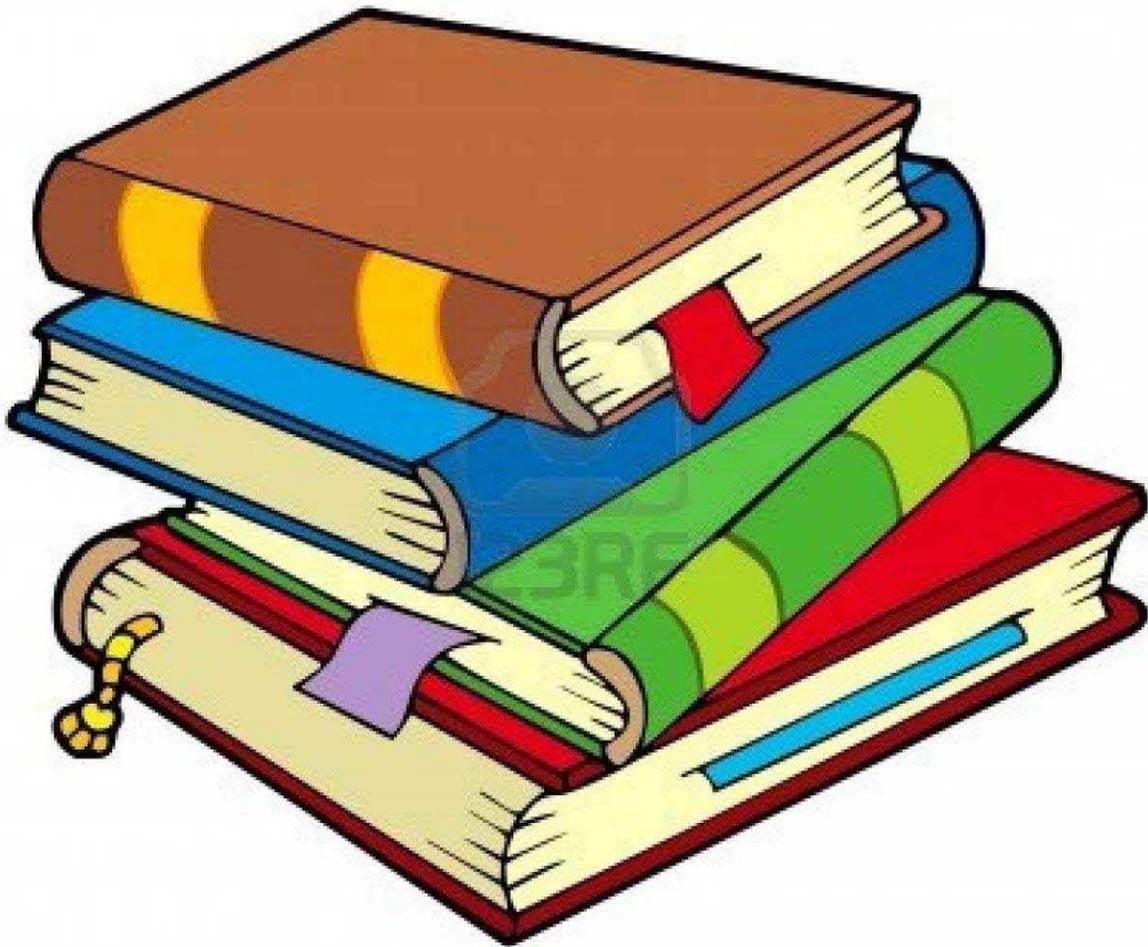


# Vernon Parish School Board

Leesville, Louisiana



**Comprehensive Annual Financial Report**

**for the year ended June 30, 2018**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

**Angie Davis**  
**President**

**James Williams**  
**Superintendent**

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

**Prepared by the Department of Finance**

**Vernon Parish School Board  
Table of Contents**

	<u>Page</u>
<b>INTRODUCTORY SECTION</b>	
Transmittal Letter	11-14
GFOA Certificate of Achievement for Excellence in Financial Reporting	15
ASBO Certificate of Excellence in Financial Reporting Award	17
Organization Chart	19
Elected Officials	20
Selected Administrative Officials	21
 <b>FINANCIAL SECTION</b>	
	<u>Statement</u>
<b>Independent Auditor's Report</b>	25-27
<b>Required Supplementary Information</b>	28
Management's Discussion and Analysis (MD&A)	29-41
<b>Basic Financial Statements</b>	
Government-wide Financial Statements (GWFS)	42
Statement of Net Position	A 43
Statement of Activities	B 44
Fund Financial Statements (FFS)	45
Governmental Funds:	
Balance Sheet	C 46
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D 47
Statement of Revenues, Expenditures, and Changes in Fund Balances	E 48-49
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F 50
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities	G 51
Notes to the Financial Statements	
Index	52
Notes	53-83
	 <u>Exhibit</u>
<b>Required Supplementary Information</b>	84
Schedule of Changes in the Total OPEB Liability and Related Ratios	1-1 85
Schedule of Employer's Proportionate Share of Net Pension Liability	1-2 86
Schedule of Employer Contributions to Pension Plans	1-3 87
Notes to Required Supplementary Information for Pensions	88
Budgetary Comparison Schedule	89
General Fund	1-4 90-91
Notes to the Budgetary Comparison Schedule	92

(Continued)

**Vernon Parish School Board  
Table of Contents**

	<u>Exhibit</u>	<u>Page</u>
<b>Supplementary Information</b>		93
Nonmajor Governmental Funds		
Combining Balance Sheet - By Fund Type	2	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - By Fund Type	3	95-96
Nonmajor Special Revenue Funds		98-99
Combining Balance Sheet	4	100-105
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	106-117
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual		
Ward 1 Maintenance	6-1	118
Ward 2 - Orange Maintenance	6-2	119
Ward 2 - Hornbeck Maintenance	6-3	120
Ward 3 Maintenance	6-4	121
Ward 4 Maintenance	6-5	122
Ward 5 Maintenance	6-6	123
Ward 6 Maintenance	6-7	124
Ward 7 Maintenance	6-8	125
Ward 8 Maintenance	6-9	126
8G and Early Childhood Funds	6-10	127
Indian Education Grant	6-11	128
Vocational Education	6-12	129
Special Education	6-13	130
LA 4	6-14	131
School Food Service	6-15	132
Food Processing Centers	6-16	133
JAG	6-17	134
Miscellaneous Federal Grants	6-18	135
Title I	6-19	136
Title II	6-20	137
Title III	6-21	138
Sales Tax	6-22	139
Head Start	6-23	140
Preschool	6-24	141
Education Excellence	6-25	142
REAP	6-26	143

(Continued)

**Vernon Parish School Board  
Table of Contents**

	<u>Exhibit</u>	<u>Page</u>
<b>Supplementary Information (Continued)</b>		
Nonmajor Debt Service Funds:		145
Combining Balance Sheet	7	146-147
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	8	148-149
Nonmajor Capital Project Funds:		150
Combining Balance Sheet	9	151
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	10	152
Agency Funds:		153
Combining Statement of Fiduciary Assets and Liabilities	11	154
Combining Statement of Changes in Fiduciary Assets and Liabilities	12	155-156
Schedule of Changes in Deposits Due Others - School Activities Agency Fund	13	157
Schedules of Compensation Paid:		
Board Members	14	159
Superintendent	15	160
 <b>STATISTICAL SECTION</b>	 <u>TABLE</u>	
Contents		163-164
Financial Trends:		
Net Position by Component	1	165
Changes in Net Position	2	166
Fund Balances of Governmental Funds	3	167
Changes in Fund Balances of Governmental Funds	4	168
Revenue Capacity		
Assessed Value and Estimated Actual Value of Taxable Property	5	169
Overlapping Governments	6	170
Principal Property Taxpayers	7	171
Property Tax Levies and Collections	8	172
Sales and Use Tax Rates and Collections - All Governments	9	173
Debt Capacity		
Ratios of Outstanding Debt by Type	10	174
Ratios of General Bonded Debt Outstanding	11	175
Direct and Overlapping Governmental Activities Debt	12	176
Legal Debt Margin Information	13	177
Demographic and Economic Information		
Demographic and Economic Statistics	14	178
Principal Employers	15	179
Operating Information:		
School Personnel	16	180
Student Capacity and Utilization	17	181-184
Operating Statistics	18	185
		(Concluded)

**Vernon Parish School Board**

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# INTRODUCTORY SECTION

President  
Angie Davis

Superintendent  
James Williams

Vice-President  
Vernon L. Travis, Jr.

## Vernon Parish School Board

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

### BOARD MEMBERS:

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

### Transmittal Letter

December 28, 2018

District Two  
Angie Davis

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

District Three  
David Detz

District Four  
Randy Martin

District Five  
Shad Stewart

District Six  
Vernon L. Travis, Jr.

District Seven  
John Blankenbaker

District Eight  
Gerald Cooley

The Comprehensive Annual Financial Report of the Vernon Parish School Board (School Board) for the year ended June 30, 2018 is submitted herewith. Finance Department personnel following the guidelines recommended by the Association of School Business Officials International and the Government Finance Officers Association of the United States and Canada have prepared this report.

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

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

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

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

"An Equal Opportunity Employer"

The School Board provides a full range of educational services appropriate to grade levels Pre K through 12 for 8,841 students, in which Pre K enrollment was 538 and MFP enrollment was 8,303. Projected enrollment by 2018-2019 is estimated to be similar to current year.

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

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

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

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

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

As a part of the School Board's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the School Board has complied with applicable laws and regulations. The results of the School Board's single audit for the fiscal year ended June 30, 2018, provided no instances of material weaknesses in internal control.

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

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

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

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

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

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

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

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

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

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



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



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

Management believes that the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, which will be submitted to GFOA and ASBO for review, continues to conform to the principles and standards of each organization.

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

A handwritten signature in blue ink, appearing to read "James Williams". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

James Williams  
Superintendent

A handwritten signature in blue ink, appearing to read "Tim Ward". The signature is cursive and somewhat stylized, with a large loop at the end.

Tim Ward  
Director of Finance



Government Finance Officers Association

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

Presented to

**Vernon Parish School Board  
Louisiana**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

Vernon Parish School Board

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ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Vernon Parish School Board**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink that reads 'Charles E. Peterson, Jr.' The signature is written in a cursive style.

Charles E. Peterson, Jr., SFO, RSBA, MBA  
President

A handwritten signature in black ink that reads 'John D. Musso'. The signature is written in a cursive style.

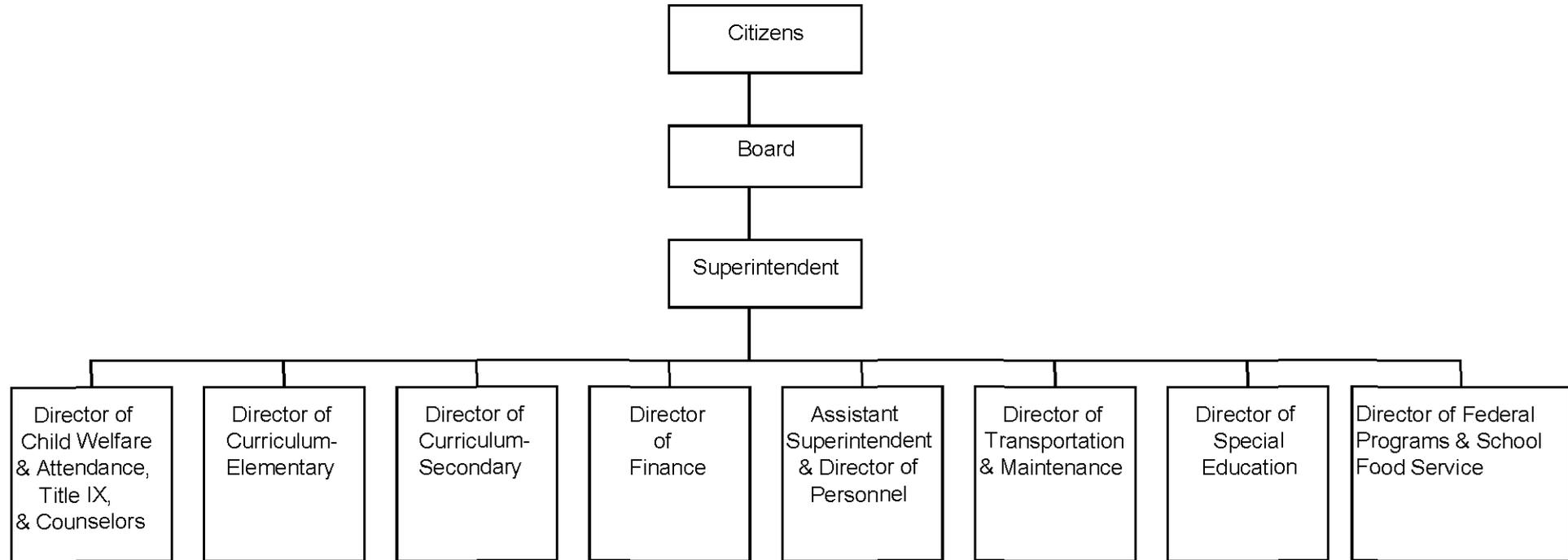
John D. Musso, CAE  
Executive Director

Vernon Parish School Board

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# Vernon Parish School Board Organization Chart

June 30, 2018



**Vernon Parish School Board**

**Elected Officials  
June 30, 2018**

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

**Vernon Parish School Board**

**Selected Administrative Officials  
June 30, 2018**

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

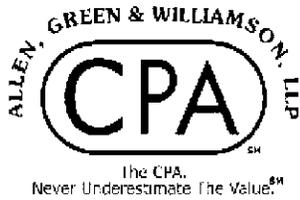
**Vernon Parish School Board**

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# FINANCIAL SECTION

# ALLEN, GREEN & WILLIAMSON, LLP



CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2441 Tower Drive

Monroe, LA 71201

Telephone: (318) 388-4422

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Partners: Tim Green, CPA  
Amy Tynes, CPA  
Jatnicia Bamburg, CPA, CFE  
Aimee Buchanan, CPA  
Principal: Cindy Thomason, CPA

Sandra Harper, CPA  
Jennie Henry CPA  
Mallory Stone, CPA  
Audit Manager Margie Williamson, CPA

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

## Independent Auditor's Report

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Vernon Parish School Board, as of and for the year ended June 30, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

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

## *Other Matters*

### *Required Supplementary Information*

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

### *Supplementary and Other Information*

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report, under a separate cover, dated December 28, 2018 on our consideration of the Vernon Parish School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 28, 2018

**REQUIRED SUPPLEMENTARY INFORMATION:**

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

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

---

Our discussion and analysis of Vernon Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the transmittal letter included in the introductory section of this report and the School Board's financial statements, which follows this Management's Discussion and Analysis. Amounts are reported in millions unless otherwise noted.

In fiscal year 2018, the School Board adopted a new statement 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 75 has no impact on the School Board's governmental fund financial statements, which continue to report OPEB on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the School Board's government-wide financial statements to reflect the reporting of total OPEB liabilities at June 30, 2017 in accordance with provisions of Statement 75. Net position as of July 1, 2017 was decreased by \$163,579,448 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.

## **FINANCIAL HIGHLIGHTS**

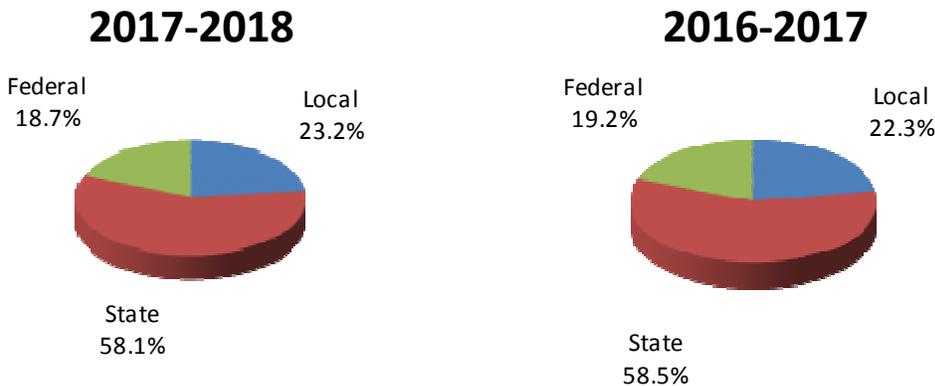
Our financial statements provide these insights into the results of this year's operations:

This year, the primary resources available to the school system are local revenues, primarily tax receipts, which total \$22.5 million or 23.2% of the total; state revenues, primarily minimum foundation funding (equalization) program

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

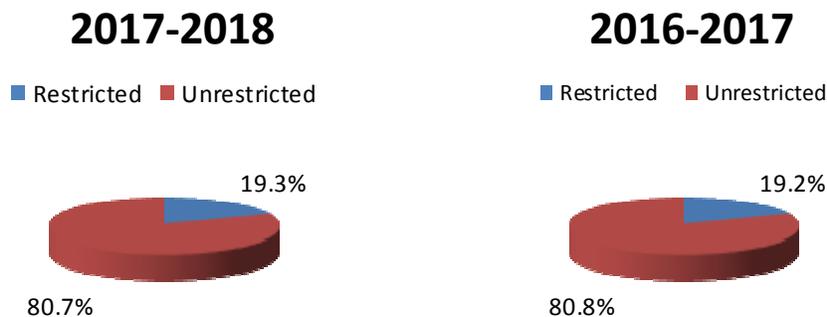
and special grants, totaling \$56.4 million or 58.1% of the total; and federal funds, primarily impact aid and special grants totaling \$18.1 million or 18.7%. Last year, local revenues were \$21.2 million or 22.3% of the total, while state revenues were \$55.5 million or 58.5%, and federal revenues were \$18.3 million or 19.2%.

**TOTAL REVENUES BY SOURCE**



Of the total \$97.0 million in revenues received by the school system this year, \$18.7 million or 19.3% is restricted. Unrestricted revenues were \$78.3 million or 80.7%. Last year total revenue was \$95.0 million, of which total \$18.2 million or 19.2% was restricted revenue and \$76.8 million or 80.8% was unrestricted revenue.

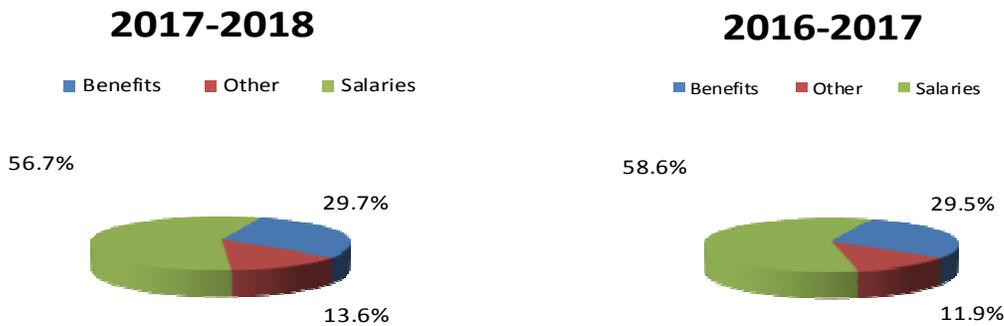
**RESTRICTED VS. UNRESTRICTED REVENUES**



Of the unrestricted amount of \$78.3 million in 2017-2018, 56.7% was spent for salaries; 29.7% was spent for employee benefits; and 13.6% was spent for other functions of the school system. Of the unrestricted amount of \$76.8 million in 2016-2017, 58.6% was spent for salaries, 29.5% was spent for employee benefits, and 11.9% was spent for other functions in the school system.

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

**USES OF UNRESTRICTED REVENUE**



**FUND FINANCIAL STATEMENTS**

The fund balances of all governmental funds showed a decrease of \$.3 million, which is due mainly to a marginal increase overall in expenditures. The general fund, a major fund of the School Board, showed an increase of \$.4 million. Fund balances in nonmajor maintenance funds and other special revenue funds increased \$.1 million due primarily to slight increase in property tax revenue. Fund balances in the debt service funds increased \$.01 primarily due to slight increase in ad valorem taxes. The nonmajor capital project funds decreased \$.8 million due to the substantial completion of the Pickering Construction project.

Total revenue for all governmental funds for the current year was \$97.1 million, an increase of \$2.1 million from the prior year. Total expenditures of \$98.2 million for the current year were a decrease of \$1.2 million over last year.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Most of the School Boards taxes and State Minimum Foundation Program funds were used to support the net cost (after deducting restricted grants and fees charged to users) of these four areas: instruction \$51.9 million or 57%, plant services \$9.9 million or 11%, student transportation \$6.8 million or 8%, and school administration \$6.6 million or 7%.

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

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

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Comprehensive Annual Financial Report

**Introductory Section**

Transmittal Letter  
Certificates of Excellence in Financial Reporting  
Organization Chart  
Elected Officials and Selected Administrative Officers

**Financial Section**

(Details outlined in the next chart)

**Statistical Section**

Financial Trends  
Revenue Capacity  
Debt Capacity  
Demographic and Economic Information  
Operating Information

(Refer to the Table of Contents in the front of this report for more details and the specific location of items identified above)

***Financial Section***

**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 the Total OPEB Liability and Related Ratios  
Schedule of Employer's Proportionate Share of Net Pension Liability  
Schedule of Employer Contributions to Pension Plans  
Budgetary Information for the General Fund

**Supplementary Information**

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

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

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

### **Reporting the School Board as a Whole**

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

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets, deferred outflows of resources, liabilities and deferred 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 plus deferred outflows of resources and liabilities plus deferred inflows of resources, as reported in the Statement of Net Position - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results.

However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

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

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

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

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

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

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which

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

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measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

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

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

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

**THE SCHOOL BOARD AS A WHOLE** The School Board's net position was \$(299.2) million at June 30, 2018. The School Board reported an unrestricted deficit in net position of \$(345.0) million. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities. 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.

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

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

	Governmental Activities		
	2018	2017	Variance
Other assets	\$ 27.0	\$ 27.4	\$ (0.4)
Capital assets	72.1	72.9	(0.8)
Total assets	99.1	100.3	(1.2)
Deferred outflows of resources	46.0	24.6	21.4
Other liabilities	6.7	6.8	(0.1)
Long-term liabilities	426.4	237.2	189.2
Total liabilities	433.1	244.0	189.1
Deferred inflows of resources	11.2	8.5	2.7
Net position			
Net investment in capital assets	39.7	39.6	0.1
Restricted	6.1	6.2	(0.1)
Unrestricted (deficit)	(345.0)	(173.4)	(171.6)
Total net position	\$ (299.2)	\$ (127.6)	\$ (171.6)

The \$(345.0) million in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today the School Board would be short \$345.0 million.

