



ASSUMPTION PARISH SCHOOL BOARD

NAPOLEONVILLE, LOUISIANA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

ASSUMPTION PARISH SCHOOL BOARD
NAPOLEONVILLE, LOUISIANA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

The Members of the
Assumption Parish School Board
Napoleonville, Louisiana

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of June 30, 2017, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, budgetary comparison schedules on pages 60 and 61, other post-employment benefit plans on page 62, schedule of the School Board's proportionate share of the net position liability on page 63, the schedule of School Board's contributions on page 64, and the notes to required supplementary information on page 65 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.

Other Information

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

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



The information included in the performance and statistical data on pages 93 through 104 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. Our report on performance of agreed-upon procedures with respect to such information is dated December 28, 2017.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2017, on our consideration of the 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 the 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.

Postlethwaite & Netterville

Donaldsonville, Louisiana
December 28, 2017

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

As management of the Assumption Parish School Board (hereinafter, School Board), we offer readers of the School Board's financial statements this narrative overview and analysis of the financial activities of the School Board for the fiscal year ended June 30, 2017.

Financial Highlights

- Total liabilities plus deferred inflows of the School Board exceeded total assets plus deferred outflows at June 30, 2017 by \$34,514,540 (net deficit) as compared to \$29,894,862 in the prior year ended June 30, 2016. The unrestricted portion of net position (deficit) was (\$45,339,523) at June 30, 2017, as compared to (\$41,352,553) in the prior year ended June 30, 2016. The net deficit is a result of the School System's adoption of Government Accounting Standards Board (GASB) Statement Number 68 - Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 and Statement Number 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68.
- Liabilities increased in the current year as a result of and increase to the Net Pension Liability of approximately \$5,000,000.
- During the course of the year, the School Board invested available cash in government obligations. Therefore, cash and cash equivalents decreased by 46.9% and investments increased by 13.1%.
- Net position was restated as of June 30, 2016 by a decrease of \$302,602. The restatement is a result of the June 30, 2016 investment balance and interest earnings being overstated.
- As of the close of the current fiscal year, the School Board's governmental funds reported ending fund balances of \$22,991,048 as compared to \$25,266,382, as restated, in the prior year ended June 30, 2016. Of the total, \$7,951,078 is available for spending at the School Board's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,951,078 or 22.2% of the total General Fund expenditures as compared to \$9,262,369, as restated, or 24.6% of the total General Fund expenditures in the prior year ended June 30, 2016.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School Board's basic financial statements. These basic financial statements are composed of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

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

The *statement of net position* presents information on all of the School Board's assets plus deferred outflows and liabilities plus deferred inflows, with the difference between these reported as *net position (deficit)*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

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

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

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School Board's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate a comparison between *governmental funds* and *governmental activities*.

The School Board maintains dozens of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, HVAC Fund, and Limited Tax Revenue Bond Fund which are considered to be *major funds*. The remaining funds are combined into a single, aggregated presentation under the label of *other governmental funds*, which contain all the non-major funds. Individual fund data for each of these non-major funds is provided in the form of *combining statements* in the required supplementary information section.

The School Board adopts annual appropriated budgets for all funds except debt service funds. A budgetary comparison statement has been provided for all major funds with formally adopted budgets.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of outside parties such as students and other government agencies. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School Board's programs. The two fiduciary funds of the School Board are the School Activity Fund, which contains monies belonging to the schools, their students, clubs or other activities, and Sales Tax Fund, which contains monies collected by the School Board for the School Board and other governmental agencies of Assumption Parish.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Included therein are the combining statements referred to earlier in connection with non-major governmental funds. Also, under the label of *other supplementary information* data can be found on information required to be presented by state statute.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School Board, liabilities plus deferred inflows exceeded assets plus deferred outflows by \$34,514,540 at the close of the most recent fiscal year as compared to \$29,894,862, as restated, in the prior year ended June 30, 2016. Negative net position is a result of the School System's adoption of Government Accounting Standards Board (GASB) Statement Number 68 - Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 and Statement Number 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. The School Board's proportionate share of the liability is \$57,416,724 at June 30, 2017, as compared to \$52,430,804 in the prior year ended June 30, 2016.

