

# Union Parish School Board

Farmerville, Louisiana



## Annual Financial Report

As of and for the year ended June 30, 2017



**Union Parish School Board  
Farmerville, Louisiana**

**Annual Financial Report  
As of and for the Year Ended June 30, 2017**



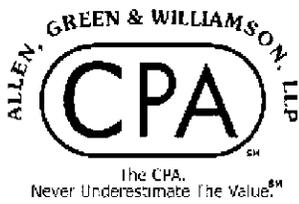
**Union Parish School Board  
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## **Independent Auditor's Report**

Board Members  
Union Parish School Board  
Farmerville, Louisiana

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

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

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

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

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

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Downsville Charter School, Inc. or Downsville Community Charter, Inc. which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. The statements for Downsville Community Charter, Inc. were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Downsville Community Charter, Inc., is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

***Summary of Opinions***

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
General Fund	Unmodified
Title I	Unmodified
Debt Service	Unmodified
Construction Fund #2	Unmodified
Construction Fund #3	Unmodified
Construction Fund #4	Unmodified
Aggregate Remaining Fund Information	Unmodified

***Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units***

The financial statements of Downsville Charter School, Inc. have not been audited, and we were not engaged to audit Downsville Charter School, Inc.’s financial statements as part of our audit of Union Parish School Board’s basic financial statements. Downsville Charter School Inc.’s financial activities are included in the School Board’s basic financial statements as a discretely presented component unit and represent 3.2%, 4.1% and .01% of the assets, net position, and revenues, respectively, of the School Board’s aggregate discretely presented component units.

***Qualified Opinion***

In our opinion, based on the reports of other auditors, except for the possible effects of the matter described in the “Basis for Qualified Opinion on the Aggregate Discretely Presented Component Units” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Union Parish School Board, as of June 30, 2017, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified 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 Union Parish School Board, as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, Schedule of Funding Progress for Other Post Employment Benefit Plan, Schedule of Employer’s Proportionate Share of the Net Pension Liability, Schedule of Employer Contributions to Pension Plans, the Budgetary Comparison Schedules, and 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*

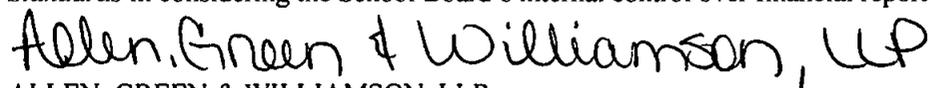
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Union Parish School Board's basic financial statements. The accompanying supplementary information, as listed in the table of contents, and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), 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, and the schedule of expenditures of federal awards, as required Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the accompanying supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2018 on our consideration of the Union 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 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 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

Monroe, Louisiana  
March 22, 2018

**REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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Our discussion and analysis of Union Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2017. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

A copy of the separate audit report for the discretely presented component unit Downsville Community Charter, Inc., may be obtained from the School Board. The discretely presented component unit Downsville Charter, Inc., was not audited for fiscal year ended June 30, 2017.

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

The fund balance of all governmental funds decreased by \$16,466,256 during the 2016-2017 fiscal year. This decrease in fund balances is due to the expenses related to construction projects utilizing proceeds from bonded debt received in the 2015-2016 fiscal year.

The School Board experienced a decrease in ad valorem tax revenue of \$271,785 due to the required reduction of tax millage collected for payment of bond principal and interest.

The amount received from the State Minimum Foundation Program increased by \$1,159,476 due to changes in level 2 funding of the MFP due to increased local tax collections.

The amount received from federal sources increased by \$1,656,219 due to a U.S. Department of Homeland Security grant for a Safe Room Project at Union Parish Elementary School.

**General Fund** The general fund is made up of two main funding sources, which are as follows: local and state. Local sources include such items as taxes, interest, services provided to charter schools and rentals that account for about 34.0% of the total revenue.

State sources, which total 66% of the revenue, consist of the MFP, PIP reimbursement and other allotments. Fund balance of the General Fund decreased by \$342,550 mainly due to payments of the local share of construction projects partially funded by federal grants and an increase in salaries and related benefits.

**Title I** This fund accounts for all activities designed to improve the educational opportunities of educationally deprived children by helping them succeed in their regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. The Title I fund neither increased nor decreased since it is a cost-reimbursement fund.

**Debt Service** This fund is used to accumulate monies to pay outstanding bond issues. The bonds were issued by the School Board to renovate, construct and improve school buildings, equipment and furnishings. The bond issuances are financed by ad valorem tax on property within the legal boundaries of the school district. There was a decrease in fund balance of \$118,920 mainly due to a required reduction of tax millages.

**Construction Fund #2** This is a capital project fund established to account for new construction and renovations to schools in the parish from bond proceeds. Fund balance decreased by \$8,002,980 mainly due to the expenses related to a construction project utilizing proceeds from bonded debt received in the 2015-2016 fiscal year.

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

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**Construction Fund #3** This is a capital project fund established to account for new construction and renovations to schools in the parish from bond proceeds. Fund balance decreased by \$10,943,980 mainly due to the expenses related to a construction project utilizing proceeds from bonded debt received in the 2015-2016 fiscal year.

**Construction Fund #4** This is a capital project fund established to account for new construction and renovations to schools in the parish from bond proceeds. This fund was established during the 2017 fiscal year and has a fund balance of \$3,521,444 from sale of revenue bonds issued.

**Nonmajor Governmental Funds** This includes several special revenue funds and capital projects funds. These funds had a decrease in fund balance of \$579,270. This decrease is mainly due to a decrease in sales tax collections and an increase in expenses related to construction projects.

**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 government-wide financial statements, as identified in the table of contents, - 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, as identified in the table of contents, are included later in this report. For our governmental funds, the fund financial statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds which are the General Fund, the Title I fund, the Debt Service fund, the Construction Fund #2, the Construction Fund #3 and the Construction Fund #4. 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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**Union Parish School Board  
Management's Discussion and Analysis (MD&A)  
June 30, 2017**

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***Financial Section***

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

**Basic Financial Statements**

**Government-wide  
Financial Statements**



**Fund  
Financial Statements**

**Notes to the Basic Financial Statements**

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

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

Our auditor has provided assurance in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated for the governmental activities, each major fund and aggregate remaining fund information; however, a qualified opinion was issued on the aggregate discretely presented component units. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

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

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

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

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

These two statements report the School Board's net position - the difference between assets 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.

**Component Units** - Downsville Charter, Inc. and Downsville Community Charter, Inc.'s services are reported here. The Downsville Community Charter, Inc. issued a separate audit report which may be obtained from the School Board. Downsville Charter, Inc. did not receive an audit for fiscal year ended June 30, 2017.

## **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 Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

**Governmental funds** - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements

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

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 reconciliations on Statements D and F.

**The School Board as Trustee**

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

The School Board is the trustee, or fiduciary, for its school activities funds. All of the School Board's fiduciary activities are reported in the Statements 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 \$(26,735,690) at June 30, 2017. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use the net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

**Table 1**  
**Net Position**  
**June 30,**

	<u>Governmental Activities</u>		Dollar Variance
	<u>2017</u>	<u>2016</u>	
Other assets	\$ 18,708,161	\$ 35,329,963	\$ (16,621,802)
Capital assets	40,776,672	18,927,759	21,848,913
Total assets	<u>59,484,833</u>	<u>54,257,722</u>	<u>5,227,111</u>
Deferred outflows	<u>5,868,771</u>	<u>3,931,205</u>	<u>1,937,566</u>
Other liabilities	4,753,782	4,359,321	394,461
Long-term liabilities	85,185,189	77,388,833	7,796,356
Total liabilities	<u>89,938,971</u>	<u>81,748,154</u>	<u>8,190,817</u>
Deferred inflows	<u>2,150,323</u>	<u>2,526,860</u>	<u>(376,537)</u>
Net position			
Net investment in capital assets	5,510,309	2,491,998	3,018,311
Restricted	2,243,175	2,453,868	(210,693)
Unrestricted	(34,489,174)	(31,031,953)	(3,457,221)
Total net position	<u>\$ (26,735,690)</u>	<u>\$ (26,086,087)</u>	<u>\$ (649,603)</u>

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

The deficit of \$(34,489,174) in unrestricted net position of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its non-capital liabilities such as compensated absences, net pension liability and OPEB liability, there would be a deficit of \$(34,489,174).

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities, reflected later as Statement B in the government-wide financial statements. Table 2 (below) takes the information from that statement, and rearranges it slightly by grouping all revenues in the same section.

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

	<u>Governmental Activities</u>		Dollar Variance
	<u>2017</u>	<u>2016</u>	
<b>Revenues:</b>			
Program revenues			
Charges for services	\$ 26,993	\$ 65,246	\$ (38,253)
Operating grants and contributions	5,016,235	5,151,495	(135,260)
Capital grants and contributions	1,914,914	199,931	1,714,983
General revenue			
Ad valorem taxes	5,243,683	5,515,468	(271,785)
Sales taxes	7,348,296	7,420,947	(72,651)
State minimum foundation program	13,676,235	12,516,759	1,159,476
Other general revenues	1,489,299	1,458,777	30,522
Total revenues	<u>34,715,655</u>	<u>32,328,623</u>	<u>2,387,032</u>
<b>Functions/Program expenses:</b>			
Instruction			
Regular programs	15,684,642	13,788,946	1,895,696
Special programs	2,024,276	1,883,203	141,073
Other instructional programs	3,147,734	2,738,144	409,590
Support services			
Student services	1,892,635	1,475,131	417,504
Instructional staff support	1,696,984	1,555,423	141,561
General administration	1,137,747	1,155,828	(18,081)
School administration	1,412,385	1,288,367	124,018
Business services	457,692	421,105	36,587
Plant services	1,494,354	1,415,874	78,480
Student transportation services	3,279,450	3,003,046	276,404
Central services	125,977	168,287	(42,310)
Food services	1,659,919	1,692,579	(32,660)
Community service programs	15,000	15,000	-
Interest on long-term debt	1,336,463	1,079,554	256,909
Total expenses	<u>35,365,258</u>	<u>31,680,487</u>	<u>3,684,771</u>
<b>Increase (decrease) in net position</b>	<u>(649,603)</u>	<u>648,136</u>	<u>(1,297,739)</u>
Net position - beginning	<u>(26,086,087)</u>	<u>(26,734,223)</u>	<u>648,136</u>
Net position - ending	<u>\$ (26,735,690)</u>	<u>\$ (26,086,087)</u>	<u>\$ (649,603)</u>

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

The decrease in net position for the current year of \$649,603 is mainly the result of an increase in instructional program expenses.

**Governmental Activities** As reported in the Statement of Activities, the cost of all governmental activities this year was \$35,365,258. The amount that taxpayers ultimately financed for these activities through School Board taxes was only \$12,591,979 because some of the cost was paid by those who benefited from the program, \$26,993, or by other governments and organizations who subsidized certain programs with grants and contributions, \$6,931,149. The remaining amount was paid in part from Minimum Foundation Funds of \$13,676,235 and other general revenues which included interest earnings of \$169,516, state revenue sharing of \$131,586 and miscellaneous revenues of \$1,188,197. After paying for current year expenses, net position decreased \$649,603.

In the table below we have presented the cost of each of the School Board's generally seven largest functions (based on the total cost of service) - regular programs, special programs, other instructional programs, student services, instructional staff support, student transportation services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows 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.

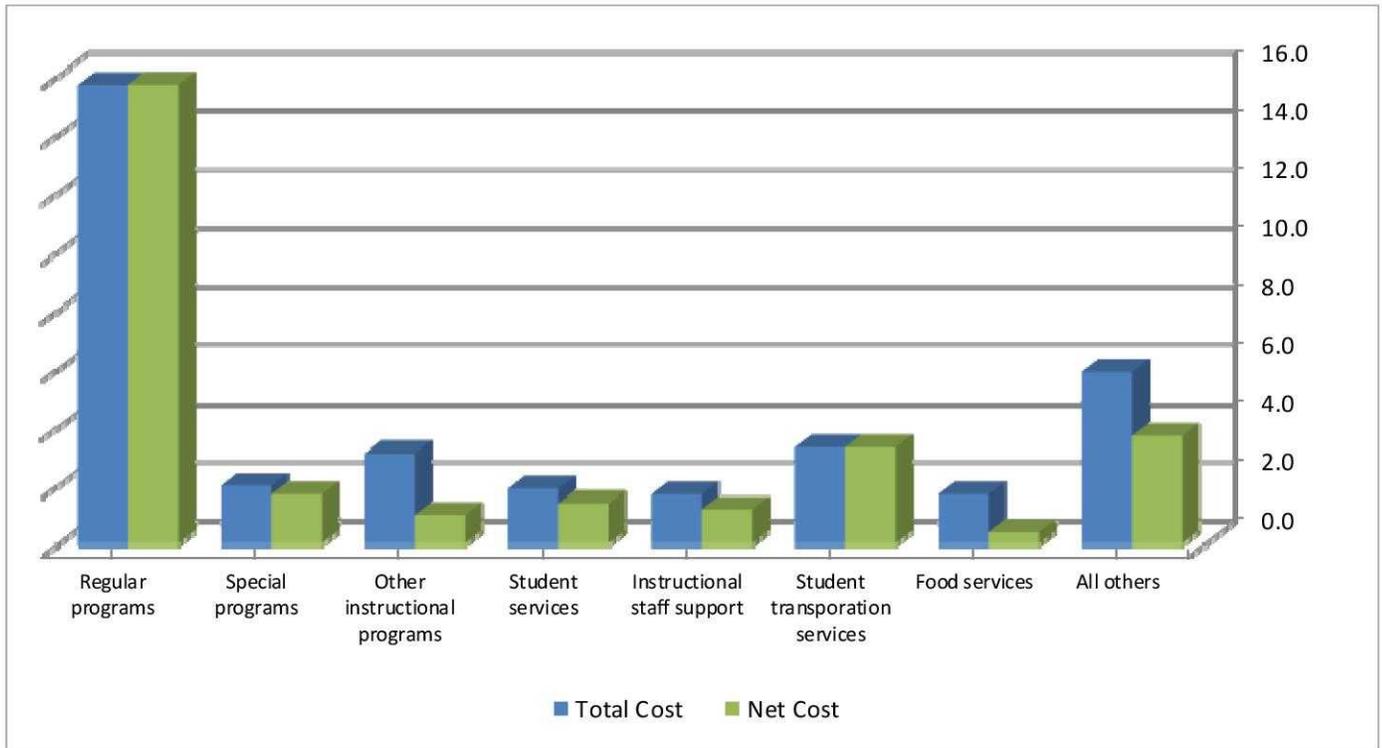
**Table 3**  
**Total Cost and Net Cost of Services**  
**For the Years Ended June 30,**

	<u>Total cost of services</u>			<u>Net cost of services</u>		
	<u>2017</u>	<u>2016</u>	<u>Dollar Variance</u>	<u>2017</u>	<u>2016</u>	<u>Dollar Variance</u>
Regular programs	\$ 15,684,642	\$ 13,788,946	\$ 1,895,696	\$ 15,667,877	\$ 13,712,041	\$ 1,955,836
Special programs	2,024,276	1,883,203	141,073	1,669,517	1,448,103	221,414
Other instructional programs	3,147,734	2,738,144	409,590	1,031,639	689,466	342,173
Student services	1,892,635	1,475,131	417,504	1,414,787	882,521	532,266
Instructional staff support	1,696,984	1,555,423	141,561	1,218,123	984,847	233,276
Student transportation services	3,279,450	3,003,046	276,404	3,255,681	2,969,541	286,140
Food services	1,659,919	1,692,579	(32,660)	402,402	573,174	(170,772)
All others	5,979,618	5,544,015	435,603	3,747,090	5,004,122	(1,257,032)
Totals	<u>\$35,365,258</u>	<u>\$31,680,487</u>	<u>\$3,684,771</u>	<u>\$28,407,116</u>	<u>\$ 26,263,815</u>	<u>\$2,143,301</u>

The total cost of all governmental activities increased by \$3,684,771 from 2016. This increase is mainly due to an increase in regular instruction and other support services.

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

**2017  
Total Cost of Services  
Versus  
Net Cost of Services  
(in millions)**



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

**General Fund Budgetary Highlights** The School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. A schedule showing the School Board's original and final budgets compared with the actual results is provided in the required supplementary information section of this report as Exhibit 3-1.

The School Board did not amend the general fund budget during fiscal year 2017.

The budgeted amount available for appropriations exceeded the actual by \$1,684,682. This is due to the budgeted transfers from other funds was not needed and the budget was not amended during the year.

The budgeted charges to appropriations exceeded the actual by \$809,871. This is due to actual operating transfers out being less than anticipated per the budget.

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** At June 30, 2017, the School Board had \$40,776,672 invested in a broad range of capital assets, including land, construction in progress, buildings and improvements, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$21,388,884, or 110% from last year. The increase was due mainly to construction in progress and completed construction projects.

<b>Capital Assets</b>			
<b>June 30,</b>			
	<u>2017</u>	<u>2016 *</u>	<u>Change</u>
Land	\$ 378,351	\$ 378,351	\$ -
Construction in progress	29,488,947	14,616,146	14,872,801
Buildings and improvements	8,989,337	2,544,753	6,444,584
Furniture and equipment	1,920,037	1,848,538	71,499
Total	<u>\$ 40,776,672</u>	<u>\$ 19,387,788</u>	<u>\$ 21,388,884</u>

\* The 2016 balance of capital assets was restated to include balances for Rocky Branch School that was previously reported as an investment in land and buildings. The adjustment to the 2016 balance was a net increase of \$460,029 in buildings and improvements.

This year's additions included construction in progress and completed construction projects.

**Debt Administration** At June 30, 2017, the School Board had \$45,115,000 outstanding for bonds issued during the fiscal year. Under state statute, the School Board is legally restricted from incurring long-term bonded debt in excess of 35% of the assessed value of taxable property. At June 30, 2017, the School Board's outstanding debt consisted of:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
General obligation bonds	\$ 41,515,000	\$ 41,870,000	\$ (355,000)
Limited revenue bond	3,600,000	-	3,600,000
	<u>\$ 45,115,000</u>	<u>\$ 41,870,000</u>	<u>\$ 3,245,000</u>

Additional information on capital assets and long-term debt can be found in Note 5 and Note 11, respectively, of the notes to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** Our elected and appointed officials and citizens consider many factors when setting the School Board's 2017-2018 fiscal year budget and tax rates. The School Board's budgets are used to gain a better overview of the financial operations of the Board and to assist management in making decisions for daily and extended operations.

