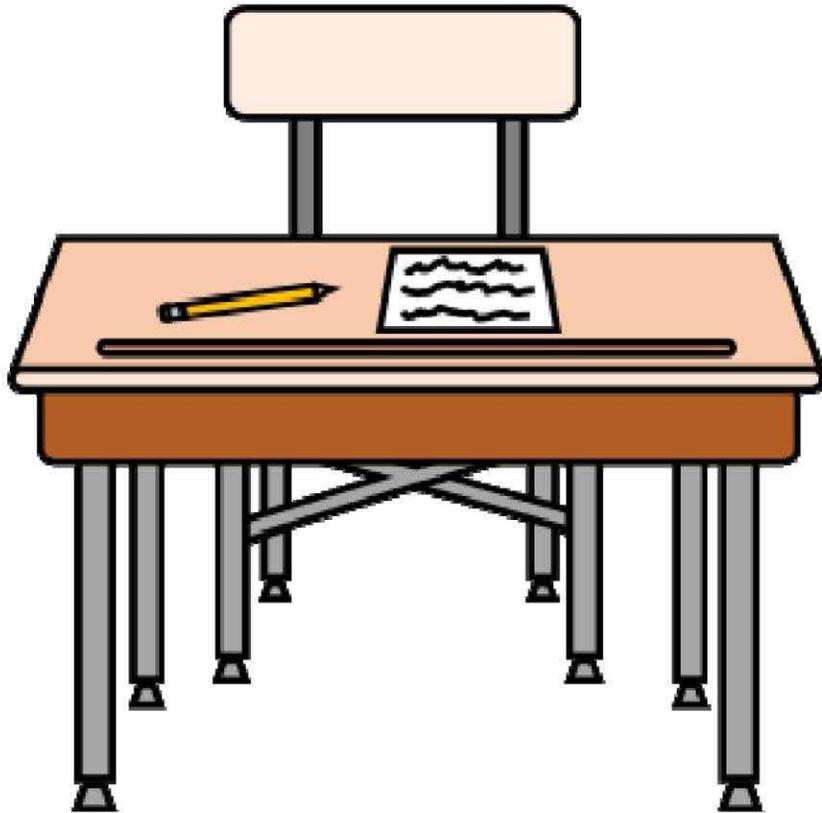


Jackson Parish School Board

Jonesboro, Louisiana



Annual Financial Report

As of and for the year ended June 30, 2018

**Jackson Parish School Board
Jonesboro, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2018**

Jackson Parish School Board

Table of Contents

	<u>Statement</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditor's Report		7-9
REQUIRED SUPPLEMENTARY INFORMATION		10
Management's Discussion and Analysis (MD&A)		11-20
BASIC FINANCIAL STATEMENTS		
Government-wide Financial Statements (GWFS)		21
Statement of Net Position	A	22
Statement of Activities	B	23
Fund Financial Statements (FFS)		25
Governmental Funds:		
Balance Sheet	C	26
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	27
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	28-29
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	30
Fiduciary Funds		
Statement of Fiduciary Net Position	G	31
Statement of Changes in Fiduciary Net Position	H	32
Notes to the Basic Financial Statements		
Index		33
Notes		34-59
	<u>Exhibit</u>	
REQUIRED SUPPLEMENTARY INFORMATION		61
Schedule of changes in the total OPEB Liability and Related Ratios	1	62
Schedule of the Employer's Proportionate Share of the Net Pension Liability	2-1	63
Schedule of Employer Contributions to Pension Plans	2-2	64
Notes to Required Supplementary Information for Pensions		65
Budgetary Comparison Schedule		66
General Fund	3	67
Notes to the Budgetary Comparison Schedule		68-69
SUPPLEMENTARY INFORMATION		71
Combining Nonmajor Governmental Funds - By Fund Type		
Combining Balance Sheet - By Fund Type	4	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type	5	73
NONMAJOR SPECIAL REVENUE FUNDS		74-75
Combining Balance Sheet	6	76-79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	7	80-83
NONMAJOR DEBT SERVICE FUNDS		84
Combining Balance Sheet	8	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	9	86

(Continued)

Jackson Parish School Board

Table of Contents

	<u>Exhibit</u>	<u>Page</u>
SUPPLEMENTARY INFORMATION (Continued)		
AGENCY FUNDS		87
Statement of Fiduciary Assets and Liabilities	10	88
Schedule of Changes in Deposits Due Others	11	89
GENERAL		
Schedule of Compensation Paid Board Members	12	90
Schedule of Compensation, Benefits and Other Payments to Agency Head (Superintendent)	13	91
SINGLE AUDIT INFORMATION		93
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>		94-95
Report on Compliance For Each Major Federal Program; and Report on Internal Control Over Compliance; and Required by the Uniform Guidance		96-97
Schedule of Expenditures of Federal Awards		98
Notes to the Schedule of Expenditures of Federal Awards		99
Schedule of Findings and Questioned Costs		100
OTHER INFORMATION		101
Status of Prior Year Management Letter Item		102
AGREED-UPON PROCEDURES		103
Independent Accountant's Report on Applying Statewide Agreed-upon Procedures		104-112
Independent Accountant's Report on Applying BESE Agreed-upon Procedures		113-114
School Board prepared Performance and Statistical Data Schedules		115-116
		(Concluded)



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Retired) 1963 - 2000

INDEPENDENT AUDITOR’S REPORT

Board Members
Jackson Parish School Board
Jonesboro, 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 Jackson Parish School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board’s basic financial statements as listed in the 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 School Board’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 School Board’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Jackson 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of the Employer's Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, the Budgetary Comparison Schedules and the notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

The accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2019 on our consideration of the Jackson Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 2, 2019

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REQUIRED SUPPLEMENTARY INFORMATION:

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

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Our discussion and analysis of Jackson Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis. Amounts are presented in thousands unless otherwise noted.

FINANCIAL HIGHLIGHTS In fiscal year 2018, the School Board adopted the following new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The adoption of Statement No. 75 has no impact on the School Board's governmental fund financial statements, which continue to report expenditures on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the School Board's 2017 government-wide financial statements to reflect the reporting of total OPEB liability in accordance with the provisions of the Statement. Net position as of July 1, 2017 was decreased by \$17,115 reflecting the cumulative retrospective effect of adoption.

- *Statement No. 85 – Omnibus 2017*, issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement, and application, and postemployment benefits for both pensions and other postemployment benefits (OPEB).
- *Statement No. 86 – Certain Debt Extinguishment Issues*, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

The adoption of Statements No. 85 and 86 had no impact on the government-wide or the governmental fund financial statements, but provide for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

Total revenues for all governmental activities increased \$115 due mainly to Minimum Foundation funding increased during the year.

Total expenses for all governmental activities decreased \$3,155 due mainly to the overall decrease in instructional programs, support services and food service program expenses.

FUND FINANCIAL STATEMENTS The fund balances of all governmental funds increased \$861 primarily due to property taxes and Minimum Foundation funding increased during the year. The fund balance of the general fund decreased \$605.

Overall revenues decreased \$937 from the 2017 school year in the General Fund. This decrease was due to decrease in property and sales tax.

Expenditures decreased \$1,258 in the General Fund from what was spent in 2017. The decrease in expenditures was mainly due to less positions in the Pre-K program, no major projects for capital outlay (bus barn location was purchased in 2017), and the purchase of new buses reduced the cost of repairs and maintenance.

The Taxable QSCB Series 2009 fund balance increased \$9 from the 2017 school year mainly due to the increase in assets pledge to cover the bond once it is redeemable.

Nonmajor governmental fund balances increased \$1,457 due mainly to the district maintenance sales tax portion being moved out of General Fund. Four district accounts was created this year to track spending for each district.

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the General Fund and the Taxable QSCB Series 09 fund. The remaining statements - the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents and for the trust.

Annual Financial Report

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

Basic Financial Statements

**Government-wide
Financial Statements**



**Fund
Financial Statements**

Notes to the Financial Statements

Required Supplementary Information

Schedule of Changes in Total OPEB Liability and Related Ratios
Schedule of the Employer's Proportionate Share of the Net Pension Liability
Schedule of Employer Contributions to Pension Plans
Notes to Required Supplementary Information for Pension Plans
Budgetary Comparison Information for Major Funds
Notes to the Budgetary Comparison Schedules
Notes to the Required Supplementary Information

Supplementary Information

Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members
Schedule of Compensation, Benefits and Other Payments to Agency Head
(Superintendent)

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

Reporting the School Board as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, liabilities,

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

and deferred outflows/inflows of resources, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

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

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

Reporting the School Board's Most Significant Funds

Fund Financial Statements

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

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

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds and scholarship fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Net Position and the Statement of Changes of Fiduciary Net Position. We exclude these activities from the School Board's other financial statements because the

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE SCHOOL BOARD AS A WHOLE The School Board's net position was \$(32,767) at June 30, 2018. Of this amount \$(44,490) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

The 2017 amounts presented in Table 1 and Table 2 were not restated to reflect the retrospective effect of implementing GASB 75, because the pro forma amounts are not readily determinable.

Table 1
Net Position
June 30,
(in thousands)

	<u>Governmental Activities</u>		
	2018	2017	Variance
Other assets	\$ 26,051	\$ 25,275	\$ 776
Capital assets	13,349	13,542	(193)
Total assets	39,400	38,817	583
 Deferred Outflow of Resources	5,414	7,203	(1,789)
Other liabilities	2,820	2,906	(86)
Long-term liabilities	72,306	56,596	15,710
Total liabilities	75,126	59,502	15,624
 Deferred Inflow of Resources	2,455	1,772	683
 Net Position			
Net investment in capital assets	4,849	5,042	(193)
Restricted	6,874	7,063	(189)
Unrestricted	(44,490)	(27,359)	(17,131)
Total net position	\$ (32,767)	\$ (15,254)	\$ (17,513)

The \$(44,490) in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its noncapital liabilities such as compensated absences, net pension liability and OEPB liability, there would be a deficit of \$44,490.

The net position of the School Board decreased by \$398 which was mainly due to increases in Teacher's Retirement, Louisiana school employee's retirement, health and life insurance premiums and increases in net pension liability and OPEB liability.

Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

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

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

	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Revenues:			
Program revenues			
Charges for services	\$ 201	\$ 198	\$ 3
Operating grants and contributions	3,141	3,443	(302)
General revenues			
Ad valorem taxes	5,775	6,216	(441)
Sales taxes	5,785	5,828	(43)
Minimum Foundation Program	11,158	10,472	686
Other general revenues	718	506	212
Total revenues	<u>26,778</u>	<u>26,663</u>	<u>115</u>
Functions/Program Expenses:			
Instruction			
Regular programs	9,467	11,493	(2,026)
Special programs	2,315	2,674	(359)
Other instructional programs	3,004	3,258	(254)
Support services			
Student services	1,479	1,503	(24)
Instructional staff support	1,553	1,668	(115)
General administration	1,541	1,213	328
School administration	1,313	1,541	(228)
Business services	461	432	29
Plant services	1,939	2,042	(103)
Student transportation services	1,872	2,065	(193)
Central services	341	354	(13)
Food services	1,702	1,902	(200)
Community services	10	7	3
Interest on long-term debt	179	179	-
Total expenditures	<u>27,176</u>	<u>30,331</u>	<u>(3,155)</u>
Increase (decrease) in net position	<u>(398)</u>	<u>(3,668)</u>	<u>3,270</u>
Net position – beginning, as originally stated	(15,254)	(11,586)	(3,668)
Prior period adjustment	(17,115)	-	(17,115)
Net position - beginning	<u>(32,369)</u>	<u>(11,586)</u>	<u>(20,783)</u>
Net position - ending	<u>\$ (32,767)</u>	<u>\$ (15,254)</u>	<u>\$ (17,513)</u>

Governmental Activities In Table 3 we have presented the cost of each of the School Board's six largest functions - regular programs, special programs, other instructional programs, plant services, student transportation services and food services, as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows

