue Fund - Title I Fund
For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>			Statement I
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget - Positive (Negative)
Revenues				
Federal sources	\$ 851,302	\$ 897,869	\$ 701,437	\$ (196,432)
Total Revenues	<u>851,302</u>	<u>897,869</u>	<u>701,437</u>	<u>(196,432)</u>
Expenditures				
Current				
Instruction				
Regular programs	-	-	52	(52)
Special programs	376,302	416,319	396,844	19,475
Support services				
Student services	9,513	11,424	16,621	(5,197)
Instructional support staff	380,708	380,708	253,263	127,445
Plant services	-	-	26,462	(26,462)
Student transportation services	-	-	1,125	(1,125)
Total Expenditures	<u>766,523</u>	<u>808,451</u>	<u>694,367</u>	<u>114,084</u>
Excess (Deficiency) of Revenues over Expenditures	<u>84,779</u>	<u>89,418</u>	<u>7,070</u>	<u>(82,348)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	69,730	69,730
Transfers out	(84,779)	(89,418)	(76,800)	12,618
Total Other Financing Sources (Uses)	<u>(84,779)</u>	<u>(89,418)</u>	<u>(7,070)</u>	<u>82,348</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GAAP serves as the budgetary basis of accounting.

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Changes in Total OPEB Liability and Related Ratios**

Statement J-1

Total OPEB Liability

	6/30/2018
Service cost	\$ 625,912
Interest	701,171
Changes of benefit terms	-
Differences between expected and actual experience	(314,709)
Changes of assumptions or other inputs	(791,906)
Benefit payments	(803,677)
Net change in total OPEB liability	(583,209)
Total OPEB liability, beginning of year	19,987,626
Total OPEB liability, end of year	19,404,417
 Covered-employee payroll	 \$ 7,921,576
 Total OPEB liability as a percentage of covered-employee payroll	 244.96%

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

Notes to Schedule:

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

Change in assumptions: The discount rate as of June 30, 2017 was 3.58% and it changed to 3.87% as of June 30, 2018.

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer Contributions - OPEB**

Statement J-2

	6/30/2018
Actuarially determined contribution	\$ 286,877
Contributions in relation to the actuarially determined contribution	
Employer contributions to trust	-
Employer-paid retiree premiums	150,228
Total contributions	150,228
Contribution deficiency (excess)	\$ 136,649
 Covered-employee payroll	 \$ 7,921,576
 Total OPEB liability as a percentage of covered-employee payroll	 1.90%

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

Notes to Schedule:

Valuation date	July 1, 2017
Actuarially determined contributions are calculated as of the last day of the fiscal year in which contributions are reported.	
Actuarial cost method	Individual Entry Age Normal
Amortization method	Market value
Amortization period	30 years
Inflation	2.50% annually
Healthcare trend	Flat 5.50% annually
Salary increases	4.00% annually
Investment return	3.50% annually
Discount rate	3.58% annually (Beginning of Year to Determine ADC) 3.87% annually (As of End of the Year Measurement Date)
Retirement age	3 years after the later of attainment of 30 years of service at any age; or, attainment of age 55 and 25 years of service; or attainment of age 65 and 5 years of service; employees hired on or after January 1, 2011 are not able to retire or enter DROP until age 60 without actuarial reduction in benefits.
Mortality	RP-2000 without projection, 50% unisex blend
Turnover	Age specific table with an average of 10% when applied to the active census
See independent auditor's report.	

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer's Share of Net Pension Liability
Teachers' Retirement System of Louisiana (TRSL)**

Statement K

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.137480%	0.146140%	0.149950%	0.138550%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,052,121	\$ 15,713,055	\$ 17,599,494	\$ 14,204,181
Employer's Covered-Employee Payroll	\$ 7,542,692	\$ 7,601,850	\$ 7,445,175	\$ 7,141,781
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	186.30%	206.70%	236.39%	198.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.70%	62.50%	59.90%	65.60%

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

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer Contributions
Teachers' Retirement System of Louisiana (TRSL)**

Statement L

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2018	\$ 1,737,473	\$ 1,737,473	\$ -	\$ 6,531,855	26.60%
6/30/2017	1,829,787	1,829,787	-	7,141,781	25.62%
6/30/2016	1,955,241	1,955,241	-	7,445,175	26.26%
6/30/2015	2,176,893	2,176,893	-	7,601,850	28.64%

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Notes to Required Supplemental Information
Teachers' Retirement System of Louisiana (TRSL)
For the Year Ended June 30, 2018**

Statement M

Changes in Benefit Terms

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

Changes of Assumptions

For the actuarial valuation for the year ended June 30, 2017, the discount rate was decreased from 7.75% to 7.70%.