Approximately 97% of state revenues come from MFP, which is driven by the student count along with the local tax effort. The 2017-18 MFP Budget Letter continues to reflect the decrease in funded membership for Union Parish. Union Parish's membership also reflects a high percentage of at risk students. This factor alone is indicative of the need for the Board to continue to look for ways to increase revenue and assure Union Parish citizens that tax dollars are utilized properly. Research based studies continue to show that "at risk" students require a greater concentration of academic measures to address the many needs of this student population. Overall, student performance generally

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

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falls into the lower quartiles of the testing scale. Students require more intensive instruction through the use of multiple strategies to address a variety of learning styles. Teacher training and student remediation, both during and after school hours, are necessary for students to achieve skills to be successful for state assessments and promotion. The ELL students, and/or SPED students also require resources beyond those provided by the regular education teacher. All of this leads to a higher cost of educating students and this must be considered as the School Board continues to look toward the future of education in Union Parish.

The Board had to consider that the MFP was based on the 2/1/2017 enrollment and that the population of the three Type 2 charter schools that draw from Union Parish. It was anticipated any increase in their enrollment would result in a decrease to Union Parish School Board's student population. The 10/1/2017 MFP funded count for Union Parish is 1,975, (a reduction of 141 students from 10/1/2016 count of 2,116). This decrease will result in decreased funding for the upcoming school year. The increase in charter enrollment would mean the additional loss of MFP and an increase to the local effort that is required to follow the student. Local effort was always utilized along with state dollars to meet the everyday and long-term liabilities of education.

Union Parish School Board is also the charter authority for a Type 3 Charter. Having both Type 2 & Type 3 charter schools has offered many challenges, especially with a limited number of students.

With the efforts of supervisors, principals, staff, the 21<sup>st</sup> Century grant, and the implementation of Ready & iReady programs as well as other supplemental programs, individual school scores at the junior high and high school level continue to reflect significant increases. In fact, the Union Parish High School has maintained a "B" rating for the second consecutive year. These programs were put in place to address the declining student enrollment and encourage the return of students that had previously departed. Enrollment must remain a top priority. The Board is considering several different options to assure that the educational needs of Union Parish students are and continue to be met. This must be done while attempting to utilize each dollar to the fullest educational value. Educational services have proven to play a large role in the overall economics of a parish. The quality of education and the performance of graduating students could mean the difference in the expansion or stagnation of local economy.

Capital improvements are currently underway and the district has hired a project management company to oversee all projects. Renovations to the Union Parish Elementary School and Downsville Community Charter School are completed as well as the added Safe Room at the Union Parish Elementary School. This was made possible by a FEMA awarded grant that connected all the buildings at the elementary school and provides the only safe room at a school in Louisiana. The construction of a new combined Union Parish High and Junior High School on current Board property is currently in progress and is expected to open with the beginning of the 2017-2018 school year.

Things are changing in Union Parish and we look towards the future with hope and knowledge that together, we can and will make a difference and educate our students to provide tomorrow's leaders.

**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 Emmett Gibbs, Business Manager, at Union Parish School Board, P. O. 308, Farmerville, Louisiana 71241-0308, telephone number (318) 368-9715.

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

UNION PARISH SCHOOL BOARD

STATEMENT OF NET POSITION  
June 30, 2017

Statement A

	<u>PRIMARY GOVERNMENT</u>	
	<u>GOVERNMENTAL ACTIVITIES</u>	<u>COMPONENT UNITS</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 16,381,223	\$ 1,110,338
Restricted assets		
Cash and cash equivalents	-	59,761
Receivables	2,288,664	88,603
Inventory	38,274	-
Capital assets not being depreciated		
Land and construction in progress	29,867,298	-
Capital assets being depreciated, net of depreciation		
Buildings and building improvements	8,989,337	-
Furniture and equipment	1,920,037	-
<b>TOTAL ASSETS</b>	<u>59,484,833</u>	<u>1,258,702</u>
<b>DEFERRED OUTFLOWS</b>		
Deferred outflows related to pensions	5,868,771	-
<b>LIABILITIES</b>		
Accounts, salaries and other payables	4,292,633	237,910
Interest payable	444,879	-
Unearned revenue	16,270	-
Long-term liabilities		
Due within one year	1,477,758	13,650
Due in more than one year	83,707,431	34,208
<b>TOTAL LIABILITIES</b>	<u>89,938,971</u>	<u>285,768</u>
<b>DEFERRED INFLOWS</b>		
Deferred inflows related to pensions	2,150,323	-
<b>NET POSITION</b>		
Net investment in capital assets	5,510,309	-
Restricted for:		
Debt service	2,141,439	-
Grants and donations	718	-
Additional salaries and benefits	101,018	-
School activity funds	-	59,761
Unrestricted	(34,489,174)	913,173
<b>TOTAL NET POSITION</b>	<u>\$ (26,735,690)</u>	<u>\$ 972,934</u>

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

**UNION PARISH SCHOOL BOARD**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2017**

Statement B

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				PRIMARY	Statement B
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENT	COMPONENT
					GOVERNMENTAL ACTIVITIES	UNITS
					NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
<i>Governmental activities:</i>						
Instruction:						
Regular programs	\$ 15,684,642	\$ -	\$ 16,765	\$ -	\$ (15,667,877)	
Special programs	2,024,276	-	354,759	-	(1,669,517)	
Other instructional programs	3,147,734	-	2,116,095	-	(1,031,639)	
Support services:						
Student services	1,892,635	-	477,848	-	(1,414,787)	
Instructional staff support	1,696,984	-	478,861	-	(1,218,123)	
General administration	1,137,747	-	249,500	-	(888,247)	
School administration	1,412,385	-	859	-	(1,411,526)	
Business services	457,692	-	46,768	-	(410,924)	
Plant services	1,494,354	-	7,975	1,914,914	428,535	
Student transportation services	3,279,450	-	23,769	-	(3,255,681)	
Central services	125,977	-	12,500	-	(113,477)	
Food services	1,659,919	26,993	1,230,524	-	(402,402)	
Community service programs	15,000	-	12	-	(14,988)	
Interest on long-term debt	1,336,463	-	-	-	(1,336,463)	
<b>Total Governmental Activities</b>	<b>35,365,258</b>	<b>26,993</b>	<b>5,016,235</b>	<b>1,914,914</b>	<b>(28,407,116)</b>	
<i>Component units:</i>						
Downsville Charter School, Inc.	\$ 25	\$ -	\$ -	\$ -		\$ (25)
Downsville Community Charter School, Inc.	2,999,579	14,227	133,535	-		(2,851,817)
<b>Total Component unit</b>	<b>\$ 2,999,604</b>	<b>\$ 14,227</b>	<b>\$ 133,535</b>	<b>\$ -</b>		<b>\$ (2,851,842)</b>
General revenues:						
Taxes:						
Property taxes, levied for general purposes					5,243,683	-
Sales taxes, levied for general purposes					7,348,296	-
Grants and contributions not restricted to specific programs						
Minimum Foundation Program					13,676,235	3,447,663
State revenue sharing					131,586	-
Interest and investment earnings					169,516	1,554
Miscellaneous					1,188,197	37,584
<b>Total general revenues</b>					<b>27,757,513</b>	<b>3,486,801</b>
Changes in net position					(649,603)	634,959
Net position - beginning					(26,086,087)	337,975
Net position - ending					<b>\$ (26,735,690)</b>	<b>\$ 972,934</b>

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

**Union Parish School Board**

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**BASIC FINANCIAL STATEMENTS:**

**FUND FINANCIAL STATEMENTS (FFS)**

**UNION PARISH SCHOOL BOARD**

**GOVERNMENTAL FUNDS  
Balance Sheet  
June 30, 2017**

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>	<u>CONSTRUCTION FUND #2</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 837,099	\$ -	\$ 2,582,512	\$ 128,173
Receivables	377,974	781,726	2,570	-
Interfund receivables	1,912,946	-	1,236	-
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<u>3,128,019</u>	<u>781,726</u>	<u>2,586,318</u>	<u>128,173</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts, salaries and other payables	1,409,674	132,567	-	119,793
Interfund payables	65,937	649,159	-	-
Unearned revenues	639	-	-	-
<b>Total Liabilities</b>	<u>1,476,250</u>	<u>781,726</u>	<u>-</u>	<u>119,793</u>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	2,586,318	8,380
Committed	103,920	-	-	-
Unassigned	1,547,849	-	-	-
<b>Total Fund Balances</b>	<u>1,651,769</u>	<u>-</u>	<u>2,586,318</u>	<u>8,380</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,128,019</u>	<u>\$ 781,726</u>	<u>\$ 2,586,318</u>	<u>\$ 128,173</u>

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

Statement C

CONSTRUCTION FUND #3	CONSTRUCTION FUND #4	NONMAJOR GOVERNMENTAL	TOTAL
\$ 8,936,839	\$ 3,541,444	\$ 355,156	\$ 16,381,223
-	-	1,126,394	2,288,664
-	-	263,743	2,177,925
-	-	38,274	38,274
<u>8,936,839</u>	<u>3,541,444</u>	<u>1,783,567</u>	<u>20,886,086</u>
2,254,050	20,000	356,549	4,292,633
-	-	1,462,829	2,177,925
-	-	15,631	16,270
<u>2,254,050</u>	<u>20,000</u>	<u>1,835,009</u>	<u>6,486,828</u>
-	-	22,643	22,643
6,682,789	3,521,444	101,736	12,900,667
-	-	128,007	231,927
-	-	(303,828)	1,244,021
<u>6,682,789</u>	<u>3,521,444</u>	<u>(51,442)</u>	<u>14,399,258</u>
<u>\$ 8,936,839</u>	<u>\$ 3,541,444</u>	<u>\$ 1,783,567</u>	<u>\$ 20,886,086</u>

**Union Parish School Board**

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**UNION PARISH SCHOOL BOARD**

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

**Statement D**

Total fund balances - governmental funds \$ 14,399,258

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 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	\$ 50,477,508	
Accumulated depreciation	<u>(9,700,836)</u>	
		40,776,672

Deferred outflows of resources related to pensions are not due and payable in the current period and accordingly are not reported in the governmental funds. 5,868,771

Deferred inflows of resources related to pensions are not available to pay current period expenditures and therefore are not reported in the governmental funds. (2,150,323)

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

Balances at June 30, 2017 are:

Long-term liabilities		
General obligation debt	(41,515,000)	
Limited revenue debt	(3,600,000)	
Bond premium	(363,976)	
Net pension liability	(28,798,947)	
OPEB liability	(10,062,831)	
Compensated absences payable	(844,435)	
Interest payable	<u>(444,879)</u>	
		<u>(85,630,068)</u>

Net Position - Governmental Activities \$ (26,735,690)

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

**UNION PARISH SCHOOL BOARD**

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

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>	<u>CONSTRUCTION FUND #2</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ 3,394,872	\$ -	\$ 1,592,902	\$ -
Sales and use	2,449,432	-	-	-
Interest earnings	49,933	-	7,288	15,825
Food services	-	-	-	-
Other	1,190,672	-	-	-
State sources:				
Equalization	13,651,235	-	-	-
Other	122,781	-	-	-
Federal sources	-	1,703,575	-	-
<b>Total Revenues</b>	<u>20,858,925</u>	<u>1,703,575</u>	<u>1,600,190</u>	<u>15,825</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	13,726,720	-	-	60,110
Special programs	1,334,387	-	-	-
Other instructional programs	719,009	1,344,515	-	-
Support services:				
Student services	853,043	38,037	-	-
Instructional staff support	986,470	142,956	-	-
General administration	662,791	131,302	52,931	600
School administration	1,131,723	-	-	-
Business services	326,351	46,519	1,300	39
Plant services	296,370	-	-	13,337
Student transportation services	2,514,365	246	-	-
Central services	97,889	-	-	-
Food services	201,420	-	-	-
Community service programs	15,000	-	-	-
Capital outlay	463,378	-	-	8,055,289
Debt service:				
Principal retirement	-	-	355,000	-
Interest and bank charges	18,872	-	1,309,879	-
<b>Total Expenditures</b>	<u>23,347,788</u>	<u>1,703,575</u>	<u>1,719,110</u>	<u>8,129,375</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (2,488,863)</u>	<u>\$ -</u>	<u>\$ (118,920)</u>	<u>\$ (8,113,550)</u>

Statement E

CONSTRUCTION FUND #3	CONSTRUCTION FUND #4	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ -	\$ 255,909	\$ 5,243,683
-	-	4,898,864	7,348,296
79,570	8,452	8,448	169,516
-	-	26,993	26,993
-	-	824	1,191,496
-	-	25,000	13,676,235
-	-	279,635	402,416
-	-	4,956,744	6,660,319
79,570	8,452	10,452,417	34,718,954
19,404	-	968,270	14,774,504
-	-	553,740	1,888,127
-	-	884,952	2,948,476
-	-	586,189	1,477,269
-	-	431,686	1,561,112
-	72,526	177,710	1,097,860
-	-	159,113	1,290,836
-	-	45,186	419,395
-	-	1,069,226	1,378,933
-	-	319,064	2,833,675
-	-	19,346	117,235
-	-	1,367,773	1,569,193
-	-	-	15,000
11,004,146	83,300	2,252,999	21,859,112
-	-	-	355,000
-	-	-	1,328,751
11,023,550	155,826	8,835,254	54,914,478
\$ (10,943,980)	\$ (147,374)	\$ 1,617,163	\$ (20,195,524)

(CONTINUED)

**UNION PARISH SCHOOL BOARD**

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

	<u>GENERAL</u>	<u>TITLE I</u>	<u>DEBT SERVICE</u>	<u>CONSTRUCTION FUND #2</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued	\$ -	\$ -	\$ -	\$ -
Premium on bonds issued	-	-	-	-
Proceeds from sale of assets	60,450	-	-	-
Transfers in	2,085,863	-	-	110,570
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,146,313</u>	<u>-</u>	<u>-</u>	<u>110,570</u>
Net Change in Fund Balances	(342,550)	-	(118,920)	(8,002,980)
FUND BALANCES - BEGINNING	<u>1,994,319</u>	<u>-</u>	<u>2,705,238</u>	<u>8,011,360</u>
FUND BALANCES - ENDING	<u>\$ 1,651,769</u>	<u>\$ -</u>	<u>\$ 2,586,318</u>	<u>\$ 8,380</u>

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

Statement E

CONSTRUCTION FUND #3	CONSTRUCTION FUND #4	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 3,600,000	\$ -	\$ 3,600,000
-	68,818	-	68,818
-	-	-	60,450
-	-	727,846	2,924,279
-	-	(2,924,279)	(2,924,279)
-	3,668,818	(2,196,433)	3,729,268
(10,943,980)	3,521,444	(579,270)	(16,466,256)
17,626,769	-	527,828	30,865,514
<u>\$ 6,682,789</u>	<u>\$ 3,521,444</u>	<u>\$ (51,442)</u>	<u>\$ 14,399,258</u>

(CONCLUDED)

**UNION PARISH SCHOOL BOARD**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2017**

	<b>Statement F</b>
Change in fund balances - governmental funds	\$ (16,466,256)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:	
Depreciation expense	\$ (470,228)
Capital outlays	21,859,112
Loss on disposal of investment property	<u>(62,964)</u>
	21,325,920
The issuance of long-term debt provides current financial resources of 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.	
Receipt of bond proceeds and premium	(3,668,818)
Repayment of bond debt	<u>355,000</u>
	(3,313,818)
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 government funds.	
OPEB liability	(2,327,512)
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.	
	273,839
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 earned (\$482,520) was more than the amounts used (\$348,456) by \$134,064.	
	(134,064)
Bond premiums are reported as other financing sources in the governmental funds and thus contribute to the changes in fund balance. In the Statement of Net Position, however, bond premiums increase long term debt and are amortized over the life of the bonds.	
Amortization of bond premium	19,302
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	<u>(27,014)</u>
Change in net position - governmental activities	<u>\$ (649,603)</u>

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

UNION PARISH SCHOOL BOARD  
FIDUCIARY FUND  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
June 30, 2017

	Statement G
	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	\$ <u>208,630</u>
Total assets	<u><u>208,630</u></u>
LIABILITIES	
Deposits due others	<u>208,630</u>
Total liabilities	<u><u>\$ 208,630</u></u>

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

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

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**Union Parish School Board**  
**Notes to the Basic Financial Statements**  
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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Union 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 in the United States of America.

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

The School Board operates four schools within the parish with a total enrollment of approximately 1,754 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Standards establish criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of the standards, the School Board is considered a *primary government*, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Standards, 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 basic criterion for including a potential component unit within the reporting entity is financial accountability.

The GASB has set forth criteria to be considered in determining financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
2. Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the School Board has determined that the following component units should be considered as part of the School Board reporting entity:

The Union Parish School Board approved the granting of a type 3 charter to Downsville Charter School, Inc. effective July 1, 2012, for a period of five years and was scheduled to terminate on June 30, 2017, contingent upon certain factors. However, as more fully described in Downsville Charter School, Inc.'s June 30, 2016 audit report, the school's charter was revoked November 5, 2015 by the Union Parish School Board. Funds remaining at June 30, 2017 were held by the Union Parish Clerk of Court.

**Union Parish School Board**  
**Notes to the Basic Financial Statements**  
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The Union Parish School Board approved the granting of a type 3 charter to Downsville Community Charter, Inc. effective November 13, 2015, for a period of five years and will terminate on June 30, 2020, contingent upon the results of the reporting requirements at the end of the third year as provided in Louisiana R.S. 17:3998(A)(2) and the extension process as provided in Chapter 13 of BESE Bulletin 126. If the Union Parish School Board grants Downsville Community Charter, Inc. an extension, the charter will be for a period of 10 years, expiring June 30, 2025.

Downsville Charter, Inc. and Downsville Community Charter, Inc. are included in the reporting entity, because they are fiscally dependent on the school system for the majority of their revenue, because the School Board has the authority to revoke the charter and because exclusion would cause the reporting entity's financial statements to be misleading or incomplete. However, Downsville Charter, Inc. and Downsville Community Charter, Inc. are legally separate entities, and, as such, appoints their own board.