A large portion of the School Board's net position \$10,824,983, reflects its investments in capital assets (e.g., land, buildings, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets in the delivery of services to its students and citizens; consequently, these assets are *not* available for future spending. Although the School Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

General Fund Budgetary Highlights

The School Board amended the original budget during the year. The differences between the original and final budget figures were significant in the following areas with the reasons noted for each difference:

Local sources of revenues:

Ad valorem taxes decreased due to a decrease in the assessed values of property.

State sources of revenues:

Unrestricted grants-in-aid declined due to a decrease in student enrollment and State funding.

Expenditures:

Significant expenditure decreases in the final revised budget as compared to the original budget were mainly in the area of special education programs as a result of an increase in grant funding for costs to implement a new curriculum to improve school performance scores. Operations and maintenance expenditures decreased as a result of budgeted projects not moving forward in order to reduce the General Fund deficit.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

STATEMENT OF NET POSITION

	<u>2017</u>	<u>2016</u> <u>Restated</u>	<u>Change</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,909,615	\$ 5,483,409	-46.94%
Investments	15,629,787	13,817,649	13.11%
Receivables	2,349,282	2,883,104	-18.52%
Inventory	113,365	97,652	16.09%
Restricted assets - cash	5,642,535	6,589,137	-14.37%
Land, building, and equipment - net	17,271,288	17,916,611	-3.60%
TOTAL ASSETS	<u>43,915,872</u>	<u>46,787,562</u>	<u>-6.14%</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	11,062,299	7,426,401	48.96%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>11,062,299</u>	<u>7,426,401</u>	<u>48.96%</u>
<u>LIABILITIES</u>			
Current liabilities	\$ 3,721,795	\$ 3,673,359	1.32%
Long-term liabilities	83,817,710	78,047,267	7.39%
TOTAL LIABILITIES	<u>87,539,505</u>	<u>81,720,626</u>	<u>7.12%</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	1,953,206	2,388,199	-18.21%
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,953,206</u>	<u>2,388,199</u>	<u>-18.21%</u>
<u>NET POSITION (DEFICIT)</u>			
Net investment in capital assets	10,824,983	11,457,691	-5.52%
Unrestricted	(45,339,523)	(41,352,553)	-9.64%
TOTAL NET POSITION (DEFICIT)	<u>\$ (34,514,540)</u>	<u>\$ (29,894,862)</u>	<u>-15.45%</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

STATEMENT OF ACTIVITIES

	<u>2017</u>	<u>2016</u> <u>Restated</u>	<u>% Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 208,465	\$ 233,539	-10.74%
Operating Grants and Contributions	6,306,473	6,299,030	0.12%
Taxes			
Property Taxes	6,551,737	7,985,694	-17.96%
Sales and Use Taxes	6,049,788	6,686,466	-9.52%
Other Local Sources	841,231	1,433,119	-41.30%
State Sources	22,187,218	23,127,843	-4.07%
Total Revenues	<u>42,144,912</u>	<u>45,765,691</u>	<u>-7.91%</u>
Expenses			
Instruction	26,102,394	25,375,003	2.87%
Support Services	17,475,099	17,678,911	-1.15%
Non-Instructional Services	2,432,571	2,529,656	-3.84%
Debt Service	754,526	731,493	3.15%
Total Expenses	<u>46,764,590</u>	<u>46,315,063</u>	<u>0.97%</u>
Increase (decrease) in net position	\$ (4,619,678)	\$ (549,372)	

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

Capital Assets and Debt Administration

Capital Assets. The School Board's investment in capital assets as of June 30, 2017 amounts to \$17,271,288 (net of accumulated depreciation) as compared to \$17,916,611 in the prior year ended June 30, 2016. This investment includes land, buildings and improvements, furniture, machinery, and equipment and construction in progress. Capital assets decreased by \$645,323 over last year as compared to a decrease of \$709,913 in the prior year ended June 30, 2016. The net decrease represents a 3.60% difference as compared to a net decrease of 3.81% difference in the prior year ended June 30, 2016. The decrease is a result of asset additions of approximately \$710,000 being less than the current year depreciation expense of approximately \$1,350,000.