See independent auditor's report.

Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer's Share of Net Pension Liability
Louisiana School Employees' Retirement System (LSERS)

Statement N

	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Employer's Proportion of the Net Pension Liability (Asset)	0.137480%	0.270389%	0.254511%	0.262898%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,565,091	\$ 1,714,610	\$ 1,919,897	\$ 1,682,355
Employer's Covered-Employee Payroll	\$ 893,163	\$ 760,604	\$ 730,690	\$ 758,203
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	175.23%	225.43%	262.75%	221.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.18%	74.49%	70.09%	75.03%

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

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer Contributions
Louisiana School Employees' Retirement System (LSERS)**

Statement O

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2018	\$ 195,434	\$ 195,434	\$ -	\$ 751,669	26.00%
6/30/2017	207,531	207,531	-	758,203	27.37%
6/30/2016	220,650	220,650	-	730,690	30.20%
6/30/2015	250,378	250,378	-	760,604	32.92%

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Notes to Required Supplemental Information
Louisiana School Employees' Retirement System (LSERS)
For the Year Ended June 30, 2018**

Statement P

Changes in Benefit Terms

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

Changes of Assumptions

A cost of living adjustment is based on present values of future retirement benefits. Though it does not include provisions for increases not yet authorized by the Board of Trustees, it does include a recognition of the existing balance in the Experience Account together with the present value of future contributions to the Account up to a maximum permissible value of the Account based upon current account limitations.

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer's Share of Net Pension Liability
Louisiana State Employees' Retirement System (LASERS)**

Statement Q

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Employer's Proportion of the Net Pension Liability (Asset)	0.005900%	0.002800%	0.004690%	0.004340%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 369,046	\$ 190,714	\$ 367,971	\$ 305,274
Employer's Covered-Employee Payroll	\$ 100,261	\$ 88,643	\$ 88,488	\$ 89,229
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	368.09%	215.15%	415.84%	342.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.00%	62.70%	57.70%	62.50%

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

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Employer Contributions
Louisiana State Employees' Retirement System (LASERS)**

Statement R

	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
6/30/2018	\$ 33,280	\$ 33,280	\$ -	\$ 87,937	37.85%
6/30/2017	32,002	32,002	-	89,229	35.87%
6/30/2016	32,773	32,773	-	88,488	37.04%
6/30/2015	34,671	34,671	-	88,643	39.11%

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

See independent auditor's report.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Notes to Required Supplemental Information
Louisiana State Employees' Retirement System (LASERS)
For the Year Ended June 30, 2018**

Statement S

Changes in Benefit Terms

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

Changes of Assumptions

For the actuarial valuation for the year ended June 30, 2017, the discount rate was decreased from 7.75% to 7.70%, and the inflation rate was decreased from 3.0% to 2.75%.

See independent auditor's report.

Supplemental Information

Compensation Paid Board Members

The schedule of compensation paid to the Catahoula Parish School Board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Louisiana Legislature. Compensation of the Catahoula Parish School Board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the Catahoula Parish School Board members have elected the monthly payment method of compensation. Under this method, each member of the Board receives \$350 per month, each member on the finance committee receives an additional \$50 (\$400 total), and the President receives \$440 per month for performing the duties of his office.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Compensation Paid Board Members
For the Year Ended June 30, 2018**

Schedule T

Dewey Stockman	\$ 5,280
Jane Martin	4,800
Josephine Jones	4,800
John Allbritton	4,800
Katie Adams	4,200
Dorothy Watson	4,200
Michael Davis	4,200
Cynthia Brown	4,200
Letishia Hatcher	4,200
	<hr/>
Total	<u>\$ 40,680</u>

See independent auditor's report.

Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Compensation, Benefits, and Other
Payments to the Agency Head
For the Year Ended June 30, 2018

Schedule U

Agency Head: Gwile Paul Freeman, Superintendent

Purpose	Amount
Salary	\$ 91,920
Stipends	2,530
Benefits - Medicare	1,370
Benefits - insurance	6,310
Benefits - retirement	13,466
Worker's compensation	460
Reimbursements	475
Travel	10,223
Total	\$ 126,754

See independent auditor's report.

Schedule of Expenditures of Federal Awards

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018**

Schedule V

Federal Grantor/ Pass-Through Grantor/ Program Name	CFDA Number	Pass-through Grant Number	Expenditures	
United States Department of Agriculture				
Passed through Louisiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	\$ 222,166	
National School Lunch Program	10.555	N/A	486,817	\$ 708,983
Passed through Louisiana Department of Agriculture and Forestry				
Food Distribution Cluster				
Commodity Supplemental Food Program	10.565	N/A		61,354
Total United States Department of Agriculture				<u>770,337</u>
United States Department of Education				
Passed through Louisiana Department of Education				
Title I Grants to Local Educational Agencies	84.010	28-18-T1-13 28-1-RD1-13	771,167 14,942	786,109
Special Education Cluster (IDEA)				
Special Education Grants to States (IDEA, Part B)	84.027	28-18-B1-13 28-18-PA-13	236,226 45,793	
Special Education Preschool Grants (IDEA Preschool)	84.173	28-18-P1-13 28-18-CY-13	13,870 383	296,272
Career and Technical Education - Basic Grants to States				
Supporting Effective Instruction State Grants	84.048	28-18-02-13		18,901
Comprehensive Literacy Development	84.367	28-18-50-13		35,647
Comprehensive Literacy Development	84.371	28-18-SR03-13		12,082
Teacher and School Leader Incentive Grants				
	84.374	28-18-TP-13 28-18-PBCS-13	79,349 21,390	100,739
Rural Education				
Adult Education-Basic Grants to States	84.358	28-18-RE-13		30,392
Total United States Department of Education	84.002	N/A		<u>126,046</u>
				1,406,188
United States Department of Health and Human Services				
Passed through Louisiana Department of Education				
TANF Cluster				
Temporary Assistance for Needy Families (TANF)	93.558	28-18-36-13		49,926
CCDF Cluster				
Child Care and Development Block Grant	93.575	28-17-CO-13		1,457
Total United States Department of Health and Human Services				<u>51,383</u>
Total Expenditures of Federal Awards				<u>\$ 2,227,908</u>

Notes:

The schedule of expenditures of federal awards includes the federal activity of the Catahoula Parish School Board under programs of the federal government for the year ended June 30, 2018. 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 Catahoula Parish School Board, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Catahoula Parish School Board.

The schedule of expenditures of federal awards was prepared on the modified accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the Catahoula Parish School Board's accounting policies.

No federal funds were awarded to subrecipients during the year ended June 30, 2018.

Catahoula Parish School Board did not elect to use the ten percent (10%) *de minimus* indirect cost rate allowed under the Uniform Guidance.

See independent auditor's report.

**Other Reports Required by
Government Auditing Standards
and the Uniform Guidance**

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed
in Accordance with *Government Auditing Standards***



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Catahoula Parish School Board
Harrisonburg, 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 the Catahoula Parish School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Catahoula Parish School Board's basic financial statements, and have issued our report thereon dated December 19, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Catahoula Parish 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 Catahoula Parish School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Catahoula Parish 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (Findings 2018-001, 2018-002, and 2018-003).





PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Catahoula Parish 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs (Finding 2018-004).

Catahoula Parish School Board's Response to Findings

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Payne, Moore & Herrington, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants
Alexandria, Louisiana

December 19, 2018

**Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control Over Compliance
Required by the Uniform Guidance**



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Catahoula Parish School Board
Harrisonburg, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the Catahoula 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 Catahoula Parish School Board's major federal programs for the year ended June 30, 2018. Catahoula Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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 Catahoula Parish 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 the 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 Catahoula Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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





PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Catahoula Parish 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 Catahoula Parish 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 Catahoula Parish 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.



PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board
Harrisonburg, Louisiana

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.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

December 19, 2018

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Findings and Questioned Costs
For Year Ended June 30, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Management's Corrective Action Plan **See attached**

Management's Summary Schedule of Prior Audit Findings **See attached**

Federal Awards

Internal control over major programs:
 Material weakness(es) identified? yes no
 Significant deficiency(ies) identified not considered to be material weaknesses? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? yes no

Identification of major programs:

<u>CFDA Numbers</u> 84.027 and 84.173 84.010	<u>Name of Federal Program or Cluster</u> Special Education Cluster (IDEA) Title I Grants to Local Educational Agencies
--	---

Dollar threshold used to distinguish between type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Findings and Questioned Costs
For Year Ended June 30, 2018**

Section II – Findings Relating to the Financial Statements

Finding 2018-001: School Activity Internal Controls

Criteria: Effective internal controls include: maintaining all checks in a secure location with limited access; receipting and maintaining adequate supporting documentation for all cash collections; making timely deposits in accordance with school board policies; and utilizing purchase orders for proper approval of all school purchases.

Condition and Context: Various internal controls at the school level were tested for compliance with the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures. The following internal control deficiencies were noted while performing those tests:

- Blank check stock and checkbooks, while kept in a locked location, are accessible to the authorized check signer (principal).
- Prenumbered receipts and/or adequate supporting documentation is not maintained for all cash collections.
- Deposits are not made timely.
- Purchase orders are not utilized for proper approval of school purchases.

Cause and Effect: There are no written policies and procedures in regards to maintaining checks in a secure location with limited access nor the use of purchase orders for proper approval of school purchases. Also, written policies and procedures for receiving monies are not being followed by every school. Therefore, inadequate internal controls over cash could result in misappropriation of assets and/or fraud and misstatement of financial statements.

Recommendation: We recommend documenting and implementing the following procedures to adequately safeguard assets:

- Place blank check stock and all checkbooks in a locked filing cabinet with only the secretary and one other employee (without signatory authority) having access to the checks.
- Preprinted, prenumbered receipts must be given for all cash collections and copies of other adequate supporting documentation must be retained as required by current procedures.
- Deposits must be made timely in accordance with the policies and procedures established by the school board.
- Prenumbered purchase orders that provide for appropriate approvals must be utilized as per current procedures.

Management's response: See Management's Corrective Action Plan.

Finding 2018-002: Payroll

Criteria: Payroll journals should be reviewed and personnel files should be properly maintained in a centralized location to ensure that payroll and related expenses are accurately recorded in accordance with the School Board's adopted salary schedules and to reduce the risk of fraud or error.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Findings and Questioned Costs
For Year Ended June 30, 2018**

Condition and Context: In testing internal controls over payroll, two deficiencies were noted in which the employee was not paid in accordance with the approved salary schedules. One employee was paid less than their approved salary, and one employee was paid in excess of their approved salary. Also, it was observed that payroll and personnel files are located in two separate locations making it difficult to verify employees' years of experience and degrees of education.

Cause and Effect: Salaries were not reviewed for accuracy in accordance with the adopted salary schedules. Information for personnel files are kept in separate locations at the School Board office. Therefore, payroll expenses could be understated or overstated and employees could be paid inaccurately.

Recommendation: We recommend that payroll be prepared and reviewed in accordance with the School Board's adopted salary schedules. We also recommend that all employee information be kept in one personnel file in a centralized location.

Management's response: See Management's Corrective Action Plan.

Finding 2018-003: Untimely Bank Reconciliations

Criteria: Bank reconciliations should be performed monthly to provide accurate and consistent financial statements in accordance with accounting principles generally accepted in the United States of America.

Condition and Context: Several immaterial journal entries were made after year-end for December 2017 through June 2018 as a result of not reconciling the bank statements timely.

Cause and Effect: Bank statements were not reconciled on a monthly basis and reviewed by someone other than the Business Manager. Therefore, cash could be materially misstated due to errors or omissions not resolved on a timely basis.

Recommendation: We recommend that the Business Manager prepare the bank reconciliations each month prior to preparation of the financial statements. We also recommend that the accounts receivable accountant review the reconciliations once completed as per the School Board's policy.

Management's response: See Management's Corrective Action Plan.

Finding 2018-004: Budget Compliance

Criteria: Louisiana Revised Statute (RS) 39:1311 requires an amendment to the budgets of the general fund and/or special revenue funds if total revenue and other sources plus projected revenue and other sources for the remainder of the year, within a fund, are failing to meet total budgeted revenues and other sources by five percent (5%) or more, or if total actual expenditures and other uses plus projected expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent (5%) or more.