Downsville Charter, Inc. and Downsville Community Charter, Inc. were established as 501(c)3 not-for-profit corporations to operate Downsville Charter School. As such, they follow guidance of Financial Standards Accounting Board (FASB) Accounting Standards Codification (ASC) 958-205, *Financial Statements of Not-for-Profit Organization*.

Throughout the year, Union Parish School Board paid for expenses related to Downsville Charter School, which was operated by Downsville Community Charter, Inc. As a result, there were transactions throughout the year between the Union Parish School Board and the discretely presented component units. Below is a summary of amounts reimbursed to the Union Parish School Board from the discretely present component unit for the 2016-2017 school year.

	Downsville Community Charter, Inc.
Transportation	\$ 257,923
JPAMS	15,151
Internet/Phone	21,636
Special Education Oversight	15,146
Lease of Property	1,200
Total	\$ 311,056

Copies of the audit report for Downsville Community Charter, Inc. may be obtained from the School Board. Downsville Charter, Inc. was not audited for fiscal year ended June 30, 2017.

Unless otherwise stated, these notes to the basic financial statements only refer to the financial statements of the primary government Union Parish School Board. See the separately issued audit report for notes to the basic financial statements related to the discretely presented component unit, Downsville Community Charter, Inc.

**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 in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

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

**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 funds:

**General Fund** - the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those accounted for in another fund.

**Title I** accounts for all activities designed to improve the educational opportunities of educationally deprived children by helping them succeed in their regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills.

**Debt Service** is used to accumulate monies to pay outstanding bond issues. The bonds were issued by the School Board to renovate, construct and improve school buildings, equipment and furnishings. The bond issuances are financed by ad valorem tax on property within the legal boundaries of the school district.

**Construction Fund #2** - to account for new construction and renovations to schools in the parish financed through bond issuances.

**Construction Fund #3** - to account for new construction and renovations to schools in the parish financed through bond issuances.

**Construction Fund #4** - to account for new construction and renovations to schools in the parish financed through bond issuances.

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

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

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

**Component Units:** The discretely presented component units of the School Board, Downsville Community Charter, Inc. and Downsville Charter, Inc., are accounted for as separate not-for-profit organizations.

### **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 were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and

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

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 Standards.

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

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

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

**Governmental 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 interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

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** recognized when all applicable eligibility requirements are met and are available.

**Sales taxes** are recognized when the underlying exchange takes place 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 eligibility requirements have been met.

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

**Union Parish School Board**  
**Notes to the Basic Financial Statements**  
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**Expenditures**

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

**Other Financing Sources (Uses)** Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed 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 fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

**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.

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

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

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 as per GASB Statement No. 31.

The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the 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 receivable and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**H. INVENTORY** Inventories of the governmental fund-type are recorded as expenditures as purchased except for inventory of the school food service fund.

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

Inventories of the school food service fund (special revenue fund) consist of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received (issued); however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at cost using the first-in, first-out (FIFO) method. The value of commodities inventory is the assigned values provided by the United States Department of Agriculture.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000. The capitalization threshold for intangible assets is \$100,000. Donated capital assets are recorded at their estimated 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. Straight line depreciation is used based on the following estimated useful lives:

Buildings and improvements	10 - 50 years
Furniture and equipment	3 - 10 years
Intangible (software)	3 - 10 years

**J. UNEARNED REVENUES** 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.

**K. COMPENSATED ABSENCES** All 12-month employees earn ten days or more of cumulative vacation leave each year, based upon years of service. A maximum of 15 days may be carried over. Upon separation of employment, all unused vacation leave is forfeited, except for retirement or death.

All 12-month employees earn from 12 to 18 days of sick leave each year, depending on their length of service with the School Board, and 9-month employees earn ten days of sick leave each year. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as 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.

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

GASB Statement No. 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- 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. The School Board uses this approach in recording a liability. Employees with 10 years of experience are included in the calculation.

Sabbatical leave benefits are recorded as expenditures in the period paid.

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed. The restricted net position listed on the Statement of Net Position as debt service and additional salaries and benefits are restricted by enabling legislation.

**M. LONG-TERM OBLIGATIONS** Bond premiums and discounts, as well as issuance costs, are recognized in the period the bonds are issued. Bond proceeds are reported as an other financing source. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

The School Board provides certain continuing health care and life insurance for its retired employees on a pay-as-you-go basis. The expenditures are recorded as the premiums are paid.

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 same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**N. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES** In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has deferred outflows related to the net pension liability recorded. See Note 6 for additional information related to the net pension liability recorded.

**Union Parish School Board**  
**Notes to the Basic Financial Statements**  
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In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has deferred inflows related to the net pension liability recorded. See Note 6 for additional information related to the net pension liability recorded.

**O. FUNDEQUITY 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. 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. Committed fund balance is the result of a resolution by the School Board committing the funds.

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

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

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

**P. INTERFUND ACTIVITY** Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and subject to elimination upon consolidation. Services provided, deemed to be at market, or near market rate, 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 governmental-wide financial statements.

**Q. SALES TAXES** The voters of Union Parish approved on May 19, 1979, a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. The proceeds from the tax are committed for salaries and retirement benefits for school teachers and other school employees and/or for maintaining and operating school buildings, facilities, and equipment. The costs of collecting and administering the tax are paid from the sales tax special revenue fund.

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

The voters of Union Parish approved on January 20, 2001, a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. Eighty-five percent of the proceeds from the tax are dedicated for salaries and benefits of teachers and other school employees. The remaining fifteen percent is dedicated for constructing, improving, maintaining, and operating public schools. The School Board has the authority to fund a portion of the sales tax into bonds.

The voters of Union Parish approved on May 3, 2014, a one percent sales tax to be collected within Union Parish. The tax is for an indefinite period of time. The proceeds from the tax are to be used for the purpose of operating and maintaining schools and school related facilities, including paying salaries and benefits of teachers and other school personnel.

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

**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 expenses during the reporting period. Actual results could differ from those estimates.

**T. LEVIED TAXES** The School Board levies taxes on real and business personal property located within Union Parish’s boundaries. Property taxes are levied by the School Board on property values assessed by the Union Parish tax assessor and approved by the State of Louisiana Tax Commission.

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

Property Tax Calendar

Millage rates adopted	August 8, 2016
Levy date	November 16, 2016
Tax bills mailed	November 22, 2016
Due date	December 31, 2016
Lien date	January 1, 2017
Tax sales date – 2016 delinquent property	June 7, 2017

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

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

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2016. Total assessed value was \$189,452,720 in calendar year 2016. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer’s primary residence from parish property taxes. This homestead exemption was \$34,853,557 of the assessed value in calendar year 2016.

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

All property taxes are recorded in the General Fund, District A Special Revenue Fund and the Debt Service Fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date.

The tax roll is not prepared by the parish tax assessor until November of each year; therefore, the amount of 2017 property taxes to be collected within the next year is not known. As a result, no property taxes receivable for 2017 taxes is included on the accompanying combined balance sheet.

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

	<u>Authorized</u> <u>Millage</u>	<u>Levied</u> <u>Millage</u>	<u>Expiration</u> <u>Date</u>
Parish-wide taxes:			
Constitutional	3.55	3.55	Statutory
Maintenance (School District A)	1.64	1.64	2016
Maintenance (Special tax)	2.98	2.98	2016
Maintenance and operations (5-year 15 mill tax)	15.0	15.0	2022
Debt Service	Variable	10.5	2034

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

**A. Excess of Actual Expenditures over Budget Expenditures**

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Title I	\$ 1,666,756	\$ 1,703,575	\$ (36,819)

The variance was the result of additional costs incurred during the fiscal year.

**B. Deficit Fund Balance**

<u>Fund</u>	<u>Fund Balance</u>
1979 Sales Tax	\$ (33,475)
School Food Service	(57,931)
Saferoom Project	(189,779)

The 1979 Sales Tax Fund reported a deficit fund balance of \$33,475 for the year ended June 30, 2017. This deficit fund balance is primarily due to the over projection of sales tax for the 15<sup>th</sup> check and will be eliminated from the collections during the current fiscal year and closer monitoring of current fiscal year expenses.

**Union Parish School Board**  
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The School Food Service Fund reported a deficit fund balance of \$57,931 for the year ended June 30, 2017. The deficit fund balance in the School Food Service Fund is primarily the result of the prior year deficit fund balance of \$124,574 which was reduced, but not eliminated in the current fiscal year. This deficit will be reduced by the continued examination of staffing and expenses whereby total expenses are in line with revenues.

The Saferoom Project Fund reported a deficit fund balance of \$189,779 for the year ended June 30, 2017. The deficit fund balance in the Saferoom Project Fund is primarily the result of unanticipated expenses that were not reimbursed from a grant and will be eliminated by excess General Fund revenues.

**NOTE 3 - DEPOSITS** At June 30, 2017, the School Board has cash and cash equivalents of \$16,589,853. 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.

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

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

**Custodial credit risk:** At year end, the School Board's carrying amount of deposits was \$16,589,853 (Statement A -\$16,381,223 and Statement G - \$208,630) and the bank balance was \$18,221,620. Of the bank balance, \$268,806 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). The remaining bank balance of \$17,952,814 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - RECEIVABLES** The receivables at June 30, 2017, are as follows:

<u>Class of Receivables</u>	<u>General</u>	<u>Title I</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Taxes:					
Ad valorem	\$ 24,235	\$ -	\$ 2,570	\$ 8,962	\$ 35,767
Sales tax	240,358	-	-	480,716	721,074
Intergovernmental-grants					
Federal	-	781,726	-	524,058	1,305,784
State	28,353	-	-	112,128	140,481
Other	85,028	-	-	530	85,558
	<u>\$ 377,974</u>	<u>\$ 781,726</u>	<u>\$ 2,570</u>	<u>\$ 1,126,394</u>	<u>\$ 2,288,664</u>

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

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**NOTE 5 - CAPITAL ASSETS** Capital asset balances and activity for the year ended June 30, 2017, is as follows:

	Balance Beginning*	Additions	Deletions	Balance Ending
Governmental activities				
Capital asset not being depreciated				
Land	\$ 378,351	\$ -	\$ -	\$ 378,351
Construction in progress	14,616,146	21,247,428	6,374,627	29,488,947
Total capital assets not being depreciated	<u>14,994,497</u>	<u>21,247,428</u>	<u>6,374,627</u>	<u>29,867,298</u>
Capital assets being depreciated				
Buildings and improvements	7,817,339	6,633,227	-	14,450,566
Furniture and equipment	5,806,560	353,084	-	6,159,644
Total capital assets being depreciated	<u>13,623,899</u>	<u>6,986,311</u>	<u>-</u>	<u>20,610,210</u>
Accumulated depreciation				
Buildings and improvements	5,272,586	188,643	-	5,461,229
Furniture and equipment	3,958,022	281,585	-	4,239,607
Total accumulated depreciation	<u>9,230,608</u>	<u>470,228</u>	<u>-</u>	<u>9,700,836</u>
Total capital assets being depreciated, net	<u>4,393,291</u>	<u>6,516,083</u>	<u>-</u>	<u>10,909,374</u>
Governmental activities				
Capital assets, net	<u>\$ 19,387,788</u>	<u>\$ 27,763,511</u>	<u>\$ 6,374,627</u>	<u>\$ 40,776,672</u>

\* The beginning balance of capital assets was restated to include Rocky Branch School that was reported in the prior year as an investment in land in building. The adjustment to the beginning balance was a net increase of \$460,029 in buildings and improvements.

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 325,430
Special programs	815
Other instructional programs	1,210
Business services	1,464
Plant services	16,581
Student transportation services	121,475
Food services	3,253
Total depreciation expense	<u>\$ 470,228</u>

**NOTE 6 - 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.

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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 has no participants in the ORP.

**General Information about the Pension Plans**

**Plan Descriptions/Benefits Provided:**

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

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

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

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

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

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Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of service, 2) at the age of 55 with at least 25 years of service, or 3) at any age with at least 30 years of service. For members joining on or after July 1, 2015, retirement benefits are paid at age 62 with at least 5 years of service credit. Members may retire with an actuarially reduced benefit with 20 years of service credit. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or highest 60 consecutive months of employment for members employed after that date.

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

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

**Deferred Retirement Option Program (DROP)**

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

**Cost of Living Adjustments**

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

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**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.

Employer contributions to LSERS for fiscal year 2017 were \$417,602, with active member contributions ranging from 7.5% to 8%, and employer contributions of 27.3%. Employer defined benefit plan contributions to TRSL for fiscal year 2017 were \$2,661,271, with active member contributions ranging from 5% to 8%, and employer contributions of 25.5% to 28.2%. Non-employer contributions to TRSL, which are comprised of \$119,826 from ad valorem taxes and revenue sharing funds for fiscal year 2017. These non-employer contributions were recorded as revenue and were used as employer contributions.

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

At June 30, 2017, the School Board reported liabilities of \$4,154,326 and \$24,644,621 under LSERS and TRSL, respectively, for its proportionate share of the Net Pension Liability (NPL). The NPL for LSERS and TRSL was measured as of June 30, 2016, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The School Board's proportions of the NPL were based on projections of the School Board's long-term share of contributions to the pension plans relative to the projected contribution of all participating employers, actuarially determined. As of June 30, 2016, the most recent measurement date, the School Board's proportions and the changes in proportion from the prior measurement date were .55072%, or a decrease of 0.04918% for LSERS and 0.20997% or a decrease of 0.00352% for TRSL.

*Changes in Benefit Terms:* ACT 226 of the Legislative Session changed the benefit terms for members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015. ACT 226 raised the retirement age requirement to receive a 2.5% benefit factor after 5 years of service to 62 years of age from the 60 years of age requirement for members hired after June 30, 2010 for LSERS and after January 1, 2011 for TRSL. This change will be reflected in the June 30, 2017 valuation.

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For the year ended June 30, 2017, the School Board recognized a total pension expense of \$2,805,034, or \$540,057 and \$2,264,977 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	\$ -	\$ -	\$ -	\$ 113,368	\$ 486,553	\$ 599,921
Changes of assumptions	98,416	-	98,416	109,802	-	109,802
Net difference between projected and actual earnings on pension plan investments	526,284	1,794,071	2,320,355	-	-	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	147,183	223,944	371,127	232,852	1,207,748	1,440,600
Employer contributions subsequent to the measurement date	417,602	2,661,271	3,078,873	-	-	-
<b>Total</b>	<b>\$ 1,189,485</b>	<b>\$ 4,679,286</b>	<b>\$ 5,868,771</b>	<b>\$ 456,022</b>	<b>\$ 1,694,301</b>	<b>\$ 2,150,323</b>

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

	LSERS	TRSL	Total
2018	\$ 26,226	\$ (395,907)	\$ (369,681)
2019	(99,657)	(395,907)	(495,564)
2020	237,839	714,724	952,563
2021	151,453	400,804	552,257

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

	<u>LSERS</u>	<u>TRSL</u>
<b>Valuation Date</b>	June 30, 2016	June 30, 2016
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal
<b>Expected Remaining Service Lives</b>	3 years	5 years
<b>Investment Rate of Return</b>	7.125% per annum (increased from 7.0% in 2015)	7.75%, net of investment expenses
<b>Inflation Rate</b>	2.625% per annum (decreased from 2.75% in 2015)	2.5% per annum
<b>Projected salary increases</b>	2008-2012 experience study, ranging from 3.075% to 5.375% (decreased from a range of 3.2% to 5.5% in 2015)	3.5% to 10% varies depending on duration of service
<b>Cost-of-living adjustments</b>	Not substantively automatic	Not substantively automatic
<b>Mortality</b>	RP-2000 Sex Distinct Mortality Table	RP-2000 Mortality Table with projection to 2025 using Scale AA
<b>Termination, Disability, Retirement</b>	Projected based on a five year (2008-2012) experience study	Projected based on a five year (2008-2012) experience study

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.

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

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

\* Alternatives include private equity and debt, venture capital, infrastructure, commodities, and real estate.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.125% for LSERS and 7.75% for TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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*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	\$ 5,453,473	\$ 4,154,326	\$ 3,041,294
TRSL	30,739,385	24,644,621	19,458,388

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

*Payables to the Pension Plan.* At June 30, 2017, the School Board had no payables to LSERS and TRSL for the June 2017 employee and employer legally required contributions.

**NOTE 7 - OTHER POST EMPLOYMENT BENEFITS** Effective with the fiscal year ended June 30, 2009, the School Board implemented Government Accounting Standards Board Statement Number 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (GASB 45).

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

**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 retirees contribute to the cost of retiree healthcare based on a rate schedule. Contribution amounts are approximately 25% retiree/75% employer of the stated costs of healthcare coverage.

The plan is currently financed on a "pay as you go basis", with the School Board contributing \$1,495,772 for 201 retirees for the year ended June 30, 2017.

**Annual Other Post Employment Benefit Cost and Liability** - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year amortization period (the maximum amortization period allowed by GASB 45) was used for post employment benefits. The total ARC for fiscal year 2017 is \$4,094,144 as set forth below:

Normal Cost	\$ 1,130,461
30-year UAL amortization amount	2,918,683
Annual required contribution (ARC)	\$ 4,049,144

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

	2017	2016	2015
Beginning Net OPEB Obligation July 1	\$ 7,735,319	\$ 6,628,336	\$ 5,464,231
Annual required contribution	4,049,144	2,692,946	2,692,946
Interest on prior year Net OPEB Obligation	309,413	265,132	218,569
Adjustment to ARC	(535,273)	(434,733)	(358,383)
Annual OPEB Cost	3,823,284	2,523,345	2,553,132
Less current year retiree premiums	(1,495,772)	(1,416,362)	(1,389,027)
Increase in Net OPEB Obligation	2,327,512	1,106,983	1,164,105
Ending Net OPEB Obligation at June 30	\$ 10,062,831	\$ 7,735,319	\$ 6,628,336

Utilizing the pay as you go method, the School Board contributed 39% of the annual post employment benefits costs during 2017, 56% during 2016, and 54% during 2015.