	Governmental Activities	
	<u>2017</u>	<u>2016</u>
Land	\$ 480,573	\$ 480,573
Buildings and improvements	40,351,875	39,976,533
Furniture and equipment	4,820,072	4,733,253
Construction in progress	316,439	80,906
Less accumulated depreciation	(28,697,671)	(27,354,654)
Total, net of depreciation	<u>\$ 17,271,288</u>	<u>\$ 17,916,611</u>

Long-term debt. At the end of the current fiscal year, the School Board had bonded debt outstanding of \$10,652,404 as compared to \$11,390,130 in the prior year ended June 30, 2016, a decrease of 6.48%. The bonded debt outstanding is from three outstanding bond issues. During the year, bond principal of \$737,726 was paid, as was interest in the amount of \$755,058. In the prior year, bond principal of \$541,738 was paid, as was interest in the amount of \$655,640.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017

Economic Factors and Next Year's Budget

The Assumption Parish School Board's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- As a result of a decline in student enrollment of approximately 130 students, the district will receive approximately \$980,000 less from the Louisiana Department of Education.
- The employer contributions rates for the retirement systems to which the employees belong to changed as follows:

Assumption Parish School Board Budget Factors		
	2017-2018 Rates	2016-2017 Rates
Teachers' retirement system	26.6%	25.5%
School employees' retirement system	27.6%	27.3%
State employees' retirement system	37.9%	35.8%
Health insurance	10% Increase	10% Increase

Contacting the Assumption Parish School Board's Management

This financial report is designed to provide a general overview of the School Board's finances for those with an interest in the government's financial position and operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Anya Randle, Director of Business Services, 4901 Hwy. 308, Napoleonville, LA 70390.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS

Cash and cash equivalents	\$ 2,909,615
Investments	15,629,787
Receivables	2,349,282
Inventory	113,365
Restricted assets - cash	5,642,535
Land, building, and equipment - net	<u>17,271,288</u>
TOTAL ASSETS	<u>43,915,872</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>11,062,299</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>11,062,299</u>

LIABILITIES

Salaries, payroll deductions, and withholdings payable	2,659,282
Accounts payable	361,654
Due to other governments	594,337
Other liabilities	106,522
Long-term liabilities	
Due within one year	816,250
Due in more than one year	9,836,154
Compensated absences payable	1,516,868
Other post-employment benefits payable	14,231,714
Net pension liability	<u>57,416,724</u>
TOTAL LIABILITIES	<u>87,539,505</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	<u>1,953,206</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,953,206</u>

NET POSITION (DEFICIT)

Net investment in capital assets	10,824,983
Unrestricted	<u>(45,339,523)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (34,514,540)</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Position</u>
				<u>Governmental</u>
				<u>Unit</u>
Instruction:				
Regular education programs	\$ 15,240,298	\$ -	\$ -	\$ (15,240,298)
Special education programs	7,804,433	-	4,787,300	(3,017,133)
Special programs	1,110,849	-	-	(1,110,849)
Other education programs	1,946,814	-	-	(1,946,814)
Support Services:				
Pupil support services	2,374,682	-	-	(2,374,682)
Instructional staff services	1,148,885	-	-	(1,148,885)
General administration services	1,778,446	-	3,690	(1,774,756)
School administration services	3,069,171	-	-	(3,069,171)
Business services	470,434	-	-	(470,434)
Plant operation and maintenance	4,912,363	-	24,258	(4,888,105)
Student transportation services	2,556,749	-	-	(2,556,749)
Central services	1,164,369	-	-	(1,164,369)
Non-Instructional Services:				
Food service	2,404,557	208,465	1,491,225	(704,867)
Community service programs	28,014	-	-	(28,014)
Debt Service:				
Interest and bank charges	754,526	-	-	(754,526)
Total Governmental Activities	<u>46,764,590</u>	<u>208,465</u>	<u>6,306,473</u>	<u>(40,249,652)</u>
Local sources				
Taxes:				
Ad valorem				6,551,737
Sales and use taxes				6,049,788
Other				841,231
State sources				
Unrestricted grants-in-aid				<u>22,187,218</u>
Total general revenues and special items				<u>35,629,974</u>
Change in Net Position				(4,619,678)
Net Position - July 1, 2016, as restated				(29,894,862)
Net Position - June 30, 2017				<u>\$ (34,514,540)</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2017