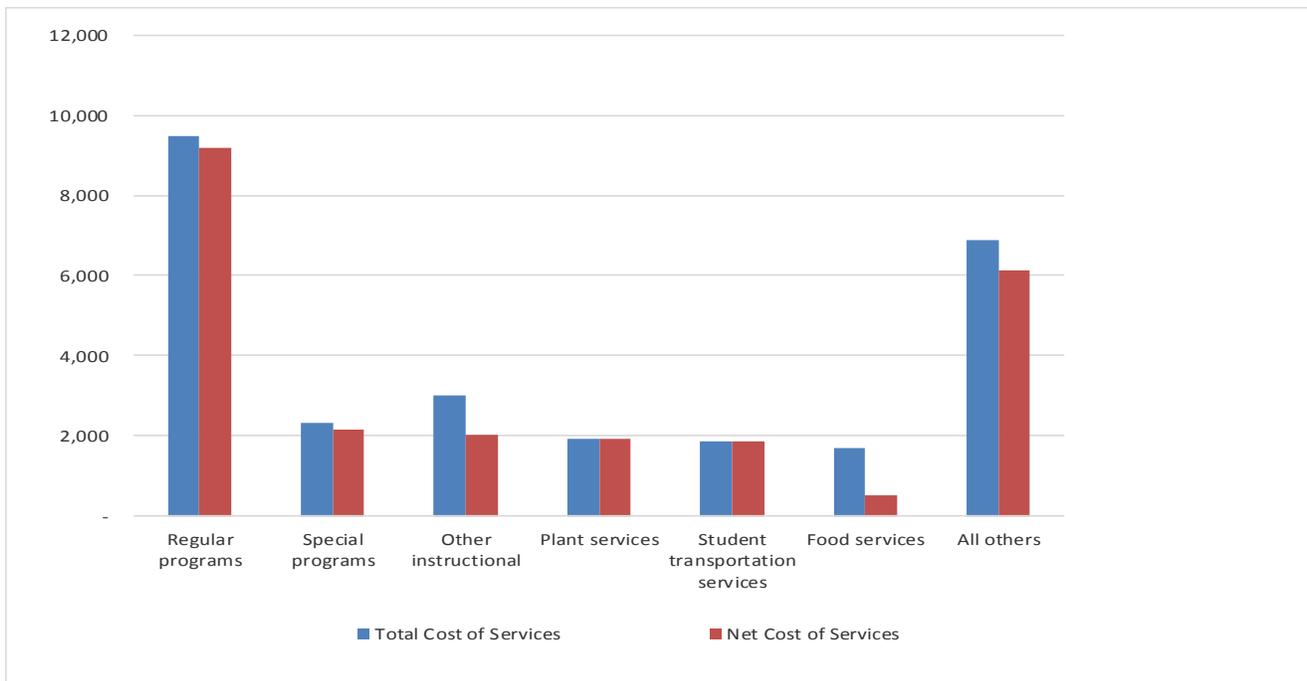
Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Cost of Services
For the Years Ended June 30,
(in thousands)

				<u>Governmental Activities</u>		
	<u>Total Cost of Services</u>			<u>Net Costs of Services</u>		
	<u>2018</u>	<u>2017</u>	<u>Variance</u>	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Regular programs	\$ 9,467	\$ 11,493	\$ (2,026)	\$ 9,198	\$ 11,393	\$ (2,195)
Special programs	2,315	2,674	(359)	2,162	2,385	(223)
Other instructional programs	3,004	3,258	(254)	2,016	1,957	59
Plant services	1,939	2,042	(103)	1,935	2,033	(98)
Student transportation services	1,872	2,065	(193)	1,868	2,050	(182)
Food services	1,702	1,902	(200)	521	703	(182)
All others	6,877	6,897	(20)	6,135	6,170	(35)
Totals	\$ 27,176	\$ 30,331	\$ (3,155)	\$ 23,835	\$ 26,691	\$ (2,856)

2018
Total Cost of Services
Versus
Net Cost of Services (in thousands)



Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018

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

General Fund Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.)

The original amount available for appropriations and the original amount budgeted for charges to appropriations were not revised during the year due to monitoring the budget and seeing that the School Board was not over the state mandated 5% budget law.

The budgeted amounts available for appropriations exceeded the actual by \$607. This was due to the district maintenance sales tax portion being removed out of General Fund.

The budgeted charges to appropriations was less than the actual by \$39 due to year end accruals and entries made after final budget approved.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2018, the School Board had \$13,349 invested in a broad range of capital assets, including land, infrastructure, buildings and improvements, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$193 or approximately 1.4% from last year.

**Capital Assets at
June 30,
(in thousands)**

	<u>Governmental Activities</u>		
	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Land	\$ 259	\$ 193	\$ 66
Infrastructure	402	415	(13)
Buildings and improvements	11,467	11,792	(325)
Furniture and equipment	1,221	1,142	79
Totals	<u>\$ 13,349</u>	<u>\$ 13,542</u>	<u>\$ (193)</u>

More information on capital assets is included in Note 7 of the Notes to the Financial Statements.

Debt Administration The School Board's long-term liabilities at June 30, 2018 include Qualified School Construction Bonds (QSCB) of \$6,000 and \$2,500, net pension liability of \$28,570, OPEB liability of \$34,654, compensated absences of \$309, litigation payable of \$75 and claim and judgments payable of \$198.

More information on long-term debt is included in Note 13 of the Notes to the Financial Statements.

**Jackson Parish School Board
Management's Discussion and Analysis (MD&A)
June 30, 2018**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS The Jackson Parish School Board does not anticipate any significant changes to the budgets for fiscal year 2018-2019.

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Kristi Bass, Business Manager, at Jackson Parish School Board, P. O. 705, Jonesboro, Louisiana 71251-0705, telephone number (318) 259-4456.

BASIC FINANCIAL STATEMENTS:

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

JACKSON PARISH SCHOOL BOARD

STATEMENT OF NET POSITION
June 30, 2018

	Statement A
	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 20,237,176
Investments	4,228,880
Receivables	1,577,879
Inventory	6,019
Other assets - deposits	50
Capital assets, not being depreciated	
Land and construction in progress	259,095
Capital assets, net of depreciation	
Buildings, furniture and equipment	13,090,191
TOTAL ASSETS	39,399,290
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	5,414,238
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,414,238
LIABILITIES	
Accounts, salaries and other payables	2,770,115
Interest payable	44,001
Unearned revenue	6,019
Long-term liabilities	
Due within one year	507,049
Due in more than one year	71,798,800
TOTAL LIABILITIES	75,125,984
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	2,454,883
TOTAL DEFERRED INFLOWS OF RESOURCES	2,454,883
NET POSITION	
Net investment in capital assets	4,849,286
Restricted for:	
Child nutrition program	220,756
Debt service	4,445,406
Capital projects	3,042
Grant contracts	780
Salaries and related benefits	833,529
Repairs and maintenance	1,370,142
Unrestricted	(44,490,280)
TOTAL NET POSITION	\$ (32,767,339)

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

JACKSON PARISH SCHOOL BOARD

**STATEMENT OF ACTIVITIES
For the year ended June 30, 2018**

Statement B

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 9,466,652	\$ -	\$ 268,668	\$ (9,197,984)
Special programs	2,315,254	-	152,986	(2,162,268)
Other instructional programs	3,004,083	-	987,813	(2,016,270)
Support services:				
Student services	1,478,514	-	122,483	(1,356,031)
Instructional staff support	1,553,089	-	495,504	(1,057,585)
General administration	1,541,295	-	117,687	(1,423,608)
School administration	1,312,650	-	3,809	(1,308,841)
Business services	461,428	-	1,447	(459,981)
Plant services	1,939,382	-	4,250	(1,935,132)
Student transportation services	1,872,037	-	4,518	(1,867,519)
Central services	341,125	-	1,014	(340,111)
Food services	1,702,300	200,705	980,887	(520,708)
Community services	10,000	-	35	(9,965)
Interest and bank charges	178,750	-	-	(178,750)
Total Governmental Activities	\$ 27,176,559	\$ 200,705	\$ 3,141,101	\$ (23,834,753)

General revenues:

Taxes:

Property taxes, levied for general purposes	5,775,388
Sales taxes, levied for general purposes	5,785,377

Grants and contributions not restricted to specific programs

Minimum Foundation Program	11,158,154
State revenue sharing	74,445
Interest and investment earnings	92,500
Miscellaneous	551,140

Total general revenues 23,437,004

Changes in net position (397,749)

Net position - beginning (15,254,777)

Prior period adjustment (17,114,813)

Net position - beginning, as restated (32,369,590)

Net position - ending \$ (32,767,339)

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

Jackson Parish School Board

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BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

JACKSON PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2018**

Statement C

	GENERAL	TAXABLE QSCB SERIES 09	NONMAJOR GOVERNMENTAL	TOTAL
ASSETS				
Cash and cash equivalents	\$ 18,549,392	\$ 81,427	\$ 1,606,357	\$ 20,237,176
Investments	-	3,175,272	1,053,608	4,228,880
Receivables	803,104	-	774,775	1,577,879
Interfund receivables	325,622	-	780	326,402
Inventory	-	-	6,019	6,019
Other assets - deposits	50	-	-	50
TOTAL ASSETS	19,678,168	3,256,699	3,441,539	26,376,406
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	2,487,645	-	282,470	2,770,115
Interfund payables	780	-	325,622	326,402
Unearned revenue	-	-	6,019	6,019
Total Liabilities	2,488,425	-	614,111	3,102,536
Fund Balances:				
Restricted	833,529	3,256,699	2,827,428	6,917,656
Unassigned	16,356,214	-	-	16,356,214
Total Fund Balances	17,189,743	3,256,699	2,827,428	23,273,870
TOTAL LIABILITIES AND FUND BALANCES	\$ 19,678,168	\$ 3,256,699	\$ 3,441,539	\$ 26,376,406

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

JACKSON PARISH SCHOOL BOARD

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

Statement D

Total fund balances - governmental funds \$ 23,273,870

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

Costs of capital assets	\$ 42,007,235	
Accumulated depreciation	<u>(28,657,949)</u>	13,349,286

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

Balances at June 30, 2018 are:

Interest payable	(44,001)	
------------------	----------	--

Long-term liabilities:

QSCB series 2009 payable	(6,000,000)	
QSCB series 2011 payable	(2,500,000)	
Net pension liability	(28,570,172)	
OPEB liability	(34,653,628)	
Compensated absences payable	(309,049)	
Litigation payable	(75,000)	
Claims and judgements payable	<u>(198,000)</u>	<u>(72,349,850)</u>

Deferred outflows/inflows related to pensions are not due and payable in the current period and accordingly are not reported in the Fund Financial Statements

Deferred outflows related to pensions	5,414,238	
Deferred inflows related to pensions	<u>(2,454,883)</u>	<u>2,959,355</u>

Total Net Position - governmental activities		<u><u>\$ (32,767,339)</u></u>
--	--	-------------------------------

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

JACKSON PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the year ended June 30, 2018**

	TAXABLE			Statement E
	GENERAL	QSCB SERIES 09	NONMAJOR GOVERNMENTAL	TOTAL
REVENUES				
Local sources:				
Taxes:				
Ad valorem	\$ 5,775,388	\$ -	\$ -	\$ 5,775,388
Sales and use	4,610,533	-	1,174,844	5,785,377
Interest earnings	50,670	32,903	8,927	92,500
Food services	-	-	200,705	200,705
Other	406,451	-	144,689	551,140
State sources:				
Equalization	11,141,083	-	17,071	11,158,154
Other	128,883	-	177,363	306,246
Federal sources	-	-	2,909,300	2,909,300
Total Revenues	22,113,008	32,903	4,632,899	26,778,810
EXPENDITURES				
Current:				
Instruction:				
Regular programs	7,900,046	-	402,029	8,302,075
Special programs	2,118,765	-	147,636	2,266,401
Other instructional programs	1,722,592	-	1,083,539	2,806,131
Support services:				
Student services	1,287,584	-	122,313	1,409,897
Instructional staff support	1,003,468	-	500,326	1,503,794
General administration	1,397,375	-	130,623	1,527,998
School administration	1,241,016	-	421	1,241,437
Business services	446,848	-	3,330	450,178
Plant services	1,345,085	-	506,021	1,851,106
Student transportation services	1,628,848	-	73,675	1,702,523
Central services	332,386	-	650	333,036
Food services	388,895	-	1,216,871	1,605,766
Community services	10,000	-	-	10,000
Capital outlay	260,144	-	468,599	728,743
Debt service:				
Interest and bank charges	-	23,875	154,875	178,750
Total Expenditures	21,083,052	23,875	4,810,908	25,917,835
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1,029,956	\$ 9,028	\$ (178,009)	\$ 860,975