**Funded Status and Funding Progress** - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$42,178,345 was unfunded.

The following table represents the funding status of the plan as of July 1, 2016, actuary report was as follows:

Actuarial accrued liability (AAL)	\$ 42,178,345
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	42,178,345
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 13,553,919
UAAL as a percentage of covered payroll	311.19%

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

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

In the July 1, 2016 actuarial valuation for the Union Parish School Board, the projected unit credit actuarial cost method and level dollar amortization method was used. The actuarial assumptions included a discount rate of 4% per annum, compounded annually for valuing liabilities. Trend was calculated assuming an implied inflation rate of 2.5% per year, and actual premiums. Trend with Cadillac Tax has been provided. The short-term trend rate starts off at 4.9% (no Medicare) and 6% (Medicare), and reflects the ACA Excise Tax effective 2020. The ACA Excise tax is assumed to be applied to single/family implied equivalent rates based on the total premium equivalent rates. The Sex Distinct RP 2000 Combined Healthy Mortality Table for non-annuitants projected generationally using Scale AA was used in making actuarial assumptions in regards to mortality rates.

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The remaining amortization period at June 30, 2017 for other post employment benefits (OPEB) was twenty-one years. The Schedule of Funding Progress, presented as required Supplementary Information immediately follows the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing overtime relative to the actuarial accrued liability for benefits.

**NOTE 8 - ACCOUNTS, SALARIES AND OTHER PAYABLES** The payables at June 30, 2017, are as follows:

	General	Title I	Construction Fund #2	Construction Fund #3	Construction Fund #4	Nonmajor Governmental	Total
Salaries	\$ 1,159,321	\$ 74,864	\$ -	\$ -	\$ -	\$ 268,558	\$ 1,502,743
Retainage	-	-	-	951,143	-	-	951,143
Accounts	250,353	57,703	119,793	1,302,907	20,000	87,991	1,838,747
Total	<u>\$ 1,409,674</u>	<u>\$ 132,567</u>	<u>\$ 119,793</u>	<u>\$ 2,254,050</u>	<u>\$ 20,000</u>	<u>\$ 356,549</u>	<u>\$ 4,292,633</u>

**NOTE 9 - COMPENSATED ABSENCES** At June 30, 2017 employees of the School Board have accumulated and vested \$844,435 of employee leave benefits, including \$6,897 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

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

	Balance at Beginning of Year	Additions	Deletions	Balance at Ending of Year
Agency Fund:				
School activities agency	<u>\$ 264,398</u>	<u>\$ 508,478</u>	<u>\$ 564,246</u>	<u>\$ 208,630</u>

**NOTE 11 - LONG-TERM LIABILITIES** The following is a summary of the long-term obligation transactions for the year ended June 30, 2017:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable					
General obligation debt	\$ 41,870,000	\$ -	\$ 355,000	\$ 41,515,000	\$ 965,000
Limited revenue debt	-	3,600,000	-	3,600,000	145,000
Bond premium	314,460	68,818	19,302	363,976	19,302
Other liabilities:					
Net pension liability	26,758,683	5,221,399	3,181,135	28,798,947	-
OPEB liability	7,735,319	3,823,284	1,495,772	10,062,831	-
Compensated absences	710,371	482,520	348,456	844,435	348,456
Governmental activities					
Long-term liabilities	<u>\$ 77,388,833</u>	<u>\$ 13,196,021</u>	<u>\$ 5,399,665</u>	<u>\$ 85,185,189</u>	<u>\$ 1,477,758</u>

Payments on the general obligation bonds payable and related bond premium that pertain to the School Board's governmental activities are made by the debt service fund. Payments on the limited revenue debt and related premium that pertain to the School Board's governmental activities are made by the general fund. The compensated

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

absences and OPEB liability attributable to the governmental activities will be liquidated by the School Board's general fund. The net pension liability will be liquidated by the fund in which the related salary is paid.

General Obligation Bonds

The School Board issued \$9,800,000 of General Obligation bonds, Series 2014 on July 24, 2014, which was the first part of a \$42,500,000 bond issue. The principal and interest are to be paid March 1, 2015 through March 1, 2034. The School Board issued a second portion of the \$42,500,000 bond issue in the amount of \$15,000,000 on March 26, 2015. The interest is to be paid September 1, 2015 through March 1, 2035. Principal is to be paid March 1, 2018 through March 1, 2035. The School Board issued the third and last portion of the \$42,500,000 bond issue in the amount of \$17,700,000 on March 22, 2016. The interest is to be paid September 1, 2016 through March 1, 2036. Principal is to be paid March 1, 2019 through March 1, 2036. The proceeds, as stated in the official bond issue, are to be used by the School Board "for the purpose of (i) acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent within and for the District, and acquiring the necessary equipment and furnishings therefor, and specifically for those facilities, technology and security initiatives set forth in the Capital Improvement Plan approved by the School Board on January 13, 2014, and (ii) paying the costs of issuance of the bonds".

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.

Pledged Revenue

In January 2017 the School Board issued \$3,600,000 in Limited Tax Revenue Bonds for the purpose of acquiring, constructing, improving, equipping and furnishing school buildings and other school related facilities, including school buses and vehicles, and paying the costs incurred in connection with the issuance, thereof. The School Board has pledged, as security for both bonds, a portion of the 3.55 mills Constitutional ad valorem tax. The bonds are payable solely from the constitutional tax collected and are payable through fiscal year end 2036. Total principal and interest to be paid on the bond is \$3,600,000 and \$1,569,950, respectively. For the year ended June 30, 2017 the School Board received \$540,043 from the collection of the tax and paid \$18,872 in debt service interest. The annual required principal and interest payments are estimated to be 48% of the tax revenue over the next 19 years.

**Union Parish School Board**  
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The individual issues are as follows:

<u>Bond issue</u>	<u>Issue Date</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
General Obligation:						
Series 2014	07/24/14	\$ 9,800,000	2-4%	03/01/34	\$ 2,884,173	\$ 8,815,000
Series 2015	03/26/15	15,000,000	2.25-5%	03/01/35	5,179,632	15,000,000
Series 2016	03/22/16	17,700,000	3-4%	03/01/36	7,095,112	17,700,000
Limited Tax:						
Series 2017	01/11/17	3,600,000	3-4.25%	03/01/36	1,569,950	3,600,000
Grand Total					<u>\$ 16,728,867</u>	<u>\$ 45,115,000</u>

The bonds are due as follows:

<u>Year Ending June 30,</u>	<u>Bonds Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2018	\$ 1,110,000	\$ 1,470,512	\$ 2,580,512
2019	1,350,000	1,427,013	2,777,013
2020	1,445,000	1,377,563	2,822,563
2021	1,485,000	1,323,412	2,808,412
2022	1,585,000	1,266,712	2,851,712
2023-2027	10,860,000	5,471,909	16,331,909
2028-2032	15,340,000	3,481,703	18,821,703
2033-2036	11,940,000	910,052	12,850,052
Total	<u>\$ 45,115,000</u>	<u>\$ 16,728,876</u>	<u>\$ 61,843,876</u>

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At year end, the statutory limit is \$66,308,452 and outstanding net bonded debt totals \$42,528,682.

**NOTE 12 - INTERFUND ASSETS/LIABILITIES (FFS LEVEL ONLY)** Interfund receivable/payable at June 30, 2017:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General	\$ 649,159	Title I	\$ 649,159
General	1,263,787	Nonmajor governmental	1,263,787
Nonmajor governmental	64,701	General	64,701
Debt Service	1,236	General	1,236
Nonmajor governmental	199,042	Nonmajor governmental	199,042
Total	<u>\$ 2,177,925</u>		<u>\$ 2,177,925</u>

The primary purpose of the interfund assets/liabilities were to cover current year expenditures on cost reimbursement programs until the reimbursements are received; these amounts are expected to be repaid within one year. The interfund payable from nonmajor governmental to the General Fund includes \$260,858 payable from School Food Service to the General Fund and remaining balances are rebated to transfers of sales tax revenue and is not expected to be repaid within one year; it is expected to be repaid over the next few years as funds are available.

**Union Parish School Board**  
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**NOTE 13 - INTERFUND TRANSFERS (FFS LEVEL ONLY)** Operating transfers for the year ended June 30, 2017, were as follows:

<u>Receiving Fund</u>	<u>Paying fund</u>	<u>Transfer In</u>	<u>Transfers Out</u>
General fund	Nonmajor governmental	\$ 2,085,863	\$ 2,085,863
Construction fund #2	Nonmajor governmental	110,570	110,570
Nonmajor governmental	Nonmajor governmental	727,846	727,846
Totals		<u>\$ 2,924,279</u>	<u>\$ 2,924,279</u>

The transfer to the General Fund from the Nonmajor Governmental Funds was to transfer the local effort that went to the charter school from the MFP. The transfer from Nonmajor Governmental Funds to Nonmajor Governmental Funds was to transfer the 15% of sales tax collections to District A for maintenance. The transfer from Construction Fund #2 to nonmajor governmental funds was to correct a construction payment made from an incorrect fund.

**NOTE 14 - LITIGATION AND CLAIMS**

**Litigation** At June 30, 2017, the School Board is involved in a few matters involving litigation. 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.

**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.

**Construction Projects** The School Board had signed a contract for construction of Union Parish High School totaling \$24,073,658 as of June 30, 2017. The construction at June 30, 2017 related to this project totaled \$21,844,953.

**Tax Arbitrage Rebate** Under the Tax Reform Act of 1986, interest earned on 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.

**NOTE 15 - ON-BEHALF PAYMENTS** 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 \$3,308. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

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

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

Teacher's Retirement System of Louisiana \$119,826 on behalf of the School Board. This amount was recognized as ad valorem revenue and a reduction in the School Board's required contributions.

**NOTE 16 - RISK MANAGEMENT** The School Board is at risk for property damage, liability and theft which are covered by commercial insurance policies. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 17 - ECONOMIC DEPENDENCY** The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$13,676,235 to the School Board, which represents approximately 39.4% of the School Board's total revenue for the year.

**NOTE 18 - FUND BALANCE CLASSIFICATION DETAILS** The following are the details for the fund balance classifications:

	General Fund	Debt Service	Construction Fund #2	Construction Fund #3	Construction Fund #4	Nonmajor Governmental	Total
Nonspendable:							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,643	\$ 22,643
Restricted for:							
Grants and donations	-	-	-	-	-	718	718
Debt service	-	2,586,318	-	-	-	-	2,586,318
School construction	-	-	8,380	6,682,789	3,521,444	-	10,212,613
Additional salaries and benefits	-	-	-	-	-	101,018	101,018
Committed for:							
Alternative school	-	-	-	-	-	8,431	8,431
Building and equipment repairs	75,100	-	-	-	-	119,576	194,676
School buses and equipment	28,820	-	-	-	-	-	28,820
Unassigned	1,547,849	-	-	-	-	(303,828)	1,244,021
<b>Total</b>	<b>\$ 1,651,769</b>	<b>\$ 2,586,318</b>	<b>\$ 8,380</b>	<b>\$ 6,682,789</b>	<b>\$ 3,521,444</b>	<b>\$ (51,442)</b>	<b>\$14,399,258</b>

**NOTE 19 - NEW GASB STANDARDS** In fiscal year 2017, the School Board adopted the following new standards of financial accounting issued by the Governmental Accounting Standards Board:

- *Statement No. 77 – Tax Abatement Disclosures* establishes standards of accounting and financial reporting for tax abatements. Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.
- *Statement No. 82 – Pension Issues - an amendment of GASB Statements No. 67, No. 68 and No. 73* - This Statement establishes standards to improve consistency in the application of pension accounting and financial reporting requirements by addressing certain issues that have been raised with respect to statements No. 67, No. 68, and No. 73. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**Union Parish School Board**  
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**June 30, 2017**

The adoption of these standards had no impact on the School Board's government-wide or fund financial statements. At June 30, 2017, the School Board did not have any tax abatements to disclose.

**NOTE 20 - CHANGE IN PRESENTATION** For fiscal year ended June 30, 2016, the General Fund, School Food Service Fund, Construction UPSB Fund, Construction Fund #2 and Construction Fund #3 were reported as major funds. For fiscal year ended June 30, 2017, the General Fund, Title I Fund, Debt Service Fund, Construction Fund #2, Construction Fund #3 and Construction Fund #4 were required to be reported as major funds. Title I was required to be reported as major due to the size of its liabilities, Debt Service Fund was required to be reported as major due to the size of its assets and Construction Fund #4 was required to be reported due to the size of its assets.

**NOTE 21 - CONDENSED MAJOR COMPONENT INFORMATION** The following are the condensed statements of net position and the condensed statements of revenues, expenses and changes in fund net position for the major discretely presented component unit information for Downsville Charter School, Inc. and Downsville Community Charter, Inc. as of and for the year ended June 30, 2017:

**CONDENSED STATEMENT OF NET POSITION**

	<b>Downsville Community Charter, Inc.</b>	<b>Downsville Charter School, Inc.</b>	<b>Total Component Units</b>
<b>Assets:</b>			
Cash, investments, and other assets	\$ 1,218,459	\$ 40,243	\$ 1,258,702
Total assets	1,218,459	40,243	1,258,702
<b>Liabilities:</b>			
Accounts payable and other current liabilities	237,910	-	237,910
Long-term liabilities	47,858	-	47,858
Total liabilities	285,768	-	285,768
<b>Net position:</b>			
Temporarily restricted	59,761	-	59,761
Unrestricted	872,930	40,243	913,173
Total net position	\$ 932,691	\$ 40,243	\$ 972,934

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

**CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<b>Downsville Community Charter, Inc.</b>	<b>Downsville Charter School, Inc.</b>	<b>Total Component Units</b>
<b>Support and Revenues:</b>			
Program revenues			
Federal grants	\$ 102,416	\$ -	\$ 102,416
General revenue			
State minimum foundation program	2,157,966	-	2,157,966
Local minimum foundation program	1,289,697	-	1,289,697
Other general revenues	87,148	268	87,416
Total revenues	3,637,227	268	3,637,495
<b>Functions/Program expenses:</b>			
Instruction			
Regular programs	1,453,751	25	1,453,776
Special programs	113,746	-	113,746
Other instructional programs	377,200	-	377,200
Support services			
Instructional staff support	15,760	-	15,760
General administration	30,291	-	30,291
School administration	326,595	-	326,595
Business services	100,117	-	100,117
Plant services	296,689	-	296,689
Student transportation services	273,100	-	273,100
Central services	708	-	708
Food services	11,622	-	11,622
Total expenses	2,999,579	25	2,999,604
Change in unrestricted net position	637,648	243	637,891
Changes in temporarily restricted			
Changes in school activity funds	(2,932)	-	(2,932)
Total changes in temporarily restricted net position	(2,932)	-	(2,932)
Change in net position	634,716	243	634,959
Net position - beginning	297,975	40,000	337,975
Net position - ending	\$ 932,691	\$ 40,243	\$ 972,934

As explained in Note 1, Downsville Community Charter, Inc. managed Downsville Charter School from the fiscal period. Funds held by Downsville Charter, Inc. were held by the Union Parish Clerk of Court at June 30, 2017.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Union Parish School Board**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN  
JUNE 30, 2017**

**Exhibit 1**

	(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)	
Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio%	Covered Payroll	UAAL as a Percentage of Covered Payroll
2009	7/1/2008	\$ -	\$ 26,096,373	\$ 26,096,373	0%	\$ 17,362,707	150.30%
2010	7/1/2008	-	26,096,373	26,096,373	0%	18,802,714	138.79%
2011	7/1/2010	-	25,444,983	25,444,983	0%	15,849,220	160.54%
2012	7/1/2010	-	25,444,983	25,444,983	0%	15,225,664	167.12%
2013	7/1/2012	-	27,942,250	27,942,250	0%	12,228,269	228.51%
2014	7/1/2012	-	27,942,250	27,942,250	0%	11,697,233	238.88%
2015	7/1/2014	-	29,030,307	29,030,307	0%	10,851,044	267.53%
2016	7/1/2014	-	29,030,307	29,030,307	0%	11,981,287	242.30%
2017	7/1/2016	-	42,178,345	42,178,345	0%	13,553,919	311.19%

**Union Parish School Board**

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

**Exhibit 2-1**

<u>Fiscal Year</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Louisiana School Employees' Retirement System					
2015	0.53912%	\$ 3,130,378	\$ 1,512,152	207%	76.18%
2016	0.59990%	3,804,115	1,631,239	233%	74.49%
2017	0.55072%	4,154,326	1,556,008	267%	70.09%
Teacher's Retirement System of Louisiana					
2015	0.21472%	\$ 21,947,396	\$ 9,431,930	233%	63.7%
2016	0.21349%	22,954,568	9,618,647	239%	62.5%
2017	0.20997%	24,644,621	9,822,997	251%	59.9%

**Notes:**

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

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

**Union Parish School Board**

**Schedule of Employer Contributions to Pension Plans  
For the Year Ended June 30, 2017**

**Exhibit 2-2**

<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to Contractually Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Employee Payroll</u>
Louisiana School Employees' Retirement System					
2015	\$ 531,017	\$ 531,017	\$ -	\$ 1,631,239	32.6%
2016	469,914	469,914	-	1,556,008	30.2%
2017	417,602	417,602	-	1,527,078	27.3%
Teacher's Retirement System of Louisiana					
2015	\$ 2,498,570	\$ 2,498,570	\$ -	\$ 9,618,647	26.0%
2016	2,711,221	2,711,221	-	9,822,997	27.6%
2017	2,661,271	2,661,271	-	9,971,918	26.7%

**Notes:**

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

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

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

#### Teacher's Retirement System of Louisiana

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

**Union Parish School Board**

**Budgetary Comparison Schedules**

**General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets**

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

**TITLE I** accounts for all activities designed to improve the educational opportunities of educationally deprived children by helping them succeed in their regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills.