Condition and Context: Actual revenues in the District #25 Special Revenue Fund failed to meet budgeted revenues by 13%.

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedule of Findings and Questioned Costs
For Year Ended June 30, 2018**

Cause and Effect: The School Board did not amend its budget during the year for changes in anticipated funds and/or expenses. Therefore, the budget was not in compliance with RS 39:1311.

Recommendation: We recommend that the School Board comply with the provision of RS 39:1311.

Management's response: See Management's Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs

Not applicable.

Management's Corrective Action Plan



Catahoula Parish School Board

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DR. GWILE PAUL FREEMAN, SUPERINTENDENT

Board Members

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CYNTHIA BROWN
MICHAEL DAVIS
LETISHIA HATCHER
JANE MARTIN
DOROTHY WATSON

Management's Corrective Action Plan For the Year Ended June 30, 2018

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

Independent Public Accounting Firm:

Payne, Moore & Herrington, LLP
P.O. Box 13200
Alexandria, La 71315-3200

Audit Period: July 01, 2017 – June 30, 2018

Finding 2018-001: School Activity Internal Controls

Condition and Context: Various internal controls at the school level were tested for compliance with the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures. The following internal control deficiencies were noted while performing those tests:

- Blank check stock and checkbooks, while kept in a locked location, are accessible to the authorized check signer (principal).
- Prenumbered receipts and/or adequate supporting documentation is not maintained for all cash collections.
- Deposits are not made timely.
- Purchase orders are not utilized for proper approval of school purchases.

Recommendation: We recommend documenting and implementing the following procedures to adequately safeguard assets:

- Place blank check stock and all checkbooks in a locked filing cabinet with only the secretary and one other employee (without signatory authority) having access to the checks.
- Preprinted, prenumbered receipts must be given for all cash collections and copies of other adequate supporting documentation must be retained as required by current procedures.
- Deposits must be made timely in accordance with the policies and procedures established by the school board.
- Prenumbered purchase orders that provide for appropriate approvals must be utilized as per current procedures.

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Catahoula Parish School Board

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Management's response: Although there were no written policies for the proper storage of checks and for the use of purchase orders, all principals were given verbal guidelines in December 2017, on both of these issues. This will be reiterated to all principals in January 2018, at the next scheduled principal's meeting and also with the school secretaries at a special meeting for them. All of these items are procedures of the school system, whether verbal or written, and will be addressed to each school principal. In the future, if these items are not followed, the principal will be subject to appropriate disciplinary action as deemed by the Superintendent.

Finding 2018-002: Payroll

Condition and Context: In testing internal controls over payroll, two deficiencies were noted in which the employee was not paid in accordance with the approved salary schedules. One employee was paid less than their approved salary, and one employee was paid in excess of their approved salary. Also, it was observed that payroll and personnel files are located in two separate locations making it difficult to verify employees' years of experience and degrees of education.

Recommendation: We recommend that payroll be prepared and reviewed in accordance with the School Board's adopted salary schedules. We also recommend that all employee information be kept in one personnel file in a centralized location.

Management's response: The Business Manager will work with the Payroll Accountant to ensure that all employees are paid at the appropriate salary table level. The district has new reporting capabilities that will help in this effort. The district maintains a Personnel Folder and a Payroll Folder on each employee in two distinct locations due to the fact that we have no Human Resources position. The Superintendent is the guardian of the Personnel Folders as defined in state regulations. The items in this folder relate directly to performance, evaluations, disciplinary actions, etc. The items do not relate to payroll in any way other than if an employee increases a step on the salary table. The Superintendent informs payroll of this action with a list, yet he/she maintains the documentation in the official file. The payroll file contains items such as the W4, L4, proof of education, etc. These items relate directly to payroll. In our opinion, the folders should not be combined as the official Personnel Folders are a separate item from the Payroll Folders. If the board ever finds itself in the position to hire a Human Resources Officer that would be in charge of both, then we would merge the two folders at that time.

Finding 2018-003: Untimely Bank Reconciliations

Condition and Context: Several immaterial journal entries were made after year-end for December 2017 through June 2018 as a result of not reconciling the bank statements timely.