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

Total net position decreased \$171.6 million as a result of current year activity and a prior period adjustment of \$(163.5) million due to the implementation of GASB 75. Total revenues increased \$2.0 million primarily due to increased student enrollment and new grants. The total expenses decreased \$1.2 million mainly due to reduction in personnel and related benefits.

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

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

	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Governmental Activities:			
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ 0.6	\$ 0.7	\$ (0.1)
Operating grants and contributions	14.2	13.0	1.2
Capital grants and contributions	-	0.7	(0.7)
General Revenue			
Ad Valorem	7.9	7.8	0.1
Sales taxes	11.4	11.5	(0.1)
State minimum foundation program	54.8	53.8	1.0
Other general revenues	8.1	7.5	0.6
Total revenues	<u>97.0</u>	<u>95.0</u>	<u>2.0</u>
<b>Functions/Program Expenses:</b>			
Instruction			
Regular programs	40.7	42.1	(1.4)
Special programs	10.6	10.3	0.3
Other instructional programs	8.8	8.8	-
Support services			
Student services	5.0	5.3	(0.3)
Instructional staff support	4.6	4.6	-
General administration	2.3	2.3	-
School administration	6.7	6.9	(0.2)
Business services	0.7	0.7	-
Plant services	10.0	9.0	1.0
Student transportation services	6.9	7.2	(0.3)
Central service	1.3	1.3	-
Food services	6.4	6.6	(0.2)
Interest on long term debt	1.1	1.2	(0.1)
Total expenses	<u>105.1</u>	<u>106.3</u>	<u>(1.2)</u>
<b>Increase (decrease) in net position</b>	<u>(8.1)</u>	<u>(11.3)</u>	<u>3.2</u>
Net Position – beginning as originally reported	\$ (127.6)	\$ (116.3)	\$ (11.3)
Prior period adjustment	(163.5)	-	(163.5)
Net Position – beginning, restated	<u>(291.1)</u>	<u>(116.3)</u>	<u>(174.8)</u>
Net Position – ending	<u>\$ (299.2)</u>	<u>\$ (127.6)</u>	<u>\$ (171.6)</u>

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

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**Governmental Activities** As reported in the Statement of Activities, the cost of all governmental activities this year was \$105.1 million. The amount that was paid for these activities through School Board general revenues including taxes and minimum foundation program revenues was \$82.2 million because some of the cost was paid by those who benefited from the programs \$.6 million or by other governments and organizations who subsidized certain programs with grants and contributions \$14.2 million. The \$8.1 million deficit was funded by using resources available from the prior year.

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

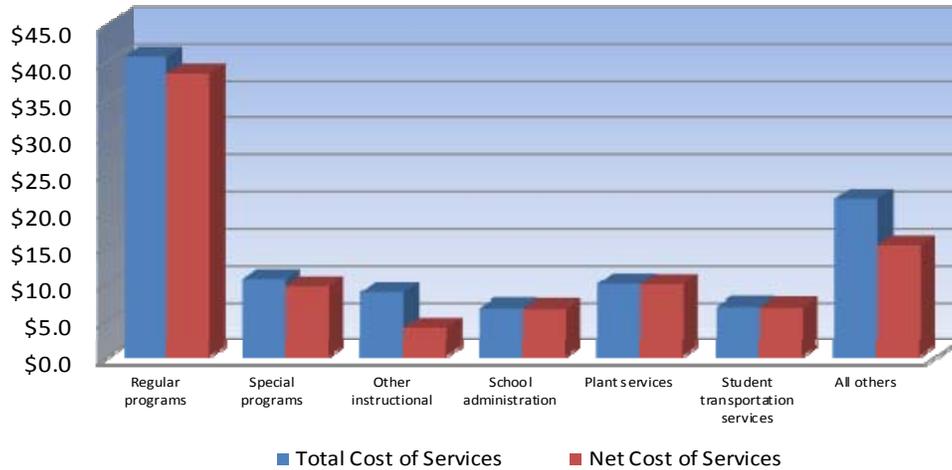
**Table 3**  
**For the Years Ended June 30,**  
*(in millions)*

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Regular programs	\$ 40.7	\$ 42.1	\$ 38.3	\$ 40.2
Special programs	10.6	10.3	9.6	8.0
Other instructional programs	8.8	8.8	4.0	5.3
School administration	6.7	6.9	6.6	6.8
Plant services	10.0	9.0	9.9	8.3
Student transportation services	6.9	7.2	6.8	7.2
All others	21.4	22.0	15.1	16.1
<b>Totals</b>	<u>\$ 105.1</u>	<u>\$ 106.3</u>	<u>\$ 90.3</u>	<u>\$ 91.9</u>

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

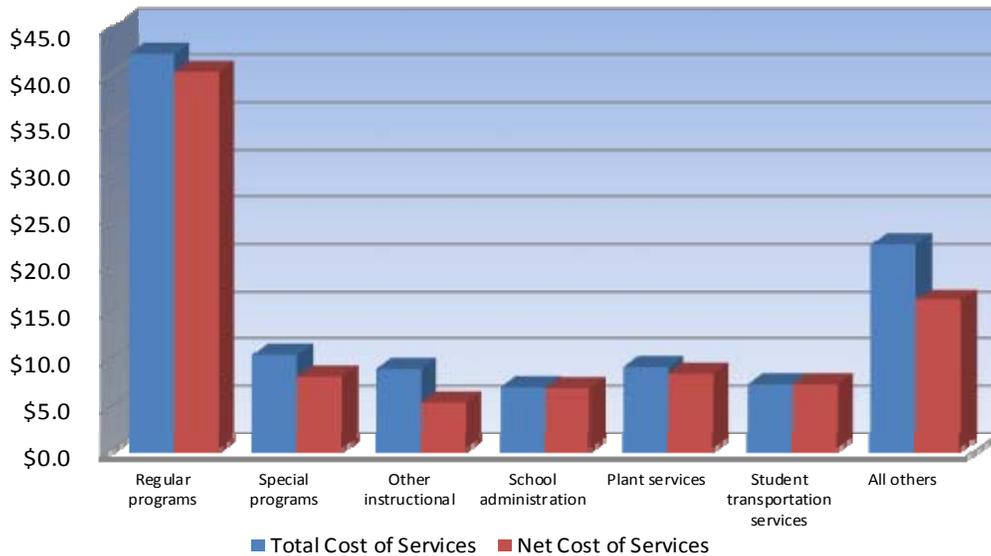
**Total Cost of Services  
Versus  
Net Cost of Services  
(In Millions)**

**2017-2018**



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

**2016-2017**



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

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

As the School Board completed this year, our governmental funds reported a combined fund balance of \$20.7 million.

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

The General fund is our principal operating fund. The fund balance in the General fund increased by \$.38 million, due to the following changes in comparison with the prior year:

- 2.0 million increase in total revenue due mainly to increased student enrollment and new grants
- 1.2 million reduction in transfers and expenses due to a reduction in personnel and benefits

Nonmajor special revenue funds had an increase in fund balance of \$.1 million due mainly to new grants.

Nonmajor debt service funds had an increase in fund balance of \$.01 million mainly due to increased property tax revenue.

Nonmajor capital project funds had a decrease in fund balance of \$.8 million mainly due to substantial completion of projects.

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

There were significant revisions made to the 2017-2018 general fund original budget. Budgeted revenues increased by \$3.1 million primarily due to the following:

- \$1.2 million increase in erate revenue
- \$.2 million increase in Medicaid and interest revenue
- \$1.0 million increase in MFP revenue

Budgeted expenditures increased by \$2.7 million due to the following:

- \$1.2 million increase in telephone and internet expenses
- \$.5 million increase in technology expenditures
- \$.7 million increase in bus expenditures

The total actual expenditures were \$.1 million more than budget expenditures due to increased employee benefit costs.

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

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** At June 30, 2018, the School Board had \$72.1 million invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$.8 million or 1%, from last year.

**Capital Assets at Year-end**

(in millions)

	<u>Governmental Activities</u>	
	2018	2017
Land	\$ 1.6	\$ 1.6
Construction in progress	1.6	0.8
Buildings	65.9	67.8
Furniture and equipment	3.0	2.7
Totals	\$ 72.1	\$ 72.9

This year's additions of \$2 million include due to capital improvements at Pickering High School and Pickering Elementary.

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

**DEBT ADMINISTRATION** At June 30, 2018, the School Board had \$32.4 million in general obligation bonds outstanding with maturities from 2021 to 2036 with interest rates ranging from 0.10 to 5.9 percent. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 50% of the assessed value of taxable property. At June 30, 2018, the School Board's net bonded debt of \$30.4 million (total bonded debt of \$32.4 million less assets in debt service funds of \$2.0 million) was well below the legal limit of \$96.8 million.

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

	<u>Amount</u>	<u>Debt per Capita</u>
June 30, 2018 Net direct general obligation bonded debt and premium	\$32,410,639	\$654

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** Our elected and appointed officials and citizens consider many factors when setting the School Board's 2018-2019 fiscal year budget and tax rates. One of the most important factors affecting the budget is our student count. The 2018-2019 budget was adopted in September, 2018, based on an estimate of students that will be enrolled on October 1. The October 1 student count affects our Minimum Foundation Program (MFP) funding from the state. Approximately 56.8% of total revenues are from the MFP. Our Impact Aid federal funding is also tied to the number of federally connected students. Impact Aid fluctuates between \$4 to \$7 million per year.

We have projected a decrease of \$.8 million in revenues for the 2018-2019 fiscal year with no major uncertainties anticipated for the future.

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

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

**BASIC FINANCIAL STATEMENTS:**

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

**VERNON PARISH SCHOOL BOARD**

**STATEMENT OF NET POSITION  
June 30, 2018**

	<b>Statement A</b>
	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 16,968,785
Investments	4,186,000
Receivables	5,747,283
Inventory	167,594
Capital assets:	
Land and construction in progress	3,198,670
Depreciable capital assets, net of depreciation	68,851,845
<b>TOTAL ASSETS</b>	<b>99,120,177</b>
<b>DEFERRED OUTFLOWS</b>	
Deferred outflow related to refunding	593,873
Deferred outflow related to OPEB	29,605,557
Deferred outflow related to pensions	15,769,160
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>45,968,590</b>
<b>LIABILITIES</b>	
Accounts, salaries and other payables	6,292,682
Unearned revenues	65,487
Interest payable	346,121
Long-term liabilities	
Due within one year	4,131,928
Due in more than one year	422,250,139
<b>TOTAL LIABILITIES</b>	<b>433,086,357</b>
<b>DEFERRED INFLOWS</b>	
Deferred inflows related to pensions	11,244,116
<b>NET POSITION</b>	
Net investment in capital assets (including unspent proceeds of \$222,869)	39,670,293
Restricted for:	
Grant funds	197,978
Facility maintenance	3,942,456
Debt service	1,662,115
Workers' compensation	386,000
Unrestricted (deficit)	(345,100,548)
<b>TOTAL NET POSITION</b>	<b>\$ (299,241,706)</b>

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

VERNON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 40,666,746	\$ -	\$ 2,369,487	\$ (38,297,259)
Special programs	10,617,892	-	977,100	(9,640,792)
Other instructional programs	8,820,060	-	4,815,102	(4,004,958)
Support services:				
Student services	5,040,395	-	712,266	(4,328,129)
Instructional staff support	4,604,529	-	1,162,392	(3,442,137)
General administration	2,333,094	-	577,684	(1,755,410)
School administration	6,667,304	-	20,026	(6,647,278)
Business services	718,234	-	128,820	(589,414)
Plant services	10,003,509	-	48,297	(9,955,212)
Student transportation services	6,916,549	-	66,898	(6,849,651)
Central services	1,253,346	-	66,661	(1,186,685)
Food services	6,440,350	633,107	3,241,753	(2,565,490)
Community services	35,720	-	86	(35,634)
Interest on long-term debt	1,032,185	-	-	(1,032,185)
<b>Total Governmental Activities</b>	<b>\$ 105,149,913</b>	<b>\$ 633,107</b>	<b>\$ 14,186,572</b>	<b>\$ (90,330,234)</b>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				3,983,713
Property taxes, levied for debt services				3,881,459
Sales taxes				11,379,185
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				54,813,754
Other unrestricted state				29,228
State revenue sharing				272,929
Impact Aid - Department of Defense				5,243,580
Interest and investment earnings				305,963
Miscellaneous				2,321,695
<b>Total general revenues</b>				<b>82,231,506</b>
<b>Change in net position</b>				<b>(8,098,728)</b>
Net position - beginning, as originally stated				(127,563,530)
Prior period adjustment				(163,579,448)
Net position - beginning, restated				(291,142,978)
Net position - ending				<b>\$ (299,241,706)</b>

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

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

**VERNON PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS**

**Balance Sheet**

**June 30, 2018**

**Statement C**

	<u>GENERAL</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,547,174	\$ 8,421,611	\$ 16,968,785
Investments	4,186,000	-	4,186,000
Receivables	2,907,214	2,840,069	5,747,283
Interfund receivables	1,987,295	-	1,987,295
Inventory	-	167,594	167,594
	<hr/>	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>17,627,683</b>	<b>11,429,274</b>	<b>29,056,957</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts, salaries and other payables	4,658,884	1,633,798	6,292,682
Interfund payables	-	1,987,295	1,987,295
Unearned revenues	-	65,487	65,487
	<hr/>	<hr/>	<hr/>
<b>Total Liabilities</b>	<b>4,658,884</b>	<b>3,686,580</b>	<b>8,345,464</b>
<b>Fund Balances:</b>			
Nonspendable	-	102,107	102,107
Restricted	386,000	6,371,539	6,757,539
Committed	600,000	1,350,326	1,950,326
Unassigned	11,982,799	(81,278)	11,901,521
	<hr/>	<hr/>	<hr/>
<b>Total Fund Balances</b>	<b>12,968,799</b>	<b>7,742,694</b>	<b>20,711,493</b>
	<hr/>	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,627,683</b>	<b>\$ 11,429,274</b>	<b>\$ 29,056,957</b>

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

**VERNON PARISH SCHOOL BOARD**

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

**Statement D**

Total fund balances - governmental funds \$ 20,711,493

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

Costs of capital assets	\$ 118,661,319	
Depreciation expense to date	<u>(46,610,804)</u>	72,050,515

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

Deferred outflows related to pensions		15,769,160
Deferred inflows related to pensions		(11,244,116)
Deferred outflows related to OPEB		29,605,557
Deferred outflows related to refundings		593,873

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:

Long-term liabilities		
Bonds payable and premium on bonds	(32,410,639)	
Workers' compensation payable	(660,757)	
Capital lease	(786,325)	
Compensated absences payable	(1,194,037)	
Net pension liability	(102,315,519)	
OPEB liability	(289,014,790)	
Interest payable	<u>(346,121)</u>	
		<u>(426,728,188)</u>

Net Position - Governmental Activities		<u><u>\$ (299,241,706)</u></u>
--	--	--------------------------------

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

**VERNON PARISH SCHOOL BOARD**

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

	<b>Statement E</b>		
	<b>GENERAL</b>	<b>NONMAJOR GOVERNMENTAL</b>	<b>TOTAL</b>
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 1,854,476	\$ 6,010,696	\$ 7,865,172
Sales and use	11,379,185	-	11,379,185
Interest earnings	197,390	108,573	305,963
Food services	-	633,107	633,107
Other	1,993,113	412,336	2,405,449
State sources:			
Equalization	54,279,375	534,379	54,813,754
Other	170,322	1,399,074	1,569,396
Federal sources			
	5,484,754	12,678,159	18,162,913
Total Revenues	75,358,615	21,776,324	97,134,939
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	32,444,353	2,188,316	34,632,669
Special programs	8,524,814	1,024,053	9,548,867
Other instructional programs	2,816,510	5,137,658	7,954,168
Support services:			
Student services	3,631,107	775,785	4,406,892
Instructional staff support	2,930,153	1,149,838	4,079,991
General administration	1,115,904	991,809	2,107,713
School administration	5,683,317	143,090	5,826,407
Business services	354,944	288,524	643,468
Plant services	8,241,094	1,349,610	9,590,704
Student transportation services	5,946,515	130,794	6,077,309
Central services	1,100,064	66,803	1,166,867
Food services	402,690	5,438,846	5,841,536
Community service programs	28,213	-	28,213
Capital outlay			
	660,567	1,422,990	2,083,557
Debt service:			
Principal retirement	280,183	2,701,000	2,981,183
Interest and bank charges	10,045	1,052,653	1,062,698
Bond issuance costs	-	182,864	182,864
Total Expenditures	74,170,473	24,044,633	98,215,106
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 1,188,142	\$ (2,268,309)	\$ (1,080,167)

(CONTINUED)

**VERNON PARISH SCHOOL BOARD**

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

**Statement E**

	<u>GENERAL</u>	<u>NONMAJOR GOVERNMENTAL</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 233,861	\$ 1,638,305	\$ 1,872,166
Transfers out	(1,623,077)	(249,089)	(1,872,166)
Refunding bonds issued	-	8,580,000	8,580,000
Premium on refunding bonds issued	-	894,522	894,522
Capital leases	585,552	-	585,552
Payments to refunded bond escrow agent	-	(9,291,658)	(9,291,658)
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	(803,664)	1,572,080	768,416
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	384,478	(696,229)	(311,751)
	<hr/>	<hr/>	<hr/>
FUND BALANCES - BEGINNING	12,584,321	8,438,923	21,023,244
	<hr/>	<hr/>	<hr/>
FUND BALANCES - ENDING	<u>\$ 12,968,799</u>	<u>\$ 7,742,694</u>	<u>\$ 20,711,493</u>

(CONCLUDED)

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

**VERNON PARISH SCHOOL BOARD**

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

**Statement F**

Total net change in fund balances - governmental funds \$ (311,751)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense for assets over the capitalization threshold. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlay additions	\$ 2,083,557	
Loss on disposal of capital assets	(6,612)	
Depreciation expense	<u>(2,939,929)</u>	(862,984)

The recognition of pension expense in the Statement of Activities is based on projected benefit payments discounted to actuarial present value and attributed to periods of employee service. Pension expenditures in the fund financial statements are the amounts actually paid. 6,609,950

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

Repayment of bond principal		2,701,000
Repayment of capital lease		280,183
Refunding bond proceeds		(8,580,000)
Premium on refunding bond proceeds		(894,522)
Payments to refunded bond escrow agent		9,291,658
New capital lease proceeds		(585,552)

Deferred charges on advanced refundings are reported in the governmental funds as expenditures when debt is issued, whereas these amounts are deferred and amortized as interest expense in the Statement of Activities. The amortization for the current year is \$48,156. (48,156)

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 (\$593,647) was less than the amounts earned (\$649,713) by \$56,066. (56,066)

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

Decrease of interest payable		33,653
Premium amortization		39,883
Decrease of incurred but not reported workers' compensation claims		263,199
Increase in OPEB liabilities and deferred outflows		<u>(15,979,223)</u>

Change in net position of governmental activities \$ (8,098,728)

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

**VERNON PARISH SCHOOL BOARD**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**June 30, 2018**

**Statement G**

**AGENCY  
FUNDS**

<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,346,895
Investments	166,246
Accounts receivables	<u>3,570,251</u>
<b>TOTAL ASSETS</b>	<u><u>5,083,392</u></u>
<b>LIABILITIES</b>	
Deposits due others	<u>5,083,392</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 5,083,392</u></u>

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

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

<u>INDEX</u>	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES .....	53
A. REPORTING ENTITY .....	53
B. FUNDS .....	53
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING .....	54
D. CASH AND CASH EQUIVALENTS .....	55
E. INVESTMENTS .....	56
F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES .....	57
G. ELIMINATION AND RECLASSIFICATIONS .....	57
H. INVENTORY .....	57
I. CAPITAL ASSETS .....	57
J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES .....	57
K. UNEARNED REVENUES .....	58
L. COMPENSATED ABSENCES .....	58
M. LONG-TERM LIABILITIES .....	59
N. RESTRICTED NET POSITION .....	59
O. FUND EQUITY OF FUND FINANCIAL STATEMENTS .....	59
P. INTERFUND ACTIVITY .....	60
Q. SALES TAXES .....	60
R. BUDGETS .....	60
S. USE OF ESTIMATES .....	61
NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY .....	61
NOTE 3 - LEVIED TAXES .....	61
NOTE 4 - DEPOSITS AND INVESTMENTS .....	63
NOTE 5 - RECEIVABLES .....	64
NOTE 6 - CAPITAL ASSETS .....	65
NOTE 7 - PENSION PLANS .....	65
NOTE 8 - OTHER POST EMPLOYMENT BENEFITS .....	71
NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES .....	73
NOTE 10 - AGENCY FUND DEPOSITS DUE OTHERS (FFS LEVEL ONLY) .....	74
NOTE 11 - SALES TAX DISTRIBUTIONS .....	75
NOTE 12 - LONG-TERM LIABILITIES .....	76
NOTE 13 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY) .....	79
NOTE 14 - RESTRICTED NET POSITION FOR WORKERS' COMPENSATION .....	79
NOTE 15 - INTERFUND TRANSFERS (FFS LEVEL ONLY) .....	80
NOTE 16 - RISK MANAGEMENT .....	80
NOTE 17 - LITIGATION AND CLAIMS .....	81
NOTE 18 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES .....	81
NOTE 19 - ECONOMIC DEPENDENCY .....	82
NOTE 20 - NEW GASB STANDARDS .....	82
NOTE 21 - TAX ABATEMENTS .....	83
NOTE 22 - FUND BALANCE CLASSIFICATION DETAILS .....	83
NOTE 23 - PRIOR PERIOD ADJUSTMENT .....	83

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

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

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

The School Board operates eighteen schools within the parish with a total enrollment of 8,841 pupils in which Pre K enrollment was 538 and MFP enrollment was 8,303. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

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

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

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

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

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

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

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

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

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

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

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

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

### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

**Program revenues** Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

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

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

**Revenues**

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

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

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

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

**Expenditures**

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

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

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

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

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

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

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

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

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: Lamp is rated AAAM by Standard & Poor's
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investment is 47 days as of June 30, 2018.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

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

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

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

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

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

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.

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

**Definitions:**

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

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

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

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

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

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

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

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

**J. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES** In addition to assets, the statement of financial 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 three types of item that qualify for reporting in this category. One item is deferred charges on refunding, which results from the difference in the carrying value of refunded debt and its requisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In the Statement of Net Position, the net investment in capital assets includes the effect of deferring the recognition of expense from the deferred charge on refunding. The balance of deferred outflow of resources will be recognized as expense and decrease in net investment in capital assets through the 2029 fiscal year. The School Board had deferred outflows related to OPEB; see Note 9 for additional information. Additionally, the School Board had deferred outflows

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

related to pensions; see Note 8 for additional information.

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

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

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

Sabbatical leave may be granted for rest and recuperation and for professional and cultural improvement. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**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.