**UNION PARISH SCHOOL BOARD**

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

Exhibit 3-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (Budgetary Basis)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 1,892,738	\$ 1,892,738	\$ 1,994,319	\$ 101,581
Resources (inflows)				
Local sources:				
Ad valorem taxes	3,509,217	3,509,217	3,394,872	(114,345)
Sales and use tax	2,473,649	2,473,649	2,449,432	(24,217)
Interest earnings	34,255	34,255	49,933	15,678
Other	1,158,409	1,158,409	1,190,672	32,263
State sources:				
Equalization	14,076,326	14,076,326	13,651,235	(425,091)
Other	130,056	130,056	122,781	(7,275)
Federal sources	14,768	14,768	-	(14,768)
Proceeds from sale of assets	-	-	60,450	60,450
Transfers from other funds	3,394,821	3,394,821	2,085,863	(1,308,958)
Amounts available for appropriations	<u>26,684,239</u>	<u>26,684,239</u>	<u>24,999,557</u>	<u>(1,684,682)</u>
Charges to appropriations (outflows)				
Instruction:				
Regular programs	5,663,833	5,663,833	13,726,720	(8,062,887)
Special education programs	1,322,663	1,322,663	1,334,387	(11,724)
Other instructional programs	771,817	771,817	719,009	52,808
Support services:				
Student services	816,821	816,821	853,043	(36,222)
Instructional staff support	1,060,140	1,060,140	986,470	73,670
General administration	588,296	588,296	662,791	(74,495)
School administration	1,092,570	1,092,570	1,131,723	(39,153)
Business services	341,896	341,896	326,351	15,545
Plant services	196,416	196,416	296,370	(99,954)
Student transportation services	2,708,964	2,708,964	2,514,365	194,599
Central services	101,534	101,534	97,889	3,645
Food services	112,254	112,254	201,420	(89,166)
Community service programs	15,000	15,000	15,000	-
Capital outlay	-	-	463,378	(463,378)
Debt service:				
Interest and bank charges	-	-	18,872	(18,872)
Transfers to other funds	9,365,455	9,365,455	-	9,365,455
Total charges to appropriations	<u>24,157,659</u>	<u>24,157,659</u>	<u>23,347,788</u>	<u>809,871</u>
BUDGETARY FUND BALANCES, ENDING	<u>\$ 2,526,580</u>	<u>\$ 2,526,580</u>	<u>\$ 1,651,769</u>	<u>\$ (874,811)</u>

UNION PARISH SCHOOL BOARD

TITLE I  
 Budgetary Comparison Schedule  
 For the Year Ended June 30, 2017

Exhibit 3-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS (Budgetary Basis)	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources	1,657,789	1,657,789	1,703,575	45,786
Amounts available for appropriations	1,657,789	1,657,789	1,703,575	45,786
Charges to appropriations (outflows)				
Current:				
Instruction:				
Other instructional programs	1,321,052	1,321,052	1,344,515	(23,463)
Support services:				
Student services	38,093	38,093	38,037	56
Instructional staff support	136,196	136,196	142,956	(6,760)
General administration	125,489	125,489	131,302	(5,813)
Business services	45,926	45,926	46,519	(593)
Student transportation services	-	-	246	(246)
Total charges to appropriations	1,666,756	1,666,756	1,703,575	(36,819)
BUDGETARY FUND BALANCES, ENDING	\$ (8,967)	\$ (8,967)	\$ -	\$ 8,967

## Union Parish School Board

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

#### A. BUDGETS

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

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

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them. The School Board did not amend the general fund and Title I budget during the 2017 fiscal year.

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

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

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

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

#### **Excess of Actual Expenditures over Budget Expenditures**

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Title I	\$ 1,666,756	\$ 1,703,575	\$ (36,819)

**UNION PARISH SCHOOL BOARD**

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

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

	<b>GENERAL FUND</b>	<b>TITLE I</b>
<u>Sources/inflows of resources:</u>		
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 24,999,557	\$ 1,703,575
Transfers from other funds	(2,085,863)	-
Proceeds from sale of assets	(60,450)	-
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(1,994,319)	-
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	20,858,925	1,703,575
<u>Uses/outflows of resources:</u>		
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	23,347,788	1,703,575
Transfers to other funds	-	-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 23,347,788	\$ 1,703,575

**SUPPLEMENTARY INFORMATION**

UNION PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet - By Fund Type  
June 30, 2017

Exhibit 4

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 355,156	\$ -	\$ 355,156
Receivables	1,057,033	69,361	1,126,394
Interfund receivable	263,743	-	263,743
Inventory	38,274	-	38,274
	<u>1,714,206</u>	<u>69,361</u>	<u>1,783,567</u>
<b>Total Assets</b>	<b>1,714,206</b>	<b>69,361</b>	<b>1,783,567</b>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts, salaries and other payables	356,549	-	356,549
Interfund payable	1,203,689	259,140	1,462,829
Unearned revenue	15,631	-	15,631
	<u>1,575,869</u>	<u>259,140</u>	<u>1,835,009</u>
<b>Total Liabilities</b>	<b>1,575,869</b>	<b>259,140</b>	<b>1,835,009</b>
 <b>Fund Balances:</b>			
Nonspendable	22,643	-	22,643
Restricted	101,736	-	101,736
Committed	128,007	-	128,007
Unassigned	(114,049)	(189,779)	(303,828)
	<u>138,337</u>	<u>(189,779)</u>	<u>(51,442)</u>
<b>Total Fund Balances</b>	<b>138,337</b>	<b>(189,779)</b>	<b>(51,442)</b>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,714,206</b>	<b>\$ 69,361</b>	<b>\$ 1,783,567</b>

UNION PARISH SCHOOL BOARD

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

Exhibit 5

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
<b>REVENUES</b>			
Local sources:			
Taxes:			
Ad valorem	\$ 255,909	\$ -	\$ 255,909
Sales and use	4,898,864	-	4,898,864
Interest earnings	8,448	-	8,448
Food services	26,993	-	26,993
Other	824	-	824
State sources:			
Equalization	25,000	-	25,000
Other	279,635	-	279,635
Federal sources	3,041,830	1,914,914	4,956,744
<b>Total revenues</b>	<b>8,537,503</b>	<b>1,914,914</b>	<b>10,452,417</b>
<b>EXPENDITURES</b>			
Current:			
Instruction:			
Regular programs	968,270	-	968,270
Special Programs	553,740	-	553,740
Other instructional programs	884,952	-	884,952
Support services:			
Student services	586,189	-	586,189
Instructional staff support	431,686	-	431,686
General administration	177,710	-	177,710
School administration	159,113	-	159,113
Business services	45,186	-	45,186
Plant services	1,069,226	-	1,069,226
Student transportation services	319,064	-	319,064
Central services	19,346	-	19,346
Food services	1,367,773	-	1,367,773
Capital outlay	148,306	2,104,693	2,252,999
<b>Total expenditures</b>	<b>6,730,561</b>	<b>2,104,693</b>	<b>8,835,254</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,806,942</b>	<b>\$ (189,779)</b>	<b>\$ 1,617,163</b>

(CONTINUED)

UNION PARISH SCHOOL BOARD

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

Exhibit 5

	<u>SPECIAL REVENUE</u>	<u>CAPITAL PROJECT</u>	<u>TOTAL</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 727,846	\$ -	\$ 727,846
Transfers out	<u>(2,813,709)</u>	<u>(110,570)</u>	<u>(2,924,279)</u>
Total other financing sources (uses)	<u>(2,085,863)</u>	<u>(110,570)</u>	<u>(2,196,433)</u>
Net Change in Fund Balances	(278,921)	(300,349)	(579,270)
FUND BALANCES - BEGINNING	<u>417,258</u>	<u>110,570</u>	<u>527,828</u>
FUND BALANCES - ENDING	<u>\$ 138,337</u>	<u>\$ (189,779)</u>	<u>\$ (51,442)</u>

(CONCLUDED)

## Union Parish School Board

### Nonmajor Special Revenue Funds

**1979 SALES TAX** The 1979 Sales Tax Fund accounts for a one percent sales tax to be used to pay salaries and retirement benefits for school teachers and other school employees and/or to maintain and operate school buildings, facilities, and equipment.

**2001 SALES TAX** The 2001 Sales Tax Fund accounts for a one percent sales tax, 85% is to be used for paying salaries and benefits of teachers and other school employees and 15% is to be used for constructing, improving, maintaining and operating public schools, including authority to fund a portion of the sales tax into bonds.

**DISTRICT A** This fund accounts for the proceeds of an ad valorem tax dedicated for maintenance and upkeep of school facilities.

### **SPECIAL EDUCATION**

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

**STATE GRANTS** To provide grants to states to assist them in providing a free appropriate public education to all children with disabilities.

**SCHOOL FOOD SERVICE** This fund assists, through the use of cash 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.

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

**TANF** (Temporary Assistance to Needy Families) makes grants available to assist low-income families with child care services. This grant is used to assist prekindergarten intervention for targeted children who are considered at risk and unserved.

**8G** This grant was designed to provide high quality early childhood educational experiences to children who are considered to be at risk of not achieving later academic success.

**VOCATIONAL EDUCATION** To provide students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in agriculture, home economics, industrial arts, business, etc.

**21<sup>ST</sup> CENTURY (COMMUNITY LEARNING CENTER)** This program provides assistance and targeted remediation, academics such as arts and technology, and recreational activities in an effort to provide safe, enriched environments to school communities servicing large numbers of Title I children.

**SPECIAL FUNDS** This fund is to account for various state and federal grants as well as miscellaneous local donations to assist with educational purposes.

**BELIEVE AND PREPARE** This program provides assistance with teacher recruitment and preparation.

(Continued)

## Union Parish School Board

### Nonmajor Special Revenue Funds

**MIGRANT EDUCATION** This program is designed to support high-quality and comprehensive education for migratory children to help reduce the educational disruption and other problems that result from repeated moves.

**EDUCATION EXCELLENCE** Louisiana Revised Statute (LRS):39:98.1-98.5 established the Education Excellence Fund (EEF) as a component of the Millennium Trust. By legislative mandate, the State Department of Education has the responsibility of providing for the appropriations and oversight of monies from the Education Excellence Fund with the specific purpose of ensuring that all expenditures are used to support “excellence in educational practice.”

**SCHOOL IMPROVEMENT** This program is designed to dramatically turn around the academic achievement of students in the Nation’s persistently lowest-achieving schools.

(Concluded)

UNION PARISH SCHOOL BOARD

**NONMAJOR SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 2017**

	1979 SALES TAX	2001 SALES TAX	DISTRICT A	SPECIAL EDUCATION
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 51,495	\$ 12,665	\$ -
Receivables	240,358	240,358	9,462	133,384
Interfund receivable	2,526	15,310	199,042	-
Inventory	-	-	-	-
<b>Total Assets</b>	<b>242,884</b>	<b>307,163</b>	<b>221,169</b>	<b>133,384</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts, salaries and other payables	175	106,624	72,092	25,247
Interfund payable	276,184	99,521	29,501	108,137
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>276,359</b>	<b>206,145</b>	<b>101,593</b>	<b>133,384</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	101,018	-	-
Committed	-	-	119,576	-
Unassigned	(33,475)	-	-	-
<b>Total Fund Balances</b>	<b>(33,475)</b>	<b>101,018</b>	<b>119,576</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 242,884</b>	<b>\$ 307,163</b>	<b>\$ 221,169</b>	<b>\$ 133,384</b>

Exhibit 6

SCHOOL FOOD			
SERVICE	TITLE II	TANF	8G
\$ 212,471	\$ -	\$ 18,805	\$ -
30	62,909	106,222	46,139
40,016	6,849	-	-
38,274	-	-	-
<u>290,791</u>	<u>69,758</u>	<u>125,027</u>	<u>46,139</u>
72,233	26,785	28,459	9,252
260,858	42,973	96,568	36,887
15,631	-	-	-
<u>348,722</u>	<u>69,758</u>	<u>125,027</u>	<u>46,139</u>
22,643	-	-	-
-	-	-	-
-	-	-	-
<u>(80,574)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(57,931)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 290,791</u>	<u>\$ 69,758</u>	<u>\$ 125,027</u>	<u>\$ 46,139</u>

(CONTINUED)

UNION PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2017

	VOCATIONAL EDUCATION	21st CENTURY	SPECIAL FUNDS	BELIEVE AND PREPARE
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 95	\$ 17,827
Receivables	22,005	91,623	20,318	-
Interfund receivable	-	-	-	-
Inventory	-	-	-	-
<b>Total Assets</b>	<b>22,005</b>	<b>91,623</b>	<b>20,413</b>	<b>17,827</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts, salaries and other payables	-	-	1,882	-
Interfund payable	22,005	91,623	17,813	17,827
Unearned revenue	-	-	-	-
<b>Total Liabilities</b>	<b>22,005</b>	<b>91,623</b>	<b>19,695</b>	<b>17,827</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	-	718	-
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>718</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,005</b>	<b>\$ 91,623</b>	<b>\$ 20,413</b>	<b>\$ 17,827</b>

Exhibit 6

<b>MIGRANT EDUCATION</b>	<b>EDUCATION EXCELLENCE</b>	<b>SCHOOL IMPROVEMENT</b>	<b>TOTAL</b>
\$ 33,367	\$ 8,431	\$ -	\$ 355,156
44,799	-	39,426	1,057,033
-	-	-	263,743
-	-	-	38,274
<u>78,166</u>	<u>8,431</u>	<u>39,426</u>	<u>1,714,206</u>
11,430	-	2,370	356,549
66,736	-	37,056	1,203,689
-	-	-	15,631
<u>78,166</u>	<u>-</u>	<u>39,426</u>	<u>1,575,869</u>
-	-	-	22,643
-	-	-	101,736
-	8,431	-	128,007
-	-	-	(114,049)
<u>-</u>	<u>8,431</u>	<u>-</u>	<u>138,337</u>
<u>\$ 78,166</u>	<u>\$ 8,431</u>	<u>\$ 39,426</u>	<u>\$ 1,714,206</u>

(CONCLUDED)

**UNION PARISH SCHOOL BOARD**

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

	<b>1979</b>	<b>2001</b>		<b>SPECIAL</b>
	<b>SALES</b>	<b>SALES</b>		<b>EDUCATION</b>
	<b>TAX</b>	<b>TAX</b>	<b>DISTRICT A</b>	
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ 255,909	\$ -
Sales and use	2,449,432	2,449,432	-	-
Interest earnings	1,460	2,529	1,603	-
Food services	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	-	-	26,415	-
Federal sources	-	-	-	675,967
	<u>2,450,892</u>	<u>2,451,961</u>	<u>283,927</u>	<u>675,967</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	496,166	466,322	-	-
Special Programs	121,772	116,219	-	265,083
Other instructional programs	39,009	37,522	-	1,045
Support services:				
Student services	76,053	70,782	-	91,972
Instructional staff support	47,683	48,755	-	265,795
General administration	26,041	25,890	8,267	52,072
School administration	82,569	76,544	-	-
Business services	13,972	13,200	18,014	-
Plant services	41,915	37,619	981,995	-
Student transportation services	154,963	142,490	-	-
Central services	5,586	1,472	-	-
Food services	77,949	73,264	-	-
Capital outlay	-	-	148,306	-
	<u>1,183,678</u>	<u>1,110,079</u>	<u>1,156,582</u>	<u>675,967</u>
Total expenditures				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 1,267,214</u>	<u>\$ 1,341,882</u>	<u>\$ (872,655)</u>	<u>\$ -</u>

Exhibit 7

SCHOOL FOOD SERVICE	TITLE II	TANF	8G
\$ -	\$ -	\$ -	\$ -
-	-	-	-
2,856	-	-	-
26,993	-	-	-
824	-	-	-
25,000	-	-	-
2,246	-	133,271	72,693
1,240,572	229,268	159,138	-
1,298,491	229,268	292,409	72,693
-	-	-	-
-	-	-	-
-	161,199	292,409	72,693
-	-	-	-
-	50,298	-	-
-	17,771	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
12,288	-	-	-
1,216,560	-	-	-
-	-	-	-
1,228,848	229,268	292,409	72,693
\$ 69,643	\$ -	\$ -	\$ -

(CONTINUED)

UNION PARISH SCHOOL BOARD

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

	1979 SALES TAX	2001 SALES TAX	DISTRICT A	SPECIAL EDUCATION
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ 727,846	\$ -
Transfers out	(1,406,855)	(1,406,854)	-	-
Total other financing sources (uses)	(1,406,855)	(1,406,854)	727,846	-
Net Change in Fund Balances	(139,641)	(64,972)	(144,809)	-
FUND BALANCES - BEGINNING	106,166	165,990	264,385	-
FUND BALANCES - ENDING	\$ (33,475)	\$ 101,018	\$ 119,576	\$ -

Exhibit 7

<u>SCHOOL FOOD SERVICE</u>	<u>TITLE II</u>	<u>TANF</u>	<u>8G</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
69,643	-	-	-
(127,574)	-	-	-
<u>\$ (57,931)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(CONTINUED)

UNION PARISH SCHOOL BOARD

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

	<u>VOCATIONAL EDUCATION</u>	<u>21ST CENTURY</u>	<u>SPECIAL FUNDS</u>	<u>BELIEVE AND PREPARE</u>
<b>REVENUES</b>				
Local sources:				
Taxes:				
Ad valorem	\$ -	\$ -	\$ -	\$ -
Sales and use	-	-	-	-
Interest earnings	-	-	-	-
Food services	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	-	-	10,294	-
Federal sources	32,200	408,180	76,705	-
	<u>32,200</u>	<u>408,180</u>	<u>76,705</u>	<u>-</u>
Total revenues	<u>32,200</u>	<u>408,180</u>	<u>86,999</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
Instruction:				
Regular programs	-	-	5,782	-
Special Programs	-	-	50,666	-
Other instructional programs	30,731	-	14,084	-
Support services:				
Student services	-	347,217	165	-
Instructional staff support	1,469	-	14,055	-
General administration	-	31,655	2,034	-
School administration	-	-	-	-
Business services	-	-	-	-
Plant services	-	7,697	-	-
Student transportation services	-	21,611	-	-
Central services	-	-	-	-
Food services	-	-	-	-
Capital outlay	-	-	-	-
	<u>32,200</u>	<u>408,180</u>	<u>86,786</u>	<u>-</u>
Total expenditures	<u>32,200</u>	<u>408,180</u>	<u>86,786</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213</u>	<u>\$ -</u>

Exhibit 7

<u>MIGRANT EDUCATION</u>	<u>EDUCATION EXCELLENCE</u>	<u>SCHOOL IMPROVEMENT</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 255,909
-	-	-	4,898,864
-	-	-	8,448
-	-	-	26,993
-	-	-	824
-	-	-	25,000
-	34,716	-	279,635
180,374	-	39,426	3,041,830
<u>180,374</u>	<u>34,716</u>	<u>39,426</u>	<u>8,537,503</u>
-	-	-	968,270
-	-	-	553,740
164,229	34,071	37,960	884,952
-	-	-	586,189
2,165	-	1,466	431,686
13,980	-	-	177,710
-	-	-	159,113
-	-	-	45,186
-	-	-	1,069,226
-	-	-	319,064
-	-	-	19,346
-	-	-	1,367,773
-	-	-	148,306
<u>180,374</u>	<u>34,071</u>	<u>39,426</u>	<u>6,730,561</u>
<u>\$ -</u>	<u>\$ 645</u>	<u>\$ -</u>	<u>\$ 1,806,942</u>

(CONTINUED)

UNION PARISH SCHOOL BOARD

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

	<u>VOCATIONAL EDUCATION</u>	<u>21ST CENTURY</u>	<u>SPECIAL FUNDS</u>	<u>BELIEVE AND PREPARE</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ -	\$ -	\$ -	\$ -
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net Change in Fund Balances	-	-	213	-
FUND BALANCES - BEGINNING	-	-	505	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 718</u>	<u>\$ -</u>

Exhibit 7

<u>MIGRANT EDUCATION</u>	<u>EDUCATION EXCELLENCE</u>	<u>SCHOOL IMPROVEMENT</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 727,846
-	-	-	(2,813,709)
-	-	-	(2,085,863)
-	645	-	(278,921)
-	7,786	-	417,258
<u>\$ -</u>	<u>\$ 8,431</u>	<u>\$ -</u>	<u>\$ 138,337</u>

(CONCLUDED)

**Union Parish School Board**

**Nonmajor Capital Project Funds**

**Construction UPSB** to account for new construction and renovations to schools in the parish financed through bond issuances.