Recommendation: We recommend that the Business Manager prepare the bank reconciliations each month prior to preparation of the financial statements. We also recommend that the accounts receivable accountant review the reconciliations once completed as per the School Board's policy.

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Management's response: The Business Manager that had been with the board for 20 years resigned in December 2017. All reconciliations were current at that time. The replacement for her did not reconcile timely and resigned in November 2018. Upon her resignation, the previous Business Manger returned to her position. All reconciliations will now, once again, be done on a monthly basis. The Accounts Receivable Bookkeeper will report to the Superintendent at any time the bank reconciliations are not being completed timely.

Finding 2018:004: Budget Compliance

Condition and Context: Actual revenues in the District #25 Special Revenue Fund failed to meet budgeted revenues by 13%.

Recommendation: We recommend that the School Board comply with the provision of RS 39:1311.

Management's response: The Business Manager that had been with the board for 20 years resigned in December 2017. The replacement for her did not review the budgets and take appropriated revisions to the board. This person resigned in November 2018, and the previous Business Manager returned to her former position. All budgets will be reviewed throughout the year and any revisions will be taken to the board as needed.

Respectfully submitted,

Christi Lofton
Business Manager

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Management's Summary Schedule of Prior Audit Findings

**Catahoula Parish School Board
Harrisonburg, Louisiana
Management's Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018**

Finding 2017-001: School Activity Internal Controls

Condition and Context: Various internal controls at the school level were tested for compliance with the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures. The following internal control deficiencies were noted while testing samples of transactions:

- Check stock and checkbooks, while kept in a locked location, are accessible to the authorized check signer (principal).
- Receipts and/or adequate supporting documentation is not maintained for all cash collections.
- Purchase orders are not utilized for proper approval of school purchases.

Status: Unresolved.

Catahoula Parish School Board

*Agreed-Upon Procedures Report
on School Board Performance Measures*

Harrisonburg, Louisiana

June 30, 2018



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1946

**Independent Accountant’s Report
on Applying Agreed-Upon Procedures**

To the Catahoula Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor:
Harrisonburg, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Catahoula Parish School Board, the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Catahoula Parish School Board for the fiscal year ended June 30, 2018, and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin 741, in compliance with Louisiana Revised Statute 24:514.1. Management of the Catahoula Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

The following difference was noted:

One amount was classified in a different expenditure account on the AFR when compared to the state definitions for performance measures. The following expenditure was reported as detailed below:





PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor
Harrisonburg, Louisiana

Account:	Amount	Account per CPSB Annual Financial Report	Proper Account per Definition for Performance Measures
Instructional Staff Services Annual Leave Severance	\$ 6,815	Business Services Annual Leave Severance Pay	Instructional Staff Services Annual Leave Severance Pay

Per the Catahoula Parish School Board Annual Financial Report, the account in the general fund with a function code of 2211 with object code 282 is reporting \$6,815 less than their general ledger states. This account structure is reported as Instructional Staff Services by the state definitions for performance measures. On the contrary, the account in the general fund with function code 2510 with object code 282 is reporting \$6,815 more than their general ledger states. This account structure is not required to be reported according to the state definitions for performance measures.

Class Size Characteristics (Schedule 2)

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

In our test of ten (10) classes, we noted one (1) class that was not properly classified on the schedule.

Education Levels/Experience of Public School Staff (No Schedule)

3. We obtained October 1st PEP data submitted to the Department of Education (or equivalent listing prepared by management), including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data/listing was complete. We then selected a sample of twenty-five (25) individuals, traced to each individual's personnel file, and observed that each individual's education level and experience was property classified on the PEP data or equivalent listing prepared by management.

In our test of twenty-five (25) individuals, we noted the following:

- One (1) individual that was not included on the October 1st PEP report.
- Three (3) individuals education level and/or experience was not properly classified on the October 1st PEP report.



PAYNE, MOORE & HERRINGTON, LLP

To the Catahoula Parish School Board,
the Louisiana Department of Education,
and the Louisiana Legislative Auditor
Harrisonburg, Louisiana

Public School Staff Data: Average Salaries (No Schedule)

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

In our test of twenty-five (25) individuals, we noted the following:

- Eleven (11) individuals whose salary, extra compensation, and/or full-time equivalents were not properly included on the June 30th PEP report.
- One (1) individual that was not included on the June 30th PEP report.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Catahoula Parish School Board, as required by Louisiana Revised Statute 24:514.1, 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 Legislative Auditor as a public document.