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

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

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

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

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.

**P. INTERFUND ACTIVITY** Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination 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 TAXES** The Vernon Parish School Board has the following two sales tax ordinances:

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

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

**R. BUDGETS**

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

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

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

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

**Budget Basis of Accounting** All governmental funds’ budgets are prepared on the modified accrual basis of accounting, with some variations. Budgeted amounts are as originally adopted or as amended by the Board.

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

Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function. The budget was amended after the close of the year. This is not prohibited by state law.

**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**

**A. Excess of Expenditures Over Appropriations in Individual Funds** The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2018:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund	\$ 74,065,452	\$ 74,170,473	\$ (105,021)
Ward 3 Maintenance	254,215	256,590	(2,375)
Head Start	2,051,263	2,051,804	(541)

**B. Deficit Fund Balance**

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

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

	<u>Property Tax Calendar</u>
Assessment date	January 1, 2017
Levy date	October 25, 2017
Tax bills mailed	November 6, 2017
Due date	December 31, 2017
Collection Date	December 2017-February 2018
Lien date	June 25, 2018
Tax sale – 2017 delinquent	May 8, 2018

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

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$193,641,810 in calendar year 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$54,189,541 of the assessed value in calendar year 2017.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1% 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, special revenue funds and debt service funds on the basis explained in Note 1. Revenues in such funds are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2017 property taxes to be collected occurs in December and January and February of the next year.

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

**Vernon 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:

	<u>Date of Voter Approval</u>	<u>Authorized</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:				
Constitutional and Operations	Statutory	4.18	4.18	Statutory
Maintenance and Operations	November 16, 2013	8.12	8.12	2024
District Taxes:				
Ward				
1	November 16, 2013	13.03	13.03	2024
2 Hornbeck	December 6, 2014	10.39	13.83	2025
2 Hornbeck	November 16, 2013	13.83	10.39	2024
2 Orange	November 16, 2013	13.24	13.24	2024
3	April 9, 2016	19.49	18.77	2025
4 Pickering	December 8, 2012	14.14	14.14	2023
5	December 8, 2012	19.11	19.11	2023
6	December 8, 2012	12.68	12.68	2023
6 District 151 additional funding	April 9, 2016	10.00	10.00	2026
7	April 9, 2016	17.42	17.42	2025
8	December 8, 2012	14.00	14.00	2023
8 District 161 additional funding	April 9, 2016	10.00	10.00	2026
District Sinking Fund Taxes:				
1	May 4, 2002	Variable	34.49	2021
2 Hornbeck	January 20, 2001	Variable	16.15	2020
2 Orange	November 4, 2008	Variable	30.00	2033
3	February 9, 2008	Variable	16.00	2037
3 (Wildlife Management Area)	February 9, 2008	Variable	8.24	2037
4 Pickering	September 18, 2004	Variable	16.21	2024
4 Pickering 2016 series	April 9, 2016	Variable	7.35	2030
5	April 5, 2003	Variable	23.23	2022
6	January 18, 1992	Variable	34.86	2021
7	May 3, 2003	Variable	27.23	2022
8	September 18, 2004	Variable	22.49	2034

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

Total investments of the School Board are \$4,352,246; however, \$166,246 is reported in agency funds (Statement G). The municipal bonds, Build American Bonds Income Trust and stock certificates were donated to Pitkin High School FFA for educational training on the stock market. The school does not invest school funds but uses the donated funds for training, in which all earnings and losses flow through the account.

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

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

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

Custodial Credit Risk-Deposits: This represents the risk that in the event of a bank failure, the School Board’s deposits may not be returned to it. As of June 30, 2018 the School Board’s bank balance was \$13,784,392 (including \$4,186,000 which is in certificates of deposit, classified as investments under Statement A). Of the bank balance, \$1,000,000 was covered with federal depository insurance or by collateral held in the School Board’s name. The remaining balance was collateralized with securities held by pledging financial institutions trust department or agent but not in the School Board’s name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon request. The School Board has no formal custodial credit risk for deposit policy.

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

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the Statement of Net Position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset’s fair value. Level 1 inputs are quoted prices in the active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments’ fair value measurements are as follows at June 30, 2018:

<u>Investment type</u>	<u>Maturities</u>	<u>Percentage of Investment</u>	<u>Fair Market Value Hierarchy</u>	<u>Valuation Technique</u>	<u>Credit Risk</u>	<u>Fair Value</u>
Municipal Bonds	> 10 years	29.35%	Level 1	Not applicable	A3	\$ 48,798
Build American Bonds Income Trust	< 1 year	52.13%	Level 2	Market approach	Unrated	86,668
Mutual Funds	< 1 year	4.11%	Level 1	Not applicable	Unrated	6,964
Stock Certificates	< 1 year	10.50%	Level 1	Not applicable	Unrated	21,646
Money Market	< 1 year	1.08%	Level 1	Not applicable	Unrated	2,170
Total						<u>\$ 166,246</u>

**NOTE 5 - RECEIVABLES** The receivables at June 30, 2018, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Taxes:			
Sales	\$ 1,199,638	\$ -	\$ 1,199,638
Intergovernmental - grants:			
Federal	1,475,872	2,447,745	3,923,617
State	-	351,731	351,731
Other	231,704	40,593	272,297
Total	<u>\$ 2,907,214</u>	<u>\$ 2,840,069</u>	<u>\$ 5,747,283</u>

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

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

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

**NOTE 6 - 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				
Capital asset not being depreciated				
Land	\$ 1,593,197	\$ -	\$ -	\$ 1,593,197
Construction in progress	800,309	1,154,887	349,723	1,605,473
Total capital assets not being depreciated	<u>2,393,506</u>	<u>1,154,887</u>	<u>349,723</u>	<u>3,198,670</u>
Capital assets being depreciated				
Buildings	105,190,941	410,016	9,386	105,591,571
Furniture and equipment	9,184,055	868,377	181,354	9,871,078
Total capital assets being depreciated	<u>114,374,996</u>	<u>1,278,393</u>	<u>190,740</u>	<u>115,462,649</u>
Less accumulated depreciation				
Buildings	37,330,918	2,443,428	9,386	39,764,960
Furniture and equipment	6,524,085	496,501	174,742	6,845,844
Total accumulated depreciation	<u>43,855,003</u>	<u>2,939,929</u>	<u>184,128</u>	<u>46,610,804</u>
Total capital assets being depreciated, net	<u>70,519,993</u>	<u>(1,661,536)</u>	<u>6,612</u>	<u>68,851,845</u>
Governmental activities				
Capital assets, net	<u>\$ 72,913,499</u>	<u>\$ (506,649)</u>	<u>\$ 356,335</u>	<u>\$ 72,050,515</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 2,154,256
Special programs	7,434
Other instructional programs	14,279
Instructional staff support	288
General administration	2,167
School administration	132,910
Plant services	18,689
Student transportation services	358,628
Food services	251,278
Total depreciation expense	<u>\$ 2,939,929</u>

**NOTE 7 - PENSION PLANS**

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

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

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

**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 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

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

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 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.

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

Employer contributions to LSERS for fiscal year 2018 were \$1,182,921, 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 \$11,009,318, with active member contributions ranging from 7.5% to 8%, and employer contributions of 26.6%. Non-employer contributions to TRSL, which are comprised of \$349,471 from ad valorem taxes and revenue sharing funds and \$6,007 from the State for PIP salaries, totaled \$355,478 for fiscal year 2018. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2018, the School Board reported liabilities of \$9,888,798 and \$92,426,721 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 1.545301%, or a decrease of .061077% for LSERS and .90156% or a decrease of .02092% for TRSL.

For the year ended June 30, 2018, the School Board recognized a total pension expense of \$5,582,289, or \$559,253 and \$5,023,036 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	\$ -	\$ -	\$ -	\$ 230,598	\$ 3,038,215	\$ 3,268,813
Changes of assumptions	207,348	974,642	1,181,990	154,051	-	154,051
Net difference between projected and actual earnings on pension plan investments	-	-	-	154,628	2,387,215	2,541,843
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,953	2,380,978	2,394,931	285,213	4,994,196	5,279,409
Employer contributions subsequent to the measurement date	1,182,921	11,009,318	12,192,239	-	-	-
<b>Total</b>	<b>\$ 1,404,222</b>	<b>\$ 14,364,938</b>	<b>\$ 15,769,160</b>	<b>\$ 824,490</b>	<b>\$ 10,419,626</b>	<b>\$ 11,244,116</b>

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

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

	<u>LSERS</u>	<u>TRSL</u>	<u>Total</u>
2019	\$ (464,882)	\$ (4,021,000)	\$ (4,485,882)
2020	156,306	402,798	559,104
2021	65,180	(677,414)	(612,234)
2022	(359,793)	(2,768,390)	(3,128,183)

*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:

	<u>LSERS</u>	<u>TRSL</u>
<b>Valuation Date</b>	June 30, 2017	June 30, 2017
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal
<b>Expected Remaining Service Lives</b>	3 years, closed period	5 years, closed period
<b>Investment Rate of Return</b>	7.125% per annum	7.70%, net of investment exp.
<b>Inflation Rate</b>	2.625% per annum	2.5% per annum
<b>Mortality - Non-disabled</b>	RP-2000 Sex Distinct Mortality Table	RP-2000, scale AA to 2025
<b>Mortality - Disabled</b>	RP-2000 Disabled Lives Mortality Table	RP-2000
<b>Termination, Disability, Retirement</b>	2008-2012 experience study	2008-2012 experience study
<b>Salary Increases</b>	3.075% to 5.375%	3.5% - 10% varies depending on duration of service
<b>Cost of Living Adjustments</b>	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 rebalance/diversification.

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:

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

	<u>Target Allocation</u>	<u>LT Expected Real Rate of Return</u>	
<b>TRSL (arithmetic)</b>			
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	<u>100.00%</u>		
<b>LSERS (arithmetic)</b>			
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	<u>100.00%</u>		

*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.

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 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	\$ 13,556,380	\$ 9,888,798	\$ 6,739,205
TRSL	119,093,939	92,426,721	69,741,563

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

*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 \$95,027 and \$1,870,715 in payables to LSERS and TRSL, respectively, for the June 2018 employee and employer legally required contributions.

**NOTE 8 - OTHER POST EMPLOYMENT BENEFITS**

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

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

*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	822
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	889
Total	1,711

*Total OPEB Liability* – The School Board’s total OPEB liability of \$289,014,790 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

*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:

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

Actuarial method	Entry age normal cost - Level percentage of projected salary
Discount rate	3.87% based on the Bond Buyer General Obligation 20 bond municipal index
Heathcare trend	5.1%/5.3% for non-Medicare/Medicare claims in 2017, gradually decreasing to an ultimate rate of 4.4%/4.4% for 2090 and beyond.
Inflationa rate	2.50%
Mortality	RP-2014 Blue Collar Mortality with employee, retiree, and disabled rates projected generationally using Scale MP-2017.
Turnover	Range from 9% at age 25 to 4% at ages 50 and over
Retirement rates	Ranges from 4% at age 39 increasing to 25.6% at age 60, declining to 21.8% at age 72. Age 73 is 100%.
Salary increase	Assumed to appreciate at the assumed rate of inflation of 2.5%.

No salary experience studies were conducted. The School Board contributed \$5,313,585 utilizing the pay-as-you-go basis.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Balance at June 30, 2017	\$ 243,430,010
Changes for the year:	
Service cost	5,751,318
Interest	10,671,757
Effect of economic/demographic gains and losses	13,712,189
Effect of assumptions changes or inputs	20,763,101
Benefit payments	<u>(5,313,585)</u>
Net changes	<u>45,584,780</u>
Balance at June 30, 2018	<u><u>\$ 289,014,790</u></u>

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

	<u>1% Decrease (2.87%)</u>	<u>Discount Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Total OPEB liability	\$ 357,651,944	\$ 289,014,790	\$ 238,381,842

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

*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	Current Trend Rate	1% Increase
Total OPEB liability	\$ 233,565,138	\$ 289,014,790	\$ 363,689,077

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***– For the year ended June 30, 2018, the School Board recognized OPEB expense of \$21,292,808. At June 30, 2018, the School Board reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 11,775,303
Changes of assumptions	17,830,254
Total	\$ 29,605,557

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

Year Ended June 30:	
2019	\$ 4,869,733
2020	4,869,733
2021	4,869,733
2022	4,869,733
2023	4,869,733
Thereafter	5,256,892

**NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES** The payables at June 30, 2018, are as follows:

	General	Nonmajor Governmental	Total
Salaries	\$ 4,382,324	\$ 1,314,427	\$ 5,696,751
Accounts	182,801	276,827	459,628
Retainage	-	42,544	42,544
Claims	93,759	-	93,759
Total	\$ 4,658,884	\$ 1,633,798	\$ 6,292,682

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

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

	Balance at Beginning of year	Additions	Reductions	Balance at Ending of year
School activities agency	\$ 1,438,765	\$ 2,958,436	\$ 3,002,122	\$ 1,395,079
Scholarship	2,198	946	1,110	2,034
Sales tax agency	3,636,169	27,422,176	27,489,121	3,569,224
Protested sales tax	109,151	9,400	1,496	117,055
Total	<u>\$ 5,186,283</u>	<u>\$ 30,390,958</u>	<u>\$ 30,493,849</u>	<u>\$ 5,083,392</u>

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

Beginning Balance, July 1, 2017	\$ 3,636,169
Additions (Sales Tax Collections)	27,422,176
Deductions	
Collection Fees	\$ 412,336
Vernon Parish School Board	11,014,178
Vernon Parish Police Jury	8,260,687
Vernon Parish Sheriff's Office	2,753,549
City of Leesville	4,097,416
Town of Rosepine	199,504
Town of New Llano	454,020
Town of Hornbeck	53,613
Tourism & Use Tax Collections	<u>243,818</u>
Total Deductions:	<u>27,489,121</u>
Ending Balance, June 30, 2018	<u>\$ 3,569,224</u>

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

**NOTE 11 - SALES TAX DISTRIBUTIONS** The following is a schedule of the sales tax disbursements made to local governmental sales tax entities on a cash basis for the fiscal year ended June 30, 2018:

	<u>Gross Amounts</u>	<u>Less Collection Fees</u>	<u>Net Distributions</u>
Vernon Parish School Board (2%)			
School Board (1%) 1973	\$ 5,590,953	\$ 83,864	\$ 5,507,089
School Board (1%) 1991	5,590,953	83,864	5,507,089
	<u>11,181,906</u>	<u>167,728</u>	<u>11,014,178</u>
Vernon Parish Police Jury ( 1.5%)			
Police Jury (1%) 2006 Renewal	5,590,990	83,865	5,507,125
Police Jury (0.5%) 2006 Renewal	2,795,494	41,932	2,753,562
	<u>8,386,484</u>	<u>125,797</u>	<u>8,260,687</u>
Vernon Parish Sheriff's Office			
Law Enforcement District (0.5%) 2004	<u>2,795,481</u>	<u>41,932</u>	<u>2,753,549</u>
Town of Leesville (1.5%)			
Town of Leesville (1%) 2004 Renewal	2,773,208	41,598	2,731,610
Town of Leesville (0.5%) 2004	1,386,605	20,799	1,365,806
	<u>4,159,813</u>	<u>62,397</u>	<u>4,097,416</u>
Town of Rosepine (1.5%)			
Town of Rosepine (1%) 2011 Renewal	135,028	2,025	133,003
Town of Rosepine (.5%) 2011	67,514	1,013	66,501
	<u>202,542</u>	<u>3,038</u>	<u>199,504</u>
Town of New Llano (1.5%)			
Town of New Llano (1%)	307,289	4,609	302,680
Town of New Llano (.5%) 2007	153,645	2,305	151,340
	<u>460,934</u>	<u>6,914</u>	<u>454,020</u>
Town of Hornbeck (1%)	<u>54,430</u>	<u>817</u>	<u>53,613</u>
Tourism (3%)	<u>247,531</u>	<u>3,713</u>	<u>243,818</u>
Total	<u>\$ 27,489,121</u>	<u>\$ 412,336</u>	<u>\$ 27,076,785</u>

A total of \$40,374 was billed to these entities for audit fees paid to external auditors. Payments were made from each entity directly to the external auditor.

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

**NOTE 12 - LONG-TERM LIABILITIES** The following is a summary of the long-term obligation transactions for the year ended June 30, 2018:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One year</u>
Governmental Activities					
Bonds payable:					
General obligation debt	\$ 34,412,000	\$ 8,580,000	\$ 11,436,000	\$ 31,556,000	\$ 2,801,000
Premium on bonds	-	894,522	39,883	854,639	-
Other liabilities:					
Worker's compensation	923,956	127,267	390,466	660,757	468,797
Capital leases	480,956	585,552	280,183	786,325	268,484
Compensated absences	1,137,971	649,713	593,647	1,194,037	593,647
Net pension liability	120,389,259	5,045,113	23,118,853	102,315,519	-
* OPEB liability	<u>243,430,010</u>	<u>50,898,365</u>	<u>5,313,585</u>	<u>289,014,790</u>	<u>-</u>
Governmental activities					
Long-term liabilities	<u>\$ 400,774,152</u>	<u>\$ 66,780,532</u>	<u>\$ 41,172,617</u>	<u>\$ 426,382,067</u>	<u>\$ 4,131,928</u>

\* The beginning balance for OPEB liability was increased by \$163,579,448 due to the implementation of GASB 75.

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

The bonds were issued for acquiring and/or improving lands for building sites and playgrounds; purchasing, erecting and/or improving school buildings and other school related facilities within and for said school district. The capital lease used to purchase buses will be repaid by the General fund.

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

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

	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
<b>WARD I</b>					
September 01, 2010	\$ 21,500,000	2.00 - 4.00	2024	\$ 873,826	\$ 6,765,000
December 12, 2011 (Refunding)	3,560,000	2.34	2022	91,448	1,538,000
December 12, 2017 (Refunding)	8,580,000	2.00 - 4.00	2030	3,018,850	8,525,000
<b>WARD II - HORNBECK</b>					
June 01, 2001	600,000	.10-5.7	2021	10,875	140,000
<b>WARD 2 - ORANGE</b>					
April 01, 2009	425,000	2.95	2024	26,257	245,000
February 6, 2014 (Refunding)	3,068,000	.5 - 4.6	2034	897,324	2,561,000
<b>WARD III</b>					
November 1, 2007 (Refunding)	900,000	4.25	2022	32,852	300,000
March 24, 2015 (Refunding)	376,000	2.94	2030	63,356	312,000
Nov. 16, 2016 (Refunding)	1,835,000	2.65	2033	416,553	1,808,000
<b>WARD IV</b>					
March 01, 2005	3,200,000	.9-5.9	2025	184,277	1,525,000
July 19, 2016	2,500,000	2.89	2031	674,815	2,500,000
<b>WARD V</b>					
June 14, 2012 (Refunding)	2,465,000	2.92	2023	116,362	1,310,000
<b>WARD VI</b>					
November 26, 2007 (Refunding)	949,000	1.00 - 4.5	2021	17,819	216,000
February 23, 2011 (Refunding)	381,000	2.00 - 4.00	2030	76,160	273,000
<b>WARD VII</b>					
March 17, 2015 (Refunding)	1,200,000	2.28	2025	81,852	875,000
June 14, 2012 (Refunding)	2,835,000	2.67	2023	123,486	1,510,000
<b>WARD VIII</b>					
February 6, 2014 (Refunding)	1,339,000	.50 - 5.00	2036	503,932	1,153,000
Total general obligation bonds				<u>\$ 7,210,044</u>	<u>\$ 31,556,000</u>

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

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At year end, the School Board has accumulated \$2,008,236 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending June 30,	Bonds Principal Payments	Interest Payments	Total
2019	\$ 2,801,000	\$ 1,021,540	\$ 3,822,540
2020	2,920,000	945,963	3,865,963
2021	2,985,000	863,414	3,848,414
2022	3,010,000	773,078	3,783,078
2023	2,629,000	682,118	3,311,118
2024-2028	10,556,000	2,316,496	12,872,496
2029-2033	6,271,000	576,398	6,847,398
2034-2036	384,000	31,037	415,037
Total	<u>\$ 31,556,000</u>	<u>\$ 7,210,044</u>	<u>\$ 38,766,044</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 50 percent of the assessed value of taxable property. At year end, the statutory limit is \$96,820,905 and outstanding net bonded debt totals \$30,402,403.

Advance Refunding: In November 2017, the School Board issued \$8,580,000 in general obligation refunding bonds for Ward 1 in defeasance of the 2025 to 2030 callable maturities (\$8,735,000) of the series 2010 general obligation bonds to reduce total future debt service payments. The proceeds were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments of the refunded general obligation bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$556,658. This amount is considered a deferred outflow of resources and amortized over the life of the new bonds. The refunding resulted in a present value savings of \$498,876 in future debt service payments over the next 12 years for a net economic savings of \$584,677.

Defeasance of Debt: In the current year, the School Board defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statement. At June 30, 2018, \$8,735,000 of defeased bonds remain outstanding. These bonds will be called on March 1, 2025.

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

Capital Leases

During the 2015 fiscal year, the School Board purchased five school buses under a new capital lease for \$381,260. During the 2017 fiscal year, the School Board purchased an additional five school buses under a new capital lease for \$412,816. Additionally, eight buses were purchased in the current fiscal year under a capital lease for \$585,552. The current depreciation reported under student transportation for the fiscal year ended June 30, 2018 was \$101,038 and accumulated depreciation for these buses at June 30, 2018 fiscal year end was \$220,015. The following is a schedule of future minimum lease payments under the capital lease agreements and the present value of the net minimum lease payments, as of June 30, 2018:

2019		\$	290,228
2020			210,666
2021			210,666
2022			<u>124,718</u>
Net minimum lease payments			836,278
Less: amounts representing interest			<u>49,953</u>
Present value of net minimum lease payments		\$	<u><u>786,325</u></u>

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

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	<u>\$ 1,987,295</u>	Nonmajor Governmental	<u>\$ 1,987,295</u>

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

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

**NOTE 14 - RESTRICTED NET POSITION FOR WORKERS' COMPENSATION** The School Board entered into a security agreement with the State of Louisiana Office of Workers' Compensation (OWC) Department of Employment and Training that grants to OWC a security interest in the School Board's \$386,000 U.S. Government Security. The security interest is to secure the prompt payment of all present and future obligations, including, but not limited to, prompt payment of workers' compensation payments, the furnishing of medical treatment, and or any other requirement under the provisions of the Louisiana Workers' Compensation Act and Rules of the OWC Fiscal Responsibility Unit. The following is a summary of transactions relating to the restricted net position for the year ended June 30, 2018:

Balance, beginning		\$	646,000
Additions			-
Deletions			<u>260,000</u>
Balance, ending		\$	<u><u>386,000</u></u>

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

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

<u>Transfer In Fund</u>	<u>Amount</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
Nonmajor Governmental	\$ 1,623,077	General	\$ 1,623,077
General	233,861	Nonmajor Governmental	233,861
Nonmajor Governmental	15,228	Nonmajor Governmental	15,228
Totals	<u>\$ 1,872,166</u>		<u>\$ 1,872,166</u>

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

**NOTE 16 - RISK MANAGEMENT** The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. A risk management program for workers' compensation insurance was established by the School Board several years ago. Premiums are paid into the General fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. As of June 30, 2018, such interfund premiums did not exceed reimbursable expenditures. Interfund premiums are based primarily upon the individual funds' payroll and are reported as expenditures in the individual funds.