**Saferoom Project** to account for construction of a saferoom at Union Parish Elementary School financed through a federal grant.

UNION PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECT FUNDS  
 Combining Balance Sheet  
 June 30, 2017

Exhibit 8

	CONSTRUCTION UPS B	SAFEROOM PROJECT	TOTAL
<b>ASSETS</b>			
Receivables	\$ -	\$ 69,361	\$ 69,361
Total Assets	-	69,361	69,361
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Interfund payable	-	259,140	259,140
Total Liabilities	-	259,140	259,140
<b>Fund Balances:</b>			
Unassigned	-	(189,779)	(189,779)
Total Fund Balances	-	(189,779)	(189,779)
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 69,361</b>	<b>\$ 69,361</b>

UNION PARISH SCHOOL BOARD

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

Exhibit 9

	CONSTRUCTION UPSB	SAFEROOM PROJECT	TOTAL
REVENUES			
Federal sources	\$ -	\$ 1,914,914	\$ 1,914,914
Total revenues	-	1,914,914	1,914,914
EXPENDITURES			
Capital outlay	-	2,104,693	2,104,693
Total expenditures	-	2,104,693	2,104,693
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(189,779)	(189,779)
OTHER FINANCING SOURCES (USES)			
Transfers out	(110,570)	-	(110,570)
Total other financing sources (uses)	(110,570)	-	(110,570)
Net Change in Fund Balances	(110,570)	(189,779)	(300,349)
FUND BALANCES - BEGINNING	110,570	-	110,570
FUND BALANCES - ENDING	\$ -	\$ (189,779)	\$ (189,779)

**Union Parish School Board**

**Agency Fund**

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

UNION PARISH SCHOOL BOARD

SCHOOL ACTIVITIES AGENCY FUND  
 Schedule of Changes in Assets and Liabilities  
 For the Year Ended June 30, 2017

Exhibit 10

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 264,398	\$ 508,478	\$ 564,246	\$ 208,630
LIABILITIES				
Deposits due others	\$ 264,398	\$ 508,478	\$ 564,246	\$ 208,630

UNION PARISH SCHOOL BOARD

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

Exhibit 11

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
BERNICE ELEMENTARY	\$ 3,033	\$ -	\$ 3,033	\$ -
UNION ELEMENTARY	78,997	96,032	120,787	54,242
UNION PARISH 6TH CENTER	10,576	10,469	12,105	8,940
UNION PARISH JUNIOR HIGH	39,946	77,175	84,974	32,147
UNION PARISH HIGH	<u>131,846</u>	<u>324,802</u>	<u>343,347</u>	<u>113,301</u>
Total	<u>\$ 264,398</u>	<u>\$ 508,478</u>	<u>\$ 564,246</u>	<u>\$ 208,630</u>

**Union Parish School Board**

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

**Exhibit 12**

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 \$550 per month, and the president receives \$600 per month for performing the duties of this office.

Shannon Barkley, President	\$ 6,900
Clyde Hays, Vice President	6,600
Tommy Bennett	6,600
Challana Ray Dean	6,600
John Ellis	6,600
Robert C. James, Jr.	6,900
Judy Mabry	6,600
Danny Smith	6,600
Sharon Stewart	6,600
Total	<u><u>\$ 60,000</u></u>

Union Parish School Board

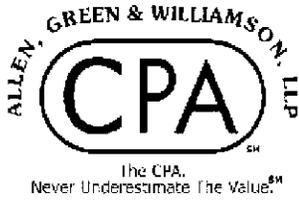
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD  
(SUPERINTENDENT)  
For the Year Ended June 30, 2017

Exhibit 13

Agency Head Name: Dr. George Cannon, Superintendent

<u>Purpose</u>	<u>Amount</u>
Salary	\$129,990
Benefits - Retirement	33,147
Benefits - Medicare	1,870
Travel	2,975
Registration fees	75

**SINGLE AUDIT INFORMATION**



# ALLEN, GREEN & WILLIAMSON, LLP

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Audit Manager: Margie Williamson, CPA

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

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

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

Board Members  
Union Parish School Board  
Farmerville, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union Parish School Board as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated March 22, 2018. Our report includes a reference to other auditors who audited the financial statements of Downsville Community Charter, Inc. as described in our report on Union Parish School Board's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Downsville Charter, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Downsville, Charter, Inc.

### **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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2017-001 and 2017-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-004, 2017-005 and 2017-006 to be significant deficiencies.

### **Compliance and Other Matters**

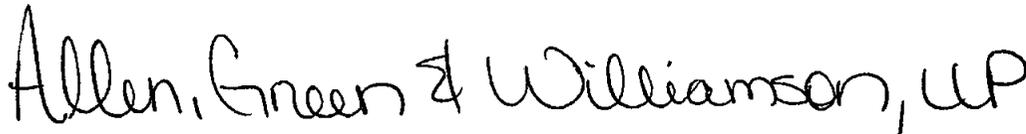
As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-004, 2017-005 and 2017-006.

### **The School Board's Response to Findings**

The School Board's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Audit Findings. The School Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

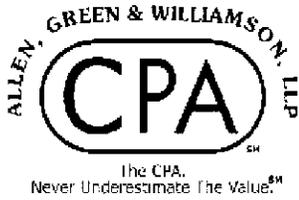
### **Purpose of this Report**

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



ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 22, 2018



# ALLEN, GREEN & WILLIAMSON, LLP

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(Retired) 1963 - 2000

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

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

Board Members  
Union Parish School Board  
Farmerville, Louisiana

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

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

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

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

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

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

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

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

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

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Audit Findings and Questioned Costs as items 2017-007 and 2017-008. Our opinion on each major federal program is not modified with respect to these matters.

The School Board's response to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Audit Findings. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

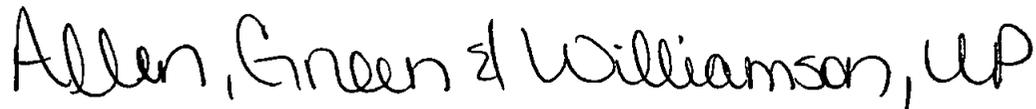
Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-007 and 2017-008 that we consider to be significant deficiencies.

The School Board's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plan for Current Year Audit Findings and Questioned Costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Although the intended use of these reports 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.

A handwritten signature in black ink that reads "Allen, Green & Williamson, LLP". The signature is written in a cursive, flowing style.

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 22, 2018

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

**Exhibit 14**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass Through Grantor No.</u>	<u>Expenditures</u>
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
Child Nutrition Cluster:			
Non Cash Assistance (Commodities):			
National School Lunch Program	10.555	NONE	\$ 30
Cash Assistance:			
National School Lunch Program	10.555	NONE	892,366
School Breakfast Program	10.553	NONE	321,338
Summer Food Program	10.559	NONE	<u>26,838</u>
Total Child Nutrition Cluster			<u>\$ 1,240,572</u>
Total United States Department of Agriculture			<u>1,240,572</u>
United States Department of Education			
Passed through Louisiana Department of Education:			
Title I Part A	84.010A	28-17-T1-56 28-17-RD1-56	1,694,187 <u>9,388</u>
			1,703,575
Migrant Education	84.011A	28-17-M1-56	180,374
Twenty-First Century Community Learning Centers	84.287C	28-17-2C-56	408,180
Title II (Teacher and Principal Training and Recruiting)	84.367A	28-17-50-56	229,268
Title III (English Language Acquisition Grants)	84.365A	28-17-60-56	20,241
Special Education Cluster:			
Grants to States (Part B)	84.027A	28-17-B1-56 28-17-B6-56 28-17-RH-56 28-15-OG-56	423,948 227,954 31,212 8,750
Preschool Grants	84.173A	28-76-P1-56 28-17-CY-56	14,270 <u>1,045</u>
Total Special Education Cluster			707,179
Special Education - State Personnel Development	84.323A	28-12-P6-56	21,127
Vocational Education: Basic Grants to States	84.048A	28-17-02-56	32,200
School Improvement Fund 1003(g)	84.377A	28-17-TC07-56	<u>39,426</u>
Total United States Department of Education			<u>3,341,570</u>
United States Department of Health and Human Services			
Passed through the Louisiana Department of Education			
TANF - Cecil J. Picard LA 4 Early Childhood Program	93.558	28-17-36-56	159,138
Early Childhood Community Network Lead Agency	93.575	28-16-Z2-56	<u>4,125</u>
Total United States Department of Health and Human Services			<u>163,263</u>
United States Department of Homeland Security			
Passed Through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:			
Hazard Mitigation (Safe Room Project - UES)	97.039	1603-440	<u>1,914,914</u>
TOTAL FEDERAL AWARDS			<u>\$ 6,660,319</u>

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

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

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

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

	Federal Sources
Major funds:	
Title I	\$ 1,703,575
Nonmajor special revenue funds:	
Special Education	675,967
School Food Service	1,240,572
Title II	229,268
TANF	159,138
Vocational Education	32,200
21st Century	408,180
Special Funds	76,705
Migrant Education	180,374
School Improvement	39,426
Nonmajor capital projects funds:	
Saferoom Project	1,914,914
Total	\$ 6,660,319

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



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

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Reference # and title:      2017-001    Internal Controls over Financial Reporting**

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

**Criteria or specific requirement:** Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate account period.

**Condition found:**

- When reviewing a sample of 8 bank reconciliations completed as of June 30, 2017, there were four exceptions noted where the bank reconciliation reviewed included outstanding checks or deposits from July 2017 in error.
- When reviewing the accounts receivable listing provided at year-end, it was noted that interfund receivables totaling \$245,419 were included in the listing in error. An adjusting journal entry was proposed to correct this error.
- When reviewing the accounts payable listing provided at year-end, it was noted that interfund payables totaling \$245,392 were included in the listing in error. Also, it was noted that one check totaling \$217,000 was included on the listing in error, and should not have been recorded as a payable at year-end. Adjusting journal entries were proposed to correct these errors.
- When tracing the purchase price for a sample of 5 capital asset additions from the capital asset addition listing provided by the School Board to invoices for the purchase, there was one exception noted where the purchase price per the listing did not agree to the invoices.
- When testing the construction in progress listing provided by the School Board, there was a total of \$60,078 in expenses that should have been included in the listing and was excluded in error and there was a total of \$33,516 in expenses included in one project that related to a separate project.
- Adjusting journal entries were also proposed to correct balances at year-end related to revenues, receivables, interfunds, as well as to record the 1% credit used with TRSL during the year.

**Context:** The exceptions noted above were identified when performing substantive testing across various account balances and appears to be systemic.

**Possible asserted effect (cause and effect):**

**Cause:** The School Board has not established a monthly process to ensure that errors are prevented or detected and corrected on a timely basis. Also, there was turnover in key management at year-end.

**Effect:** The trial balances provided to the auditor had material misstatements. Also, financial statements provided to management and the Board were not materially correct.

**Recommendations to prevent future occurrences:** Procedures should be established to ensure that year end trial balances are complete, accurate, and that all necessary adjustments have been made prior to provided trial balances for audit.

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

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Origination date and prior year reference (if applicable):** This finding originated June 30, 2015. Prior year finding reference was 2016-001.

**View of Responsible Official:** This finding has been reviewed and noted by management and related staff. We agree with this finding.

**Reference # and title:**        **2017-002    Controls over Payroll Disbursements**

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

**Criteria or specific requirement:** Proper internal controls over payroll disbursements require that employees are paid in accordance with the Board approved salary schedule and that proper supporting documentation is retained for any additional pay during the year.

**Condition found:**

- When reviewing a sample of 42 payroll disbursements, there was one exception noted where an employee was paid coaches' pay in error.
- When reviewing salary information for a sample of 6 administrative employees, there was one exception noted where the administrative employee reviewed received an advance on their salary during the year. Furthermore, it was noted that employee benefits were not properly withheld from this salary advance.
- When testing a sample of 11 payments made and recorded as stipends to 6 employees during the year, there were 7 exceptions noted where the amount paid was incorrectly calculated and paid. There were 6 exceptions noted where the payment was incorrectly coded as a stipend.

**Context:** The population included all payroll payments made during the year. A sample of 42 payroll disbursements, 6 administrative salaries and 11 stipend payments were selected for testing. The finding appears to be systemic.

**Possible asserted effect (cause and effect):**

**Cause:** The auditor was unable to determine the cause.

**Effect:** Internal controls over payroll disbursements are weakened.

**Recommendations to prevent future occurrences:** The School Board should establish proper controls over payroll disbursements to ensure that amounts are properly paid to employees, that salaries are not advanced to employees and that amounts are properly coded in the general ledger history.

**Origination date and prior year reference (if applicable):** This finding originated June 30, 2014. See prior year finding 2016-002.

**View of Responsible Official:** This finding has been reviewed and noted by management and related staff. We agree with this finding.

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

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Reference # and title:**        **2017-003**    **Controls over Payroll Tax Filings**

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

**Criteria or specific requirement:** Proper internal controls should be established to ensure that federal payroll taxes are paid timely to the Internal Revenue Service and that quarterly payroll tax reporting is properly completed and remitted.

**Condition found:** In June 2017, the auditor was provided copies of notifications from the Internal Revenue Service related to penalties and interest accrued on payroll taxes for a total of 9 quarters ranging from December 2012 through June 2017. Following further investigation, it was determined that as of June 30, 2017, there were penalties and interests amounts owed for these quarters that estimated to be \$39,560. Also, when reviewing payroll taxes, withholdings and retirement payments during the period April 2016 through March 2017 there were three exceptions noted where the payroll taxes and withholdings were not properly calculated and remitted, there were 12 exceptions noted where the payment was not remitted by the required timeline and there were 6 exceptions noted where the tax forms were not remitted by the required deadline.

**Context:** Of the four quarters during the fiscal year, there were two quarters noted where taxes remitted were short. Also, all payroll tax, withholdings and retirement payments were reviewed for a 12 month period. This finding is considered to be systemic.

**Possible asserted effect (cause and effect):**

**Cause:**    The auditor was unable to determine the cause.

**Effect:**    Internal controls over payroll tax filings are weakened.

**Recommendations to prevent future occurrences:** The School Board should establish controls over payroll tax filings to ensure proper forms are filed, amounts are properly remitted, and that notifications from the Internal Revenue Service are followed up on a timely basis.

**Origination date and prior year reference (if applicable):** This finding originated June 30, 2017.

**View of Responsible Official:** This finding has been reviewed and noted by management and related staff. We agree with this finding.

**Reference # and title:**        **2017-004**    **Bid Law**

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

**Criteria or specific requirement:** In accordance with LA Revised Statute 38:2212.1, all purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to lowest bidder who has bid according to the specifications as advertised. Furthermore, purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three

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

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

telephone or facsimile quotations.

**Condition found:** When testing a sample of three purchases that required the use of sealed bids and two purchases that required the use of quotes, the following was noted:

General

- There was one exception noted where quotes should have been obtained and were not properly obtained prior to the purchase.

School Food Service

- There was one exception noted where the sealed bid process was not followed prior to the purchase.

**Context:** The population included all purchases during the year over the quote threshold of \$10,000 during the year. This finding appears to be systemic.

**Possible asserted effect (cause and effect):**

**Cause:** The auditor was unable to determine the cause.

**Effect:** The School Board may not have complied with State statutes related to procurement.

**Recommendations to prevent future occurrences:** The School Board should establish procedures to ensure State public bid and quote requirements are met. Also, the School Board should establish procedures to ensure all individuals making purchases on behalf of the School Board are aware of the School Board's purchasing policies and the State procurement requirements.

**Origination date and prior year reference (if applicable):** This finding originated June 30, 2017.

**View of Responsible Official:** This finding has been reviewed and noted by management and related staff. We agree with this finding.

**Reference # and title:**        2017-005    Five Percent Unfavorable Budget Variance

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

**Criteria or specific requirement:** Louisiana Revised Statute 39:1311 requires the chief executive or administrative officer to advise the governing authority or independently elected official in writing when total expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more and when total revenues and other sources for the remainder of the year, within a fund, are failing to meet budgeted revenues and other sources by five percent or more.

**Condition found:** The actual revenues collected for the year for the General Fund were less than the budgeted revenues by approximately 6.3%.

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

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Context:** The population included all budgets adopted by the School Board during the year. This is considered to be an isolated instance.

**Possible asserted effect (cause and effect):**

**Cause:** Budgets were not amended during the year to adjust for changes noted during the year.

**Effect:** The School Board may not have met State budgeting requirements.

**Recommendations to prevent future occurrences:** The School Board should establish procedures to ensure budgets are periodically reviewed and revised as needed.

**Origination date and prior year reference (if applicable):** This finding originated June 30, 2017.

**View of Responsible Official:** This finding has been reviewed and noted by management and related staff. We agree with this finding.

**Reference # and title:**        **2017-006**    **Late Submission of Audit Report to Legislative Auditor**

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

**Criteria or specific requirement:** The audit report should be filed timely to the Louisiana Legislative Auditor (LLA) within six months after year-end, according to Louisiana R.S. 24:513A(5)(a)(i).