(CONTINUED)

JACKSON PARISH SCHOOL BOARD

**GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the year ended June 30, 2018**

	Statement E			
	GENERAL	TAXABLE QSCB SERIES 09	NONMAJOR GOVERNMENTAL	TOTAL
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 1,635,378	\$ 1,635,378
Transfers out	(1,635,378)	-	-	(1,635,378)
Total Other Financing Sources (Uses)	(1,635,378)	-	1,635,378	-
Net Change in Fund Balances	(605,422)	9,028	1,457,369	860,975
FUND BALANCES - BEGINNING	17,795,165	3,247,671	1,370,059	22,412,895
FUND BALANCES - ENDING	\$ 17,189,743	\$ 3,256,699	\$ 2,827,428	\$ 23,273,870

(CONCLUDED)

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

JACKSON PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the year ended June 30, 2018**

		Statement F
Total net change in fund balances - governmental funds	\$	860,975
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital assets in the period:		
Capital outlays	\$ 728,743	
Depreciation expense	<u>(921,251)</u>	(192,508)
Increase in OPEB liability for the actuarially calculated expense is reported in the Statement of Activities and not reported as expenditures in governmental funds until paid.		(1,372,568)
The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the Fund Financial Statements are the amount actually paid.		540,422
In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used (\$353,843) was less than the amounts earned (\$451,913) by \$98,070.		(98,070)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
(Increase) Reduction of incurred but not reported workers' compensation claims		(136,000)
		<hr/>
Change in net position of governmental activities.	\$	<u><u>(397,749)</u></u>

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

JACKSON PARISH SCHOOL BOARD

**FIDUCIARY FUNDS
Statement of Fiduciary Net Position
June 30, 2018**

Statement G

	PRIVATE PURPOSE TRUST	AGENCY FUNDS
<u>ASSETS</u>		
Cash and cash equivalents	\$ 111,542	\$ 347,718
Investments	125,000	-
Total assets	236,542	347,718
<u>LIABILITIES</u>		
Deposits due others	-	347,718
Total liabilities	-	347,718
<u>NET POSITION</u>		
Net position held in trust	236,542	-
Total net position	\$ 236,542	\$ -

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

JACKSON PARISH SCHOOL BOARD
FIDUCIARY FUNDS
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2018

	Statement H
	PRIVATE PURPOSE TRUST
<u>ADDITIONS</u>	
Earnings on investments	\$ 1,111
Other revenue	2,000
	3,111
<u>DEDUCTIONS</u>	
Regular instruction	11,750
	(8,639)
Changes in net position	(8,639)
Net position - beginning	245,181
	245,181
Net position - ending	\$ 236,542
	236,542

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

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

<u>INDEX</u>	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	34
A. REPORTING ENTITY	34
B. FUNDS	34
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	35
D. CASH AND CASH EQUIVALENTS	36
E. INVESTMENTS	37
F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES	37
G. ELIMINATION AND RECLASSIFICATIONS	37
H. INVENTORY AND PREPAID EXPENSES	37
I. CAPITAL ASSETS	38
J. UNEARNED REVENUES	38
K. COMPENSATED ABSENCES	38
L. LONG-TERM LIABILITIES	39
M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES	39
N. RESTRICTED NET POSITION	39
O. FUND EQUITY OF FUND FINANCIAL STATEMENTS	39
P. INTERFUND ACTIVITY	40
Q. SALES TAX	40
R. BUDGET	40
S. USE OF ESTIMATES	41
NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	41
NOTE 3 - LEVIED TAXES	41
NOTE 4 - DEPOSITS	43
NOTE 5 - INVESTMENTS	43
NOTE 6 - RECEIVABLES	44
NOTE 7 - CAPITAL ASSETS	45
NOTE 8 - PENSION PLANS	45
NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (OPEB)	51
NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES	53
NOTE 11 - COMPENSATED ABSENCES	53
NOTE 12 - AGENCY FUND DEPOSITS DUE OTHERS	54
NOTE 13 - LONG-TERM LIABILITIES	54
NOTE 14 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)	55
NOTE 15 - LITIGATION AND CONTINGENCIES	56
NOTE 16 - RISK MANAGEMENT	56
NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES	57
NOTE 18 - ECONOMIC DEPENDENCY	57
NOTE 19 - SUBSEQUENT EVENTS	57
NOTE 20 - FUND BALANCE CLASSIFICATION DETAILS	58
NOTE 21 - NEW GASB STANDARDS	58
NOTE 22 - CHANGE IN PRESENTATION	59
NOTE 23 - TAX ABATEMENT	59
NOTE 24 - PRIOR PERIOD ADJUSTMENT	59

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

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

A. REPORTING ENTITY The Jackson Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Jackson 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 seven members who are elected from ten districts for terms of four years.

The School Board operates five schools within the parish with a total enrollment of 2,261 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

B. FUNDS The School Board uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

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

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

Taxable QSCB Series 09 Accounts for the annual interest payments and accumulated assets pledged for the payment of the 2009 taxable Qualified School Construction Bonds in 2025.

Fiduciary Funds Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

Fiduciary funds include:

I. J. Allen Memorial Scholarship Expendable Trust Fund - accounted for essentially in the same manner as governmental funds. The resources, including both principal and earnings, may be expended. This scholarship trust fund was created from contributions and memorials from the family and friends of the late I. J. Allen.

School Activities Agency Fund - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred outflows/inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, liabilities, and deferred outflows/inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 Accounting and Financial Reporting for Nonexchange Transactions.

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state governments.

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

Fund Financial Statements (FFS)

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

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

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

Revenues

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

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

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

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

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

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

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds are accounted for using the accrual basis of accounting, and the trust fund is prepared using the economic resources measurement focus.

Trust Funds account for assets held by the government under the terms of a normal trust agreement.

Agency Funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. This fund is used to account for assets that the government holds for others in an agency capacity.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less they are classified as cash equivalents and are stated at cost.

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

E. INVESTMENTS Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

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

1. Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reported at amortized cost money market investments and *participating* interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

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

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

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/ payables.

G. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

H. INVENTORY AND PREPAID EXPENSES Inventory is accounted for using the consumption method and are recognized as an expenditure when purchased. Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when purchased except for any unused commodities at June 30 are reported as unearned revenues. All purchased inventory items are valued at cost using first-in, first-out, (FIFO), and commodities are assigned values based on information provided by the United States Department of Agriculture.

Certain payments to vendors reflect cost applicable to future accounting periods and are reported as prepaid items. Prepaid items are also accounted for using the consumption method where expenditures are recognized as the prepaid item expires with the passage of time.

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

I. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Infrastructure	30 years
Land improvements	40 years
Buildings	10 - 40 years
Furniture and equipment	3 - 10 years
Intangibles-software	5 years

J. UNEARNED REVENUES The School Board reports unearned revenues on its combined balance sheet. Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures or for commodities in inventory at June 30, as described in Note H. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue from the combined balance sheet is removed and the revenue is recognized.

K. COMPENSATED ABSENCES All 12-month employees earn ten days of vacation leave each year. Vacation leave cannot be accumulated. Upon separation of employment, all unused vacation leave is forfeited.

All School Board employees earn from ten to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

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

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

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

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

L. LONG-TERM LIABILITIES Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. Deferred gains on refunding are capitalized and amortized over the life of refunding in the GWFS.

The School Board provides certain continuing medical, dental, vision and life insurance benefits for its retired employees. The OPEB Plan is a single-employer defined benefit “substantive plan” as understood by past practices of the School Board. The benefit payments are recognized when due and payable in accordance with the benefit terms.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems and additions to/deductions from the retirements systems fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has deferred outflows related to the net pension liability recorded. See Note 8 for additional information related to the net pension liability recorded.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has deferred inflows related to the net pension liability recorded. See Note 8 for additional information related to the net pension liability recorded.

N. RESTRICTED NET POSITION For the government-wide Statement of Net Position, net position is reported as restricted when constraints placed on net position use are either:

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

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Of the \$6,873,655 reported as restricted on the Statement of Net Position, \$2,203,671 is restricted through enabling legislation.

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

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

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

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

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

Assigned: Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board.

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

The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The School Board considers restricted amounts to have been spent when an expenditure has incurred for purposes for which both restricted and unrestricted fund balance is available. The School Board has no formal minimum fund balance policy; however, the informal amount for minimum balance has been an amount equal to three months of expenditures.

P. INTERFUND ACTIVITY Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Q. SALES TAX On April 22, 1969, the voters of Jackson Parish approved a one percent sales and use tax within the parish. The proceeds from the tax are to be used for the payment of salaries and for expenses of operating schools.

On April 3, 1982, the voters of Jackson Parish approved an additional one percent sales and use tax within the parish (outside the corporate limits of the town of Jonesboro). The proceeds from the tax are to be used fifty percent for constructing or improving schools and the remaining for any lawful purposes of the Board.

On August 7, 1995 the voters of Jackson Parish approved an additional four-tenth of one percent sales and use tax on sales within the parish. The proceeds from the tax are to be used for the payment of salaries and benefits of teachers in the public elementary and secondary schools and other School Board employees.

On March 20, 2000, a six-tenth of one percent sales and use tax was approved within the parish. The proceeds from the tax are to be used for salaries and benefits for teachers and other employees.

These taxes are collected by the Jackson Parish Sales Tax Collection Agency.

R. BUDGET

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

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

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the governor. The operating budgets include proposed expenditures and the means of financing them.

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

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the Board. All budget revisions are approved by the Board.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

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

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

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Actual Expenditures over Budget Expenditures

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 22,679,211	\$ 22,718,430	\$ (39,219)

The variance is primarily due to unexpected year-end accruals and expenditures.

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

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

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

Property Tax Calendar

Levy date	October 4, 2017
Tax bills mailed	October 16, 2017
Due date	December 31, 2017
Lien date	May 16, 2018
Tax sale – 2017 delinquent property	May 16, 2018

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed in 2016. Total assessed value was \$244,727,840 for calendar year 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$20,631,280 of the assessed value for calendar year 2017.

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

All property taxes are recorded in the general fund, on the basis explained in Note 1. Revenues are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll.

The tax roll is prepared by the parish tax assessor in October of each year. The collection of the 2017 property taxes occurred in December 2017, and January and February of 2018. The School Board considers the levy date as the legally enforceable date. Accordingly, the 2017 property taxes are recorded in the 2017-2018 fiscal year.

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

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

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

	Adjusted Maximum <u>Millage</u>	Levied <u>Millage</u>	Expiration <u>Date</u>
Parish-wide taxes:			
Constitutional	5.62	4.98	Statutory
Parish-wide additional support	8.24	8.24	2023
Parish-wide maintenance and operations	8.80	7.35	2019
Parish-wide additional maintenance and operations	5.46	5.46	2026

NOTE 4 - DEPOSITS

Deposits are stated at cost which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal bank agent. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Credit Risk: The School Board invests in Certificates of Deposits which do not have credit ratings; however, the School Board's policy does not address credit rate risk.

Custodial Credit Risk: At year-end, the School Board's carrying amount of deposits was \$20,821,436 (including \$125,000 in certificate of deposits classified as investments) and the bank balance was \$21,053,954. These deposits are reported as follows: Statement A - cash and cash equivalents, \$20,237,176, Statement G - cash and cash equivalents, \$459,260 and Statement G - certificate of deposits classified as investments of \$125,000.