An insurance policy covers individual claims in excess of \$600,000. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. This liability is the School Board's best estimate based on available information and does not include incremental costs.

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

<u>Years Ended June 30</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Benefit Payment and Claims</u>	<u>Ending of Fiscal Year Liability</u>
2016	\$ 1,131,893	\$ 712,074	\$ 945,445	\$ 898,522
2017	898,522	585,166	462,732	1,020,956
2018	1,020,956	124,026	390,466	754,516

Of the total liability of \$93,759 is recorded as an accounts payable in the governmental funds balance sheet (Statement C) and the remaining liability of \$660,757 is recorded as long-term debt in the Statement of Net Position (Statement A), in which \$468,797 is considered due within one year.

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

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

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

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

**NOTE 17 - LITIGATION AND CLAIMS**

**Litigation** At June 30, 2018, the School Board is involved in various litigations. It is the opinion of the legal advisor for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

**Self-Insurance** The School Board is partially self-insured for workers' compensation. Claims are funded through operating funds of the School Board. The School Board maintains stop-loss coverage with an insurance company for claims in excess of \$600,000 per occurrence for each employee.

**Construction Projects** The School Board had signed contracts for renovations at Pickering High School totaling \$2,500,000. The construction in progress at June 30, 2018 totaled \$1,605,473.

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

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

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

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

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$6,007. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

The Parish Tax Collector makes pension contributions to the Teacher's Retirement System of Louisiana on behalf of the School Board. These remittances are a portion of the property taxes and state revenue sharing collected which are statutorily set aside for teacher's retirement. The basis for recognizing the revenue and expenditure is the actual contribution made by the Tax Collector's office. For the 2018 fiscal year the Tax Collector paid the Teacher's

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

Retirement System of Louisiana \$349,471 on behalf of the School Board. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contribution.

**NOTE 19 - ECONOMIC DEPENDENCY** Approximately one-half of the student population consists of students from military families at Fort Polk which impacts the funding of the School Board. The Minimum Foundation Program funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$54,813,754 to the School Board, which represents approximately 56% of the School Board's total revenues for the year. Potentially up to approximately one-half of this Minimum Foundation Program funding is attributable to the students of military personnel at Fort Polk. Additionally, the federal government provided \$5,243,580 in direct funding (Impact Aid) to the School Board. A realignment or reduction in force at Fort Polk would adversely impact the funding for the School Board from both sources.

**NOTE 20 - NEW GASB STANDARDS** In fiscal year 2018, the School Board adopted three 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.

*Statement No. 85 – Omnibus 2017* issued by the Governmental Accounting Standards Board. This Statement addresses 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 blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits such as 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 Statement 75 has no impact on the School Board's governmental fund financial statements, which continue to report OPEB on a pay-as-you-go basis. However, the adoption has resulted in the restatement of the School Board's government-wide financial statements to reflect the reporting of total OPEB liabilities at June 30, 2017 in accordance with provisions of Statement 75. See Note 23 for more information.

The adoption of Statements No. 85 and 86 had no impact on the net position of government-wide statements or the fund balance of governmental funds.

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

**NOTE 21 - TAX ABATEMENTS** The School Board is subject to tax abatements granted by the Louisiana Department of Economic Development, Office of Commerce and Industry. Louisiana has a ten-year industrial exemption law that provides any manufacturing establishment entering Louisiana, or any manufacturing establishment expanding its Louisiana facilities is eligible to receive exemption on buildings and equipment from state, parish and local property taxes for a period of ten years. The exemption is for the “contract” value of buildings or equipment used by the business. When the exemption expires, the property is to be placed on the tax roll at 15% of its current market value. The amount of tax abatement under this program during the fiscal year ended June 30, 2018 by authorized millage is as follows:

<u>Tax Code</u>	<u>Taxable Value</u>	<u>Taxpayer Exemption</u>
Parishwide constitutional and maintenance	\$ 578,990	\$ 7,121
Ward 1 maintenance and sinking fund	211,970	10,073
Ward 4 maintenance and sinking fund	367,020	13,837
		<u>\$ 31,031</u>

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

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Nonspendable:			
Inventory	\$ -	\$ 102,107	\$ 102,107
Restricted:			
Worker's compensation	386,000	-	386,000
Debt service	-	2,008,236	2,008,236
Capital projects	-	222,869	222,869
Facility maintenance	-	3,942,456	3,942,456
Grant funds	-	197,978	197,978
Committed:			
Sales tax collection operations	-	1,350,326	1,350,326
Fire insurance	600,000	-	600,000
Unassigned	11,982,799	(81,278)	11,901,521
Total	<u>\$ 12,968,799</u>	<u>\$ 7,742,694</u>	<u>\$ 20,711,493</u>

**NOTE 23 - PRIOR PERIOD ADJUSTMENT** The government wide financial statements include a prior period adjustment decreasing net position of the governmental activities by \$163,579,448, which was related to the implementation of GASB Statement 75. The pro-forma amounts for fiscal year 2017 are not presented because the amounts are not readily determinable.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**Vernon Parish School Board**

**Schedule Of Changes in the Total OPEB Liability and Related Ratios  
June 30, 2018**

**Exhibit 1-1**

**Total OPEB Liability**

Service costs	\$ 5,751,318
Interest	10,671,757
Effect of economic/demographic gains or (losses)	13,712,189
Effect of assumption changes or inputs	20,763,101
Benefit payments	<u>(5,313,585)</u>
Net change in total OPEB liability	45,584,780
Total OPEB liability - Beginning	<u>243,430,010</u>
Total OPEB liability - Ending	289,014,790
Covered employee payroll	48,018,000
Total OPEB liability as a percentage of covered employee payroll	601.89%

**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	3.87%
------	-------

**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 No. 75, paragraph 4, to pay related benefits.

**Vernon Parish School Board**

**Schedule of Employer's Proportionate Share of Net Pension Liability  
June 30, 2018**

**Exhibit 1-2**

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	1.694000%	\$ 9,836,365	\$ 4,733,399	208%	76.18%
2016	1.600173%	10,147,129	4,518,115	225%	74.49%
2017	1.606378%	12,117,668	4,568,757	265%	70.09%
2018	1.545301%	9,888,798	4,433,554	223%	75.03%
Teacher's Retirement System of Louisiana					
2015	0.95197%	\$ 97,305,295	\$ 46,245,446	210%	63.7%
2016	0.91819%	98,726,413	45,618,169	216%	62.5%
2017	0.92248%	108,271,591	44,106,560	245%	59.9%
2018	0.90156%	92,426,721	42,900,065	215%	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.

**Vernon Parish School Board**

**Schedule of Employer Contributions to Pension Plans  
June 30, 2018**

**Exhibit 1-3**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
<b>Louisiana School Employees' Retirement System</b>					
2015	\$ 1,476,379	\$ 1,476,379	\$ -	\$ 4,518,115	32.7%
2016	1,376,067	1,376,067	-	4,568,757	30.1%
2017	1,211,630	1,211,630	-	4,433,554	27.3%
2018	1,182,921	1,182,921	-	4,337,948	27.3%
<b>Teacher's Retirement System of Louisiana</b>					
2015	\$ 12,894,938	\$ 12,894,938	\$ -	\$ 45,618,169	28.3%
2016	11,396,334	11,396,334	-	44,106,560	25.8%
2017	10,916,659	10,916,659	-	42,900,065	25.4%
2018	11,009,318	11,009,318	-	40,835,573	27.0%

**Notes:**

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

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

## Vernon Parish School Board

### Notes to Required Supplementary Information for Pensions

#### Louisiana School Employees' Retirement System

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

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

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

#### Teacher's Retirement System of Louisiana

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

*Change in discount rate:* The discount rate was reduced from 7.75% to 7.70% effective July 1, 2017, in accordance with the Board's adopted plan to reduce the discount rate to 7.50% in .05% increments.

**Vernon Parish School Board**

**Budgetary Comparison Schedule**

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

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

VERNON PARISH SCHOOL BOARD

GENERAL FUND  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2018

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (GAAP Basis)	FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 1,845,200	\$ 1,855,033	\$ 1,854,476	\$ (557)
Sales and use	11,219,361	11,379,564	11,379,185	(379)
Interest earnings	78,944	197,002	197,390	388
Other	318,147	2,022,519	1,993,113	(29,406)
State sources:				
Equalization	53,758,027	54,279,632	54,279,375	(257)
Other	177,085	175,514	170,322	(5,192)
Federal sources	4,928,155	5,485,700	5,484,754	(946)
Total Revenues	72,324,919	75,394,964	75,358,615	(36,349)
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	32,460,269	32,354,149	32,444,353	(90,204)
Special programs	8,290,437	8,458,771	8,524,814	(66,043)
Other instructional programs	2,804,623	2,830,397	2,816,510	13,887
Support services:				
Student services	3,808,476	3,675,335	3,631,107	44,228
Instructional staff support	2,502,350	2,979,545	2,930,153	49,392
General administration	1,611,624	1,086,134	1,115,904	(29,770)
School administration	5,418,694	5,675,831	5,683,317	(7,486)
Business services	293,613	340,530	354,944	(14,414)
Plant services	6,513,976	8,314,903	8,241,094	73,809
Student transportation services	6,342,508	6,534,391	5,946,515	587,876
Central services	988,991	1,078,248	1,100,064	(21,816)
Food services	286,607	407,764	402,690	5,074
Community service programs	29,181	29,181	28,213	968
Capital outlay	-	-	660,567	(660,567)
Debt Service:				
Principal retirement	-	290,228	280,183	10,045
Interest and bank charges	8,256	10,045	10,045	-
Total Expenditures	71,359,605	74,065,452	74,170,473	(105,021)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 965,314	\$ 1,329,512	\$ 1,188,142	\$ (141,370)

(CONTINUED)

**VERNON PARISH SCHOOL BOARD**

**GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2018**

Exhibit 1-4

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE WITH</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	<b>FINAL BUDGET</b>
			<b>(GAAP Basis)</b>	<b>POSITIVE</b>
				<b>(NEGATIVE)</b>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,739,237	\$ 657,900	\$ 233,861	\$ (424,039)
Transfers out	(2,665,703)	(2,111,377)	(1,623,077)	488,300
Capital leases	-	-	585,552	585,552
Total Other Financing Sources (Uses)	<u>(926,466)</u>	<u>(1,453,477)</u>	<u>(803,664)</u>	<u>649,813</u>
Net Change in Fund Balance	38,848	(123,965)	384,478	508,443
FUND BALANCES, BEGINNING	<u>6,756,063</u>	<u>12,584,321</u>	<u>12,584,321</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$ 6,794,911</u>	<u>\$ 12,460,356</u>	<u>\$ 12,968,799</u>	<u>\$ 508,443</u>

(CONCLUDED)

**Vernon Parish School Board**

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

**NOTE A. BUDGETS**

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

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

Appropriations (unexpended budget balances) lapse at year end.

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

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

**Budget Basis of Accounting** All governmental funds’ budgets are prepared on the modified accrual basis of accounting, with some variations. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures plus projected expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function. The budget was amended after the close of the year. This is not prohibited by state law.

**Excess of Expenditures Over Appropriations** The General fund had actual expenditures over budgeted expenditures for the year ended June 30, 2018:

	Budget	Actual	Unfavorable Variance
General fund	\$74,065,452	\$ 74,170,473	\$ (105,021)

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

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

**Exhibit 2**

	<b>SPECIAL REVENUE</b>	<b>DEBT SERVICE</b>	<b>CAPITAL PROJECTS</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,099,395	\$ 2,008,236	\$ 313,980	\$ 8,421,611
Receivables	2,840,069	-	-	2,840,069
Inventory	167,594	-	-	167,594
<b>TOTAL ASSETS</b>	<b>9,107,058</b>	<b>2,008,236</b>	<b>313,980</b>	<b>11,429,274</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	1,542,687	-	91,111	1,633,798
Interfund payables	1,987,295	-	-	1,987,295
Unearned revenue	65,487	-	-	65,487
<b>Total Liabilities</b>	<b>3,595,469</b>	<b>-</b>	<b>91,111</b>	<b>3,686,580</b>
<b>Fund Balances:</b>				
Nonspendable	102,107	-	-	102,107
Restricted	4,140,434	2,008,236	222,869	6,371,539
Committed	1,350,326	-	-	1,350,326
Unassigned	(81,278)	-	-	(81,278)
<b>Total Fund Balances</b>	<b>5,511,589</b>	<b>2,008,236</b>	<b>222,869</b>	<b>7,742,694</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,107,058</b>	<b>\$ 2,008,236</b>	<b>\$ 313,980</b>	<b>\$ 11,429,274</b>

**VERNON PARISH SCHOOL BOARD**

**NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances - By Fund Type  
For the Year Ended June 30, 2018**

Exhibit 3

	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 2,129,237	\$ 3,881,459	\$ -	\$ 6,010,696
Interest earnings	77,809	29,690	1,074	108,573
Food services	633,107	-	-	633,107
Other	412,336	-	-	412,336
State sources:				
Equalization	534,379	-	-	534,379
Other	1,399,074	-	-	1,399,074
Federal sources				
	12,678,159	-	-	12,678,159
Total Revenues	17,864,101	3,911,149	1,074	21,776,324
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	2,188,316	-	-	2,188,316
Special programs	1,024,053	-	-	1,024,053
Other instructional programs	5,137,658	-	-	5,137,658
Support services:				
Student services	775,785	-	-	775,785
Instructional staff support	1,149,838	-	-	1,149,838
General administration	859,610	132,199	-	991,809
School administration	143,090	-	-	143,090
Business services	273,523	15,000	1	288,524
Plant services	1,305,720	-	43,890	1,349,610
Student transportation services	130,794	-	-	130,794
Central services	66,803	-	-	66,803
Food services	5,438,846	-	-	5,438,846
Capital outlay	148,548	-	1,274,442	1,422,990
Debt service:				
Principal retirement	-	2,701,000	-	2,701,000
Interest and bank charges	-	1,052,653	-	1,052,653
Bond issuance costs	-	182,864	-	182,864
Total Expenditures	18,642,584	4,083,716	1,318,333	24,044,633
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (778,483)	\$ (172,567)	\$ (1,317,259)	\$ (2,268,309)

(CONTINUED)

**VERNON PARISH SCHOOL BOARD**

**NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances - By Fund Type  
For the Year Ended June 30, 2018**

Exhibit 3

	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 1,139,311	\$ -	\$ 498,994	\$ 1,638,305
Transfers out	(248,582)	-	(507)	(249,089)
Refunding bonds issued	-	8,580,000	-	8,580,000
Premium on refunding bonds issued	-	894,522	-	894,522
Payments to refunded bond escrow agent	-	(9,291,658)	-	(9,291,658)
Total Other Financing Sources (Uses)	<u>890,729</u>	<u>182,864</u>	<u>498,487</u>	<u>1,572,080</u>
Net Change in Fund Balances	112,246	10,297	(818,772)	(696,229)
FUND BALANCES - BEGINNING	<u>5,399,343</u>	<u>1,997,939</u>	<u>1,041,641</u>	<u>8,438,923</u>
FUND BALANCES - ENDING	<u>\$ 5,511,589</u>	<u>\$ 2,008,236</u>	<u>\$ 222,869</u>	<u>\$ 7,742,694</u>

(CONCLUDED)

**Vernon Parish School Board**

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Vernon Parish School Board

Nonmajor Special Revenue Funds

MAINTENANCE FUNDS

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

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

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

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

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

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

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

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

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

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

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

(Continued)

## Vernon Parish School Board

### Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

(Concluded)

**VERNON PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS**

**Combining Balance Sheet**

**June 30, 2018**

	<u>WARD 1 MAINTENANCE</u>	<u>WARD 2 - ORANGE MAINTENANCE</u>	<u>WARD 2 - HORNBECK MAINTENANCE</u>	<u>WARD 3 MAINTENANCE</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,273,031	\$ 77,387	\$ 61,427	\$ 411,229
Receivables	115	-	-	-
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<u><u>2,273,146</u></u>	<u><u>77,387</u></u>	<u><u>61,427</u></u>	<u><u>411,229</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	24,801	5,319	2,096	30,689
Interfund payables	-	-	-	-
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<u>24,801</u>	<u>5,319</u>	<u>2,096</u>	<u>30,689</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	2,248,345	72,068	59,331	380,540
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>2,248,345</u>	<u>72,068</u>	<u>59,331</u>	<u>380,540</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 2,273,146</u></u>	<u><u>\$ 77,387</u></u>	<u><u>\$ 61,427</u></u>	<u><u>\$ 411,229</u></u>

Exhibit 4

<u>WARD 4</u> <u>MAINTENANCE</u>	<u>WARD 5</u> <u>MAINTENANCE</u>	<u>WARD 6</u> <u>MAINTENANCE</u>	<u>WARD 7</u> <u>MAINTENANCE</u>	<u>WARD 8</u> <u>MAINTENANCE</u>
\$ 187,923	\$ 446,303	\$ 72,016	\$ 519,124	\$ 25,675
-	-	-	-	-
-	-	-	-	-
<u>187,923</u>	<u>446,303</u>	<u>72,016</u>	<u>519,124</u>	<u>25,675</u>
7,760	31,107	1,948	22,829	5,225
-	-	-	-	-
-	-	-	-	-
<u>7,760</u>	<u>31,107</u>	<u>1,948</u>	<u>22,829</u>	<u>5,225</u>
-	-	-	-	-
180,163	415,196	70,068	496,295	20,450
-	-	-	-	-
-	-	-	-	-
<u>180,163</u>	<u>415,196</u>	<u>70,068</u>	<u>496,295</u>	<u>20,450</u>
<u>\$ 187,923</u>	<u>\$ 446,303</u>	<u>\$ 72,016</u>	<u>\$ 519,124</u>	<u>\$ 25,675</u>

(Continued)

**VERNON PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS**

**Combining Balance Sheet**

**June 30, 2018**

	<b>8G AND EARLY CHILDHOOD FUNDS</b>	<b>INDIAN EDUCATION GRANT</b>	<b>VOCATIONAL EDUCATION</b>	<b>SPECIAL EDUCATION</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 165	\$ -	\$ -
Receivables	179,037	891	59,470	399,931
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<b>179,037</b>	<b>1,056</b>	<b>59,470</b>	<b>399,931</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	24,449	1,056	8,762	222,552
Interfund payables	154,588	-	50,708	177,379
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>179,037</b>	<b>1,056</b>	<b>59,470</b>	<b>399,931</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 179,037</b>	<b>\$ 1,056</b>	<b>\$ 59,470</b>	<b>\$ 399,931</b>

Exhibit 4

LA 4	SCHOOL FOOD SERVICE	FOOD PROCESSING CENTERS	JAG	MISCELLANEOUS FEDERAL GRANTS
\$ 105	\$ 255,658	\$ -	\$ 20,228	\$ -
679,351	-	-	-	132,423
-	167,594	-	-	-
<u>679,456</u>	<u>423,252</u>	<u>-</u>	<u>20,228</u>	<u>132,423</u>
223,210	336,936	-	20,228	32,732
456,246	-	-	-	99,691
-	65,487	-	-	-
<u>679,456</u>	<u>402,423</u>	<u>-</u>	<u>20,228</u>	<u>132,423</u>
-	102,107	-	-	-
-	-	-	-	-
-	-	-	-	-
-	(81,278)	-	-	-
-	20,829	-	-	-
<u>\$ 679,456</u>	<u>\$ 423,252</u>	<u>\$ -</u>	<u>\$ 20,228</u>	<u>\$ 132,423</u>

(Continued)

**VERNON PARISH SCHOOL BOARD**

**NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2018**

	<u>TITLE I</u>	<u>TITLE II</u>	<u>TITLE III</u>	<u>SALES TAX</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 1,538,971
Receivables	519,549	141,301	5,216	40,478
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<u>519,549</u>	<u>141,301</u>	<u>5,216</u>	<u>1,579,449</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts, salaries and other payables	218,627	39,754	1,739	29,123
Interfund payables	300,922	101,547	3,477	200,000
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<u>519,549</u>	<u>141,301</u>	<u>5,216</u>	<u>229,123</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	1,350,326
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,350,326</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 519,549</u>	<u>\$ 141,301</u>	<u>\$ 5,216</u>	<u>\$ 1,579,449</u>

Exhibit 4

HEAD START	PRESCHOOL	EDUCATION EXCELLENCE	REAP	TOTAL
\$ -	\$ -	\$ 210,153	\$ -	\$ 6,099,395
653,677	26,579	2,051	-	2,840,069
-	-	-	-	167,594
<u>653,677</u>	<u>26,579</u>	<u>212,204</u>	<u>-</u>	<u>9,107,058</u>
227,605	9,914	14,226	-	1,542,687
426,072	16,665	-	-	1,987,295
-	-	-	-	65,487
<u>653,677</u>	<u>26,579</u>	<u>14,226</u>	<u>-</u>	<u>3,595,469</u>
-	-	-	-	102,107
-	-	197,978	-	4,140,434
-	-	-	-	1,350,326
-	-	-	-	(81,278)
<u>-</u>	<u>-</u>	<u>197,978</u>	<u>-</u>	<u>5,511,589</u>
<u>\$ 653,677</u>	<u>\$ 26,579</u>	<u>\$ 212,204</u>	<u>\$ -</u>	<u>\$ 9,107,058</u>

(Concluded)