	General	HVAC Fund	Limited Tax Revenue Bonds	Other Non-major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 474,942	\$ 2,431,495	\$ -	\$ 3,178	\$ 2,909,615
Investments	14,415,585	936,678	-	277,524	15,629,787
Receivables	925,343	91,853	-	1,332,086	2,349,282
Due from other funds	1,508,729	-	104,321	592,009	2,205,059
Inventory	-	-	-	113,365	113,365
Restricted assets - cash	-	-	4,274,358	1,368,177	5,642,535
TOTAL ASSETS	<u>\$ 17,324,599</u>	<u>\$ 3,460,026</u>	<u>\$ 4,378,679</u>	<u>\$ 3,686,339</u>	<u>\$ 28,849,643</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Salaries, payroll deductions, and withholdings payable	\$ 2,340,506	\$ -	\$ -	\$ 318,776	\$ 2,659,282
Accounts payable and other liabilities	254,605	17,119	14,000	114,193	399,917
Due to other governments	594,337	-	-	-	594,337
Due to other funds	771,763	-	-	1,433,296	2,205,059
TOTAL LIABILITIES	<u>3,961,211</u>	<u>17,119</u>	<u>14,000</u>	<u>1,866,265</u>	<u>5,858,595</u>
Fund balances:					
Nonspendable	-	-	-	113,365	113,365
Restricted for:					
Debt service	-	3,442,907	-	1,589,694	5,032,601
Capital construction	-	-	4,364,679	-	4,364,679
Federal and state grants	-	-	-	269,122	269,122
Committed for operations	3,871,165	-	-	-	3,871,165
Assigned:					
Capital construction	900,000	-	-	-	900,000
Internal purposes	641,145	-	-	-	641,145
Unassigned	7,951,078	-	-	(152,107)	7,798,971
TOTAL FUND BALANCES	<u>13,363,388</u>	<u>3,442,907</u>	<u>4,364,679</u>	<u>1,820,074</u>	<u>22,991,048</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,324,599</u>	<u>\$ 3,460,026</u>	<u>\$ 4,378,679</u>	<u>\$ 3,686,339</u>	<u>\$ 28,849,643</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances - governmental funds		\$ 22,991,048
Cost of capital assets at June 30, 2017	45,968,959	
Less: accumulated depreciation as of June 30, 2017	<u>(28,697,671)</u>	17,271,288
Long term assets at June 30, 2017		
Deferred outflows - pension related	<u>11,062,299</u>	11,062,299
Elimination of interfund assets and liabilities		
Due from other funds	2,205,059	
Due to other funds	<u>(2,205,059)</u>	-
Long-term liabilities at June 30, 2017		
Bonds and certificates of indebtedness	(10,652,404)	
Accrued interest payable	(68,259)	
Compensated absences payable	(1,516,868)	
Other post-employment benefits payable	(14,231,714)	
Net pension liability	(57,416,724)	
Deferred inflows - pension related	<u>(1,953,206)</u>	<u>(85,839,175)</u>
Total net position at June 30, 2017 - governmental activities		<u>\$ (34,514,540)</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General	HVAC Fund	Limited Tax Revenue Bonds	Other Non-major Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Local sources:					
Taxes:					
Ad valorem	\$ 6,551,737	\$ -	\$ -	\$ -	\$ 6,551,737
Sales and use	5,041,482	1,008,306	-	-	6,049,788
Rentals, leases, and royalties	4,000	-	-	-	4,000
Food sales	-	-	-	208,465	208,465
Earnings on investments	(3,284)	6,324	-	2,396	5,436
Other	426,923	-	-	407,416	834,339
State sources:					
Unrestricted grants-in-aid	21,909,537	-	-	277,681	22,187,218
Restricted grants-in-aid	455,203	-	-	-	455,203
Federal sources:					
Restricted grants-in-aid - direct	-	-	-	719,362	719,362
Restricted grants-in-aid - subgrants	538,526	-	-	4,462,523	5,001,049
Commodities - United States					
Department of Agriculture	-	-	-	130,859	130,859
Total revenues	<u>34,924,124</u>	<u>1,014,630</u>	<u>-</u>	<u>6,208,702</u>	<u>42,147,456</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular education programs	13,508,960	-	-	-	13,508,960
Special education programs	3,866,967	-	-	3,828,046	7,695,013
Special programs	1,060,163	-	-	-	1,060,163
Other education programs	1,890,321	-	-	-	1,890,321
Support services:					
Pupil support services	2,191,132	-	-	-	2,191,132
Instructional staff services	1,034,360	-	-	-	1,034,360
General administration services	1,718,958	11,768	2,951	-	1,733,677
School administration services	2,873,049	-	-	-	2,873,049
Business and central services	446,326	-	-	-	446,326
Plant operation and maintenance	3,475,614	525,376	19,397	-	4,020,387
Transportation	2,403,696	-	-	-	2,403,696
Central services	1,131,103	-	-	-	1,131,103