Payne, Moore & Herrington, LLP
Certified Public Accountants
Alexandria, Louisiana

December 19, 2018

**Catahoula Parish School Board
Harrisonburg, Louisiana
Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)
As of and for the Year Ended June 30, 2018**

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

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

Schedule 2 (Formerly Schedule 6) – Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students.

**Catahoula Parish School Board
Harrisonburg, Louisiana
General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2018**

Schedule 1

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities		
Classroom Teacher Salaries	\$ 3,916,820	
Other Instructional Staff Activities	689,731	
Instructional Staff Employee Benefits	2,796,502	
Purchased Professional and Technical Services	13,507	
Instructional Materials and Supplies	117,186	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 7,533,746
Other Instructional Activities		150,888
Pupil Support Services	917,938	
Less: Equipment for Pupil Support Services	-	
Net Pupil Support Services	-	917,938
Instructional Staff Services	238,266	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	238,266
School Administration	592,180	
Less: Equipment for School Administration	-	
Net School Administration	-	592,180
Total General Fund Instructional Expenditures (Total of Column B)		\$ 9,433,018
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		\$ -
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		\$ 162,802
Renewable Ad Valorem Tax		693,425
Debt Service Ad Valorem Tax		51,913
Up to 1% Collections by the Sheriff on Taxes Other than School Taxes		37,040
Sales and Use Taxes		2,640,149
Total Local Taxation Revenue		\$ 3,585,329
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		\$ 160,056
Earnings from Other Real Property		2,400
Total Local Earnings on Investment in Real Property		\$ 162,456
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		\$ 8,495
Revenue Sharing - Other Taxes		34,477
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		2,437
Total State Revenue in Lieu of Taxes		\$ 45,409
Non-Public Textbook Revenue		\$ -
Non-Public Transportation Revenue		\$ -

**Catahoula Parish School Board
Harrisonburg, Louisiana
Class Size Characteristics
As of October 1, 2017**

Schedule 2

School Type	Class Size Range							
	1-20		21-26		27-33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	78.69 %	48	21.31 %	13	- %	-	- %	-
Elementary Activity Classes	70.00	7	30.00	3	-	-	-	-
Middle/Jr. High	81.82	45	18.18	10	-	-	-	-
Middle/Jr. High Activity Classes	69.24	9	15.38	2	7.69	1	7.69	1
High	96.95	127	3.05	4	-	-	-	-
High Activity Classes	100.00	23	-	-	-	-	-	-
Combination	86.46	249	6.25	18	6.94	20	0.35	1
Combination Activity Classes	80.00	32	10.00	4	10.00	4	-	-

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.

Management's Corrective Action Plan



Catahoula Parish School Board

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Management's Corrective Action Plan Year Ended June 30, 2018

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

Independent Public Accounting Firm:

Payne, Moore & Herrington, LLP
P.O. Box 13200
Alexandria, LA 71315-3200

Audit Period: July 01, 2017 – June 30, 2018

Agreed-Up Procedures Report – Schedule 1:

With the unexpected departure of the Business Manager and the return of the previous Business Manager in November, the AFR was prepared at a much faster pace than normal, resulting in the one keypunch code misplacement. This was a one-time situation and the AFR will be prepared under normal circumstances in the future, allowing for detailed checks for the report.

Agreed-Up Procedures Report – Schedule 2:

The Student Information Systems Coordinator will work to ensure that all students are properly classified in the student information systems that the state uses to produce the information for this schedule.

Agreed-Up Procedures Report – Education Levels/Experience of Public School Staff (No Schedule):

The business department has new reporting capabilities that will allow the Payroll Accountant to do more detailed checks of the PEP Report prior to it being submitted. These new features should easily highlight any errors and allow for corrections ensuring that we have an accurate report submitted.

Agreed-Up Procedures Report – Public School Staff Data: Average Salaries (No Schedule):

The business department has new reporting capabilities that will allow the Payroll Accountant to do more detailed checks of the PEP Report prior to it being submitted. These new features should easily highlight any errors and allow for corrections ensuring that we have an accurate report submitted.

Respectfully submitted,

Christi Lofton
Business Manager

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