**Condition found:** The School Board did not have the audited financial submitted to the LLA in the required timeline.

**Context:** The finding appears to be systemic.

**Possible asserted effect (cause and effect):**

**Cause:** The initial trial balances provided for audit were not complete and accurate. Additional time was needed for the School Board to finalize year-end account balances.

**Effect:** The School Board did not meet the compliance requirements with the State of Louisiana.

**Recommendations to prevent future occurrences:** Proper internal controls should be established to ensure year-end trial balances are complete prior to submission for audit.

**Origination date and prior year reference (if applicable):** This finding originated June 30, 2015. See prior year finding 2016-005.

**View of Responsible Official:** The former CFO/Business Manager terminated employment on July 3, 2017, and was replaced by the current CFO/Business Manager on September 29, 2017. An accountant/consultant was

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

**Part II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

employed by Union Parish School Board in July 2017. There was not sufficient time to produce the financial statements for the performance of the audit within 3 months. In the future, the audit of the annual financial statements will be submitted to the LLA within 6 months after year-end.

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

**Part III – Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance:**

**Reference # and title: 2017-007      Income and Expense Report of School Food Service**

**Federal program and specific Federal award identification:** This finding relates to the Child Nutrition Cluster: School Breakfast Program CFDA# 10.553, National School Lunch Program CFDA# 10.555 and Summer Food Program CFDA# 10.559 for Federal Award Year 2016 received from Federal Agency: U.S. Department of Agriculture, passed through the Louisiana Department of Education.

**Criteria or specific requirement:** At fiscal year end, the School Board is required to submit the income and expense report to the Louisiana Department of Education for the fiscal year, which should reflect amounts per the accounting records of the School Food Service fund based on the Louisiana Department of Education’s prescribed object codes and functions.

**Condition found:** When testing the income and expense report for the year ended June 30, 2017, there were several exceptions noted where the amounts reported did not agree to proper underlying supporting documentation.

**Context:** School Food Service remits an income and expense report at the end of each fiscal year. This report was selected for testing and the problem noted appears to be systemic.

**Possible asserted effect (cause and effect):**

**Cause:** The School Food Service department did not retain supporting documentation used to prepare the income and expense report.

**Effect:** The income and expense report submitted by the School Board to the Louisiana Department of Education did not agree with year-end financials.

**Recommendations to prevent future occurrences:** The School Board should implement procedures whereby the income and expense report is reviewed by someone in the business department to ensure that the proper information is contained in the report, agrees to the accounting records of the School Food Service fund, and that supporting documentation used is retained for audit testing.

**Origination date and prior year reference (if applicable):** This finding originated June 30, 2015. See prior year finding 2016-007.

**View of Responsible Official:** This finding has been reviewed and noted by management and related staff. We agree with this finding.

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

**Part III – Findings and questioned costs for federal awards which are required to be reported under the Uniform Guidance:**

**Reference # and title: 2017-008      Bid Law**

**Federal program and specific Federal award identification:** This finding relates to Child Nutrition Cluster: School Breakfast Program CFDA #10.553, National School Lunch CFDA #10.555 and Summer Food Program CFDA# 10.559 for Federal Award Year 2016 received from Federal Agency: U.S. Department of Agriculture, passed through Louisiana Department of Education.

**SEE CURRENT YEAR FINDING 2017-004 FOR CRITERIA, CONDITION FOUND, CONTEXT, POSSIBLE ASSERTED EFFECT (CAUSE AND EFFECT), RECOMMENDATIONS TO PREVENT FUTURE OCCURRENCES, ORIGINATION DATE AND PRIOR YEAR REFERENCE (IF APPLICABLE) AND VIEW OF RESPONSIBLE OFFICIAL.**

**OTHER INFORMATION**



# Union Parish School Board



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George Cannon, Ed.D.  
Superintendent

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## Summary Schedule of Prior Year Audit Findings For the Year Ended June 30, 2017

**Reference # and title:**      2016-001    Internal Controls Over Financial Reporting

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

**Condition:** Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate account period.

### General:

- In performing a test of year-end compensated absences balances, it was noted that the School Board incorrectly calculated compensated absences balances for the seven employees selected for testing. The School Board only included one sales tax supplement payment for each employee instead of including both sales tax supplement payments paid during the year in the calculation of the year-end compensated absences liability.
- In performing a review of subsequent receipts, one deposit for \$321,756 was identified that was incorrectly recorded in the general ledger history as an interfund receivable instead of accounts receivable. The auditor proposed a journal entry to correct this error.
- In testing of 38 significant journal entries prepared and posted during the year, there were seven exceptions noted where the journal entry was not valid, appropriate and properly recorded. Also, there was one exception noted where the journal entry was not reviewed prior to posting.
- In performing a review of invoices for capital asset purchases that were not capitalized, there were six items noted that met the capitalization threshold and were not identified by the School Board for capitalization during the year.
- In performing a test of year-end accounts payable and related retainage payable balances, it was noted that the prior year balances of accounts payable and retainage payable of \$150,233 were not reversed in the current year. Furthermore, it was noted that an error was made when recording the current year retaining payable balance of \$536,638; the School Board recorded current year retainage payable balances by reducing current year accounts payable instead of recording the current year expense related to the retainage payable. The School Board provided journal entries to correct these errors.
- In testing the construction in progress listing completed by the School Board, there were four instances noted where invoices paid related to construction were not included on the listing and one instance noted where the invoices paid were included in the listing in error. Furthermore, it was noted that retainage payable was not included in the construction in progress listing provided.
- Wages payable, payroll related benefits liabilities, payroll fund cash, Minimum Foundation Program (MFP) revenue, grant revenue and related receivables and accounts receivable balances were incorrectly recorded in the general ledger by the School Board during the year. At the request of the auditors, the School Board researched and provided journal entries to correct these errors.

**Summary Schedule of Prior Year Audit Findings For the Year Ended June 30, 2017 (continued)**

School Food Service:

- When agreeing the year-end commodities revenue to the amount confirmed by the grantor, a variance was noted. The auditor proposed a journal entry to correct this error.
- Although the School Board corrected these entries after year-end, it was noted that monthly financial statements related to this program were incorrectly reporting deferred revenue and food sale income balances.
- In reviewing journal entries posted during the audit period, it was noted that the School Board was incorrectly recording entries each month related to prepaid meal sales.
- There were two instances noted where the bank statements for the School Food Service Program were not reconciled on a timely basis.
- In testing year-end inventory balances, it was noted that an error was made when calculating and recording inventory amounts. At the request of the auditor, the School Board provided a journal entry to correct this error.

**Corrective action planned:** See current year finding 2017-001.

**Reference # and title:**      **2016-002    Controls over Disbursements**

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

**Condition:** Proper internal controls over disbursements require that the proper supporting documentation be maintained, expenses be coded to the correct account, remitted to vendor timely and that School Board policy is followed.

In testing 61 vendor disbursements, 62 payroll disbursements and 10 travel reimbursements, the following exceptions were noted:

**General**

- Five instances noted where out-of-parish travel was not approved in writing, as required by School Board policy.
- Two instances noted where proper supporting documentation was not retained for travel reimbursed.
- One instance noted where amount reimbursed for travel was not in accordance with the approved travel policy.

**Title I**

- One instance noted where out-of-parish travel was not approved in writing, as required by School Board policy.

**School Food Service**

- Seven instances noted where invoices were paid without proper approval.
- Two instances noted where no purchase order was issued, as required by School Board policy.
- Two instances noted where semi-annual certifications were not properly retained for the employee tested.
- Two instances noted where out-of-parish travel was not approved in writing, as required by School Board policy.
- Two instances noted where proper supporting documentation was not retained for travel reimbursed.

**Corrective action planned:** This finding is considered to be cleared regarding vendor and travel disbursements. For payroll disbursements, see current year finding 2017-002.

Summary Schedule of Prior Year Audit Findings For the Year Ended June 30, 2017 (continued)

**Reference # and title:**      2016-003    Computer Access User Rights

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

**Condition:** System access controls are a fundamental IT control to ensure system security and data integrity. No individual should have excess system access that enables them to execute transactions across an entire business process without proper checks and balances in place. Employees' access to the financial accounting system should be limited only to the areas of the applications needed to perform their assigned job duties.

When reviewing user access for the twenty user ID's set up in the financial accounting system, there were three instances noted where accounting personnel had full access to all areas of the financial accounting system, including preparing and posting journal entries, reconciling bank statements, creating new vendors, accounts payable processes, creating new employees, payroll processes, etc.

**Corrective action taken:** Management contacted the software company and the company updated the program to enable the administrator the ability to limit access for users. This finding is considered to be cleared.

**Reference # and title:**      2016-004    Sinking Fund Requirements

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

**Condition:** Louisiana Revised Statute 39:569 requires each sinking fund issue to ascertain that the amount of millages levied is reasonable. The balance in the fund should not be more than one year of debt service requirements. The proceeds of any special tax shall constitute a trust fund to be used exclusively for the object purposes for which the tax was levied. The records of the taxing authority shall clearly reflect the objects and purposes for which the proceeds of the tax are used.

In testing the fund balance remaining in the sinking fund, it was noted that the Debt Service Fund had a remaining excess fund balance of \$1,040,358 after the next year's principal and interest payments of \$1,664,880 were deducted.

**Corrective action taken:** School Board consulted with legal counsel and municipal advisors in order to determine millage rates. This finding is considered to be cleared.

**Reference # and title:**      2016-005    Late Submission of Audit Report to Legislative Auditor

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

**Condition:** The audit report should be filed timely to the Louisiana Legislative Auditor (LLA) within six months after year-end, according to Louisiana R.S. 24:513A(5)(a)(i).

The School Board did not have the audited financials submitted to the LLA in the required timeline.

**Corrective action planned:** See current year finding 2017-006.

Summary Schedule of Prior Year Audit Findings For the Year Ended June 30, 2017 (continued)

**Reference # and title:      2016-006    Cash Management- Title 1**

**Federal program and specific Federal award identification:** This finding relates to the Title 1 program, CFDA #84.010A for Federal Award Year 2015, received from Federal Agency: U.S. Department of Education passed through the Louisiana Department of Education.

**Condition:** Federal regulation 2 CFR section 215.22 requires that when a school district is funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. Furthermore, any unearned revenue balances should be consistent with the requirement to minimize the time between drawing and disbursing Federal funds.

When reviewing the year-end balances for the Title 1 cost reimbursement grant, there were unearned revenue balances of \$18,522 noted from the prior year that were not utilized in the current year. Excessive amounts drawn down should be utilized prior to requesting any additional amounts from the grantor agency.

**Corrective action taken:** The School Board was under the assumption that the amount that was drawn down from the previous years over requested amount was correct as was presented by the auditor. Now having been corrected, the School Board will draw down the corrected funds. This finding is considered to be cleared.

**Reference # and title:      2016-007    Income and Expense Report of School Food Service**

**Federal program and specific Federal award identification:** This finding relates to the Child Nutrition Cluster: School Breakfast Program CFDA# 10.553 and National School Lunch Program CFDA# 10.555 for Federal Award Year 2015 received from Federal Agency: U.S. Department of Agriculture, passed through the Louisiana Department of Education.

**Condition:** At fiscal year end, the School Board is required to submit the income and expense report to the Louisiana Department of Education for the fiscal year, which should reflect amounts per the accounting records of the School Food Service fund based on the Louisiana Department of Education's prescribed object codes and functions.

When testing the income and expense report for the year ended June 30, 2017, there were several exceptions noted where the amounts reported did not agree to proper underlying supporting documentation.

Additionally, see current year finding 2016-001 for information related to accounting exceptions noted when testing year-end account balances.

**Corrective action planned:** See current year finding 2017-007.

Summary Schedule of Prior Year Audit Findings For the Year Ended June 30, 2017 (continued)

**Reference # and title:        2016-008    Special Test and Provisions - Paid Equity Calculation**

**Federal program and specific Federal award identification:** This finding relates to the Child Nutrition Cluster: School Breakfast Program CFDA# 10.553 and National School Lunch Program CFDA# 10.555 for Federal Award Year 2015 received from Federal Agency: U.S. Department of Agriculture, passed through the Louisiana Department of Education.

**Condition:** The School Food Service Program is required to ensure that sufficient funds are provided to the school food service program from lunches served to students that are not determined to be eligible to receive free or reduced priced meals. A program currently charging less for a paid lunch than the difference between the federal reimbursement rate for such a lunch and that for a free lunch is required to comply. Compliance is documented by completing a calculation on a form provided by the U. S. Department of Agriculture.

The amounts included in the paid equity calculation could not be traced to proper supporting documentation; although it was determined that the errors noted in reporting would not have affected the established meal prices for the School Food Service Program.

**Corrective action taken:** An error was made when the information was keyed in, will double check work in the future. This finding is considered to be cleared.

**Reference # and title:        2016-009    Eligibility- Title 1 Targeting**

**Federal program and specific Federal award identification:** This finding relates to Title I CFDA #84.010A for Federal Award Year 2015, received from Federal Agency: U.S. Department of Education passed through Louisiana Department of Education.

**Condition:** Federal guidelines require that the School Board determine which schools are eligible to participate in Title I Part A based on poverty measures for children between the ages of 5 to 17.

When tracing the enrollment numbers reported in the targeting calculation to support, it was noted that amounts reported did not agree to supporting documentation. Furthermore, it was noted that preschool students appeared to be included in the targeting calculation in error. Although it does not appear that the total allocated to each school would have changed, it was noted that the school ranking would have changed based on supporting documentation provided.

**Corrective action taken:** For all future grant applications, we will use the numbers we obtain from our data systems. As in the past, we will only count students from ages 5 through 17. This finding is considered to be cleared.

**Reference # and title:        2016-010    Controls Over Disbursements**

**Federal program and specific federal award identification:** This finding relates to Child Nutrition Cluster: School Breakfast Program CFDA #10.553 and National School Lunch CFDA #10.555 for Federal Award Year 2015 received from Federal Agency: U.S. Department of Agriculture, passed through Louisiana Department of Education and to Title I CFDA #84.010A for Federal Award Year 2016, received from Federal Agency: U.S. Department of Education passed through Louisiana Department of Education.

**Summary Schedule of Prior Year Audit Findings For the Year Ended June 30, 2017 (continued)**

**Condition:** Proper internal controls over disbursements require that the proper supporting documentation be maintained, expenses be coded to the correct account, remitted to vendor timely and that School Board policy is followed.

In testing 61 vendor disbursements, 62 payroll disbursements and 10 travel reimbursements, the following exceptions were noted:

General

- Five instances noted where out-of-parish travel was not approved in writing, as required by School Board policy.
- Two instances noted where proper supporting documentation was not retained for travel reimbursed.
- One instance noted where amount reimbursed for travel was not in accordance with the approved travel policy.

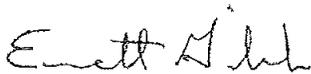
Title I

- One instance noted where out-of-parish travel was not approved in writing, as required by School Board policy.

School Food Service

- Seven instances noted where invoices were paid without proper approval.
- Two instances noted where no purchase order was issued, as required by School Board policy.
- Two instances noted where semi-annual certifications were not properly retained for the employee tested.
- Two instances noted where out-of-parish travel was not approved in writing, as required by School Board policy.
- Two instances noted where proper supporting documentation was not retained for travel reimbursed.

**Corrective action taken:** Policies and procedures were reviewed with all related staff. This finding is considered to be cleared.



---

Emmett Gibbs, Business Manager



# Union Parish School Board

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Superintendent

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## Corrective Action Plan For Current Year Audit Findings For the Year Ended June 30, 2017

**Reference # and title:** 2017-001 Internal Controls over Financial Reporting

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

**Condition:** Proper internal controls over financial reporting requires that accounting records contain up-to-date, accurate and complete information to ensure that the financial data can be relied upon to monitor the financial condition of the School Board. Financial records should be reviewed timely to supporting documentation to ensure that the transactions are properly recorded and classified in the appropriate account period.

- When reviewing a sample of 8 bank reconciliations completed as of June 30, 2017, there were four exceptions noted where the bank reconciliation reviewed included outstanding checks or deposits from July 2017 in error.
- When reviewing the accounts receivable listing provided at year-end, it was noted that interfund receivables totaling \$245,419 were included in the listing in error. An adjusting journal entry was proposed to correct this error.
- When reviewing the accounts payable listing provided at year-end, it was noted that interfund payables totaling \$245,392 were included in the listing in error. Also, it was noted that one check totaling \$217,000 was included on the listing in error, and should not have been recorded as a payable at year-end. Adjusting journal entries were proposed to correct these errors.
- When tracing the purchase price for a sample of 5 capital asset additions from the capital asset addition listing provided by the School Board to invoices for the purchase, there was one exception noted where the purchase price per the listing did not agree to the invoices.
- When testing the construction in progress listing provided by the School Board, there was a total of \$60,078 in expenses that should have been included in the listing and was excluded in error and there was a total of \$33,516 in expenses included in one project that related to a separate project.
- Adjusting journal entries were also proposed to correct balances at year-end related to revenues, receivables, interfunds, as well as to record the 1% credit used with TRSL during the year.

**Corrective action planned:** Financial records will be reviewed on a timely basis to ensure that all transactions are properly recorded and classified in the appropriate accounting period.

**Contact person responsible for corrective action:**

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Fax: (318) 368-3311

**Anticipated completion date:** June 30, 2018.



**Corrective Action Plan For Current Year Audit Findings For the Year Ended June 30, 2017 (continued)**

**Contact person responsible for corrective action:**

Emmett Gibbs, Business Manager Telephone: (318) 368-9715  
Union Parish School Board Fax: (318) 368-3311  
P. O. Box 308  
Farmerville, LA 71241-0308

**Anticipated completion date:** June 30, 2018.

**Reference # and title:** 2017-004 Bid Law

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

**Condition:** In accordance with LA Revised Statute 38:2212.1, all purchases of any materials or supplies exceeding the sum of thirty thousand dollars to be paid out of public funds shall be advertised and let by contract to lowest bidder who has bid according to the specifications as advertised. Furthermore, purchases of ten thousand dollars or more, but less than thirty thousand dollars, shall be made by obtaining not less than three telephone or facsimile quotations.

When testing a sample of three purchases that required the use of sealed bids and two purchases that required the use of quotes, the following was noted:

**General**

- There was one exception noted where quotes should have been obtained and were not properly obtained prior to the purchase.