The accompanying notes are an integral part of this statement.

(continued)

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General	HVAC Fund	Limited Tax Revenue Bonds	Other Non-major Governmental Funds	Total Governmental Funds
Expenditures (continued):					
Non-instructional services:					
Food service	\$ 169,734	\$ -	\$ -	\$ 2,133,196	\$ 2,302,930
Community service programs	28,014	-	-	-	28,014
Building acquisition and construction	37,957	179,120	393,798	-	610,875
Debt service:					
Principal retirement	-	-	165,000	572,726	737,726
Interest and bank charges	-	-	-	755,058	755,058
Total expenditures	<u>35,836,354</u>	<u>716,264</u>	<u>581,146</u>	<u>7,289,026</u>	<u>44,422,790</u>
Excess (deficiency) of revenues over expenditures	<u>(912,230)</u>	<u>298,366</u>	<u>(581,146)</u>	<u>(1,080,324)</u>	<u>(2,275,334)</u>
Other financing sources (uses):					
Operating transfers out	(821,195)	-	-	(310,333)	(1,131,528)
Operating transfers in	422,134	-	-	709,394	1,131,528
Total other financing sources (uses)	<u>(399,061)</u>	<u>-</u>	<u>-</u>	<u>399,061</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(1,311,291)</u>	<u>298,366</u>	<u>(581,146)</u>	<u>(681,263)</u>	<u>(2,275,334)</u>
Fund balances at beginning of year, as restated	<u>14,674,679</u>	<u>3,144,541</u>	<u>4,945,825</u>	<u>2,501,337</u>	<u>25,266,382</u>
Fund balances at end of year	<u>\$ 13,363,388</u>	<u>\$ 3,442,907</u>	<u>\$ 4,364,679</u>	<u>\$ 1,820,074</u>	<u>\$ 22,991,048</u>

The accompanying notes are an integral part of this statement.