**VERNON PARISH SCHOOL BOARD**

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

	<b>WARD 1</b>	<b>WARD 2 -</b>	<b>WARD 2 -</b>	<b>WARD 3</b>
	<b>MAINTENANCE</b>	<b>ORANGE</b>	<b>HORNBECK</b>	<b>MAINTENANCE</b>
	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 768,066	\$ 113,789	\$ 77,081	\$ 212,885
Interest earnings	30,651	809	-	6,046
Food services	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	41,054	17,551	15,598	12,476
Federal sources				
	-	-	-	-
<b>Total Revenues</b>	<u>839,771</u>	<u>132,149</u>	<u>92,679</u>	<u>231,407</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	475	-	598
Special programs	-	-	-	-
Other instructional programs	168,707	926	6,813	37,729
Support services:				
Student services	-	-	-	-
Instructional staff support	-	-	-	-
General administration	25,733	3,989	2,834	7,129
School administration	10,634	348	3,000	48,715
Business services	6,076	14,529	4,502	7,138
Plant services	380,179	78,811	51,103	143,109
Student transportation services	17,460	4,431	3,018	5,693
Central services	-	-	-	-
Food services	-	-	-	-
Capital outlay	67,626	-	-	6,479
<b>Total Expenditures</b>	<u>676,415</u>	<u>103,509</u>	<u>71,270</u>	<u>256,590</u>
<b>EXCESS (Deficiency) OF REVENUES</b>				
<b>OVER EXPENDITURES</b>	<u>\$ 163,356</u>	<u>\$ 28,640</u>	<u>\$ 21,409</u>	<u>\$ (25,183)</u>

Exhibit 5

<u>WARD 4</u>	<u>WARD 5</u>	<u>WARD 6</u>	<u>WARD 7</u>	<u>WARD 8</u>
<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>	<u>MAINTENANCE</u>
\$ 224,858	\$ 249,950	\$ 84,467	\$ 309,403	\$ 88,738
2,532	7,517	875	7,034	587
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
10,305	9,644	7,948	30,422	10,455
-	-	-	-	-
<u>237,695</u>	<u>267,111</u>	<u>93,290</u>	<u>346,859</u>	<u>99,780</u>
-	44,953	-	2,856	-
-	-	-	-	-
61,550	23,250	362	53,071	8,298
-	76,583	-	1,185	-
-	-	-	-	-
7,539	8,212	2,954	10,891	3,060
7,221	1,971	-	62,583	-
8,234	5,642	721	9,058	-
118,990	148,956	55,749	176,522	95,459
7,829	8,795	2,127	10,952	4,488
-	-	-	-	-
-	31,541	-	-	-
9,995	16,999	12,300	14,849	-
<u>221,358</u>	<u>366,902</u>	<u>74,213</u>	<u>341,967</u>	<u>111,305</u>
\$ 16,337	\$ (99,791)	\$ 19,077	\$ 4,892	\$ (11,525)

(Continued)

**VERNON PARISH SCHOOL BOARD**

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

	<u>WARD 1</u> <u>MAINTENANCE</u>	<u>WARD 2 -</u> <u>ORANGE</u> <u>MAINTENANCE</u>	<u>WARD 2 -</u> <u>HORNBECK</u> <u>MAINTENANCE</u>	<u>WARD 3</u> <u>MAINTENANCE</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 507	\$ -	\$ -	\$ -
Transfers out	-	-	(16,361)	(13,715)
Total Other Financing Sources (Uses)	<u>507</u>	<u>-</u>	<u>(16,361)</u>	<u>(13,715)</u>
Net Change in Fund Balances	163,863	28,640	5,048	(38,898)
FUND BALANCES - BEGINNING	<u>2,084,482</u>	<u>43,428</u>	<u>54,283</u>	<u>419,438</u>
FUND BALANCES - ENDING	<u>\$ 2,248,345</u>	<u>\$ 72,068</u>	<u>\$ 59,331</u>	<u>\$ 380,540</u>

**Exhibit 5**

<u>WARD 4</u> <u>MAINTENANCE</u>	<u>WARD 5</u> <u>MAINTENANCE</u>	<u>WARD 6</u> <u>MAINTENANCE</u>	<u>WARD 7</u> <u>MAINTENANCE</u>	<u>WARD 8</u> <u>MAINTENANCE</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	(5,000)	(1,006)	(12,500)
-	-	(5,000)	(1,006)	(12,500)
16,337	(99,791)	14,077	3,886	(24,025)
163,826	514,987	55,991	492,409	44,475
<u>\$ 180,163</u>	<u>\$ 415,196</u>	<u>\$ 70,068</u>	<u>\$ 496,295</u>	<u>\$ 20,450</u>

(Continued)

**VERNON PARISH SCHOOL BOARD**

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

	<b>8G AND EARLY CHILDHOOD FUNDS</b>	<b>INDIAN EDUCATION GRANT</b>	<b>VOCATIONAL EDUCATION</b>	<b>SPECIAL EDUCATION</b>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	-
Food services	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	75,278
Other	149,218	-	-	-
Federal sources	311,452	4,000	108,004	2,338,267
<b>Total Revenues</b>	<b>460,670</b>	<b>4,000</b>	<b>108,004</b>	<b>2,413,545</b>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	300,702	3,793	17,312	214,080
Special programs	-	-	-	921,812
Other instructional programs	135,290	-	82,662	15,605
Support services:				
Student services	-	-	-	697,542
Instructional staff support	3,621	-	1,413	395,324
General administration	21,057	219	-	163,635
School administration	-	-	56	-
Business services	-	-	-	974
Plant services	-	-	-	538
Student transportation services	-	-	-	4,036
Central services	-	-	-	-
Food services	-	-	-	-
Capital outlay	-	-	6,590	-
<b>Total Expenditures</b>	<b>460,670</b>	<b>4,012</b>	<b>108,033</b>	<b>2,413,546</b>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>\$ -</b>	<b>\$ (12)</b>	<b>\$ (29)</b>	<b>\$ (1)</b>

Exhibit 5

LA 4	SCHOOL FOOD SERVICE	FOOD PROCESSING CENTERS	JAG	MISCELLANEOUS FEDERAL GRANTS
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,590	-	-	-
-	633,107	-	-	-
-	-	-	-	-
-	459,101	-	-	-
787,631	29,228	-	-	-
943,609	3,222,764	-	75,248	754,770
1,731,240	4,345,790	-	75,248	754,770
75,549	179	-	74,958	550,607
23,465	-	-	-	384
1,564,908	404	-	290	24,814
475	-	-	-	-
375	-	-	-	175,860
66,601	-	-	-	3,105
-	7,494	-	-	-
-	3,409	-	-	-
74	24,412	5,810	-	-
-	18,966	-	-	-
-	3,819	-	-	-
-	5,396,628	10,677	-	-
-	5,408	-	-	-
1,731,447	5,460,719	16,487	75,248	754,770
\$ (207)	\$ (1,114,929)	\$ (16,487)	\$ -	\$ -

(Continued)

**VERNON PARISH SCHOOL BOARD**

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

	<b>8G AND EARLY CHILDHOOD FUNDS</b>	<b>INDIAN EDUCATION GRANT</b>	<b>VOCATIONAL EDUCATION</b>	<b>SPECIAL EDUCATION</b>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 12	\$ 29	\$ 1
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	12	29	1
Net Change in Fund Balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 5

LA 4	SCHOOL FOOD SERVICE	FOOD PROCESSING CENTERS	JAG	MISCELLANEOUS FEDERAL GRANTS
\$ -	\$ 1,125,000	\$ 13,715	\$ -	\$ -
-	-	-	-	-
-	1,125,000	13,715	-	-
(207)	10,071	(2,772)	-	-
207	10,758	2,772	-	-
<u>\$ -</u>	<u>\$ 20,829</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**VERNON PARISH SCHOOL BOARD**

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

	<u>TITLE I</u>	<u>TITLE II</u>	<u>TITLE III</u>	<u>SALES TAX</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Interest earnings	-	-	-	20,168
Food services	-	-	-	-
Other	-	-	-	412,336
State sources:				
Equalization	-	-	-	-
Other	-	-	-	-
Federal sources	<u>2,174,059</u>	<u>417,638</u>	<u>15,066</u>	<u>-</u>
 Total Revenues	 <u>2,174,059</u>	 <u>417,638</u>	 <u>15,066</u>	 <u>432,504</u>
 <b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	176,580	385,952	5,080	-
Special programs	19	-	-	-
Other instructional programs	1,471,549	-	9,675	-
Support services:				
Student services	-	-	-	-
Instructional staff support	133,580	2,257	-	-
General administration	153,562	29,431	315	202,861
School administration	-	-	-	-
Business services	125,914	-	-	87,319
Plant services	3,840	-	-	4,017
Student transportation services	37,729	-	-	-
Central services	62,984	-	-	-
Food services	-	-	-	-
Capital outlay	<u>8,302</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Expenditures	 <u>2,174,059</u>	 <u>417,640</u>	 <u>15,070</u>	 <u>294,197</u>
 EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	 <u>\$ -</u>	 <u>\$ (2)</u>	 <u>\$ (4)</u>	 <u>\$ 138,307</u>

Exhibit 5

HEAD START	PRESCHOOL	EDUCATION EXCELLENCE	REAP	TOTAL
\$ -	\$ -	\$ -	\$ -	\$ 2,129,237
-	-	-	-	77,809
-	-	-	-	633,107
-	-	-	-	412,336
-	-	-	-	534,379
-	-	277,544	-	1,399,074
2,051,263	83,182	-	178,837	12,678,159
2,051,263	83,182	277,544	178,837	17,864,101
-	-	168,408	166,234	2,188,316
221	77,320	832	-	1,024,053
1,471,627	-	128	-	5,137,658
-	-	-	-	775,785
428,768	-	8,640	-	1,149,838
128,018	5,862	-	12,603	859,610
-	-	1,068	-	143,090
7	-	-	-	273,523
18,151	-	-	-	1,305,720
5,012	-	258	-	130,794
-	-	-	-	66,803
-	-	-	-	5,438,846
-	-	-	-	148,548
2,051,804	83,182	179,334	178,837	18,642,584
\$ (541)	\$ -	\$ 98,210	\$ -	\$ (778,483)

(Continued)

**VERNON PARISH SCHOOL BOARD**

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

	<u>TITLE I</u>	<u>TITLE II</u>	<u>TITLE III</u>	<u>SALES TAX</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ 2	\$ 4	\$ -
Transfers out	-	-	-	(200,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	2	4	(200,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	-	-	-	(61,693)
FUND BALANCES - BEGINNING	-	-	-	1,412,019
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,350,326</u>

Exhibit 5

HEAD START	PRESCHOOL	EDUCATION EXCELLENCE	REAP	TOTAL
\$ 41	\$ -	\$ -	\$ -	\$ 1,139,311
-	-	-	-	(248,582)
41	-	-	-	890,729
(500)	-	98,210	-	112,246
500	-	99,768	-	5,399,343
\$ -	\$ -	\$ 197,978	\$ -	\$ 5,511,589

(Concluded)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-1

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 768,000	\$ 768,066	\$ 66
Interest earnings	31,000	30,651	(349)
State sources: Other	40,966	41,054	88
Total Revenues	839,966	839,771	(195)
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	169,028	168,707	321
Support services:			
General administration	25,345	25,733	(388)
School administration	11,289	10,634	655
Business services	9,689	6,076	3,613
Plant services	447,129	380,179	66,950
Student transportation services	14,586	17,460	(2,874)
Capital outlay	-	67,626	(67,626)
Total Expenditures	677,066	676,415	651
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	162,900	163,356	456
OTHER FINANCING SOURCES (USES)			
Transfers in	507	507	-
Net Changes in Fund Balances	163,407	163,863	456
FUND BALANCES - BEGINNING	2,084,482	2,084,482	-
FUND BALANCES - ENDING	\$ 2,247,889	\$ 2,248,345	\$ 456

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-2

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 116,552	\$ 113,789	\$ (2,763)
Interest earnings	283	809	526
State sources: Other	16,383	17,551	1,168
Total Revenues	<u>133,218</u>	<u>132,149</u>	<u>(1,069)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	377	475	(98)
Other instructional programs	4,000	926	3,074
Support services:			
General administration	3,685	3,989	(304)
School administration	980	348	632
Business services	14,719	14,529	190
Plant services	73,582	78,811	(5,229)
Student transportation services	8,477	4,431	4,046
Total Expenditures	<u>105,820</u>	<u>103,509</u>	<u>2,311</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	27,398	28,640	1,242
FUND BALANCES - BEGINNING	<u>43,428</u>	<u>43,428</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 70,826</u>	<u>\$ 72,068</u>	<u>\$ 1,242</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-3

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 73,000	\$ 77,081	\$ 4,081
Interest earnings	4,000	-	(4,000)
State sources: Other	15,399	15,598	199
Total Revenues	<u>92,399</u>	<u>92,679</u>	<u>280</u>
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	4,536	6,813	(2,277)
Support services:			
General administration	10,151	2,834	7,317
School administration	265	3,000	(2,735)
Business services	4,957	4,502	455
Plant services	52,897	51,103	1,794
Student transportation services	4,142	3,018	1,124
Total Expenditures	<u>76,948</u>	<u>71,270</u>	<u>5,678</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	15,451	21,409	5,958
OTHER FINANCING SOURCES (USES)			
Transfers out	(11,864)	(16,361)	(4,497)
Net Changes in Fund Balances	3,587	5,048	1,461
FUND BALANCES - BEGINNING	<u>54,283</u>	<u>54,283</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 57,870</u>	<u>\$ 59,331</u>	<u>\$ 1,461</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-4

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

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE POSITIVE (NEGATIVE)</u>
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 222,331	\$ 212,885	\$ (9,446)
Interest earnings	3,500	6,046	2,546
State sources: Other	<u>13,015</u>	<u>12,476</u>	<u>(539)</u>
Total Revenues	<u>238,846</u>	<u>231,407</u>	<u>(7,439)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	6,329	598	5,731
Other instructional programs	25,503	37,729	(12,226)
Support services:			
Instructional staff support	51	-	51
General administration	7,449	7,129	320
School administration	53,145	48,715	4,430
Business services	7,487	7,138	349
Plant services	146,838	143,109	3,729
Student transportation services	7,413	5,693	1,720
Capital outlay	<u>-</u>	<u>6,479</u>	<u>(6,479)</u>
Total Expenditures	<u>254,215</u>	<u>256,590</u>	<u>(2,375)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(15,369)	(25,183)	(9,814)
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(20,500)</u>	<u>(13,715)</u>	<u>6,785</u>
Net Change in Fund Balances	(35,869)	(38,898)	(3,029)
FUND BALANCES - BEGINNING	<u>419,438</u>	<u>419,438</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 383,569</u>	<u>\$ 380,540</u>	<u>\$ (3,029)</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-5

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 225,000	\$ 224,858	\$ (142)
Interest earnings	2,000	2,532	532
State sources: Other	10,116	10,305	189
Total Revenues	<u>237,116</u>	<u>237,695</u>	<u>579</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	634	-	634
Other instructional programs	65,150	61,550	3,600
Support services:			
General administration	6,853	7,539	(686)
School administration	10,394	7,221	3,173
Business services	10,391	8,234	2,157
Plant services	116,710	118,990	(2,280)
Student transportation services	11,818	7,829	3,989
Capital outlay	-	9,995	(9,995)
Total Expenditures	<u>221,950</u>	<u>221,358</u>	<u>592</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	15,166	16,337	1,171
FUND BALANCES - BEGINNING	<u>163,826</u>	<u>163,826</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 178,992</u>	<u>\$ 180,163</u>	<u>\$ 1,171</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-6

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 250,000	\$ 249,950	\$ (50)
Interest earnings	7,500	7,517	17
State sources: Other	9,849	9,644	(205)
Total Revenues	267,349	267,111	(238)
EXPENDITURES			
Current:			
Instruction:			
Regular programs	45,045	44,953	92
Other instructional programs	31,275	23,250	8,025
Support services:			
Student services	75,905	76,583	(678)
General administration	10,013	8,212	1,801
School administration	14,222	1,971	12,251
Business services	8,250	5,642	2,608
Plant services	147,309	148,956	(1,647)
Student transportation services	5,111	8,795	(3,684)
Food services	31,078	31,541	(463)
Capital outlay	-	16,999	(16,999)
Total Expenditures	368,208	366,902	1,306
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(100,859)	(99,791)	1,068
FUND BALANCES - BEGINNING	514,987	514,987	-
FUND BALANCES - ENDING	\$ 414,128	\$ 415,196	\$ 1,068

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-7

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 85,000	\$ 84,467	\$ (533)
Interest earnings	600	875	275
State sources: Other	7,873	7,948	75
Total Revenues	93,473	93,290	(183)
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	200	362	(162)
Support services:			
General administration	10,222	2,954	7,268
School administration	2,248	-	2,248
Business services	-	721	(721)
Plant services	59,018	55,749	3,269
Student transportation services	7,642	2,127	5,515
Capital outlay	-	12,300	(12,300)
Total Expenditures	79,330	74,213	5,117
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	14,143	19,077	4,934
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(5,000)	(5,000)
Net Changes in Fund Balances	14,143	14,077	(66)
FUND BALANCES - BEGINNING	55,991	55,991	-
FUND BALANCES - ENDING	\$ 70,134	\$ 70,068	\$ (66)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-8

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 309,400	\$ 309,403	\$ 3
Interest earnings	7,034	7,034	-
State sources: Other	30,492	30,422	(70)
Total Revenues	<u>346,926</u>	<u>346,859</u>	<u>(67)</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	1,574	2,856	(1,282)
Other instructional programs	22,268	53,071	(30,803)
Support services:			
Student services	-	1,185	(1,185)
General administration	10,755	10,891	(136)
School administration	52,143	62,583	(10,440)
Business services	7,836	9,058	(1,222)
Plant services	241,324	176,522	64,802
Student transportation services	7,424	10,952	(3,528)
Capital outlay	-	14,849	(14,849)
Total Expenditures	<u>343,324</u>	<u>341,967</u>	<u>1,357</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	3,602	4,892	1,290
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(1,006)	(1,006)
Net Changes in Fund Balances	3,602	3,886	284
FUND BALANCES - BEGINNING	<u>492,409</u>	<u>492,409</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 496,011</u>	<u>\$ 496,295</u>	<u>\$ 284</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-9

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 89,000	\$ 88,738	\$ (262)
Interest earnings	500	587	87
State sources: Other	9,900	10,455	555
Total Revenues	99,400	99,780	380
EXPENDITURES			
Current:			
Instruction:			
Other instructional programs	2,297	8,298	(6,001)
Support services:			
General administration	13,229	3,060	10,169
Plant services	104,788	95,459	9,329
Student transportation services	4,418	4,488	(70)
Total Expenditures	124,732	111,305	13,427
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(25,332)	(11,525)	13,807
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(12,500)	(12,500)
Net Change in Fund Balances	(25,332)	(24,025)	1,307
FUND BALANCES - BEGINNING	44,475	44,475	-
FUND BALANCES - ENDING	\$ 19,143	\$ 20,450	\$ 1,307

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-10

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>			
State sources:			
Other	\$ 149,218	\$ 149,218	\$ -
Federal sources	311,452	311,452	-
Total Revenues	460,670	460,670	-
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	300,702	300,702	-
Other instructional programs	135,290	135,290	-
Support services:			
Instructional staff support	3,621	3,621	-
General administration	21,057	21,057	-
Total Expenditures	460,670	460,670	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-11

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 4,000	\$ 4,000	\$ -
Total Revenues	4,000	4,000	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	3,793	3,793	-
Support services:			
General administration	219	219	-
Total Expenditures	4,012	4,012	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(12)	(12)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	12	12	-
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-12

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 108,004	\$ 108,004	\$ -
Total Revenues	108,004	108,004	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	17,312	17,312	-
Other instructional programs	89,252	82,662	6,590
Support services:			
Instructional staff support	1,413	1,413	-
School administration	56	56	-
Capital outlay	-	6,590	(6,590)
Total Expenditures	108,033	108,033	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(29)	(29)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	29	29	-
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-13

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
State sources:			
Equalization	\$ 75,278	\$ 75,278	\$ -
Federal sources	2,338,267	2,338,267	-
Total Revenues	2,413,545	2,413,545	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	214,080	214,080	-
Special programs	921,812	921,812	-
Other instructional programs	15,605	15,605	-
Support services:			
Student services	697,542	697,542	-
Instructional staff support	395,324	395,324	-
General administration	163,635	163,635	-
Business services	974	974	-
Plant services	538	538	-
Student transportation services	4,036	4,036	-
Total Expenditures	2,413,546	2,413,546	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1)	(1)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	1	1	-
Net Change in Fund Balances	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-14

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
State sources: other	\$ 787,631	\$ 787,631	\$ -
Federal sources	943,609	943,609	-
Total Revenues	1,731,240	1,731,240	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	75,549	75,549	-
Special programs	23,465	23,465	-
Other instructional programs	1,564,908	1,564,908	-
Support services:			
Student services	475	475	-
Instructional staff support	375	375	-
General administration	66,601	66,601	-
Plant services	74	74	-
Total Expenditures	1,731,447	1,731,447	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(207)	(207)	-
FUND BALANCES - BEGINNING	207	207	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-15

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Local sources:			
Interest earnings	\$ 1,600	\$ 1,590	\$ (10)
Food services	632,300	633,107	807
State sources:			
Equalization	459,101	459,101	-
Other	29,227	29,228	1
Federal sources	3,223,000	3,222,764	(236)
Total Revenues	4,345,228	4,345,790	562
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	287	179	108
Other instructional programs	-	404	(404)
Support services:			
School administration	7,200	7,494	(294)
Business services	3,791	3,409	382
Plant services	31,451	24,412	7,039
Student transportation services	19,922	18,966	956
Central services	9,917	3,819	6,098
Food services	5,388,628	5,396,628	(8,000)
Capital outlay	-	5,408	(5,408)
Total Expenditures	5,461,196	5,460,719	477
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(1,115,968)	(1,114,929)	1,039
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,125,000	1,125,000	-
Net Change in Fund Balances	9,032	10,071	1,039
FUND BALANCES - BEGINNING	10,758	10,758	-
FUND BALANCES - ENDING	\$ 19,790	\$ 20,829	\$ 1,039

**VERNON PARISH SCHOOL BOARD**  
**NONMAJOR SPECIAL REVENUE FUND**  
**Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balance - Budget (GAAP Basis) and Actual**  
**For the Year Ended June 30, 2018**

Exhibit 6-16

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES</b>			
Local sources:			
Other	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>EXPENDITURES</b>			
Current:			
Support services:			
Plant services	5,810	5,810	-
Food services	10,677	10,677	-
Total Expenditures	16,487	16,487	-
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(16,487)	(16,487)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	17,500	13,715	(3,785)
Net Change in Fund Balances	1,013	(2,772)	(3,785)
<b>FUND BALANCES - BEGINNING</b>	2,772	2,772	-
<b>FUND BALANCES - ENDING</b>	\$ 3,785	\$ -	\$ (3,785)

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-17

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 75,248	\$ 75,248	\$ -
Total Revenues	75,248	75,248	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	74,958	74,958	-
Other instructional programs	290	290	-
Total Expenditures	75,248	75,248	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-18

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 754,770	\$ 754,770	\$ -
Total Revenues	754,770	754,770	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	550,607	550,607	-
Special programs	384	384	-
Other instructional programs	24,814	24,814	-
Support services:			
Instructional staff support	175,860	175,860	-
General administration	3,105	3,105	-
Total Expenditures	754,770	754,770	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-19