Of the bank balance, \$615,377 was covered by federal depository insurance (GASB Category 1). The remaining balance of \$20,438,577 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand. The School Board's policy does not address custodial credit risk.

NOTE 5 - INVESTMENTS

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

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

The School Board's investments have the following fair value measurement as of June 30, 2018:

Investments	Fair Value	Matures in Greater than 5 Years	Fair Market Value Hierarchy	Percentage of Investment	Valuation Technique	Credit Rating
State and Local Government Bond Series	\$ 3,654,713	\$ 3,654,713	Level 1	86.4%	Not applicable	Unrated
United States Treasury Notes/Bonds	574,167	574,167	Level 1	13.6%	market approach	Aaa
Total investments	<u>\$ 4,228,880</u>	<u>\$ 4,228,880</u>				

Interest Rate Risk: The School Board's policy does not address interest rate risk. The School Board's investments mature in fiscal years 2023, 2024 and 2025. These investments are for the QSCB 2009 series and the QSCB 2011 series maturity payments, which are payable in fiscal years 2025 and 2026.

Credit Rate Risk: State law limits investments to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies. New regulations also include investments in investment grade commercial paper of domestic U.S. corporations. Even though the School Board adheres to the state regulations, the School Board's policy does not address credit rate risk.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the School Board will not be able to recover the value of its investments. The School Board's investment accounts are maintained at a trust department of a financial institution. The School Board's policy does not address custodial credit risk.

NOTE 6 - RECEIVABLES

The balance of receivables at June 30, 2018 is as follows:

	General	Nonmajor Governmental	Total
Intergovernmental - grants:			
Federal	\$ -	\$ 393,187	\$ 393,187
State	2,470	66,112	68,582
Local sources:			
Sales tax	763,181	190,787	953,968
Other	37,453	124,689	162,142
Total	<u>\$ 803,104</u>	<u>\$ 774,775</u>	<u>\$ 1,577,879</u>

No allowance for doubtful accounts has been recorded as these receivables are expected to be collected in full.

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

NOTE 7 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2018 is as follows:

	Balance, Beginning	Additions	Deletions	Balance, Ending
Governmental activities				
Nondepreciable capital assets				
Land	\$ 192,650	\$ 66,445	\$ -	\$ 259,095
Total nondepreciable capital assets	<u>192,650</u>	<u>66,445</u>	<u>-</u>	<u>259,095</u>
Depreciable capital assets				
Infrastructure	497,004	-	-	497,004
Buildings and improvements	35,949,557	320,874	-	36,270,431
Furniture and equipment	4,646,147	341,424	6,866	4,980,705
Total depreciable capital assets	<u>41,092,708</u>	<u>662,298</u>	<u>6,866</u>	<u>41,748,140</u>
Less accumulated depreciation				
Infrastructure	82,143	12,425	-	94,568
Buildings and improvements	24,156,979	645,995	-	24,802,974
Furniture and equipment	3,504,442	262,831	6,866	3,760,407
Total accumulated depreciation	<u>27,743,564</u>	<u>921,251</u>	<u>6,866</u>	<u>28,657,949</u>
Depreciable capital assets, net	<u>13,349,144</u>	<u>(258,953)</u>	<u>-</u>	<u>13,090,191</u>
Governmental activities				
Capital assets, net	<u>\$13,541,794</u>	<u>\$ (192,508)</u>	<u>\$ -</u>	<u>\$ 13,349,286</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 800,055
Special instruction	683
Other instructional	29,908
School administration	21,446
Business services	1,814
Student transportation	14,136
Food services	53,209
Total depreciation expense	<u>\$ 921,251</u>

NOTE 8 - PENSION PLANS

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

TRSL also administers an optional retirement plan (ORP), which was created by Louisiana Revised Statute 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

contribution plan (see Optional Retirement Plan note below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided:

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

A member who joined the system on or after July 1, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 62. A member who joined between July 1, 2010 and June 30, 2015 is eligible for normal retirement if he has at least 5 years of creditable service and is at least age 60. A member who joined the system on or before June 30, 2010 is eligible for normal retirement if he has at least 30 years of creditable service regardless of age, 25 years of creditable service and is at least age 55, or 10 years of creditable service and is at least age 60. All members are eligible for retirement with 20 years of creditable service regardless of age with an actuarially reduced benefit.

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

A member is eligible to retire and receive disability benefits if the member has at least 5 years of creditable service, is not eligible for normal retirement and has become totally and permanently disabled and is certified as disabled by the Medical Board. A vested person with twenty or more years of creditable service who has withdrawn from active service prior to the age at which that person is eligible for retirement benefits, is eligible for a disability benefit until normal retirement age. A member who joins the system on or after July 1, 2006, must have at least 10 years of service to qualify for disability benefits. Upon the death of a member with five or more years of creditable service, the plan provides benefits for surviving spouses and minor children. Under certain conditions outlined in the statutes, a spouse is entitled to 75% of the member's benefit.

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

Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of service, 2) at the age of 55 with at least 25 years of service, or 3) at any age with at least 30 years of service. For members joining on or after July 1, 2015, retirement benefits are paid at age 62 with at least 5 years of service credit. Members may retire with

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

an actuarially reduced benefit with 20 years of service credit. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

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

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

Deferred Retirement Option Program (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible LSERS or TRSL member can begin participation in the DROP on the first retirement eligibility date for a period not to exceed 3 years. A member has a 60 day window from his first eligible date to participate in the program in order to participate for the maximum number of years. Delayed participation reduces the three year maximum participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account. Upon termination of DROP participation, the member can continue employment and earn additional benefit accruals to be added to the fixed pre-DROP benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DROP service (if any), and the individual DROP account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

Cost of Living Adjustments

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

Contributions

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

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

participating in the TRSL defined contribution ORP, a portion of the employer contributions are used to fund the TRSL defined benefit plans' unfunded accrual liability.

Employer contributions to LSERS for fiscal year 2018 were \$342,053, with active member contributions ranging from 7.5% to 8%, and employer contributions of 27.6%. Employer defined benefit plan contributions to TRSL for fiscal year 2018 were \$2,954,183, with active member contributions ranging from 5% to 8%, and employer contributions of 26.6% to 28.2%. Non-employer contributions to TRSL, which comprised of \$247,131 from ad valorem taxes and revenue sharing and \$1,890 from the State for PIP salaries, totaled \$249,021 for fiscal year 2018. These non-employer contributions are recognized as revenue and were used as employer contributions.

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

At June 30, 2018, the School Board reported liabilities of \$2,808,332 and \$25,761,840 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2017, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2017, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were .4389%, or an increase of .0292% for LSERS and .2513% or an increase of .0085% for TRSL.

For the year ended June 30, 2018, the School Board recognized a total pension expense of \$2,853,221, or \$446,107 and \$2,407,114 for LSERS and TRSL, respectively. The School Board reported deferred outflows of resources and deferred inflows of resources related to pensions as components of unrestricted net position from the following sources:

	Deferred Outflows			Deferred Inflows		
	LSERS	TRSL	Total	LSERS	TRSL	Total
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ 65,488	\$ 846,833	\$ 912,321
Changes of assumptions	58,885	271,659	330,544	43,749	665,382	709,131
Net difference between projected and actual earnings on pension plan investments	-	-	-	43,913	-	43,913
Changes in proportion and differences between employer contributions and proportionate share of contributions	181,609	1,605,849	1,787,458	10,745	778,773	789,518
Employer contributions subsequent to the measurement date	342,053	2,954,183	3,296,236	-	-	-
Total	\$ 582,547	\$ 4,831,691	\$ 5,414,238	\$ 163,895	\$ 2,290,988	\$ 2,454,883

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

Deferred outflows of resources related to pensions resulting from the School Board's contributions subsequent to the measurement date will be recognized as a reduction of the LSERS and TRSL NPL in the year ended June 30, 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:

	LSERS	TRSL	TOTAL
2019	\$ 9,749	\$ (211,112)	\$ (201,363)
2020	150,518	492,056	642,574
2021	18,511	(194,774)	(176,263)
2022	(102,179)	(499,650)	(601,829)

Actuarial Assumptions

The total pension liabilities for LSERS and TRSL in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LSERS	TRSL
Valuation Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Expected Remaining Service Lives	3 years, closed period	5 years, closed period
Investment Rate of Return	7.125% per annum	7.70%, net of investment exp.
Inflation Rate	2.625% per annum	2.5% per annum
Mortality - Non-disabled	RP-2000 Sex Distinct Mortality Table	RP-2000, scale AA to 2025
Mortality - Disabled	RP-2000 Disabled Lives Mortality Table	RP-2000
Termination, Disability, Retirement	2008-2012 experience study	2008-2012 experience study
Salary Increases	3.075% to 5.375%	3.5% - 10% varies depending on duration of service
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

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

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

For TRSL, the long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The target allocation and best estimates of real rates of return for each major asset class are summarized for each plan in the following table:

	Target Allocation	LT Expected Real Rate of Return	
TRSL (arithmetic)			
Domestic equity	27.00%	4.28%	
International equity	19.00%	4.96%	
Domestic fixed income	13.00%	1.98%	
International fixed income	5.50%	2.75%	
Private equity	25.50%	8.47%	
Other private assets	10.00%	3.51%	
Total	100.00%		
LSERS (arithmetic)			
Fixed income	Core Fixed Income	8.00%	2.02%
	High Yield	5.00%	4.43%
	Emerging Markets Debt	7.00%	4.71%
	Global Fixed Income	10.00%	1.38%
Equity	US Equity	20.00%	6.44%
	Developed Equity	18.00%	7.40%
	Emerging Markets Equity	10.00%	9.42%
	Global REITs	3.00%	5.77%
Alternative	Private Equity	5.00%	10.47%
	Hedge Fund of Funds	3.00%	3.75%
	Real Estate	5.00%	5.00%
Real assets	Timber	2.00%	5.67%
	Oil & Gas	2.00%	10.57%
	Infrastructure	2.00%	6.25%
Total	100.00%		

Discount Rate. The discount rate used to measure the total pension liability was 7.125% for LSERS and 7.70% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

The TRSL discount rate used in the June 30, 2017 net pension liability valuation was decreased from the 7.75% used in the June 30, 2016 valuation to 7.70%. The discount rate was reduced in accordance with the TRSL Board’s adopted plan to reduce the discount rate to 7.5% in 0.05% annual increments. This change was anticipated in the prior valuation when determining the projected contribution requirements for fiscal year 2018.

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

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LSERS	\$ 3,849,894	\$ 2,808,332	\$ 1,913,875
TRSL	33,194,718	25,761,840	19,438,869

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

Payables to the Pension Plan. At June 30, 2018, the School Board had \$89,301 and \$867,330 in payables to LSERS and TRSL, respectively, for the June 2018 employee and employer legally required contributions.

Optional Retirement Plan

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants. The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies. Benefits payable to participants are not the obligation of the State of Louisiana or the TRSL. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer. Employer ORP contributions to TRSL for fiscal year 2018 totaled \$44,991, which represents pension expense for the School Board. Employee contributions totaled \$12,673. The Active member and employer contribution rates were 8% and 28.4%, respectively.

NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan description - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The School Board OPEB plan is a single-employer defined benefit “substantive plan” as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB plan is reported based on communication to plan members. Also, no stand-alone financial report was prepared. Substantially all of the School Board’s employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

Benefits Provided and Funding Policy - The plan provides medical and life insurance benefits for retirees and their dependents. The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contributes approximately 25% of the medical premium with the School Board contributing the balance. This percentage will be greater for eligible retirees with less than 20 years of service. Medical coverage is provided through options under the Louisiana Office of Group Benefits (OGB). A Medicare supplement benefit is provided at Medicare eligibility. Benefits continue for life. A life insurance benefit depending on final salary is provided at retirement prior to age 65. The life insurance benefit may continue for life if the retiree pays premiums. The cost of life insurance is shared with the retiree and the School Board.

Employees Covered by Benefit Terms - At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	171
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	160
Employees with life insurance benefit but not medical benefit	63
Total	394

Total OPEB Liability - The School Board's total OPEB liability of \$34,653,628 was measured as of June 30, 2018.