(concluded)

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana
RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Total net changes in fund balances - governmental funds		\$ (2,275,334)
Capital assets:		
Capital outlay capitalized	709,513	
Loss on capital outlay disposals	(2,544)	
Depreciation expense for the year ended June 30, 2017	<u>(1,352,292)</u>	(645,323)
Long-term debt:		
Principal portion of debt service payments	737,726	
Excess of interest paid over interest accrued	532	
Excess of compensated absences earned over amounts used	(11,614)	
Other post-employment benefits accrued	(1,510,635)	
Net change in pension liability and deferred inflows/outflows of resources	<u>(915,030)</u>	<u>(1,699,021)</u>
Change in net position - governmental activities		<u>\$ (4,619,678)</u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

Assets

Cash and cash equivalents	<u>\$ 2,577,335</u>
Total assets	<u><u>\$ 2,577,335</u></u>

Liabilities

Deposits due others	<u>\$ 2,577,335</u>
Total liabilities	<u><u>\$ 2,577,335</u></u>

The accompanying notes are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies

The accounting policies of the Assumption Parish School Board conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles.

a. Financial Reporting Entity

The Assumption Parish School Board (School Board) was created by Louisiana Revised Statute (LRS) 17:51 for the purpose of providing public education for the residents of Assumption Parish, Louisiana. The School Board is authorized by LRS 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 authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is comprised of 9 members who are elected from 9 districts for a term of four years.

The School Board operates 10 schools within the parish with a total enrollment of approximately 3,699 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

Governmental Accounting Standards Board (GASB) Statement No. 61, Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the School Board 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, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 61, 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. Additionally, the School Board does not have any component units, which are defined by GASB Statement No. 61 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

b. Basis of Presentation

The School Board's *Basic Financial Statements* consist of the government-wide statements on all of the non-fiduciary activities and the fund financial statements (individual major funds and combined non-major funds). The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) Codification of Governmental Accounting and Financial Reporting Standards.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. **Summary of Significant Accounting Policies** (continued)

b. **Basis of Presentation** (continued)

Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities for all non-fiduciary activities. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity and the change in aggregate economic position resulting from the activities of the fiscal period.

All programs of the School Board are considered *Governmental Activities* which are normally supported by taxes and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues include (1) charges from school lunch participants who directly benefit from the service provided by a given function, and (2) grants that are restricted to meeting the operational requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Fund Financial Statements

The daily accounts and operations of the School Board continue to be organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The funds of the School Board are classified into two broad categories: Governmental and Fiduciary.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School Board are financed. The acquisition, use and balances of the School Board's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the School Board's governmental fund types:

General Fund - The General Fund is the general operating fund of the School Board. It accounts for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. These funds account for the revenues and expenditures related to federal grant and entitlement programs established for various educational objectives.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction or improvement of major capital facilities.

Debt Service Funds - The Debt Service Funds, established to meet requirements of bond ordinances, are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Fiduciary Fund Type:

Agency Funds - Agency funds are used to account for assets held by the School Board in a trustee or agency capacity. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

c. Basis of Accounting/ Measurement Focus

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the School Board, except for the Fiduciary Fund. The Fiduciary Fund is only reported in the Statement of Fiduciary Net Position at the Fund Financial Statement level.

The GWFS were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes are recognized when the underlying sales transactions occur. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

c. Basis of Accounting/ Measurement Focus (continued)

Government-Wide Financial Statements (GWFS) (continued)

Program Revenues

Program revenues included in the Statement of Activities are derived directly from parties outside of the School Board's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the School Board's general revenues.

Allocation of Indirect Expenses

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable by function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense which can be specifically identified by function is included in the direct expenses of each function. Depreciation on the buildings is assigned to the general administration function due to the fact that school buildings serve multiple purposes. Interest on long term debt is considered an indirect expense and is reported separately on the Statement of Activities.

Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Agency Fund type is accounted for on a flow of economic resources measurement focus (accrual basis). With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet.

Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financial sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The school board reports the General Fund, the HVAC Fund, and the Limited Tax Revenue Bonds Fund as major funds.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

c. Basis of Accounting/ Measurement Focus (continued)

Fund Financial Statements (FFS) (continued)

The following paragraphs describe the revenue recognition practices under the modified accrual basis of accounting:

Revenues

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Charges for services, fines and forfeits, and most governmental miscellaneous revenues, including investment earnings are recorded as earned since they are measurable and available. The School Board's definition of available means expected to be received within sixty days of the end of the fiscal year.