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 2,174,059	\$ 2,174,059	\$ -
Total Revenues	<u>2,174,059</u>	<u>2,174,059</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	176,580	176,580	-
Special programs	19	19	-
Other instructional programs	1,479,851	1,471,549	8,302
Support services:			
Instructional staff support	133,580	133,580	-
General administration	153,562	153,562	-
Business services	125,914	125,914	-
Plant services	3,840	3,840	-
Student transportation services	37,729	37,729	-
Central services	62,984	62,984	-
Capital outlay	-	8,302	(8,302)
Total Expenditures	<u>2,174,059</u>	<u>2,174,059</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-20

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 417,638	\$ 417,638	\$ -
Total Revenues	417,638	417,638	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	385,952	385,952	-
Support services:			
Instructional staff support	2,257	2,257	-
General administration	29,431	29,431	-
Total Expenditures	417,640	417,640	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(2)	(2)	-
OTHER FINANCING SOURCES (USES)			
Transfers in	2	2	-
Net Change in Fund Balance	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-21

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 15,066	\$ 15,066	\$ -
Total Revenues	<u>15,066</u>	<u>15,066</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	5,080	5,080	-
Other instructional programs	9,675	9,675	-
Support services:			
General administration	<u>315</u>	<u>315</u>	<u>-</u>
Total Expenditures	<u>15,070</u>	<u>15,070</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>(4)</u>	<u>(4)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>4</u>	<u>4</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-22

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Local sources:			
Taxes:			
Sales and use	\$ 36	\$ -	\$ (36)
Interest earnings	20,000	20,168	168
Other	413,336	412,336	(1,000)
Total Revenues	<u>433,372</u>	<u>432,504</u>	<u>(868)</u>
EXPENDITURES			
Current:			
Support services:			
General administration	208,645	202,861	5,784
Business services	88,191	87,319	872
Plant services	2,583	4,017	(1,434)
Total Expenditures	<u>299,419</u>	<u>294,197</u>	<u>5,222</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>133,953</u>	<u>138,307</u>	<u>4,354</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net Change in Fund Balances	(66,047)	(61,693)	4,354
FUND BALANCES - BEGINNING	<u>1,412,019</u>	<u>1,412,019</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,345,972</u>	<u>\$ 1,350,326</u>	<u>\$ 4,354</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-23

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 2,051,263	\$ 2,051,263	\$ -
Total Revenues	2,051,263	2,051,263	-
EXPENDITURES			
Current:			
Instruction:			
Special programs	221	221	-
Other instructional programs	1,471,131	1,471,627	(496)
Support services:			
Instructional staff support	428,768	428,768	-
General administration	128,018	128,018	-
Business services	7	7	-
Plant services	18,151	18,151	-
Student transportation services	4,967	5,012	(45)
Total Expenditures	2,051,263	2,051,804	(541)
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(541)	541
OTHER FINANCING SOURCES (USES)			
Transfers in	41	41	-
Net Change in Fund Balances	41	(500)	541
FUND BALANCES - BEGINNING	500	500	-
FUND BALANCES - ENDING	\$ 541	\$ -	\$ 541

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-24

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 83,182	\$ 83,182	\$ -
Total Revenues	83,182	83,182	-
EXPENDITURES			
Current:			
Instruction:			
Special programs	77,320	77,320	-
Support services:			
General administration	5,862	5,862	-
Total Expenditures	83,182	83,182	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-25

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
State sources:			
Other	\$ 277,544	\$ 277,544	\$ -
Total Revenues	<u>277,544</u>	<u>277,544</u>	<u>-</u>
EXPENDITURES			
Current:			
Instruction:			
Regular programs	168,408	168,408	-
Special programs	832	832	-
Other instructional programs	128	128	-
Support services:			
Instructional staff support	8,640	8,640	-
School administration	1,068	1,068	-
Student transportation services	258	258	-
Total Expenditures	<u>179,334</u>	<u>179,334</u>	<u>-</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	98,210	98,210	-
FUND BALANCES - BEGINNING	<u>99,768</u>	<u>99,768</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 197,978</u>	<u>\$ 197,978</u>	<u>\$ -</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUND  
 Schedule of Revenues, Expenditures, and Changes  
 in Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended June 30, 2018

Exhibit 6-26

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

	BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES			
Federal sources	\$ 178,837	\$ 178,837	\$ -
Total Revenues	178,837	178,837	-
EXPENDITURES			
Current:			
Instruction:			
Regular programs	166,234	166,234	-
Support services:			
General administration	12,603	12,603	-
Total Expenditures	178,837	178,837	-
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCES - BEGINNING	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -

**Vernon Parish School Board**

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**Vernon Parish School Board**

**Nonmajor Debt Service Funds**

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

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

VERNON PARISH SCHOOL BOARD

NONMAJOR DEBT SERVICE FUNDS

Combining Balance Sheet

June 30, 2018

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
ASSETS				
Cash and cash equivalents	\$ 1,006,274	\$ 163,354	\$ 30,990	\$ 44,829
TOTAL ASSETS	<u>1,006,274</u>	<u>163,354</u>	<u>30,990</u>	<u>44,829</u>
FUND BALANCES:				
Restricted	<u>1,006,274</u>	<u>163,354</u>	<u>30,990</u>	<u>44,829</u>
TOTAL FUND BALANCES	<u>\$ 1,006,274</u>	<u>\$ 163,354</u>	<u>\$ 30,990</u>	<u>\$ 44,829</u>

Exhibit 7

<u>WARD 4</u>	<u>WARD 5</u>	<u>WARD 6</u>	<u>WARD 7</u>	<u>WARD 8</u>	<u>TOTAL</u>
<u>\$ 213,353</u>	<u>\$ 148,093</u>	<u>\$ 91,506</u>	<u>\$ 249,874</u>	<u>\$ 59,963</u>	<u>\$ 2,008,236</u>
<u>213,353</u>	<u>148,093</u>	<u>91,506</u>	<u>249,874</u>	<u>59,963</u>	<u>2,008,236</u>
<u>213,353</u>	<u>148,093</u>	<u>91,506</u>	<u>249,874</u>	<u>59,963</u>	<u>2,008,236</u>
<u>\$ 213,353</u>	<u>\$ 148,093</u>	<u>\$ 91,506</u>	<u>\$ 249,874</u>	<u>\$ 59,963</u>	<u>\$ 2,008,236</u>

**VERNON PARISH SCHOOL BOARD**

**NONMAJOR DEBT SERVICE FUNDS**  
**Combining Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**For the Year Ended June 30, 2018**

	<u>WARD 1</u>	<u>WARD 2 - ORANGE</u>	<u>WARD 2 - HORNBECK</u>	<u>WARD 3</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 2,033,047	\$ 257,829	\$ 51,490	\$ 172,229
Interest earnings	14,547	2,366	435	1,091
Total Revenues	<u>2,047,594</u>	<u>260,195</u>	<u>51,925</u>	<u>173,320</u>
<b>EXPENDITURES</b>				
Current:				
Support services:				
General administration	68,540	9,039	1,870	5,775
Business services	15,000	-	-	-
Debt Service:				
Principal retirement	1,379,000	164,000	40,000	170,000
Interest and bank charges	567,648	99,934	6,888	77,058
Bond issuance costs	182,864	-	-	-
Total Expenditures	<u>2,213,052</u>	<u>272,973</u>	<u>48,758</u>	<u>252,833</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	(165,458)	(12,778)	3,167	(79,513)
<b>OTHER FINANCING SOURCES (USES)</b>				
Refunding bonds issued	8,580,000	-	-	-
Premium on refunding bonds issued	894,522	-	-	-
Payments to refunded bond escrow agent	<u>(9,291,658)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>182,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	17,406	(12,778)	3,167	(79,513)
<b>FUND BALANCES - BEGINNING</b>	<u>988,868</u>	<u>176,132</u>	<u>27,823</u>	<u>124,342</u>
<b>FUND BALANCES - ENDING</b>	<u><u>\$ 1,006,274</u></u>	<u><u>\$ 163,354</u></u>	<u><u>\$ 30,990</u></u>	<u><u>\$ 44,829</u></u>

Exhibit 8

WARD 4	WARD 5	WARD 6	WARD 7	WARD 8	TOTAL
\$ 375,165	\$ 295,073	\$ 129,829	\$ 483,642	\$ 83,155	\$ 3,881,459
2,569	2,826	1,290	3,666	900	29,690
<u>377,734</u>	<u>297,899</u>	<u>131,119</u>	<u>487,308</u>	<u>84,055</u>	<u>3,911,149</u>
12,561	9,982	4,540	17,025	2,867	132,199
-	-	-	-	-	15,000
180,000	240,000	96,000	385,000	47,000	2,701,000
116,238	45,695	24,796	70,553	43,843	1,052,653
-	-	-	-	-	182,864
<u>308,799</u>	<u>295,677</u>	<u>125,336</u>	<u>472,578</u>	<u>93,710</u>	<u>4,083,716</u>
68,935	2,222	5,783	14,730	(9,655)	(172,567)
-	-	-	-	-	8,580,000
-	-	-	-	-	894,522
-	-	-	-	-	(9,291,658)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,864</u>
68,935	2,222	5,783	14,730	(9,655)	10,297
144,418	145,871	85,723	235,144	69,618	1,997,939
<u>\$ 213,353</u>	<u>\$ 148,093</u>	<u>\$ 91,506</u>	<u>\$ 249,874</u>	<u>\$ 59,963</u>	<u>\$ 2,008,236</u>

**Vernon Parish School Board**

**Nonmajor Capital Project Funds**

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

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

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

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

**VERNON PARISH SCHOOL BOARD**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**Combining Balance Sheet**  
**June 30, 2018**

**Exhibit 9**

	<u>SOUTH POLK CONSTRUCTION</u>	<u>ROSEPINE CONSTRUCTION</u>	<u>LEESVILLE HIGH SCHOOL CONSTRUCTION</u>	<u>PICKERING CONSTRUCTION</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 313,980	\$ 313,980
Total Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>313,980</u>	<u>313,980</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts, salaries and other payables	-	-	-	91,111	91,111
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,111</u>	<u>91,111</u>
<b>Fund Balances:</b>					
Restricted	-	-	-	222,869	222,869
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>222,869</u>	<u>222,869</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,980</u>	<u>\$ 313,980</u>

VERNON PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended June 30, 2018

Exhibit 10

	SOUTH POLK CONSTRUCTION	ROSEPINE CONSTRUCTION	LEESVILLE HIGH SCHOOL CONSTRUCTION	PICKERING CONSTRUCTION	TOTAL
<b>REVENUES</b>					
Local sources:					
Interest earnings	\$ -	\$ 96	\$ 268	\$ 710	\$ 1,074
Total Revenues	-	96	268	710	1,074
<b>EXPENDITURES</b>					
Current:					
Support services:					
Business services	-	-	-	1	1
Plant services	-	-	43,890	-	43,890
Capital outlay	-	125,265	30,006	1,119,171	1,274,442
Total Expenditures	-	125,265	73,896	1,119,172	1,318,333
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(125,169)	(73,628)	(1,118,462)	(1,317,259)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	497,988	1,006	-	-	498,994
Transfers out	-	-	(507)	-	(507)
Total Other Financing Sources (Uses)	497,988	1,006	(507)	-	498,487
Net Change in Fund Balances	497,988	(124,163)	(74,135)	(1,118,462)	(818,772)
FUND BALANCES - BEGINNING	(497,988)	124,163	74,135	1,341,331	1,041,641
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ 222,869	\$ 222,869

## Vernon Parish School Board

### Agency Funds

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

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

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

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

**VERNON PARISH SCHOOL BOARD**

**AGENCY FUNDS**

**Combining Statement of Fiduciary Assets and Liabilities  
June 30, 2018**

Exhibit 11

	<u>SCHOOL ACTIVITIES FUND</u>	<u>SCHOLARSHIP FUND</u>	<u>SALES TAX FUND</u>	<u>PROTESTED SALES TAX FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,228,833	\$ 2,034	\$ -	\$ 116,028	\$ 1,346,895
Investments	166,246	-	-	-	166,246
Accounts receivable	-	-	3,569,224	1,027	3,570,251
<b>Total assets</b>	<u>1,395,079</u>	<u>2,034</u>	<u>3,569,224</u>	<u>117,055</u>	<u>5,083,392</u>
<b>LIABILITIES</b>					
Deposits due others	<u>1,395,079</u>	<u>2,034</u>	<u>3,569,224</u>	<u>117,055</u>	<u>5,083,392</u>
<b>Total liabilities</b>	<u>\$ 1,395,079</u>	<u>\$ 2,034</u>	<u>\$ 3,569,224</u>	<u>\$ 117,055</u>	<u>\$ 5,083,392</u>

VERNON PARISH SCHOOL BOARD

AGENCY FUNDS

Combining Statement of Changes in Fiduciary Assets and Liabilities  
For the Year Ended June 30, 2018

Exhibit 12

	Balance, Beginning	Additions	Deductions	Balance, Ending
<b>*****SCHOOL ACTIVITIES FUND*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,274,551	\$ 2,956,404	\$ 3,002,122	\$ 1,228,833
Investments	164,214	2,032	-	166,246
<b>Total Assets</b>	<b>\$ 1,438,765</b>	<b>\$ 2,958,436</b>	<b>\$ 3,002,122</b>	<b>\$ 1,395,079</b>
<b>LIABILITIES</b>				
Deposits due others	\$ 1,438,765	\$ 2,958,436	\$ 3,002,122	\$ 1,395,079
<b>*****SCHOLARSHIP FUND*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,198	\$ 946	\$ 1,110	\$ 2,034
<b>LIABILITIES</b>				
Deposits due others	\$ 2,198	\$ 946	\$ 1,110	\$ 2,034
<b>*****SALES TAX FUND*****</b>				
<b>ASSETS</b>				
Accounts receivable	\$ 3,636,169	\$ 27,422,176	\$ 27,489,121	\$ 3,569,224
<b>LIABILITIES</b>				
Deposits due others	\$ 3,636,169	\$ 27,422,176	\$ 27,489,121	\$ 3,569,224
<b>*****PROTESTED SALES TAX FUND*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 108,688	\$ 8,373	\$ 1,033	\$ 116,028
Receivables	463	1,027	463	1027
<b>Total Assets</b>	<b>\$ 109,151</b>	<b>\$ 9,400</b>	<b>\$ 1,496</b>	<b>\$ 117,055</b>
<b>LIABILITIES</b>				
Deposits due others	\$ 109,151	\$ 9,400	\$ 1,496	\$ 117,055

(Continued)

**VERNON PARISH SCHOOL BOARD**

**AGENCY FUNDS**

**Combining Statement of Changes in Fiduciary Assets and Liabilities  
For the Year Ended June 30, 2018**

**Exhibit 12**

	<b>Balance, Beginning</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance, Ending</b>
<b>*****ALL AGENCY FUNDS*****</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,385,437	\$ 2,965,723	\$ 3,004,265	\$ 1,346,895
Investments	164,214	2,032	-	166,246
Accounts receivable	3,636,632	27,423,203	27,489,584	3,570,251
<b>Total Assets</b>	<b>\$ 5,186,283</b>	<b>\$ 30,390,958</b>	<b>\$ 30,493,849</b>	<b>\$ 5,083,392</b>
<b>LIABILITIES</b>				
Deposits due others	\$ 5,186,283	\$ 30,390,958	\$ 30,493,849	\$ 5,083,392
<b>Total Liabilities</b>	<b>\$ 5,186,283</b>	<b>\$ 30,390,958</b>	<b>\$ 30,493,849</b>	<b>\$ 5,083,392</b>

(Concluded)

**VERNON PARISH SCHOOL BOARD**  
**SCHOOL ACTIVITIES AGENCY FUND**  
**Schedule of Changes in Deposits Due Others**  
**For the Year Ended June 30, 2018**

Exhibit 13

SCHOOL	Balance, Beginning	Additions	Deductions	Balance, Ending
ANACOCO HIGH	\$ 129,501	\$ 135,713	\$ 150,167	\$ 115,047
ANACOCO ELEMENTARY	42,639	94,129	109,027	27,741
EAST LEESVILLE ELEMENTARY	26,316	40,931	49,673	17,574
EVANS HIGH	83,303	143,653	142,140	84,816
HICKS HIGH	72,803	278,493	299,400	51,896
HORNBECK HIGH	80,533	140,488	157,151	63,870
LEESVILLE HIGH	133,146	575,335	581,103	127,378
LEESVILLE JUNIOR HIGH	65,417	142,634	130,275	77,776
NORTH POLK ELEMENTARY	22,593	18,007	26,455	14,145
OPTIONAL SCHOOL	1,144	-	1,144	-
PICKERING HIGH	51,399	245,077	246,830	49,646
PICKERING ELEMENTARY	83,823	107,261	99,731	91,353
PITKIN HIGH	231,035	212,074	211,279	231,830
ROSEPINE HIGH	160,197	443,988	425,833	178,352
ROSEPINE ELEMENTARY	86,671	115,619	106,397	95,893
SIMPSON HIGH	67,251	114,401	113,404	68,248
PARKWAY ELEMENTARY	12,128	55,126	53,964	13,290
VERNON MIDDLE SCHOOL	44,260	63,297	63,756	43,801
WEST LEESVILLE ELEMENTARY	44,606	32,210	34,393	42,423
<b>TOTAL</b>	<b>\$ 1,438,765</b>	<b>\$ 2,958,436</b>	<b>\$ 3,002,122</b>	<b>\$ 1,395,079</b>

**SCHEDULES OF COMPENSATION PAID:**

**BOARD MEMBERS**

**SUPERINTENDENT**

**Vernon Parish School Board**

**Exhibit 14**

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

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

Angie Davis, President	\$10,800
Vernon Travis, Vice President	9,600
Doug Brandon	9,600
David Detz	9,600
John Blankenbaker	9,600
Gerald Cooley	9,600
Randy Martin	9,600
Robert Pynes, Jr.	9,600
James Seaman	9,600
Jackie Self	9,600
Shad Stewart	9,600
Stephen Woods	9,600
Total	<u>\$116,400</u>

Vernon Parish School Board

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO SUPERINTENDENT  
For the Year Ended June 30, 2018

Exhibit 15

Agency Head Name: James Williams , Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$117,737
Benefits-insurance	6,452
Benefits-retirement	30,969
Travel	133
Total	<u>\$155,291</u>

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# STATISTICAL SECTION

**Vernon Parish School Board  
Statistical Section  
Contents**

	<b>Table Number</b>	<b>Page Number</b>
<b>Financial Trends</b>		
These schedules contain trend information to help the reader understand how the School Board's financial performance and well being has changed over time.		
Net Position by Component	1	165
Changes in Net Position	2	166
Fund Balances of Governmental Funds	3	167
Changes in Fund Balances of Governmental Funds	4	168
<b>Revenue Capacity</b>		
These schedules contain information to help the reader assess one of the School Board's most significant local revenue sources, property and sales tax.		
Assessed Value and Estimated Actual Value of Taxable Property	5	169
Overlapping Governments	6	170
Principal Property Taxpayers	7	171
Property Tax Levies and Collections	8	172
Sales and Use Tax Rates and Collections - All Governments	9	173
<b>Debt Capacity</b>		
These schedules present information to help the reader assess the affordability of the School Board's current levels of outstanding debt and the School Board's ability to issue debt in the future.		
Ratios of Outstanding Debt by Type	10	174
Ratios of General Bonded Debt Outstanding	11	175
Direct and Overlapping Governmental Activities Debt	12	176
Legal Debt Margin Information	13	177

(continued)

**Vernon Parish School Board  
Statistical Section  
Contents**

	<b>Table Number</b>	<b>Page Number</b>
<b>Demographic and Economic Information</b>		
These schedules offer demographic and economic indicators to help the reader understand the environment within which the School Board's financial activities take place.		
Demographic and Economic Statistics	14	178
Principal Employers	15	179
<b>Operating Information</b>		
These schedules contain service and infrastructure data to help the reader understand how the information in the School Board's financial report relates to the services the School Board provides and the activities it performs.		
School Personnel	16	180
Student Capacity and Utilization	17	181
Operating Statistics	18	185

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report (CAFR) for the relevant year.