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

Actuarial method	Individual Entry Age Normal Cost Method- Level Percentage of Projected Salary
Inflation	3.00%
Discount rate	3.88% (0.88% real rate of return plus 3.00% inflation)
Healthcare trend	Level 5.5% trend rate used for projected medical costs
Mortality	RPH-2014 Total Table with Projection MP-2018
Turnover	Ranges from 8.75% at age 25 to 2% at age 55 and over.
Retirement rates	Ranges from 10.3% at age 54 to 100% at age 72 and over.
Salary increase	3.50%
Retirees' share of benefit-related costs	25% of the medical contributions and 50% of the costs of life insurance
Disability rate	None assumed

No experience study has been performed for this calculation. The School Board contributed \$1,270,940 for health benefits on a pay-as-you-go basis.

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

Changes in the Total OPEB Liability:

For the year ended June 30, 2018, the School Board recognized OPEB expense of \$2,643,508.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at June 30, 2017	\$ 33,281,060
Changes for the year:	
Service cost	1,325,432
Interest	1,318,076
Benefit payments	(1,270,940)
Net changes	1,372,568
Balance at June 30, 2018	\$ 34,653,628

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower and one percentage point higher than the current discount rate.

	1% Decrease (2.88%)	Discount Rate (3.88%)	1% Increase (4.88%)
Total OPEB liability	\$40,481,586	\$34,653,628	\$30,040,191

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower and one percentage point higher than the current healthcare cost trend rates.

	1% Decrease (4.5%)	Discount Rate (5.5%)	1% Increase (6.5%)
Total OPEB liability	\$30,155,195	\$34,653,628	\$40,410,689

NOTE 10 - ACCOUNTS, SALARIES, AND OTHER PAYABLES The payables at June 30, 2018, are as follows:

	General	Nonmajor Governmental	Total
Salaries	\$ 2,470,355	\$ 200,885	\$ 2,671,240
Accounts	17,290	81,585	98,875
Total	\$ 2,487,645	\$ 282,470	\$ 2,770,115

NOTE 11 - COMPENSATED ABSENCES At June 30, 2018, employees of the School Board have accumulated and vested \$309,049, of employee leave benefits, including \$4,417 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

NOTE 12 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others for the year ended June 30, 2018, follows:

	Balance, Beginning	Additions	Reductions	Balance, Ending
School activities agency fund	\$ 362,425	\$1,043,115	\$ 1,057,822	\$ 347,718

NOTE 13 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2018:

	Beginning, Balance, restated	Additions	Deletions	Ending, Balance	Amounts Due Within One Year
Governmental Activities					
Revenue Bonds:					
QSCB Series 2009	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000	\$ -
QSCB Limited Tax Series 2011	2,500,000	-	-	2,500,000	-
Other liabilities:					
Net pension liability	31,581,931	287,691	3,299,450	28,570,172	-
OPEB liability*	33,281,060	2,643,508	1,270,940	34,653,628	-
Compensated absences	210,979	451,913	353,843	309,049	309,049
Litigation payable	75,000	-	-	75,000	-
Claims and judgments payable	62,000	335,690	199,690	198,000	198,000
Governmental Activities Long-term liabilities	\$73,710,970	\$ 3,718,802	\$ 5,123,923	\$72,305,849	\$ 507,049

* The beginning balance for OPEB liability was increased by \$17,114,813 due to implementation of GASB 75.

The compensated absences, litigation payable, net pension liability, claims and judgments payable and OPEB liability attributable to the governmental activities will be liquidated primarily by the School Board's general fund.

Pledged Revenues:

In December 2009, the School Board issued \$6,000,000 and in April 2011, the School Board issued \$2,500,000 in taxable Qualified School Construction Bonds (QSCB) to finance construction, rehabilitation, and renovation or repair of public school facilities, including equipping of school facilities. The School Board has pledged, as security for both bonds, a portion of the 4.98 mills Constitutional ad valorem tax. The bonds are payable solely from the constitutional tax collected and are payable through fiscal year end 2025 for the QSCB Series 2009 and through fiscal year end 2026 for the QSCB Series 2011. For the QSCB Series 2009, the required annual deposit to investment and interest payments are estimated to be 36.3% of the tax revenues over the next 7 years. For the QSCB Series 2011, the required annual deposit to investment and interest payments are estimated to be 16.1% of the tax revenues over the next 8 years. Total deposits to investment accounts and interest remaining to be paid on the QSCB Series 2009 and QSCB Series 2011 is \$2,743,301 and \$1,391,981 respectively. For the year ended June 30, 2018 the School Board transferred \$38,375 from its constitutional tax to contribute to the payment of \$176,000 in interest charges and to make the required annual payments of \$598,279 into the QSCB investment accounts.

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

The individual issues are as follows:

<u>Bond issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Revenue Bonds:						
QSCB Series 2009	12/15/09	\$ 6,000,000	0.375%	10/01/24	\$ 146,250	\$ 6,000,000
QSCB Limited Tax Series 2011	04/26/11	2,500,000	6.140%	10/01/25	1,151,250	2,500,000
Grand Total					<u>\$ 1,297,500</u>	<u>\$ 8,500,000</u>

The QSCB Revenue Bonds are due as follows:

Year Ending	<u>QSCB Series</u>		Total
	<u>Principal Payments</u>	<u>Interest Payments</u>	
2019	\$ -	\$ 176,000	\$ 176,000
2020	-	176,000	176,000
2021	-	176,000	176,000
2022	-	176,000	176,000
2023	-	176,000	176,000
2024-2026	8,500,000	417,500	8,917,500
Total	<u>\$ 8,500,000</u>	<u>\$ 1,297,500</u>	<u>\$ 9,797,500</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2018, the statutory limit was \$85,654,744 and outstanding net bonded debt was \$0.

NOTE 14 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund Receivable/Payable:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 780
Nonmajor governmental	General	325,622
	Total	<u>\$ 326,402</u>

The primary purpose of interfund receivable/payable is to cover expenditures on cost reimbursement programs until reimbursements are received. The amounts owed by the general fund to other funds is primarily related to amounts to be covered by the general fund related to budget shortfalls.

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

Interfund Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor governmental	General fund	<u>\$ 1,635,378</u>
	Total	<u><u>\$ 1,635,378</u></u>

The purpose of \$38,375 of interfund transfers was to cover the required annual payment per the debt covenant and interest payments of debt service funds. The purpose of \$107,929 of interfund transfers was to cover expenses for the Child Nutrition fund. The purpose of the remaining \$1,489,074 was to establish special revenue funds for District repair and maintenance funds.

NOTE 15 - LITIGATION AND CONTINGENCIES

Litigation At June 30, 2018, the School Board was involved in various litigations. The management and legal counsel for the School Board believe that the potential claims against the School Board not covered by insurance would not materially affect the School Board's financial position. The School Board has accrued \$75,000 in the Statement of Net Position for litigation payable. See Note 13 for long-term liabilities.

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

Federal Arbitrage Regulations The School Board's bonded indebtedness is subject to the Internal Revenue Code's provisions applicable to arbitrage earnings. In government finance, these earnings result from the temporary investment of the proceeds of the government entity's tax exempt securities in materially higher yielding taxable securities.

NOTE 16 - RISK MANAGEMENT The School Board initiated a risk management program for workers' compensation in 1998. The School Board's excess coverage insurance policy covers individual claims in excess of \$350,000. The maximum retention exposure of aggregate claims amounts to \$1,000,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information. The liability at June 30, 2018, was \$198,000.

**Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018**

Changes in the claims amount for the year ended June 30, 2018, is as follows:

<u>Years Ended June 30,</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payment and Claims</u>	<u>Ending of Fiscal Year Liability</u>
2015-2016	\$ 43,634	\$ 113,898	\$ 102,532	\$ 55,000
2016-2017	55,000	145,649	138,649	62,000
2017-2018	62,000	335,690	199,690	198,000

The \$198,000 balance is reflected in the governmental activities as long term debt in Statement A. The full \$198,000 is considered amounts due within one year.

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

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

NOTE 17 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$1,890. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The Parish Tax Collector makes pension contributions to the Teacher's Retirement System of Louisiana on behalf of the School Board. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenues and expenditures is the actual contributions made by the Tax Collector's office. For the 2017 fiscal year, the Tax Collector paid the Teacher's Retirement System of Louisiana \$247,131 on behalf of the School Board. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution.

NOTE 18 - ECONOMIC DEPENDENCY The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$11,158,154 to the School Board, which represents 41.7% of the School Board's total revenue for the year.

NOTE 19 - SUBSEQUENT EVENTS Following year-end, the School Board purchased two Blue Bird school buses for approximately \$170,000.

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

NOTE 20 - FUND BALANCE CLASSIFICATION DETAILS The following are details of the fund balance classifications as of June 30, 2018:

	<u>General Fund</u>	<u>Taxable QSCB Series 2009</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Restricted for:				
Child nutrition program	\$ -	\$ -	\$ 220,756	\$ 220,756
Capital projects	-	-	3,042	3,042
Debt service	-	3,256,699	1,232,708	4,489,407
Grant contracts	-	-	780	780
Repairs and maintenance	-	-	1,370,142	1,370,142
Salaries and related benefits	833,529	-	-	833,529
Unassigned	16,356,214	-	-	16,356,214
Total	<u>\$ 17,189,743</u>	<u>\$ 3,256,699</u>	<u>\$ 2,827,428</u>	<u>\$ 23,273,870</u>

NOTE 21 - NEW GASB STANDARDS In fiscal year 2018, the School Board adopted the following new statements of financial accounting standards issued by the Governmental Accounting Standards Board:

- *Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, issued by the Government Accounting Standards Board. This Statement addresses accounting and financial reporting of OPEB that is provided to the employees of state and local governmental employers and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB.

The adoption of Statement No. 75 has no impact on the School Board’s governmental fund financial statements, which continue to report expenditures on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the School Board’s 2017 government-wide financial statements to reflect the reporting of total OPEB liability in accordance with the provisions of the Statement. Net position as of July 1, 2017 was decreased by \$17,114,813 reflecting the cumulative retrospective effect of adoption.

- *Statement No. 85 – Omnibus 2017*, issued by the Government Accounting Standards Board. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to fair value measurement, and application, and postemployment benefits for both pensions and other postemployment benefits (OPEB).
- *Statement No. 86 – Certain Debt Extinguishment Issues*, issued by the Government Accounting Standards Board. This Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources, resources other than the proceeds of refunding debt, are placed in an irrevocable trust.

Jackson Parish School Board
Notes to the Financial Statements
June 30, 2018

The adoption of Statements No. 85 and 86 had no impact on the government-wide or the governmental fund financial statements, but provide for additional guidance, clarification and/or additional disclosures in the notes to the financial statements.

NOTE 22 - CHANGE IN PRESENTATION For fiscal year ended June 30, 2017, the General Fund, Title 1 and Taxable QSCB Series 09 were reported as major funds. For fiscal year ended June 30, 2018, the General Fund and Taxable QSCB Series 09 are reported as major funds.

NOTE 23 - TAX ABATEMENTS The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2018 authorized millage is as follows.

<u>Tax code</u>	<u>Millage</u>	<u>Assessed Value Lost to ITEP</u>	<u>Estimated Tax Dollar Lost to ITEP</u>
Constitutional	5.62	\$ 21,098,160	\$ 118,572
Parish-wide additional support	8.24	21,098,160	173,849
Parish-wide maintenance and operations	8.80	21,098,160	185,664
Parish-wide additional maintenance and operations	5.46	21,098,160	115,195
			<u>\$ 593,280</u>

NOTE 24 - PRIOR PERIOD ADJUSTMENT For fiscal year ended June 30, 2018, the School Board adopted GASB Statement No. 75, which has resulted in the restatement of the School Board’s 2017 government-wide financial statements to reflect the reporting of total OPEB liability in accordance with the provisions of the Statement. Net position as of July 1, 2017 was decreased by \$17,114,813 reflecting the cumulative retrospective effect of adoption.