Non-exchange transactions, in which the School Board receives value without directly giving value in return, include sales tax, property tax, special assessments, grants, entitlements, and donations. Property taxes are considered measurable in the calendar year of the tax levy if collected soon enough to meet the availability criteria. Sales taxes and other business taxes are considered measurable when the underlying transaction occurs and meets the availability criteria. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets in the governmental fund types. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources can be used.

Expenditures

Salaries are recorded as expenditures when incurred. Nine-month employee salaries are incurred over a nine-month period but paid over a twelve-month period.

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of earned leave privileges not requiring current resources is recorded as a long-term liability in the Government Wide Financial Statements.

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

Principal and interest on general long-term debt are not recognized until due.

All other expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred if it is expected to be paid within the next twelve months. Liabilities which will not be liquidated with expendable available financial resources are not recorded in the funds.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

d. Budget Practices

The proposed budgets were completed and made available for public inspection at the School Board office. A public hearing was held for suggestions and comments from taxpayers. The proposed budgets were formally adopted by the School Board after the public hearing. The funds for which budgets were prepared included proposed expenditures and the means of financing them, and were published in the official journal ten days prior to the public hearings.

The budgets for the General and Special Revenue Funds were prepared on the modified accrual basis of accounting. Formal budgetary integration is used during the year as a management control device. Any part of appropriations which is not expensed is reappropriated in the next year. Current year transactions which are directly related to prior year's budget are reappropriated in the current year.

The School Board is authorized to transfer amounts between line items within any fund. When actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the School Board in an open meeting. Budgeted amounts included in the financial statements include the original adopted budget, and the final amended budget.

e. Cash and Cash Equivalents

Cash and cash equivalents include money market accounts and short-term investments, as described below, with a maturity date within three months of the date of acquisition. Under state law, the School Board may deposit funds within a fiscal agent School Board organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States.

f. Investments

The School Board may also invest in bonds, debentures, and other indebtedness which are fully guaranteed by the United States, issued or guaranteed by federal agencies backed by full faith and credit of the United States and issued or guaranteed by United States instrumentalities which are federally sponsored. Investments are stated at fair value. Fair value was determined using quoted market prices.

In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasury and organized under the laws of the State of Louisiana, which operates a local government investment pool.

Investment income includes interest earned, realized gains and losses, and unrealized gains and losses (changes in fair value).

The School Board holds investments that are measured at fair value on a recurring basis.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

g. Receivables

Federal and state grants receivables consist of receivables for reimbursement of expenditures under various federal or state programs and grants. All amounts are expected to be collected within the next twelve months. Sales tax receivable consists of sales taxes collected in June 2017 by the taxing authority and remitted to the School Board in July 2017.

h. Inventory

Inventory of the School Food Services Special Revenue Fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Education. The commodities are recorded as revenues and expenditures when consumed. All inventory items purchased are valued at the lower of cost (first-in, first-out) or market, and donated commodities are assigned values based on information provided by the United States Department of Agriculture.

i. Capital Assets

Capital assets with a cost of \$1,000 or more are capitalized at historical cost, or estimated historical cost for assets where the actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair value at the date of the donation. The system for the accumulation of fixed asset cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the GWFS, but are not reported in the FFS. All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the School Board, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 2 to 15 years for equipment, 10 to 20 years for building and land improvements, and 30 to 40 years for buildings. The School Board does not capitalize computer software. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

j. Compensated Absences

All 12-month employees, except for principals, earn from 5 to 15 days of vacation leave each year, depending on length of service with the School Board. Principals earn 18 days of vacation leave each year. Up to 5 days of vacation leave may be carried forward to the next calendar year. Upon death or retirement, unused annual leave is paid to the employee or designated heir at the employee's current rate of pay.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

j. Compensated Absences (continued)