(concluded)

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Net Position by Component  
Fiscal Years Ended June 30, 2009 through June 30, 2018  
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 16,396,072	\$ 16,821,258	\$ 17,110,626	\$ 17,817,725	\$ 17,594,873	\$ 19,563,790	\$ 29,610,182	\$ 37,075,297	\$ 39,560,172	\$ 39,670,293
Restricted	4,510,684	4,848,075	5,297,917	5,147,840	5,753,340	5,552,144	5,691,497	6,066,405	6,237,959	6,188,549
Unrestricted	7,339,119	4,601,368	(2,188,347)	(8,266,158)	(18,847,134)	(29,896,245)	(156,744,487)	(159,397,316)	(173,361,662)	(345,100,548)
Total governmental activities net position	<u>\$ 28,245,875</u>	<u>\$ 26,270,701</u>	<u>\$ 20,220,196</u>	<u>\$ 14,699,407</u>	<u>\$ 4,501,079</u>	<u>\$ (4,780,311)</u>	<u>\$ (121,442,808)</u>	<u>\$ (116,255,614)</u>	<u>\$ (127,563,531)</u>	<u>\$ (299,241,706)</u>

Source: Comprehensive Annual Financial Report

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Changes in Net Position  
Fiscal Years Ended June 30, 2009 through June 30, 2018  
(Accrual Basis of Accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Expenses</b>										
Instruction:										
Regular programs	\$ 38,037,707	\$ 37,428,401	\$ 39,488,548	\$ 43,005,602	\$ 42,628,714	\$ 42,985,954	\$ 41,319,191	\$ 37,735,478	\$ 42,110,760	\$ 40,666,746
Special programs	14,560,675	12,963,275	14,578,985	16,000,695	14,184,535	12,627,239	10,270,790	9,844,714	10,303,623	10,617,892
Other instructional programs	5,528,132	8,151,800	5,567,933	4,494,574	5,743,328	5,527,661	6,746,247	7,627,559	8,780,832	8,820,060
Support services:										
Student services	3,573,479	4,831,485	5,123,873	5,367,333	5,297,452	5,127,729	4,919,127	4,736,599	5,298,562	5,040,395
Instructional staff support	3,675,020	4,453,507	4,883,683	4,327,332	4,307,987	4,684,588	4,269,329	4,164,416	4,604,856	4,604,529
General administration	1,536,052	1,611,112	1,907,569	1,906,467	2,001,812	2,121,497	2,013,156	3,910,914	2,267,488	2,333,094
School administration	6,299,070	6,097,743	6,528,311	6,573,618	6,762,117	6,937,725	6,648,565	6,466,520	6,853,830	6,667,304
Business services	609,644	637,752	612,852	669,182	602,374	569,332	669,247	653,218	695,921	718,234
Plant services	8,902,972	8,558,445	8,913,033	9,188,026	8,620,193	9,264,377	8,479,562	7,852,440	9,036,509	10,003,509
Student transportation services	7,202,412	7,294,482	7,180,796	7,715,968	7,815,764	7,349,972	6,905,439	6,690,661	7,187,943	6,916,549
Central services	736,495	773,622	733,513	630,565	1,010,764	1,257,347	1,133,596	1,195,328	1,313,514	1,253,346
Food services	6,747,081	6,929,730	6,924,015	7,270,604	7,415,613	7,393,967	7,165,689	6,690,780	6,602,763	6,440,350
Community services	72,201	57,780	58,772	66,260	24,390	25,502	25,694	31,977	35,302	35,720
Interest on long-term debt	954,381	897,882	1,427,467	1,973,433	1,263,918	1,355,712	1,260,559	1,249,477	1,184,909	1,032,185
Total expenses	<u>98,435,321</u>	<u>100,687,016</u>	<u>103,929,350</u>	<u>109,189,659</u>	<u>107,678,961</u>	<u>107,228,602</u>	<u>101,826,191</u>	<u>98,850,081</u>	<u>106,276,812</u>	<u>105,149,913</u>
<b>Program Revenues</b>										
Charges for services:										
Food Service Operations	878,308	942,971	925,693	1,004,166	905,096	811,651	826,273	703,263	706,938	633,107
Operating Grants and Contributions	13,851,498	18,557,756	15,073,056	14,547,924	13,486,407	13,672,847	12,422,748	13,824,955	13,027,639	14,186,572
Capital Grants and Contributions							8,957,526	7,576,380	673,908	-
Total program revenues	<u>14,729,806</u>	<u>19,500,727</u>	<u>15,998,749</u>	<u>15,552,090</u>	<u>14,391,503</u>	<u>14,484,498</u>	<u>22,206,547</u>	<u>22,104,598</u>	<u>14,408,485</u>	<u>14,819,679</u>
<b>Net (Expense) / Revenue</b>	<u>(83,705,515)</u>	<u>(81,186,289)</u>	<u>(87,930,601)</u>	<u>(93,637,569)</u>	<u>(93,287,458)</u>	<u>(92,744,104)</u>	<u>(79,619,644)</u>	<u>(76,745,483)</u>	<u>(91,868,327)</u>	<u>(90,330,234)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Taxes										
Ad valorem taxes levied for general purposes	3,184,211	3,245,871	3,244,532	3,404,612	3,811,940	3,979,481	3,925,678	4,044,606	3,954,442	3,983,713
Ad valorem taxes levied for debt service purposes	1,563,709	2,294,839	3,041,503	3,805,546	4,021,574	3,829,468	3,597,917	3,699,130	3,845,591	3,881,459
Sales taxes	10,621,006	10,775,453	10,818,744	12,231,273	12,098,220	11,824,150	12,537,062	11,989,856	11,454,481	11,379,185
Grants and contributions not restricted to specific	55,096,124	55,630,986	57,175,819	56,929,909	55,175,980	56,251,232	55,871,289	55,745,881	54,558,407	55,115,911
Interest and investment earnings	326,571	252,338	274,139	152,816	135,720	59,457	51,707	64,180	122,333	305,963
Impact Aid, Department of Defense, ROTC	8,140,126	5,980,891	5,927,128	10,030,372	6,928,669	6,705,595	6,108,826	5,455,857	5,565,092	5,243,580
Miscellaneous	789,915	947,669	1,012,562	978,077	917,027	813,331	951,767	933,167	1,060,062	2,321,695
Total	<u>79,721,662</u>	<u>79,128,047</u>	<u>81,494,427</u>	<u>87,532,605</u>	<u>83,089,130</u>	<u>83,462,714</u>	<u>83,044,246</u>	<u>81,932,677</u>	<u>80,560,408</u>	<u>82,231,506</u>
<b>Change in Net Position</b>	<u>\$ (3,983,853)</u>	<u>\$ (2,058,242)</u>	<u>\$ (6,436,174)</u>	<u>\$ (6,104,964)</u>	<u>\$ (10,198,328)</u>	<u>\$ (9,281,390)</u>	<u>\$ 3,424,602</u>	<u>\$ 5,187,194</u>	<u>\$ (11,307,919)</u>	<u>\$ (8,098,728)</u>

Source: Comprehensive Annual Financial Report

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>General Fund</b>										
Reserved	\$ 699,109	\$ 656,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	16,185,848	19,495,960	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	679,425	646,000	646,000	646,000	646,000	646,000	646,000	386,000
Committed	-	-	-	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Unassigned	-	-	21,730,728	23,935,602	20,799,034	17,473,031	14,056,940	13,267,549	11,338,320	11,982,799
<b>Total general fund</b>	<u>16,884,957</u>	<u>20,152,838</u>	<u>22,410,153</u>	<u>25,181,602</u>	<u>22,045,034</u>	<u>18,719,031</u>	<u>15,302,940</u>	<u>14,513,549</u>	<u>12,584,320</u>	<u>12,968,799</u>
<b>All Other Governmental Funds</b>										
Reserved	1,470,228	1,689,706	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	2,747,241	3,535,590	-	-	-	-	-	-	-	-
Capital projects funds	1,770,305	10,716	-	-	-	-	-	-	-	-
Nonspendable	-	-	142,009	101,861	89,765	117,511	56,027	117,765	125,411	102,107
Restricted	-	-	26,483,283	21,887,480	11,928,079	7,579,931	6,916,802	6,480,694	7,511,362	6,371,539
Committed	-	-	962,407	1,300,694	1,547,023	1,860,731	2,016,368	1,447,118	1,414,791	1,350,326
Unassigned	-	-	(501,008)	(192,216)	18,799	-	(526,974)	(130,804)	(612,641)	(81,278)
<b>Total all other governmental funds</b>	<u>5,987,774</u>	<u>5,236,012</u>	<u>27,086,691</u>	<u>23,097,819</u>	<u>13,583,666</u>	<u>9,558,173</u>	<u>8,462,223</u>	<u>7,914,773</u>	<u>8,438,923</u>	<u>7,742,694</u>
<b>Grand total of funds</b>	<u>\$ 22,872,731</u>	<u>\$ 25,388,850</u>	<u>\$ 49,496,844</u>	<u>\$ 48,279,421</u>	<u>\$ 35,628,700</u>	<u>\$ 28,277,204</u>	<u>\$ 23,765,163</u>	<u>\$ 22,428,322</u>	<u>\$ 21,023,243</u>	<u>\$ 20,711,493</u>

Source: Comprehensive Annual Financial Report

Note:

- (1) GASB Statement No. 54 was implemented for the year ended June 30, 2011.
- (2) The reserved fund balances before GASB 54 was implemented were classified as restricted after GASB 54 was implemented

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Revenues</b>										
Ad valorem taxes	\$ 4,747,920	\$ 5,540,710	\$ 6,286,035	\$ 7,210,158	\$ 7,833,514	\$ 7,808,949	\$ 7,523,595	\$ 7,743,736	\$ 7,800,033	\$ 7,865,172
Sales & use taxes	10,621,006	10,775,453	10,818,744	12,231,273	12,098,220	11,824,150	12,537,062	11,989,856	11,454,481	11,379,185
Investment Earning	326,571	252,338	274,139	152,816	135,720	59,457	51,707	64,180	122,333	305,963
Food services	878,308	942,971	925,693	1,004,166	905,096	811,651	826,273	703,263	706,938	633,107
Other Revenues	907,465	1,097,371	1,079,910	1,004,223	1,091,525	914,920	1,013,393	948,167	1,110,047	2,405,449
Total revenues from local sources	17,481,270	18,608,843	19,384,521	21,602,636	22,064,075	21,419,127	21,952,030	21,449,202	21,193,832	22,588,876
Equalization	54,576,977	55,103,810	54,275,158	56,465,134	54,734,675	55,385,942	55,359,232	55,170,245	53,833,632	54,813,754
Other	4,190,703	1,990,435	1,395,570	1,495,551	714,344	2,740,043	1,994,095	2,384,360	1,719,856	1,569,396
Total revenue from state sources	58,767,680	57,094,245	55,670,728	57,960,685	55,449,019	58,125,985	57,353,327	57,554,605	55,553,488	56,383,150
Revenue from federal sources	18,320,068	23,158,456	22,890,944	24,165,120	20,142,037	18,503,689	26,007,064	25,048,468	18,271,558	18,162,913
Total Revenues	94,569,018	98,861,544	97,946,193	103,728,441	97,655,131	98,048,801	105,312,421	104,052,275	95,018,878	97,134,939
<b>Expenditures:</b>										
<b>Current:</b>										
Instruction services	51,935,494	53,580,570	52,593,523	55,912,775	55,708,501	54,731,386	54,906,061	52,848,548	51,682,911	52,135,704
Student services	3,239,010	4,404,846	4,608,378	4,765,205	4,763,831	4,593,860	4,595,319	4,530,918	4,642,348	4,406,892
Instructional staff support	3,357,095	4,084,880	4,398,974	3,883,499	3,920,150	4,280,031	4,095,878	4,042,024	4,089,800	4,079,991
General administration	1,474,787	1,632,086	1,806,824	1,801,407	2,047,289	2,027,683	1,981,473	1,964,596	2,040,641	2,107,713
School administration	5,656,743	5,573,420	5,802,597	5,838,013	6,068,667	6,185,661	6,307,958	6,236,908	6,026,915	5,826,407
Business services	556,717	581,479	548,509	601,605	548,645	519,173	637,115	624,910	626,539	643,468
Plant services	8,530,650	8,349,579	8,443,651	8,582,495	8,184,249	8,812,079	8,222,018	7,789,971	8,298,290	9,590,704
Student transportation services	6,713,371	7,002,635	6,605,648	7,115,861	7,277,919	6,850,665	6,544,931	6,387,142	6,169,606	6,077,309
Central services	698,998	734,601	692,947	592,738	946,478	1,181,360	1,114,332	1,196,691	1,198,132	1,166,867
Food service	6,165,063	6,441,802	6,230,640	6,580,326	6,918,755	6,786,114	6,681,948	6,513,786	5,934,845	5,841,536
Community services	66,213	55,945	56,456	62,890	21,417	22,693	22,163	28,390	29,181	28,213
Capital Outlay	1,130,810	1,877,936	3,098,715	9,122,016	10,509,740	5,173,063	12,000,905	9,127,265	4,267,127	2,083,557
Debt service:										
Principal	1,121,430	1,105,230	1,066,008	1,979,742	2,471,168	7,081,458	2,994,363	2,848,562	3,061,546	2,981,183
Interest, bank charges, & debt issue costs	942,038	920,416	1,218,882	1,909,604	1,397,243	1,562,071	1,310,558	1,249,405	1,318,187	1,245,562
Total Expenditures	91,588,419	96,345,425	97,171,752	108,748,176	110,784,052	109,807,297	111,415,022	105,389,116	99,386,068	98,215,106
Excess of revenues over (under) expenditures	2,980,599	2,516,119	774,441	(5,019,735)	(13,128,921)	(11,758,496)	(6,102,601)	(1,336,841)	(4,367,190)	(1,080,167)
<b>Other Financing Sources (Uses)</b>										
Debt issuance	506,887	-	23,311,763	3,550,737	-	-	1,590,560	-	2,912,816	585,552
Debt refinancing	-	-	381,000	8,860,000	-	4,407,000	376,000	-	1,835,000	8,580,000
Payments to escrow agent	-	-	(381,000)	(8,575,000)	-	-	(376,000)	-	(1,785,707)	(9,291,658)
Transfers in	1,690,715	1,406,132	1,369,021	1,842,717	1,641,371	1,685,435	1,944,641	2,513,516	1,998,375	1,872,166
Transfers out	(1,690,715)	(1,406,132)	(1,369,021)	(1,842,717)	(1,641,371)	(1,685,435)	(1,944,641)	(2,513,516)	(1,998,375)	(1,872,166)
Premium on bonds issued	-	-	21,790	-	478,200	-	-	-	-	894,522
Total other financing sources (uses)	506,887	-	23,333,553	3,835,737	478,200	4,407,000	1,590,560	-	2,962,109	768,416
Net change in fund balances	\$ 3,487,486	\$ 2,516,119	\$ 24,107,994	\$ (1,183,998)	\$ (12,650,721)	\$ (7,351,496)	\$ (4,512,041)	\$ (1,336,841)	\$ (1,405,081)	\$ (311,751)
Debt service as a percentage of noncapital expenditures	2.3%	2.1%	2.4%	3.9%	3.9%	8.3%	4.3%	4.3%	4.6%	4.4%

Source: Comprehensive Annual Financial Report

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

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

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Homestead Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2009	\$ 80,359,490	\$ 35,800,130	\$ 50,959,170	\$ 42,640,030	\$ 124,478,760	342.62	\$ 1,278,859,295	13.07%
2010	83,540,140	35,638,030	46,163,720	43,883,160	121,458,730	444.29	1,277,762,150	12.94%
2011	89,062,970	35,780,470	38,177,500	45,925,907	117,095,033	432.99	1,278,471,460	12.75%
2012	93,035,570	35,472,550	39,589,200	47,441,907	120,655,413	428.72	1,325,668,067	12.68%
2013	95,327,900	38,361,480	42,317,950	47,592,300	128,415,030	433.14	1,388,295,897	12.68%
2014	97,896,180	37,697,300	53,918,680	48,670,969	140,841,191	391.26	1,430,984,520	13.24%
2015	102,305,550	39,796,230	46,540,100	50,234,143	138,407,737	385.19	1,432,651,519	13.17%
2016	103,023,169	41,855,890	47,011,100	51,117,725	140,772,434	394.17	1,432,680,444	13.39%
2017	102,944,643	48,770,017	43,107,510	53,431,546	141,390,624	418.15	1,550,562,932	12.56%
2018	104,642,403	49,815,587	39,183,820	54,189,541	139,452,269	415.16	1,548,992,495	12.50%

Source: Vernon Parish Tax Assessor Agency

Notes:

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

Table 6

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year Ended June 30	School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total School Millage	Vernon Parish Police Jury	City of Leesville	
2009	144.97	197.65	342.62	117.17	15.06	474.85
2010	152.22	292.07	444.29	122.16	15.06	581.51
2011	157.20	275.79	432.99	130.07	16.60	579.66
2012	157.20	271.52	428.72	130.07	17.76	576.55
2013	158.45	274.69	433.14	134.43	17.76	585.33
2014	158.45	232.81	391.26	134.43	18.70	544.39
2015	158.45	226.74	385.19	135.43	18.10	538.72
2016	158.45	235.72	394.17	134.43	17.50	546.10
2017	175.58	242.57	418.15	140.41	17.50	576.06
2018	178.91	236.25	415.16	140.41	17.56	573.13

## Notes:

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

Source: Vernon Parish Tax Assessor

Table 7

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Principal Property Taxpayers  
June 30, 2018 and Nine Years Ago

Taxpayer	Fiscal Year 2018			Fiscal Year 2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Cleco Corporation	\$ 5,139,810	1	3.69%	\$ 3,907,870	5	3.14%
Regency	4,639,610	2	3.33%			
Zarvona Energy, LLC	2,985,180	3	2.14%			
Beauregard Electric Company	2,964,900	4	2.13%	2,028,640	8	1.63%
Tenneco, Inc.	2,887,080	5	2.07%			
Yuma Energy	2,268,630	6	1.63%			
Bell South Telecommunications	2,266,320	7	1.63%	4,236,520	4	3.40%
Amisub (Byrd Hospital)	2,244,940	8	1.61%	2,347,020	6	1.89%
Southwestern Electric	2,080,110	9	1.49%			
Sola Energy Resources	1,752,050	10	1.26%	11,758,160	1	9.45%
Sonoran				2,152,110	7	1.73%
Merit Energy				9,579,010	2	7.70%
Chesapeake Operating Co.				1,852,740	9	1.49%
Valley Electric				1,630,410	10	1.31%
Eagle Rock Energy				4,847,190	3	3.89%
Totals	\$ <u>29,228,630</u>			\$ <u>44,339,670</u>		

Source: Vernon Parish Tax Assessor Agency

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 4,734,204	\$ 4,617,879	97.54%	\$ 104,991	\$ 4,722,870	99.76%
2010	5,620,355	5,423,596	96.50%	136,017	5,559,613	98.92%
2011	6,274,406	6,132,048	97.73%	48,693	6,180,741	98.51%
2012	7,090,335	7,005,340	98.80%	5,857	7,011,197	98.88%
2013	7,396,853	7,372,832	99.68%	27,957	7,400,789	100.05%
2014	7,766,306	7,528,063	96.93%	57,415	7,585,478	97.67%
2015	7,388,322	7,388,413	100.00%	5,585	7,393,998	100.08%
2016	7,560,753	7,525,400	99.53%	10,478	7,535,878	99.67%
2017	7,826,588	7,684,511	98.18%	80,010	7,764,521	99.21%
2018	7,786,694	7,695,261	98.83%	N/A	7,695,261	98.83%

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

N/A - Information is not yet available.

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

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

Fiscal Year	Sales and Use Tax Rates						Tax Collections					
	Parishwide			Municipalities			Parishwide			Municipalities		
	School Board	Police Jury	Sheriff's Office	Total Rate	Leesville	Other	School Board	Police Jury	Sheriff's Office	Leesville	Other	Total Collections
2009	2.00%	1.50%	0.50%	4.00%	1.50%	3.50%	\$ 10,333,059	\$ 7,936,729	\$ 2,575,893	\$ 3,959,316	\$ 262,433	\$ 25,067,430
2010	2.00%	1.50%	0.50%	4.00%	1.50%	3.50%	10,929,707	8,196,150	2,731,383	4,164,579	498,759	26,520,578
2011	2.00%	1.50%	0.50%	4.00%	1.50%	3.50%	10,773,530	8,079,219	2,694,610	4,027,757	549,709	26,124,825
2012	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	11,966,547	8,973,442	2,990,986	4,183,411	704,918	28,819,304
2013	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	12,267,041	9,199,050	3,066,331	4,342,739	801,563	29,676,724
2014	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	11,932,505	8,944,410	2,981,459	4,210,115	806,217	28,874,706
2015	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	12,125,260	9,092,880	3,030,951	4,320,356	914,294	29,483,741
2016	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	12,300,332	9,225,248	3,075,082	4,544,340	930,031	30,075,033
2017	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	11,495,206	8,621,340	2,873,793	4,259,728	995,641	28,245,708
2018	2.00%	1.50%	0.50%	4.00%	1.50%	4.00%	11,181,906	8,386,484	2,795,481	4,159,813	965,437	27,489,121

Notes:

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

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Certificate of Indebtedness	Capital Leases	Total Debt Outstanding	Percentage of Personal Income	Per Capita
2009	\$ 20,903,444	\$ 0	\$ 30,672	\$ 20,934,116	1.27%	\$ 459
2010	19,812,902	0	15,984	19,828,886	1.02%	425
2011	42,074,641	0	0	42,074,641	1.91%	804
2012	42,330,636	1,600,000	0	43,930,636	2.14%	843
2013	40,526,959	1,295,000	0	41,821,959	1.77%	776
2014	38,167,501	980,000	0	39,147,501	1.79%	744
2015	36,782,000	660,000	301,698	37,743,698	1.55%	724
2016	34,338,000	335,000	228,686	34,901,686	1.79%	687
2017	34,412,000	0	480,956	34,892,956	1.78%	690
2018	32,410,639	0	786,325	33,196,964	1.68%	654

## Notes:

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

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	\$ 20,903,444	\$ 1,470,228	\$ 19,433,216	1.52%	426
2010	19,812,902	1,689,706	18,123,196	1.42%	389
2011	42,074,641	2,351,667	39,722,974	3.11%	759
2012	42,330,636	2,363,758	39,966,878	3.01%	767
2013	40,526,959	2,722,207	37,804,752	2.72%	702
2014	38,167,501	2,515,292	35,652,209	2.49%	678
2015	36,782,000	2,090,610	34,691,390	2.42%	665
2016	34,338,000	2,014,073	32,323,927	2.26%	636
2017	34,412,000	1,997,939	32,414,061	2.09%	641
2018	32,410,639	2,008,236	30,402,403	1.96%	599

## Notes:

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

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Direct and Overlapping Governmental Activities Debt  
As of June 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Debt repaid</b>			
Vernon Parish Police Jury	\$ 11,611,900	100.00%	\$ 11,611,900
City of Leesville	2,925,000	100.00%	2,925,000
Subtotal, overlapping debt			<u>14,536,900</u>
<b>Vernon Parish School Board Direct Debt</b>	33,196,964		<u>33,196,964</u>
Total direct and overlapping debt			<u><u>\$ 47,733,864</u></u>

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

Notes:

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

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Legal Debt Margin Information  
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 83,559,395	\$ 82,670,945	\$ 81,510,470	\$ 84,048,660	\$ 88,003,665	\$ 94,756,080	\$ 94,320,940	\$ 95,945,080	\$ 97,411,085	\$ 96,820,905
Total net debt applicable to limit	<u>19,433,216</u>	<u>18,123,196</u>	<u>39,722,974</u>	<u>39,966,878</u>	<u>37,804,752</u>	<u>35,652,209</u>	<u>34,691,390</u>	<u>32,323,927</u>	<u>32,414,061</u>	<u>30,402,403</u>
Legal debt margin	\$ <u>64,126,179</u>	\$ <u>64,547,749</u>	\$ <u>41,787,496</u>	\$ <u>44,081,782</u>	\$ <u>50,198,913</u>	\$ <u>59,103,871</u>	\$ <u>59,629,550</u>	\$ <u>63,621,153</u>	\$ <u>64,997,024</u>	\$ <u>66,418,502</u>
Total net debt applicable to the limit as a percentage of debt limit	23.26%	21.92%	48.73%	47.55%	42.96%	37.63%	36.78%	33.69%	33.28%	31.40%

**Legal Debt Margin Calculation for Fiscal Year 2018**

Assessed value	139,452,269
Add back: exempt real property	<u>54,189,541</u>
Total assessed value	<u>193,641,810</u>
Debt limit ( 50% of total assessed value)	<u>96,820,905</u>
Debt applicable to limit:	
General Obligation bonds	32,410,639
Less: Amount set aside for repayment of general obligation debt	<u>2,008,236</u>
Total net debt applicable to limit	<u>30,402,403</u>
Legal debt margin	<u>66,418,502</u>

Source: Comprehensive Annual Financial Report

Notes:

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

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Demographic and Economic Statistics  
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	School Enrollment	Percentage on Free & Reduced Meals	Unemployment Rate
2009	45,639	\$ 1,586,594,196	\$ 34,764	9,661	57.55%	4.6%
2010	46,616	1,943,234,576	41,686	9,363	59.25%	5.9%
2011	52,334	2,202,162,386	42,079	9,348	59.60%	7.3%
2012	52,107	2,055,047,973	39,439	9,496	57.50%	7.7%
2013	53,869	2,364,148,803	43,887	9,687	57.60%	6.5%
2014	52,606	2,187,094,450	41,575	9,716	58.90%	7.2%
2015	52,132	2,427,891,504	46,572	9,372	54.99%	8.4%
2016	50,803	1,950,022,352	38,384	8,649	47.09%	7.7%
2017	50,569	1,956,160,627	38,683	8,259	47.59%	7.3%
2018	50,726	1,974,712,454	38,929	8,303	60.68%	6.5%

## Sources:

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

Table 15

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Principal Employers  
Current Year and Nine Years Ago

	2018			2009		
	Number of Employees		% of Total Employment	Number of Employees		% of Total Employment
Fort-Polk- JRTC (active duty)	7,815	1	33.79%	9,951	1	34.14%
Fort-Polk- JRTC (civilian employees)	5,703	2	24.66%	6,473	2	22.21%
Vernon Parish School Board	1,251	3	5.41%	1,447	3	4.96%
Wal-Mart Supercenter	430	4	1.86%	500	4	1.72%
Lowes Home Cntr	400	5	1.73%	125	10	0.43%
Byrd Regional Hospital	350	6	1.51%	260	5	0.89%
Barksdale Fed. Credit Union	200	7	0.86%			
Outpatient Medical Center	198	8	0.86%			
Vernon Parish Sheriff's Office	125	9	0.54%	179	7	0.61%
American Moving & Storage	120	10	0.52%			
Vernon Parish Police Jury				210	6	0.72%
The Woodlands				150	8	0.51%
Leesville Development Cntr				125	9	0.43%

Source: Louisiana Economic Development

Notes:

(1) Employment data obtained from U.S. Department of Labor. Non civilian labor has been added to total.