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REQUIRED SUPPLEMENTARY INFORMATION

**Jackson Parish School Board
June 30, 2018**

Exhibit 1

Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB Liability

Service costs	\$	1,325,432
Interest		1,318,076
Benefit payments		<u>(1,270,940)</u>
Net change in total OPEB liability		1,372,568
Total OPEB liability - Beginning		<u>33,281,060</u>
Total OPEB liability - Ending	\$	<u><u>34,653,628</u></u>
Covered payroll		12,832,377
Total OPEB liability as a percentage of covered payroll		270.05%

Changes of Assumptions

Changes of assumptions and other inputs reflect the effect of changes in the discount rate each period. The following is the discount rate used:

2018	3.88%
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Notes:

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

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

**Jackson Parish School Board
June 30, 2018**

Exhibit 2-1

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

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	0.3583%	\$ 2,080,196	\$ 1,003,092	207%	76.18%
2016	0.3912%	2,480,525	1,128,468	220%	74.49%
2017	0.4096%	3,090,161	1,146,091	270%	70.09%
2018	0.4389%	2,808,332	1,259,272	223%	75.03%
Teacher's Retirement System of Louisiana					
2015	0.2412%	\$ 24,649,249	\$ 10,719,114	230%	63.7%
2016	0.2533%	27,238,577	11,365,932	240%	62.5%
2017	0.2428%	28,491,770	11,314,115	252%	59.9%
2018	0.2513%	25,761,840	11,013,112	234%	65.6%

Notes:

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

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

**Jackson Parish School Board
June 30, 2018**

Exhibit 2-2

Schedule of Employer Contributions to Pension Plans

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 372,394	\$ 372,394	\$ -	\$ 1,128,468	33.0%
2016	344,754	344,754	-	1,146,091	30.1%
2017	345,267	345,267	-	1,259,272	27.4%
2018	342,053	342,053	-	1,231,066	27.8%
Teacher's Retirement System of Louisiana					
2015	\$ 3,186,370	\$ 3,186,370	\$ -	\$ 11,365,932	28.0%
2016	3,224,889	3,224,889	-	11,314,115	28.5%
2017	2,805,659	2,805,659	-	11,013,112	25.5%
2018	2,954,183	2,954,183	-	11,105,949	26.6%

Notes:

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

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

Jackson Parish School Board

Notes to Required Supplementary Information for Pensions

Louisiana State Employees' Retirement System

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

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

Change in discount rate: For LSERS, the discount rate used in the June 30, 2016 net pension liability valuation was increased from the 7.00% used in the June 30, 2015 valuation to 7.125%. The rate used in the June 30, 2015 valuation assumed 0.25% of investment return would offset administrative expenses. Based on Act 94 of the 2016 Regular Session of the Legislature, beginning with the June 30, 2016, actuarial valuation, the explicit cost of projected noninvestment related administrative expenses will be included in the calculation of the actuarially required contribution for the System. With this change, the valuation of plan liabilities based on a valuation interest rate set for 0.25% below the assumed long-term rate of return is no longer necessary. Instead, for the June 30, 2016, actuarial valuation, the assumed long-term rate of return was reduced from 7.25% to 7.125%, and the valuation interest rate was set equal to the long-term rate of return.

Teacher's Retirement System of Louisiana

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

Change in discount rate: The TRSL discount rate used in the June 30, 2017 net pension liability valuation was decreased from the 7.75% used in the June 30, 2016 valuation to 7.70%. The discount rate was reduced in accordance with the TRSL Board's adopted plan to reduce the discount rate to 7.5% in 0.05% annual increments. This change was anticipated in the prior valuation when determining the projected contribution requirements for fiscal year 2018.

Jackson Parish School Board

Budgetary Comparison Schedules

General Fund With Legally Adopted Annual Budgets

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

JACKSON PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the year ended June 30, 2018**

Exhibit 3

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 17,882,246	\$ 17,795,165	\$ 17,795,165	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	5,785,270	6,239,930	5,775,388	(464,542)
Sales tax	4,551,301	5,611,483	4,610,533	(1,000,950)
Interest earnings	47,409	74,469	50,670	(23,799)
Other	226,252	374,118	406,451	32,333
State sources:				
Equalization	10,993,707	10,300,000	11,141,083	841,083
Other	322,707	120,000	128,883	8,883
Federal sources	8,000	-	-	-
Amounts available for appropriations	<u>39,816,892</u>	<u>40,515,165</u>	<u>39,908,173</u>	<u>(606,992)</u>
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	8,260,494	9,200,000	7,900,046	1,299,954
Special programs	2,122,304	2,000,000	2,118,765	(118,765)
Other instructional programs	1,788,261	1,530,000	1,722,592	(192,592)
Support services:				
Student services	1,332,054	1,110,000	1,287,584	(177,584)
Instructional staff support	1,043,039	980,000	1,003,468	(23,468)
General administration	1,234,461	930,000	1,397,375	(467,375)
School administration	1,297,919	1,300,000	1,241,016	58,984
Business services	432,216	385,000	446,848	(61,848)
Plant services	1,551,061	1,955,000	1,345,085	609,915
Student transportation services	1,817,126	1,916,000	1,628,848	287,152
Central services	358,839	295,000	332,386	(37,386)
Food services	382,092	380,000	388,895	(8,895)
Community services	10,000	-	10,000	(10,000)
Capital Outlay	-	50,000	260,144	(210,144)
Transfers to other funds	2,175,575	648,211	1,635,378	(987,167)
Total charges to appropriations	<u>23,805,441</u>	<u>22,679,211</u>	<u>22,718,430</u>	<u>(39,219)</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 16,011,451</u>	<u>\$ 17,835,954</u>	<u>\$ 17,189,743</u>	<u>\$ (646,211)</u>

Jackson Parish School Board

**Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2018**

Note A. BUDGETS

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

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

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

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

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered significant by the Board. All budget revisions are approved by the Board.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

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

Excess of Actual Expenditures over Budget Expenditures

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$22,679,211	\$22,718,430	\$(39,219)

JACKSON PARISH SCHOOL BOARD

**Notes to the Budgetary Comparison Schedules
For the year ended June 30, 2018**

Note B - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>GENERAL FUND</u>
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 39,908,173
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	<u>(17,795,165)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>22,113,008</u></u>
<u>Uses/outflows of resources:</u>	
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	22,718,430
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1,635,378)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u><u>\$ 21,083,052</u></u>

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SUPPLEMENTARY INFORMATION

JACKSON PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet - By Fund Type
June 30, 2018

Exhibit 4

	SPECIAL REVENUE	DEBT SERVICE	WESTON QUITMAN CONSTRUCTION	TOTAL
ASSETS				
Cash and cash equivalents	\$ 1,548,904	\$ 54,411	\$ 3,042	\$ 1,606,357
Investments	-	1,053,608	-	1,053,608
Receivables	650,086	124,689	-	774,775
Interfund receivables	780	-	-	780
Inventory	6,019	-	-	6,019
TOTAL ASSETS	2,205,789	1,232,708	3,042	3,441,539
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	282,470	-	-	282,470
Interfund payables	325,622	-	-	325,622
Unearned revenue	6,019	-	-	6,019
Total Liabilities	614,111	-	-	614,111
Fund Balances:				
Restricted	1,591,678	1,232,708	3,042	2,827,428
Total Fund Balances	1,591,678	1,232,708	3,042	2,827,428
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,205,789	\$ 1,232,708	\$ 3,042	\$ 3,441,539

JACKSON PARISH SCHOOL BOARD
NONMAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances - By Fund Type
For the year ended June 30, 2018

Exhibit 5

	SPECIAL REVENUE	DEBT SERVICE	WESTON QUITMAN CONSTRUCTION	TOTAL
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ 1,174,844	\$ -	\$ -	\$ 1,174,844
Interest earnings	3,174	5,742	11	8,927
Food services	200,705	-	-	200,705
Other	20,000	124,689	-	144,689
State sources:				
Equalization	17,071	-	-	17,071
Other	177,363	-	-	177,363
Federal sources	2,909,300	-	-	2,909,300
Total Revenues	4,502,457	130,431	11	4,632,899
EXPENDITURES				
Current:				
Instruction:				
Regular programs	402,029	-	-	402,029
Special programs	147,636	-	-	147,636
Other instructional programs	1,083,539	-	-	1,083,539
Support services:				
Student services	122,313	-	-	122,313
Instructional staff support	500,326	-	-	500,326
General administration	130,623	-	-	130,623
School administration	421	-	-	421
Business services	3,330	-	-	3,330
Plant services	492,539	8,653	4,829	506,021
Student transportation services	73,675	-	-	73,675
Central services	650	-	-	650
Food services	1,216,871	-	-	1,216,871
Capital outlay	468,599	-	-	468,599
Debt service:				
Interest and bank charges	-	154,875	-	154,875
Total Expenditures	4,642,551	163,528	4,829	4,810,908
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(140,094)	(33,097)	(4,818)	(178,009)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,597,003	38,375	-	1,635,378
Total Other Financing Sources (Uses)	1,597,003	38,375	-	1,635,378
Net Change in Fund Balances	1,456,909	5,278	(4,818)	1,457,369
FUND BALANCES - BEGINNING	134,769	1,227,430	7,860	1,370,059
FUND BALANCES - ENDING	\$ 1,591,678	\$ 1,232,708	\$ 3,042	\$ 2,827,428

Jackson Parish School Board

Nonmajor Special Revenue Funds

CHILD NUTRITION Through cash grants and food donations, the school food service fund assists in providing a nutritious breakfast and lunch service for school students and encourages the domestic consumption of nutritious agricultural commodities.

TITLE I This program improves the educational opportunities of socially and economically deprived children by helping them succeed in regular school programs, attain grade level proficiency, and improve achievement in basic and more advanced skills.

TITLE II This program is designed to improve the skills of teachers and the quality of instruction in mathematics and science, and to increase the accessibility of such instruction to all students.

SPECIAL EDUCATION

Special Education - Preschool Grants - These grants to states assist them in providing a free, appropriate public education to preschool disabled children aged three through five years.

Special Education - State Grants - These grants to states assist them in providing a free appropriate public education to all children with disabilities.

LA-4 This program is to provide financial assistance to develop educational programs for preschool children that are socially and economically deprived.

PRESCHOOL (8g) This program is to provide financial assistance to develop education programs for preschool children with 8(g) funds.

REAP (RURAL EDUCATION ACHIEVEMENT PROGRAM) This program was designed to provide high-poverty, rural local educational agencies with teacher professional development and educational technology.

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

TITLE IV A-SSAE To provide all students with access to a well-rounded education, improve school conditions for student learning, and improve the use of technology in order to improve the academic achievements and digital literacy of all students.

TEACHER INCENTIVE FUND To support programs that develop and implement performance-based compensation systems for teachers in higher need schools.

PARISHWIDE REPAIRS & MAINTENANCE This fund is used to track sales and use tax revenues restricted for repairs and maintenance parish-wide.

JONESBORO-HODGE DISTRICT REPAIRS & MAINTENANCE This fund is used to track sales and use tax revenues restricted for repairs and maintenance in the Jonesboro-Hodge District.

QUITMAN DISTRICT REPAIRS & MAINTENANCE This fund is used to track sales and use tax revenues restricted for repairs and maintenance in the Quitman District.

Jackson Parish School Board

Nonmajor Special Revenue Funds

WESTON DISTRICT REPAIRS & MAINTENANCE This fund is used to track sales and use tax revenues restricted for repairs and maintenance in the Weston District.

MISCELLANEOUS GRANTS

Summer Literacy Program This program is designed to improve students' reading over the summer.

National Writing Project This program is designed to improve writing and learning in the schools.

Extended School Year Services This program is designed to provide additional services to students over the summer.