**School Food Service**

- There was one exception noted where the sealed bid process was not followed prior to the purchase.

**Corrective action planned:** In the future, LA Revised Statute 38:2212.1 will be adhered to for all applicable purchases.

**Contact person responsible for corrective action:**

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Farmerville, LA 71241-0308

**Anticipated completion date:** June 30, 2018.

**Reference # and title:** 2017-005 Five Percent Unfavorable Budget Variance

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

**Condition:** Louisiana Revised Statute 39:1311 requires the chief executive or administrative officer to advise the governing authority or independently elected official in writing when total expenditures and other uses for the remainder of the year, within a fund, are exceeding the total budgeted expenditures and other uses by five percent or more and when total revenues and other sources for the remainder of the year, within a fund, are failing to meet budgeted revenues and other sources by five percent or more.

**Corrective Action Plan For Current Year Audit Findings For the Year Ended June 30, 2017 (continued)**

The actual revenues collected for the year for the General Fund were less than the budgeted revenues by approximately 6.3%.

**Corrective action planned:** In the future, LA Revised Statute 39:1311 will be adhered to.

**Contact person responsible for corrective action:**

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Farmerville, LA 71241-0308

**Anticipated completion date:** June 30, 2018.

**Reference # and title:** 2017-006 Late Submission of Audit Report to Legislative Auditor

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

**Condition:** The audit report should be filed timely to the Louisiana Legislative Auditor (LLA) within six months after year-end, according to Louisiana R.S. 24:513A(5)(a)(i).

The School Board did not have the audited financial submitted to the LLA in the required timeline.

**Corrective action planned:** In the future, the audit of the annual financial report will be submitted to the LLA within 6 months after year-end.

**Contact person responsible for corrective action:**

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**Anticipated completion date:** December 31, 2018.

**Reference # and title:** 2017-007 Income and Expense Report of School Food Service

**Federal program and specific Federal award identification:** This finding relates to the Child Nutrition Cluster: School Breakfast Program CFDA# 10.553, National School Lunch Program CFDA# 10.555 and Summer Food Program CFDA# 10.559 for Federal Award Year 2016 received from Federal Agency: U.S. Department of Agriculture, passed through the Louisiana Department of Education.

**Condition:** At fiscal year end, the School Board is required to submit the income and expense report to the Louisiana Department of Education for the fiscal year, which should reflect amounts per the accounting records of the School Food Service fund based on the Louisiana Department of Education's prescribed object codes and functions.

When testing the income and expense report for the year ended June 30, 2017, there were several exceptions noted where the amounts reported did not agree to proper underlying supporting documentation.

**Corrective Action Plan For Current Year Audit Findings For the Year Ended June 30, 2017 (continued)**

**Corrective action planned:** In the future, the Union Parish School Board will submit the income and expense report to the Louisiana Department of Education for the fiscal year that reflects amounts per the accounting records of the School Food Service fund based on the Louisiana Department of Education's prescribed object codes and functions.

**Contact person responsible for corrective action:**

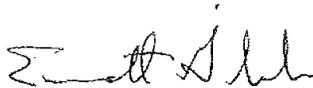
Emmett Gibbs, Business Manager Telephone: (318) 368-9715  
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**Anticipated completion date:** June 30, 2018.

**Reference # and title:** 2017-008 Bid Law

**Federal program and specific Federal award identification:** This finding relates to Child Nutrition Cluster: School Breakfast Program CFDA #10.553, National School Lunch CFDA #10.555 and Summer Food Program CFDA# 10.559 for Federal Award Year 2016 received from Federal Agency: U.S. Department of Agriculture, passed through Louisiana Department of Education.

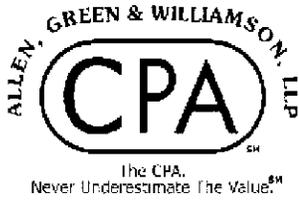
**SEE CURRENT YEAR FINDING 2017-004 FOR CONDITION, CORRECTIVE ACTION PLANNED, CONTACT PERSON RESPONSIBLE FOR CORRECTIVE ACTION PLAN AND ANTICIPATED COMPLETION DATE.**



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Emmett Gibbs, Business Manager

**AGREED UPON PROCEDURES**



# ALLEN, GREEN & WILLIAMSON, LLP

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

Board Members  
Union Parish School Board  
Farmerville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Union Parish School Board, Farmerville, Louisiana, and the Louisiana Legislative Auditor (LLA), on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the period April 1, 2016 through March 31, 2017. The School Board's management is responsible for the control and compliance areas identified in these Statewide Agreed-Upon Procedures. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

### Written Policies and Procedures

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

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

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

- **Budgeting** – No procedures were noted.
- **Purchasing** – No procedures were noted. The policy did not contain the required elements of (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, and (4) controls to ensure compliance with the public bid law.
- **Disbursements** – No procedures were noted. The policy did not contain the required elements.
- **Receipts** – No procedures were noted. The policy did not contain the required elements.
- **Payroll/Personnel** – No procedures were noted. The policy did not contain the required elements of (1) payroll processing, and (2) reviewing and approving time and attendance records.
- **Contracting** – No procedures were noted. The policy did not contain the required elements of (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- **Credit Cards** – No procedures were noted. The policy did not contain the required element of (1) required approvers.
- **Travel and expense reimbursement** – No procedures were noted.
- **Ethics** – No procedures were noted. The policy did not contain the required element of (1) requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.
- **Debt Service** – No policy or procedures were noted.

**Management's Response:** The Union Parish School Board will formally approve written policies and procedures for its financial/business functions that will address all required elements of each policy and procedure.

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

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

with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

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

### ***Bank Reconciliations***

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

**Comment:** Five bank accounts were selected for testing. Three of the accounts selected had outstanding checks for more than 6 months without documentation of research on the checks.

**Management's Response:** For all checks outstanding for six months or more, research will be performed that will result in either the reissuance of the outstanding check or voiding of the check and the unclaimed property sent to the State.

### ***Collections***

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5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.
6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
  - a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

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

**Comment:** Six locations were selected for testing. Three locations had exceptions where the person collecting cash was responsible for making deposits, recording the transaction or reconciling the bank account. One location had an exception where there was no formal written process to reconcile cash collections to the accounting records by someone who is not responsible for collections. Two locations had exceptions where deposits were not deposited timely (within one day).

**Management's Response:** In the future, cash will be collected by someone not involved in any other process related to depositing cash, recording transactions, and bank account reconciliations. Deposits will be deposited on the day of collection or the next business day. Written procedures will be formalized to assure that cash collections are reconciled to the accounting records by someone who is not responsible for collections.

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

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- 8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.
- 9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.
11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.
12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.
13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

**Comment:** Out of 25 disbursements selected, three exceptions noted where there were no purchase order or equivalent documentation and six exceptions noted where there was no evidence of receipt of goods or services. Seven locations were selected for testing, in which three of those locations the person responsible for processing payments were not prohibited from adding vendors to the purchasing system. At one location the person with signatory authority for disbursements is responsible for initiation or recording of purchases.

**Management's Response:** In the future, purchases requiring a purchase order or equivalent documentation will have a purchase order or equivalent documentation. Purchases of goods or services will have evidence of receipt. Persons responsible for processing payments will be prohibited from adding vendors to the purchasing system. Employees responsible for the initiation or recording of purchases will not signatory authority for disbursements.

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

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14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

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

**Comment:** Two exceptions were noted where the statements and supporting documentation were not reviewed and approved by someone other than the authorized card holder.

**Management's Response:** Someone other than the authorized card holder will review and approve all statements and supporting documentation related to credit/debit cards and fuel cards.

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

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17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

- b) Report whether each expense is supported by:
  - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
  - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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

### ***Contracts***

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

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

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

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22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:
  - a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.
23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:
  - a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
  - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.
24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.
25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

**Comment:** The month of February was selected for testing. Out of the 25 employees tested, daily attendance was not documented for six employees and 23 employees did not have approval for attendance. One employee termination payment was not approved by management. Furthermore, when reviewing payroll taxes and retirement paid during the year, there were three payroll tax deposits that did not agree to supporting documentation, 12 payroll tax payments that were not paid by the required deadline and six reporting forms that were not remitted by the required deadline.

**Management's Response:** In the future, daily attendance will be documented and approved for all employees, all termination payments will be approved by the appropriate management, payroll tax deposits will agree to supporting documentation, and payroll tax payments will be paid by the required deadline.

***Ethics (excluding nonprofits)***

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26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.
27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

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

***Debt Service (excluding nonprofits)***

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

**Comment:** Exception was noted where the entity over collected ad valorem taxes for the 2016 audit year. The Board reduced the millages for the 2017 audit year.

**Management’s Response:** In the future, the millage for the payment of debt service principal and interest will be levied at a rate not to exceed the collection for debt service requirements of the current year.

***Other***

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management’s representations in the procedures above, report the nature of each exception.

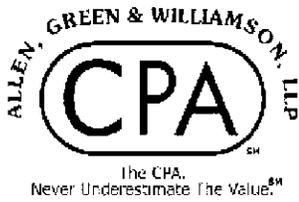
**Comment:** No exceptions were noted as a result of applying the agreed upon procedures.

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 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

Monroe, Louisiana  
March 22, 2018



# ALLEN, GREEN & WILLIAMSON, LLP

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

Board Members  
Union Parish School Board  
Farmerville, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Union Parish School Board, Farmerville, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). Union Parish School Board's management is responsible for the performance and statistical data. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information are as follows:

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

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

**Comment:** This schedule was revised. One exception was noted when testing 25 transactions, due to an invoice being incorrectly coded.

**Management's Response:** In the future, all transactions will be correctly coded.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

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

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

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

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

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

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

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

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

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

Public Staff Data Average Salaries (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

**Comment:** There were 22 exceptions noted where afterschool tutoring and performance pay were incorrectly coded as stipends and not included in base pay. Exceptions were also noted where sick dockage was not reflected in the full time equivalent.

**Management's response:** All afterschool tutoring and performance pay will be correctly coded and included in base pay. Also, sick leave without pay will be reflected in the full time equivalent.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

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

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1<sup>st</sup> roll books for those classes and determined if the class was properly classified on the schedule.

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

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

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

The Graduation Exit Exam (GEE) (Schedule 8)

11. The Graduation Exit Exam (GEE) is no longer administered. This schedule is no longer applicable.

The ILEAP (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

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

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

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

Allen Green & Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
March 22, 2018

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

**Schedule 1**

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
For the Year Ended June 30, 2017**

	Column A	Column B
<b><u>General Fund Instructional and Equipment Expenditures</u></b>		
General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 5,183,961	
Other Instructional Staff Activities	600,124	
Instructional Staff Employee Benefits	3,309,042	
Purchased Professional and Technical Services	35,348	
Instructional Materials and Supplies	228,244	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	-	\$ 9,356,719
Other Instructional Activities		36,398
Pupil Support Activities	1,041,394	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	-	1,041,394
Instructional Staff Services	1,060,597	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	-	1,060,597
School Administration	1,305,932	
Less: Equipment for School Administration	-	
Net School Administration	-	1,305,932
Total General Fund Instructional Expenditures (Total of Column B)		12,801,040
Total General Fund Equipment Expenditures (Object 730; Function Series 1000-4000)		-
<b><u>Certain Local Revenue Sources</u></b>		
Local Taxation Revenue:		
Constitutional Ad Valorem Taxes		540,043
Renewable Ad Valorem Tax		2,991,715
Debt Service Ad Valorem Tax		1,591,566
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		119,826
Sales and Use Taxes		7,330,542
Total Local Taxation Revenue		12,573,692
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property		101
Earnings from Other Real Property		12,990
Total Local Earnings on Investment in Real Property		13,091
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax		57,180
Revenue Sharing - Other Taxes		74,406
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes		131,586
Nonpublic Textbook Revenue		-
Nonpublic Transportation Revenue		\$ -

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

**Schedule 2**

**Education Levels of Public School Staff**  
**As of October 1, 2016**

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certified		Uncertified		Certified		Uncertified	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Bachelor's Degree	71.13	56.39%	6	4.76%	0	0.00%	0	0.00%
Master's Degree	25.6	20.29%	0	0.00%	1	0.79%	0	0.00%
Master's Degree + 30	18.48	14.65%	0	0.00%	3	2.38%	0	0.00%
Specialist in Education	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Ph. D. or Ed. D.	0	0.00%	0	0.00%	0.93	0.74%	0	0.00%
<b>Total</b>	<b>115.21</b>	<b>91.34%</b>	<b>6</b>	<b>4.76%</b>	<b>4.93</b>	<b>3.91%</b>	<b>0</b>	<b>0.00%</b>

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

**Schedule 3**

**Number and Type of Public Schools**  
**For the Year Ended June 30, 2017**

<b>Type</b>	<b>Number</b>
Elementary	2
Middle/Jr. High	1
Secondary	1
Combination	1
<b>Total</b>	<b>5</b>

Note: Schools opened or closed during the fiscal year are included in this schedule.

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

**Schedule 4**

**Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers**  
**As of October 1, 2016**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	1	0	0	0	1	2
Principals	0	0	0.93	0	1	1	0	2.93
Classroom Teachers	18	10	30.99	16	20.57	9.06	16.59	121.21
<b>Total</b>	18	10	32.92	16	21.57	10.06	17.59	126.14

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Schedule 5**

**Public School Staff Data: Average Salaries**  
**For the Year Ended June 30, 2017**

	<b>All Classroom Teachers</b>	<b>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</b>
<b>Average Classroom Teachers' Salary Including Extra Compensation</b>	\$46,348	\$46,206
<b>Average Classroom Teachers' Salary Excluding Extra Compensation</b>	\$45,939	\$45,815
<b>Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries</b>	121.45	119.45

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Schedule 6**

**Class Size Characteristics**  
**As of October 1, 2016**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	7.29%	68	16.08%	150	0.00%	0	0.00%	0
Elementary Activity Classes	1.29%	12	2.25%	21	0.00%	0	0.32%	3
Middle/Jr. High	4.39%	41	4.82%	45	0.21%	2	0.00%	0
Middle/Jr. High Activity Classes	2.14%	20	0.11%	1	0.00%	0	0.00%	0
High	20.36%	190	7.40%	69	1.71%	16	0.64%	6
High Activity Classes	4.93%	46	0.54%	5	0.00%	0	0.11%	1
Combination	19.94%	186	2.68%	25	1.18%	11	0.00%	0
Combination Activity Classes	1.39%	13	0.21%	2	0.00%	0	0.00%	0

**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.

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Schedule 7**

**Louisiana Educational Assessment Program (LEAP)**  
**For the Year Ended June 30, 2017**

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	1	1	1	4	1
Mastery	18	17	12	20	34	12
Basic	22	29	20	29	36	28
Approaching Basic	28	22	31	29	18	30
Unsatisfactory	31	31	36	20	8	30

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	2	1	2	4	1
Mastery	25	21	17	26	25	14
Basic	32	23	24	37	22	27
Approaching Basic	20	21	37	26	25	43
Unsatisfactory	22	33	22	8	24	16

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	1	1	1	3	1
Mastery	20	20	16	13	20	12
Basic	31	29	31	29	23	26
Approaching Basic	28	27	33	34	33	40
Unsatisfactory	20	24	21	24	20	21

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	1	1	2	3	2
Mastery	22	22	28	14	6	10
Basic	25	45	30	27	31	26
Approaching Basic	36	25	32	31	42	48
Unsatisfactory	17	8	10	23	17	14

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Schedule 7**

**Louisiana Educational Assessment Program (LEAP) (continued)**  
**For the Year Ended June 30, 2017**

<b>District Achievement Level Results</b>	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 7 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	3	2	2	1	1	1
Mastery	31	22	24	16	11	13
Basic	31	36	35	34	34	35
Approaching Basic	20	27	25	34	44	39
Unsatisfactory	15	13	14	16	10	12

<b>District Achievement Level Results</b>	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
<b>Grade 8 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	9	4	1	3	1	1
Mastery	34	36	20	29	27	13
Basic	32	32	45	26	26	25
Approaching Basic	18	20	17	23	29	38
Unsatisfactory	8	8	17	18	16	24

**UNION PARISH SCHOOL BOARD  
Farmerville, Louisiana**

**Schedule 8**

**Graduation Exit Examination (GEE)  
For the Year Ended June 30, 2017**

**The Graduation Exit Examination is no longer administered. This schedule is no longer applicable.**

**UNION PARISH SCHOOL BOARD**  
Farmerville, Louisiana

**Schedule 9**

**iLEAP Tests**  
**For the Year Ended June 30, 2017**

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 3 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	1	2	1	N/A	1
Mastery	10	13	7	5	N/A	5
Basic	26	45	38	17	N/A	41
Approaching Basic	34	23	32	31	N/A	26
Unsatisfactory	29	17	21	47	N/A	28

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 4 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	4	3	1	1	N/A	1
Mastery	14	11	7	12	N/A	3
Basic	45	34	32	25	N/A	37
Approaching Basic	24	31	34	28	N/A	25
Unsatisfactory	13	21	26	35	N/A	36

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 5 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	2	2	1	1	N/A	1
Mastery	4	7	8	5	N/A	8
Basic	41	38	35	20	N/A	48
Approaching Basic	26	26	34	29	N/A	26
Unsatisfactory	27	27	23	46	N/A	19

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 6 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	2	1	1	N/A	1
Mastery	8	8	10	7	N/A	6
Basic	32	39	38	17	N/A	44
Approaching Basic	37	36	36	34	N/A	32
Unsatisfactory	23	16	15	41	N/A	17

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 7 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	5	1	3	2	N/A	7
Mastery	18	13	14	14	N/A	8
Basic	35	39	41	21	N/A	43
Approaching Basic	31	30	28	24	N/A	25
Unsatisfactory	11	18	14	39	N/A	16

**UNION PARISH SCHOOL BOARD**  
**Farmerville, Louisiana**

**Schedule 9**

**iLEAP Tests (continued)**  
**For the Year Ended June 30, 2017**

<b>District Achievement Level Results</b>	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
<b>Grade 8 Students</b>	Percent	Percent	Percent	Percent	Percent	Percent
Advanced	1	1	1	4	N/A	1
Mastery	16	12	7	22	N/A	3
Basic	42	40	43	22	N/A	39
Approaching Basic	24	28	29	29	N/A	30
Unsatisfactory	18	18	20	21	N/A	28