(2) Military stats obtained from [www.jrtc-polk.army.mil](http://www.jrtc-polk.army.mil)

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

School Personnel  
Fiscal Years Ended June 30, 2009 through June 30, 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Teachers										
Less than a Bachelor's degree	3	5	-	-	3	3	1	1	1	0
Bachelor	472	492	487	483	495	480	474	447	441	417
Master	110	104	104	110	119	112	117	116	116	105
Master +30	43	35	27	23	23	22	25	22	17	13
Specialist in Education	2	1	1	1	1	1	2	2	2	1
Ph.D or Ed.D	1	1	-	-	-	-	-	-	-	0
Total	631	638	619	617	641	618	619	588	577	536
Principals & Assistants										
Bachelor	-	-	-	-	-	-	-	-	2	2
Master	20	16	16	21	18	20	2	3	21	21
Master +30	20	22	23	19	21	18	23	22	12	14
Specialist in Education	2	2	2	1	1	1	15	12	1	0
Ph.D or Ed.D	-	-	-	-	-	-	1	1	-	0
Total	42	40	41	41	40	39	41	38	36	37

Source:

2009-2017 Agreed upon procedures report on performance and statistical data accompanying the annual financial statements.

2018 Vernon Parish School Board

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Student Capacity and Utilization

Instructional Sites	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
<u>High Schools:</u>									
Anacoco High School									
Square feet	53,712	53,712	53,712	53,712	53,712	53,712	53,712	53,712	53,712
Number of classrooms	26	26	26	26	26	26	26	26	26
Student capacity	898	898	898	898	898	898	898	898	898
Student enrollment	378	400	387	345	350	385	364	335	364
Enrollment per # of Classrooms	15	15	15	13	13	15	14	13	14
Square feet per enrollment	142	134	139	156	153	140	148	160	148
Evans High School									
Square feet	65,105	65,105	65,105	65,105	65,105	65,105	65,105	65,105	65,105
Number of classrooms	20	20	20	20	20	20	20	20	20
Student capacity	731	731	731	731	731	731	731	731	731
Student enrollment	366	349	425	397	391	396	382	371	394
Enrollment per # of Classrooms	18	17	21	20	20	20	19	19	20
Square feet per enrollment	178	187	153	164	167	164	170	175	165
Hicks High School									
Square feet	61,425	61,425	61,425	61,425	61,425	61,425	61,425	61,425	61,425
Number of classrooms	18	18	18	18	18	18	18	18	18
Student capacity	633	633	633	633	633	633	633	633	633
Student enrollment	305	333	363	344	340	367	352	344	369
Enrollment per # of Classrooms	17	19	20	19	19	20	20	19	21
Square feet per enrollment	201	184	169	179	181	167	175	179	166
Hornbeck High School									
Square feet	87,821	87,821	87,821	87,821	87,821	87,821	87,821	87,821	87,821
Number of classrooms	33	33	33	33	33	33	33	33	33
Student capacity	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067
Student enrollment	455	461	456	450	431	419	402	362	366
Enrollment per # of Classrooms	14	14	14	14	13	13	12	11	11
Square feet per enrollment	193	191	193	195	204	210	218	243	240
Leesville High School									
Square feet	217,411	217,411	217,411	217,411	217,411	217,411	217,411	217,411	217,411
Number of classrooms	66	66	66	66	66	66	66	66	66
Student capacity	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338	2,338
Student enrollment	905	890	877	804	800	782	787	735	714
Enrollment per # of Classrooms	14	13	13	12	12	12	12	11	11
Square feet per enrollment	240	244	248	270	272	278	276	296	304

(continued)

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Student Capacity and Utilization

Instructional Sites	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
<b>Pickering High School</b>									
Square feet	103,221	103,221	103,221	103,221	103,221	103,221	103,221	103,221	103,221
Number of classrooms	33	33	33	33	33	33	33	33	33
Student capacity	938	938	938	938	938	938	938	938	938
Student enrollment	443	488	578	586	616	630	617	519	477
Enrollment per # of Classrooms	13	15	18	18	19	19	19	16	14
Square feet per enrollment	233	212	179	176	168	164	167	199	216
<b>Pitkin High School</b>									
Square feet	105,812	105,812	105,812	105,812	105,812	105,812	105,812	105,812	105,812
Number of classrooms	45	45	45	45	45	45	45	45	45
Student capacity	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453	1,453
Student enrollment	511	531	526	507	512	518	512	449	496
Enrollment per # of Classrooms	11	12	12	11	11	12	11	10	11
Square feet per enrollment	207	199	201	209	207	204	207	236	213
<b>Rosepine High School</b>									
Square feet	82,887	82,887	82,887	82,887	82,887	82,887	82,887	82,887	82,887
Number of classrooms	35	35	35	35	35	35	35	35	35
Student capacity	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235
Student enrollment	526	516	548	498	500	507	516	526	529
Enrollment per # of Classrooms	15	15	16	14	14	14	15	15	15
Square feet per enrollment	158	161	151	166	166	163	161	158	157
<b>Simpson High School</b>									
Square feet	68,779	68,779	68,779	68,779	68,779	68,779	68,779	68,779	68,779
Number of classrooms	29	29	29	29	29	29	29	29	29
Student capacity	981	981	981	981	981	981	981	981	981
Student enrollment	322	354	347	323	317	302	283	263	270
Enrollment per # of Classrooms	11	12	12	11	11	10	10	9	9
Square feet per enrollment	214	194	198	213	217	228	243	262	255
<b>Middle Schools:</b>									
<b>Leesville Jr. High School</b>									
Square feet	71,544	71,544	71,544	71,544	71,544	71,544	71,544	71,544	71,544
Number of classrooms	40	40	40	40	40	40	40	40	40
Student capacity	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
Student enrollment	581	533	506	468	467	398	392	386	398
Enrollment per # of Classrooms	15	13	13	12	12	10	10	10	10
Square feet per enrollment	123	134	141	153	153	180	183	185	180

(continued)

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Student Capacity and Utilization

Instructional Sites	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
<b>Vernon Middle School</b>									
Square feet	77,919	77,919	77,919	77,919	77,919	77,919	77,919	77,919	77,919
Number of classrooms	41	41	41	41	41	41	41	41	41
Student capacity	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433	1,433
Student enrollment	542	543	514	459	419	367	407	390	383
Enrollment per # of Classrooms	13	13	13	11	10	9	10	10	9
Square feet per enrollment	144	143	152	170	186	212	191	200	203
<b>Elementary Schools:</b>									
<b>East Leesville Elementary School</b>									
Square feet	73,247	73,247	73,247	73,247	73,247	73,247	73,247	73,247	73,247
Number of classrooms	33	33	33	33	33	33	33	33	33
Student capacity	898	898	898	898	898	898	898	898	898
Student enrollment	353	525	512	521	514	483	479	355	489
Enrollment per # of Classrooms	11	16	16	16	16	15	15	11	15
Square feet per enrollment	207	140	143	141	143	152	153	206	150
<b>Pickering Elementary School</b>									
Square feet	60,601	60,601	60,601	60,601	60,601	60,601	60,601	60,601	60,601
Number of classrooms	46	46	46	46	46	46	46	46	46
Student capacity	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377	1,377
Student enrollment	717	865	931	904	895	903	898	709	753
Enrollment per # of Classrooms	16	19	20	20	19	20	20	15	16
Square feet per enrollment	85	70	65	67	68	67	67	85	80
<b>South Polk Elementary School</b>									
Square feet	62,313	62,313	62,313	62,313	62,313	62,313	62,313	62,313	62,313
Number of classrooms	29	29	29	29	29	29	29	29	29
Student capacity	857	857	857	857	857	857	857	857	857
Student enrollment	591	550	536	491	461	459	456	456	456
Enrollment per # of Classrooms	20	19	18	17	16	16	16	16	16
Square feet per enrollment	105	113	116	127	135	136	137	137	137
<b>Parkway Elementary School</b>									
Square feet								94,982	94,982
Number of classrooms								50	50
Student capacity								1,000	1,000
Student enrollment								638	604
Enrollment per # of Classrooms								13	12
Square feet per enrollment								149	157

(continued)

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Student Capacity and Utilization

Instructional Sites	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
<b>West Leesville Elementary School</b>									
Square feet	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899	74,899
Number of classrooms	25	25	25	25	25	25	25	25	25
Student capacity	746	746	746	746	746	746	746	746	746
Student enrollment	512	453	449	424	399	423	436	441	424
Enrollment per # of Classrooms	20	18	18	17	16	17	17	18	17
Square feet per enrollment	146	165	167	177	188	177	172	170	177
<b>Rosepine Elementary School</b>									
Square feet	82,883	82,883	82,883	82,883	82,883	82,883	82,883	82,883	82,883
Number of classrooms	41	41	41	41	41	41	41	41	41
Student capacity	970	970	970	970	970	970	970	970	970
Student enrollment	759	860	884	830	779	780	768	711	882
Enrollment per # of Classrooms	19	21	22	20	19	19	19	17	22
Square feet per enrollment	109	96	94	100	106	106	108	117	94
<b>Anacoco Elementary School</b>									
Square feet	54,851	54,851	54,851	54,851	54,851	54,851	54,851	54,851	54,851
Number of classrooms	30	30	30	30	30	30	30	30	30
Student capacity	775	775	775	775	775	775	775	775	775
Student enrollment	532	538	519	531	538	564	550	492	539
Enrollment per # of Classrooms	18	18	17	18	18	19	18	16	18
Square feet per enrollment	103	102	106	103	102	97	100	111	102
<b>North Polk Elementary School</b>									
Square feet	83,457	83,457	83,457	83,457	83,457	83,457	83,457	83,457	83,457
Number of classrooms	40	40	40	40	40	40	40	40	40
Student capacity	895	895	895	895	895	895	895	895	895
Student enrollment	553	774	821	792	713	653	639	233	378
Enrollment per # of Classrooms	14	19	21	20	18	16	16	6	9
Square feet per enrollment	151	108	102	105	117	128	131	358	221
<b>Vernon Optional Elementary School</b>									
Square feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000		
Number of classrooms	8	8	8	8	8	8	8		
Student capacity	35	35	35	35	35	35	35		
Student enrollment	12	15	2	13	22	0	0		
Enrollment per # of Classrooms	2	2	0	2	3	0	0		
Square feet per enrollment	667	533	4,000	615	364				

(concluded)

Note 1: Includes PreK

South Polk Elementary School closed in June 30, 2016

Source: Louisiana Dept. of Education Data Center

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

VERNON PARISH SCHOOL BOARD  
Leesville, Louisiana

Operating Statistics  
For the Fiscal Years Ended June 30, 2009 through June 30, 2018

Fiscal Year Ended June 30	Expenses	Enrollment	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/ Teacher Ratio
2009	\$ 98,435,321	9,661	\$ 10,189	5.35%	631	15.31
2010	100,687,016	9,363	10,754	5.54%	638	14.68
2011	103,929,350	9,348	11,118	3.39%	619	15.10
2012	109,189,659	9,496	11,498	3.42%	617	15.39
2013	107,678,961	9,687	11,116	(3.33%)	641	15.11
2014	107,228,602	9,716	11,036	(0.72%)	618	15.71
2015	101,826,191	9,336	10,907	(1.17%)	619	15.08
2016	98,850,081	8,649	11,429	4.79%	588	14.71
2017	106,276,812	8,259	12,868	12.59%	577	14.31
2018	105,149,913	8,303	12,664	(1.58%)	536	15.49

## Notes:

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

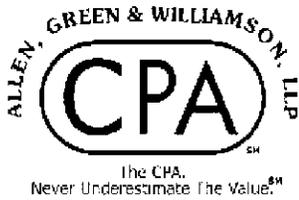
**Vernon Parish School Board**

Leesville, Louisiana

**Single Audit Report  
And Other Information  
For the Year Ended June 30, 2018**

**Vernon Parish School Board  
Table of Contents**

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	5-6
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	7-9
Schedule of Expenditures of Federal Awards	10-11
Notes to the Schedule of Expenditures of Federal Awards	12
Schedule of Findings and Questioned Costs	13
OTHER INFORMATION	14
Agreed-upon Procedures	15
Independent Accountant's Report on Applying Statewide Agreed-upon Procedures	16-21
Independent Accountant's Report on Applying BESE Agreed-upon Procedures	22-23
School Board prepared Performance and Statistical Data Schedules	24-25



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

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

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vernon Parish School Board as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated December 28, 2018.

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

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

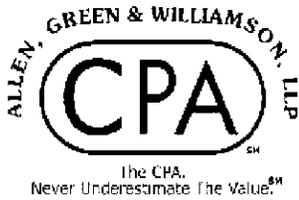
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Board's internal control or on compliance. This report is an integral part of an audit performed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

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

*Allen, Green and Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 28, 2018



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

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

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

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

We have audited Vernon Parish School Board's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 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 the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

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

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

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

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements. We issued our report thereon dated December 28, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been

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

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
December 28, 2018

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA No.	Pass-Through Grantor No.	Expenditures	
<b>United States Department of Agriculture</b>				
Passed Through Louisiana Department of Education:				
Child Nutrition Cluster:				
Cash Assistance				
School Breakfast Program	10.553	N/A	\$ 735,517	
National School Lunch Program	10.555	N/A	2,124,292	
Non-Cash Assistance				
National School Lunch Program	10.555	N/A	<u>362,955</u>	
Total Child Nutrition Cluster				\$ 3,222,764
Passed Through Louisiana Department of Treasury:				
Schools and Roads - Grants to States (National Forest Lands)	10.665	N/A		<u>124,444</u>
Total United States Department of Agriculture				<u>3,347,208</u>
<b>United States Department of Education</b>				
Direct Programs:				
Impact Aid - Maintenance and Operation	84.041	N/A		5,243,580
Passed Through Louisiana Department of Education:				
Title I:				
TAP Expansion 1003a	84.010A	28-17-TA-58	17,479	
Basic Grant Program	84.010A	28-18-T1-58	<u>2,174,059</u>	
Total Title I				2,191,538
Special Education Cluster:				
State Grants - Part B	84.027A	28-18-B1-58	2,324,268	
High Cost Services Rd 1	84.027A	28-18-RH-58	13,999	
Early Childhood Network Lead Agency	81.173A	28-18-CY-58	2,625	
Preschool Grants	84.173A	28-18-PI-58	<u>83,182</u>	
Total Special Education Cluster				2,424,074
Vocational Education - Basic				
Grants to States	84.048A	28-18-02-58		90,525
Supporting Effective Instruction State Grants (Title II)				
Title III - Immigration Set-aside	84.367A	28-18-50-58		417,638
Title III - Immigrant				
Title III - Immigrant	84.365	28-17-S3-58	389	
Title III - English Language Acquisition	84.365	28-18-S3-58	<u>14,677</u>	
				15,066
Striving Readers/Comprehensive Literacy Development				
Birth to Age 5	84.371C	28-18-SR01-58	64,544	
Grades K - 5	84.371C	28-18-SR02-58	<u>234,260</u>	
Total Striving Readers/Comprehensive Literacy Development				298,804
Rural Education Achievement Program	84.358B	28-18-RE-58		178,837
Title IV Student Support and Academic Enrichment Program	84.424	28-18-71-58		44,061
Indian Education	84.060	5060A150623		4,000
Total United States Department of Education				<u>\$ 10,908,123</u>

(Continued)

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

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA No.	Pass-Through Grantor No.	Expenditures
<b>United States Department of Health and Human Services</b>			
Direct Programs:			
Head Start	93.600	06CH5622/49	\$ 2,051,263
Passed Through Louisiana Department of Education:			
Temporary Assistance for Needy Families Cluster:			
LA4	93.558	28-18-36-58	943,609
Jobs for American Graduates	93.558	28-18-JS-58	<u>75,248</u>
Total Temporary Assistance for Needy Families Cluster			1,018,857
Child Care Development Block Grant Cluster	93.575	28-17-CO-58	<u>10,023</u>
Total United States Department of Health and Human Services			<u><u>3,080,143</u></u>
<b>United States Department of Defense</b>			
Direct Programs:			
Department of the Army - JROTC	12.UKN	N/A	116,730
Promoting K-12 Student Achievement at Military Con. Schools			
Promoting Achievement	12.556	N/A	316,534
Project Level	12.556	N/A	221,311
Project Navigate	12.556	N/A	172,864
			<u>710,709</u>
Total United States Department of Defense			<u><u>827,439</u></u>
<b>TOTAL FEDERAL AWARDS</b>			<u><u>\$ 18,162,913</u></u>

(Concluded)

**Vernon 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 includes the federal award activity of the Vernon Parish School Board, Leesville, Louisiana under programs of the federal government for the year ended June 30, 2018. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Board, it is not intended to and does not present the financial position or changes in net assets of the School Board.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements of the School Board's Comprehensive Annual Financial Report. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

<u>Federal Sources</u>	<u>Amount</u>
Major Funds:	
General	\$ 5,484,754
Non Major Funds:	
8G and Early Childhood Funds	311,452
Indian Education Grant	4,000
Vocational Education	108,004
Special Education	2,338,267
LA4	943,609
School Food Service	3,222,764
JAG	75,248
Miscellaneous Federal Grants	754,770
Title I	2,174,059
Title II	417,638
Title III	15,066
Head Start	2,051,263
Preschool	83,182
REAP	178,837
Total	<u>\$ 18,162,913</u>

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

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

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

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

**Vernon Parish School Board  
Schedule of Findings and Questioned Costs  
As of and For the Year Ended June 30, 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 considered material to the financial statements, as defined by the Government Auditing Standards.

**Audit of Federal Awards**

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

CFDA #84.010                      Title I – Grants to Local Educational Agencies

CFDA #84.367                      Title II - Supporting Effective Instruction

CFDA #93.558                      Temporary Assistance for Needy Families (TANF)

CFDA #84.371                      Striving Readers/Comprehensive Literacy Development

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

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

**OTHER INFORMATION**

**Vernon Parish School Board**

**AGREED UPON PROCECURES**



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

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

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

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

#### ***Board or Finance Committee***

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

#### ***Bank Reconciliations***

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

### ***Collections***

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- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
- e) Trace the actual deposit per the bank statement to the general ledger.

**Comment:** Three of the locations selected were school cafeterias. At these three locations both the manager and the assistant manager can collect cash, prepare bank deposits, and post the collections.

**Management's Response:** The only time that both would collect cash, prepare deposits, or post the collection is if either the manager or assistant manager would be absent. The lack of personnel in the cafeterias leads to this problem. Better procedures will be established where only the cafeteria manager will do these duties.

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

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

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

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

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

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14. 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.
15. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #14 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.
16. 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.

17. 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:** Two employees did not sign in or out on 1 day of the month tested. One employee did not sign in or out for a majority of the days tested and the principal did not approve a majority of the attendance sheets for this employee.

**Management's Response:** Employees will be counseled on proper sign in and sign out procedures. The Principal at each school will ensure that all employees are signing in or out every day and that all sign in sheets are properly signed by the Principal.

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

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

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

Monroe, Louisiana  
December 28, 2018



# ALLEN, GREEN & WILLIAMSON, LLP

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## INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING BESE AGREED-UPON PROCEDURES

Board Members  
Vernon Parish School Board  
Leesville, Louisiana

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

The procedures and associated findings are as follows:

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

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

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

**Comment:** No exceptions were noted as a result of applying the 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 10 classes to the October 1 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 the agreed upon procedures.

Education Levels/Experience of Public School Staff (NO SCHEDULE)

3. We obtained October 1<sup>st</sup> 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:** Two employees were included as having a bachelor's degree but according to the personnel files the employees had a master's degree.

**Management's response:** The employees had subsequently gone back to school after their original employment and received their master's degrees, one was a reinstated employee, but the Personnel Department failed to notify Payroll that the employees had received higher degrees. Procedures have been established to review all personnel files for any changes and make sure all employees are listed at the correct degree.

Public School Staff Data: Average Salaries (NO SCHEDULE)

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

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

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 School Board, as required by Louisiana Revised Statue 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

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

Monroe, Louisiana  
December 28, 2018



**VERNON PARISH SCHOOL BOARD**  
**Leesville, 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	37.88	419	50.9	563	9.86	109	1.36	15
Elementary Activity Classes	13.3	31	59.67	139	13.3	31	13.73	32
Middle/Jr. High	58.67	88	34	51	7.33	11	0	0
Middle/Jr. High Activity Classes	78.95	30	18.42	7	2.63	1	0	0
High	66.33	664	21.28	213	12.39	124	0	0
High Activity Classes	92.03	254	6.88	19	0.72	2	0.36	1
Combination	80.17	659	12.65	104	7.18	59	0	0
Combination Activity Classes	77.57	121	13.46	21	7.05	11	1.92	3

**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.