JACKSON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2018

	<u>CHILD NUTRITION</u>	<u>TITLE I</u>	<u>TITLE II</u>	<u>SPECIAL EDUCATION</u>
ASSETS				
Cash and cash equivalents	\$ 305,896	\$ -	\$ -	\$ -
Receivables	5,335	139,113	27,093	70,865
Interfund receivables	-	-	-	-
Inventory	6,019	-	-	-
	<u>317,250</u>	<u>139,113</u>	<u>27,093</u>	<u>70,865</u>
TOTAL ASSETS	<u><u>317,250</u></u>	<u><u>139,113</u></u>	<u><u>27,093</u></u>	<u><u>70,865</u></u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	90,475	36,222	14,309	25,061
Interfund payables	-	102,891	12,784	45,804
Unearned revenue	6,019	-	-	-
	<u>96,494</u>	<u>139,113</u>	<u>27,093</u>	<u>70,865</u>
Total Liabilities	<u>96,494</u>	<u>139,113</u>	<u>27,093</u>	<u>70,865</u>
Fund Balances:				
Restricted	<u>220,756</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>220,756</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 317,250</u></u>	<u><u>\$ 139,113</u></u>	<u><u>\$ 27,093</u></u>	<u><u>\$ 70,865</u></u>

Exhibit 6

LA-4	PRESCHOOL (8g)	REAP	VOCATIONAL EDUCATION	TITLE IV A-SSAE
\$ -	\$ -	\$ -	\$ -	\$ 309
94,991	18,895	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>94,991</u>	<u>18,895</u>	<u>-</u>	<u>-</u>	<u>309</u>
36,667	9,392	-	-	-
58,324	9,503	-	-	309
-	-	-	-	-
<u>94,991</u>	<u>18,895</u>	<u>-</u>	<u>-</u>	<u>309</u>
-	-	-	-	-
-	-	-	-	-
<u>\$ 94,991</u>	<u>\$ 18,895</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309</u>

(Continued)

JACKSON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2018

	TEACHER INCENTIVE FUND	PARISHWIDE REPAIRS & MAINTENANCE	JONESBORO-HODGE DISTRICT REPAIRS & MAINTENANCE	QUITMAN DISTRICT REPAIRS & MAINTENANCE
ASSETS				
Cash and cash equivalents	\$ -	\$ 74,387	\$ 450,010	\$ 321,224
Receivables	103,007	58,404	66,191	33,096
Interfund receivables	-	-	-	-
Inventory	-	-	-	-
TOTAL ASSETS	103,007	132,791	516,201	354,320
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	7,000	7,734	21,642	20,120
Interfund payables	96,007	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	103,007	7,734	21,642	20,120
Fund Balances:				
Restricted	-	125,057	494,559	334,200
Total Fund Balances	-	125,057	494,559	334,200
TOTAL LIABILITIES AND FUND BALANCES	\$ 103,007	\$ 132,791	\$ 516,201	\$ 354,320

Exhibit 6

WESTON DISTRICT REPAIRS & MAINTENANCE	MISCELLANEOUS GRANTS	TOTAL
\$ 397,078	\$ -	\$ 1,548,904
33,096	-	650,086
-	780	780
-	-	6,019
<u>430,174</u>	<u>780</u>	<u>2,205,789</u>
13,848	-	282,470
-	-	325,622
-	-	6,019
<u>13,848</u>	<u>-</u>	<u>614,111</u>
<u>416,326</u>	<u>780</u>	<u>1,591,678</u>
<u>416,326</u>	<u>780</u>	<u>1,591,678</u>
<u>\$ 430,174</u>	<u>\$ 780</u>	<u>\$ 2,205,789</u>

(Concluded)

JACKSON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the year ended June 30, 2018

	<u>CHILD NUTRITION</u>	<u>TITLE I</u>	<u>TITLE II</u>	<u>SPECIAL EDUCATION</u>
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ -	\$ -	\$ -	\$ -
Interest earnings	708	-	-	-
Food services	200,705	-	-	-
Other	-	-	-	-
State sources:				
Equalization	17,071	-	-	-
Other	-	-	-	-
Federal sources	980,506	826,547	166,277	398,170
Total Revenues	1,198,990	826,547	166,277	398,170
EXPENDITURES				
Current:				
Instruction:				
Regular programs	-	1,053	2,791	53,942
Special programs	-	-	118	124,956
Other instructional programs	-	493,523	81,950	4,320
Support services:				
Student services	-	6,681	-	112,414
Instructional staff support	-	259,706	68,250	70,850
General administration	-	65,459	13,168	31,688
School administration	-	-	-	-
Business services	-	-	-	-
Plant services	-	-	-	-
Student transportation services	-	125	-	-
Central services	-	-	-	-
Food services	1,216,871	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	1,216,871	826,547	166,277	398,170
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(17,881)	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers in	107,929	-	-	-
Total Other Financing Sources (Uses)	107,929	-	-	-
Net Change in Fund Balances	90,048	-	-	-
FUND BALANCES - BEGINNING	130,708	-	-	-
FUND BALANCES - ENDING	\$ 220,756	\$ -	\$ -	\$ -

Exhibit 7

LA-4	PRESCHOOL (8g)	REAP	VOCATIONAL EDUCATION	TITLE IV A-SSAE
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
103,317	69,669	-	-	-
141,218	-	42,775	23,030	12,298
<u>244,535</u>	<u>69,669</u>	<u>42,775</u>	<u>23,030</u>	<u>12,298</u>
-	-	-	-	3,878
-	-	-	-	118
244,535	69,669	39,387	22,350	2,230
-	-	-	-	-
-	-	-	680	5,100
-	-	3,388	-	972
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>244,535</u>	<u>69,669</u>	<u>42,775</u>	<u>23,030</u>	<u>12,298</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

JACKSON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the year ended June 30, 2018

	TEACHER INCENTIVE FUND	PARISHWIDE REPAIRS & MAINTENANCE	JONESBORO-HODGE DISTRICT REPAIRS & MAINTENANCE	QUITMAN DISTRICT REPAIRS & MAINTENANCE
REVENUES				
Local sources:				
Taxes:				
Sales and use	\$ -	\$ 359,646	\$ 407,599	\$ 203,799
Interest earnings	-	155	879	654
Food service	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	-	-	-	-
Federal sources	317,021	-	-	-
Total Revenues	317,021	359,801	408,478	204,453
EXPENDITURES				
Current:				
Instruction:				
Regular programs	186,397	-	70,511	49,383
Special programs	22,444	-	-	-
Other instructional programs	19,594	1,440	15,829	82,697
Support services:				
Student services	-	3,218	-	-
Instructional staff support	88,165	4,481	-	-
General administration	-	5,621	5,163	2,582
School administration	421	-	-	-
Business services	-	3,330	-	-
Plant services	-	143,104	229,984	79,309
Student transportation services	-	73,550	-	-
Central services	-	-	390	130
Food services	-	-	-	-
Capital outlay	-	-	130,086	92,865
Total Expenditures	317,021	234,744	451,963	306,966
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	125,057	(43,485)	(102,513)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	538,044	436,713
Total Other Financing Sources (Uses)	-	-	538,044	436,713
Net Change in Fund Balances	-	125,057	494,559	334,200
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ 125,057	\$ 494,559	\$ 334,200

Exhibit 7

WESTON DISTRICT REPAIRS & MAINTENANCE	MISCELLANEOUS GRANTS	TOTAL
\$ 203,800	\$ -	\$ 1,174,844
778	-	3,174
-	-	200,705
20,000	-	20,000
-	-	17,071
-	4,377	177,363
-	1,458	2,909,300
<u>224,578</u>	<u>5,835</u>	<u>4,502,457</u>
33,887	187	402,029
-	-	147,636
180	5,835	1,083,539
-	-	122,313
-	3,094	500,326
2,582	-	130,623
-	-	421
-	-	3,330
40,142	-	492,539
-	-	73,675
130	-	650
-	-	1,216,871
<u>245,648</u>	<u>-</u>	<u>468,599</u>
<u>322,569</u>	<u>9,116</u>	<u>4,642,551</u>
<u>(97,991)</u>	<u>(3,281)</u>	<u>(140,094)</u>
<u>514,317</u>	<u>-</u>	<u>1,597,003</u>
<u>514,317</u>	<u>-</u>	<u>1,597,003</u>
416,326	(3,281)	1,456,909
-	4,061	134,769
<u>\$ 416,326</u>	<u>\$ 780</u>	<u>\$ 1,591,678</u>

(Concluded)

Jackson Parish School Board

Nonmajor Debt Service Funds

WESTON BOND

TAXABLE QSCB SERIES 11

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

JACKSON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS
 Combining Balance Sheet
 June 30, 2018

Exhibit 8

	<u>WESTON BOND</u>	<u>TAXABLE QSCB SERIES 11</u>	<u>TOTAL</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 54,411	\$ 54,411
Investments	-	1,053,608	1,053,608
Receivables	-	124,689	124,689
	<u>-</u>	<u>1,232,708</u>	<u>1,232,708</u>
TOTAL ASSETS	<u>-</u>	<u>1,232,708</u>	<u>1,232,708</u>
FUND BALANCES			
Restricted	-	1,232,708	1,232,708
	<u>-</u>	<u>1,232,708</u>	<u>1,232,708</u>
TOTAL FUND BALANCES	<u>\$ -</u>	<u>\$ 1,232,708</u>	<u>\$ 1,232,708</u>

JACKSON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 For the year ended June 30, 2018

Exhibit 9

	WESTON BOND	TAXABLE QSCB SERIES 11	TOTAL
REVENUES			
Local sources:			
Interest earnings	\$ -	\$ 5,742	\$ 5,742
Other	-	124,689	124,689
Total Revenues	-	130,431	130,431
EXPENDITURES			
Current:			
Support services:			
Plant services	8,653	-	8,653
Debt service:			
Interest and bank charges	-	154,875	154,875
Total Expenditures	8,653	154,875	163,528
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(8,653)	(24,444)	(33,097)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	38,375	38,375
Total Other Financing Sources (Uses)	-	38,375	38,375
Net Change in Fund Balances	(8,653)	13,931	5,278
FUND BALANCES - BEGINNING	8,653	1,218,777	1,227,430
FUND BALANCES - ENDING	\$ -	\$ 1,232,708	\$ 1,232,708

Jackson Parish School Board

Agency Funds

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

JACKSON PARISH SCHOOL BOARD

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2018

Exhibit 10

**SCHOOL
ACTIVITIES
AGENCY
FUND**

ASSETS

Cash and cash equivalents

\$ 347,718

Total assets

347,718

LIABILITIES:

Deposits due others

347,718

Total liabilities

\$ 347,718

JACKSON PARISH SCHOOL BOARD
SCHOOL ACTIVITES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the year ended June 30, 2018

Exhibit 11

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Jonesboro-Hodge Middle School	\$ 14,697	\$ 73,466	\$ 74,029	\$ 14,134
Jonesboro-Hodge High School	60,604	277,126	268,666	69,064
Quitman High	158,415	353,760	373,444	138,731
Southside Elementary	8,223	52,715	54,299	6,639
Weston High	120,486	286,048	287,384	119,150
Total	<u>\$ 362,425</u>	<u>\$ 1,043,115</u>	<u>\$ 1,057,822</u>	<u>\$ 347,718</u>

Jackson Parish School Board

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

Exhibit 12

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$600 per month and the President receives \$700 per month. Additionally, School Board members, who serve on the Executive Finance Board, receive \$50 per committee meeting when meetings are held on days other than the date of a scheduled board meeting.

<u>Board Member</u>	<u>Amount</u>
Mary Saulters, President	\$ 8,150
James Clary, Vice President	7,750
Calvin Waggoner	7,800
Gerry Mims	7,200
Melissa Perry	7,450
Gloria Davis	7,200
Wade McBride	<u>7,200</u>
TOTAL	<u>\$52,750</u>

Jackson Parish School Board

**Schedule Of Compensation, Benefits And Other Payments To Agency Head (Superintendent)
For The Year Ended June 30, 2018**

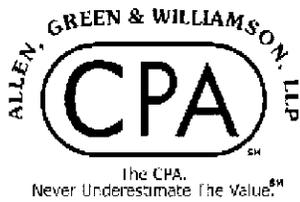
Exhibit 13

Agency Head Name: David Claxton, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$121,308
Benefits-insurance	6,081
Benefits-retirement	32,268
Benefits- Other- Annual leave payout	10,688
Reimbursements	<u>5,211</u>
TOTAL	<u>\$175,556</u>

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SINGLE AUDIT INFORMATION



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

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board Members
Jackson Parish School Board
Jonesboro, 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 Jackson Parish School Board as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated January 2, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

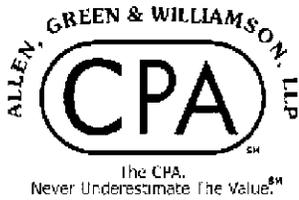
Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 2, 2019



ALLEN, GREEN & WILLIAMSON, LLP

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Report on Compliance For Each Major Federal Program; And Report on Internal Control Over Compliance; Required by the Uniform Guidance

Independent Auditor's Report

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Jackson Parish School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2018. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.


ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 2, 2019

Jackson Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Non Cash Assistance (Commodities):			
National School Lunch Program	10.555	N/A	\$ 108,918
Cash Assistance:			
School Breakfast Program	10.553	N/A	243,451
National School Lunch Program	10.555	N/A	628,137
Total Child Nutrition Cluster			<u>980,506</u>
Total United States Department of Agriculture			<u>980,506</u>
United States Department of Education			
Passed Through Louisiana Department of Education:			
Title I - Grants to Local Educational Agencies	84.010A	28-18-T1-25	826,547
		28-17-BPT0-25	<u>9,000</u>
			835,547
Special Education Cluster:			
Grants to States (Part B)	84.027A	28-18-B1-25	390,548
		28-18-BPT6-25	13,375
Preschool Grants	84.173A	28-18-P1-25	6,655
		28-18-CY-25	<u>967</u>
Total Special Education Cluster			411,545
Title II - Improving Teacher Quality	84.367A	28-18-50-25	166,277
Title IVA- SSAE	84.424A	28-18-71-25	12,298
Career and Technical Education - Basic Grants to States	84.048A	28-18-02-25	23,030
Rural Education Achievement Program (REAP)	84.358B	28-18-RE-25	42,775
Teacher Incentive Fund	84.374	28-18-TP-25	140,656
		28-18-PBCS-25	<u>153,990</u>
			294,646
Total United States Department of Education			<u>1,786,118</u>
United States Department of Health & Human Services			
Passed Through Louisiana Department of Education:			
TANF Cluster:			
TANF - The Cecil J. Picard LA4 Early Childhood Program	93.558	28-18-36-25	141,218
CCDF Cluster:			
EC Network Lead Agency Consolidated	93.575	28-17-CO-25	1,458
Total United States Department of Health & Human Services			<u>142,676</u>
TOTAL FEDERAL AWARDS			<u>\$ 2,909,300</u>

Jackson Parish School Board
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

NOTE 1 - BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “schedule”) includes the federal award activity of the Jackson 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 operations of the School Board, it is not intended to and does not present the financial position or changes in net position of the School Board.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

	Federal Sources
Nonmajor governmental:	
Child Nutrition	\$ 980,506
Title I	826,547
Title II	166,277
Special Education	398,170
LA-4	141,218
REAP	42,775
Vocational Education	23,030
Title IV A-SSAE	12,298
Teacher Incentive Fund	317,021
Miscellaneous Grants	1,458
Total	\$ 2,909,300

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

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

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

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

**Jackson Parish School Board
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

PART I - Summary of the Auditor's Results

Financial Statement Audit

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

Audit of Federal Awards

- iv. There were no significant deficiencies required to be disclosed by the Uniform Guidance (2 CFR 200).
- v. The type of report the auditor issued on compliance for major programs was unmodified.
- vi. The audit disclosed no audit findings which the auditor is required to report under the Uniform Guidance.
- vii. The major federal programs were:
 - Special Education Cluster:
 - Grants to States (Part B) CFDA #84.027A
 - Preschool CFDA #84.173A
 - Teacher Incentive Fund CFDA #84.374
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in the Uniform Guidance was \$750,000.
- ix. The auditee does qualify as a low-risk auditee under the Uniform Guidance.

OTHER INFORMATION

**Jackson Parish School Board
Status of Prior Year Management Letter Item
June 30, 2018**

2017-M1

Supervisory Approval of Attendance and Leave

Comment: Proper internal controls require that attendance and absences from an assigned position be properly documented and reflected in the payroll records for each employee. Furthermore, proper supervisory approval should be obtained for daily attendance and leave. When testing a sample of one month's attendance and/or leave for 25 employees, there were 21 instances noted where there was no written documentation noted supporting supervisory approval of attendance and/or leave forms for the dates selected for testing. Furthermore, there was one exception noted where the employee selected for testing did not appear to have properly maintained leave records and did not appear to be docked for all times they were out during the month.

Recommendation: The School Board should establish policies and procedures requiring written documentation of supervisory approval of attendance and/or leave records for all employees. Furthermore, the School Board should ensure that all employee leave time is supported by proper documentation and properly posted to the payroll system.

Management's response: Upon review of the Statewide Agreed-Upon Procedures, Management had a meeting with all Supervisors at all locations. The Superintendent and Business Manager directed Supervisors that they must be reviewing sign in and out sheets (attendance records) of all employees at their location and then they must sign off on the sign in and out sheets of each employee to ensure accuracy, then these reports must be submitted to the Central Office. These procedures have been in place since 07/01/2017. Management will also look into the cost of moving the district to an electronic form of attendance for all employees to present to the Board for approval. This comment is considered to be cleared.

AGREED-UPON PROCEDURES



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(Retired) 1963 - 2000

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

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Jackson Parish School Board, Jonesboro, Louisiana, and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period April 1, 2017 through March 31, 2018. The School Board's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics** including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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

- **Payroll/Personnel-** Written policy and procedure did not address discuss the required element of reviewing and approving time and attendance records, including leave and overtime worked.
- **Contracting-** Written policy and procedure did not address the required element of which services require written contracts.
- **Credit Cards-** Written policy and procedure did not address the required element of allowable business uses.
- **Ethics-** Written policy and procedure did not address the required element of actions to be taken if an ethics violation takes place and a system to monitor possible ethics violations.

Management's Response The Business Department shall review the policies for payroll/personnel, contracting, credit cards, and ethics. The Business Department shall submit to the Superintendent for approval updated procedures to address reviewing and approving time and attendance records, services that require a written contract, business uses for credit cards, and ethics violations as soon as possible.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting*

model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

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

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Comment: Bank reconciliations for a sample of five bank accounts were reviewed. There was one exception noted where two checks were noted as outstanding for 13 months at the time of the reconciliation, and no documentation could be found that the checks had been researched.

Management's Response: The Accountant will review and research all outstanding checks quarterly.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Comment: When testing a sample of six deposits, there was one exception noted where the amount deposited could not be traced to a pre-numbered receipt or deposit slip; however, the School Board maintains a collection log which was used to determine timeliness.

Management’s Response: Jackson Parish School Board follows better business practices in which deposits are made within three business days. The Central Office maintains a collection log for all amounts received from outside sources.

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

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

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Comment: When reviewing personnel and processes at a sample of five disbursement locations, there was one exception noted where there are not at least two employees involved in the processing and approving of payments to vendors, one exception noted where the person responsible for processing payment is not prohibited from adding/modifying vendor files, and two exceptions noted where the employee mailing the check is also responsible for processing the payment.

Management's Response: We have internal controls to where the check requires two signatures, cash balances are monitored at the Central Office of this location, and all bank reconciliations are reviewed at the Central Office. Management shall review and reach out to other school districts to see what their procedures are concerning the statewide agreed upon procedures to address this.

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

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

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive

fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Comment: These procedures were not required to be tested in the current year, due to no exceptions being noted in the prior year.

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

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Comment: These procedures were not required to be tested in the current year, due to no exceptions being noted in the prior year.

Contracts

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

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Comment: These procedures were not required to be tested in the current year, due to no exceptions being noted in the prior year.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Comment: When testing compensation paid to a sample of five employees, there was one exception noted where the employee worked and was paid for more hours than the maximum allowable hours per month under the employee's approved contract. When reviewing attendance and leave records for the same sample of five employees for one pay period, there were two exceptions noted where one or more timesheets for the pay period lacked a supervisor's signature approving the attendance.

Management's Response: The Business Manager will address the supervisor responsible for this contracted employee's timesheet as soon as possible. The Business Manager will reiterate to all supervisors the importance of their signature when approving time and attendance as soon as possible.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Comment: These procedures were not required to be tested in the current year, due to no exceptions being noted in the prior year.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Comment: These procedures were not required to be tested in the current year, due to no exceptions being noted in the prior year.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Comment: These procedures were not required to be tested in the current year, due to no exceptions being noted in the prior year.

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

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

Allen, Green & Williamson, CP

Allen, Green & Williamson, LLP

Monroe, Louisiana
January 2, 2019



ALLEN, GREEN & WILLIAMSON, LLP

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING BESE AGREED-UPON PROCEDURES

Board Members
Jackson Parish School Board
Jonesboro, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of the Jackson Parish School Board, Jonesboro, Louisiana, the Louisiana Department of Education, and the Legislative Auditor, State of Louisiana, on the performance and statistical data accompanying the annual financial statements of the 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) in compliance with Louisiana Revised Statute 24:514(I). Jackson Parish School Board's management is responsible for the 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.

Our procedures and associated findings are as follows:

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

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

Comment: No exceptions were noted as a result of applying agreed upon procedures.

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 classes to the October 1st roll books for those classes and observed that the class was properly classified on the schedule.

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Education Level/Experience of Public School Staff (No schedule)

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

Comment: No exceptions were noted as a result of applying agreed upon procedures.

Public Staff Data: Average Salaries (No schedule)

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

Comment: No exceptions were noted as a result of applying agreed upon procedures.

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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Jackson Parish School Board, as required by Louisiana Revised Statute 24:514(I) and the results of the testing, and not to provide an opinion on the sufficiency of the procedures. 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.

Allen, Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
January 2, 2019

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

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

	Column A	Column B
<u>General Fund Instructional and Equipment Expenditures</u>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 6,841,058	
Other Instructional Staff Activities	651,823	
Instructional Staff Employee Benefits	3,827,504	
Purchased Professional and Technical Services	23,990	
Instructional Materials and Supplies	441,388	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	<u> </u>	\$ 11,785,763
Other Instructional Activities	128,635	
Pupil Support Activities	1,287,582	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	<u> </u>	1,287,582
Instructional Staff Services	1,003,446	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	<u> </u>	1,003,446
School Administration		
Less: Equipment for School Administration	1,240,904	
Net School Administration	<u> </u>	1,240,904
Total General Fund Instructional Expenditures (Total of Column B)		<u>15,317,695</u>
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		<u>169,632</u>
<u>Certain Local Revenue Sources</u>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		1,080,009
Renewable Ad Valorem Tax		4,448,247
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		247,131
Sales and Use Taxes		5,785,377
Total Local Taxation Revenue		<u>11,560,764</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		-
Earnings from Other Real Property		13,410
Total Local Earnings on Investment in Real Property		<u>13,410</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		74,445
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		<u>74,445</u>
Nonpublic Textbook Revenue		-
Nonpublic Transportation Revenue		<u>\$ -</u>

JACKSON PARISH SCHOOL BOARD
Jonesboro, Louisiana

Class Size Characteristics
As of October 1, 2017

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	9.54%	46	15.21%	33	0.00%	0	0.00%	0
Elementary Activity Classes	0.62%	3	3.69%	8	0.00%	0	1.96%	1
Middle/Jr. High	7.68%	37	5.07%	11	5.32%	5	50.98%	26
Middle/Jr. High Activity Classes	0.41%	2	0.92%	2	1.06%	1	23.53%	12
High	14.94%	72	10.60%	23	11.70%	11	0.00%	0
High Activity Classes	4.77%	23	0.92%	2	0.00%	0	1.96%	1
Combination	52.49%	253	56.68%	123	70.21%	66	3.92%	2
Combination Activity Classes	9.54%	46	6.91%	15	11.70%	11	17.65%	9

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.