All School Board employees earn 10, 11, 12, or 13 days of sick leave for 9, 10, 11 and 12 month employees, respectively. Sick leave can be accumulated without limitation. Upon death or retirement, a maximum of 25 days of unused sick leave is paid to the employee or designated heir at the employee's current rate of pay. Under the Louisiana Teacher's Retirement System, the unused sick leave is used in the retirement benefit computation as earned service. Under the Louisiana School Employees Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned service. Any employee with a teaching certificate is entitled, subject to approval by the School Board, to one semester of sabbatical leave after three years of continuous service or two semesters of sabbatical leave after six or more years of continuous service. Leave may be granted for rest and recuperation and professional and cultural improvement.

At June 30, 2017, employees of the School Board have accumulated and vested compensated absence benefits of \$1,516,868.

In Governmental Fund types, sick and vacation leave that has been claimed by employees as of the end of the fiscal year is recorded as an expenditure in the year claimed. Sick leave accrued as of the end of the fiscal year is valued using employees' current rates of pay. Accrued sick leave will be paid from future years' resources. No allowance is made for the immaterial amounts of sick leave forfeited when employees resign or retire.

k. Lease Commitments

Accounting Standards Codification Topic 840 (ASC 840) provides guidelines for accounting and financial reporting for lease agreements. The School Board uses the guidance in ASC 840 to differentiate the appropriate classification of leases. A financing transaction is accounted for as a capital lease if it meets any one of four specified criteria; if not, it is accounted for as an operating lease. Capital leases are treated as the acquisition of assets and the incurrence of obligations by the lessee. Operating leases are treated as current operating expenditures.

l. Sales Use and Property Taxes

The School Board is authorized to collect a three percent sales and use tax within Assumption Parish. One percent of this sales and use tax, approved by the voters of the parish on April 24, 1965, is dedicated for the payment of teachers' salaries and/or for the operation of the public schools in Assumption Parish. The other one percent sales tax was approved by voters of the parish on November 28, 1981. The proceeds of this sales tax are to be used for the payment of salaries of teachers and other school employees, and for operation and maintenance and/or for capital improvements to the public schools of Assumption Parish. The one-half of one percent sales and use tax was approved by voters on May 1, 1999. The proceeds are to be used for providing additional funds for the acquisition, installation, maintenance, and operation of air conditioning systems in parish schools, including the payment of utility costs with any excess to be used for additional support for the schools in the parish. The one-half of one percent sales and use tax was approved by voters on July 16, 2005. The proceeds of this sales tax are to be used for the operation and maintenance of the public schools in Assumption Parish and for the repayment of the Limited Tax Revenue Bonds, Series 2016.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

l. Sales Use and Property Taxes (continued)

The School Board is also authorized to collect a two percent sales and use tax levied by the Assumption Parish Police Jury. In addition, the School Board is authorized to collect a one percent sales and use tax levied by the Village of Napoleonville. Both the Jury and the Village pay the School Board a fixed collection fee. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

All of the above taxes are collected by the Assumption Parish Sales and Use Tax Department, which collects all sales and use taxes parish-wide for a cost to the School Board of forty-eight percent (48%) of the total costs of collections. Also, all sales and use taxes are levied in perpetuity and do not require renewal by popular vote.

Ad valorem taxes are collected by the Assumption Parish Tax Collector's Office and remitted to the School Board on a monthly basis. Values are established by the Assumption Parish Assessor's Office each year based on 10% of the assessed market value of residential property and commercial land and on 15% of the assessed market value of commercial buildings, public utilities and personal property.

Ad valorem taxes are assessed and levied on a calendar year basis, based on the assessed value on January 1 of the assessment year. However, before taxes can be levied, the tax rolls must be submitted to the State Tax Commission for approval. Taxes are due and payable on November 15. An enforceable lien attaches on the property as of November 15. As of December 31, taxes become delinquent and interest and penalty accrue. Taxes are generally received in January, February and March of the fiscal year.

Under the Louisiana Constitution, ad valorem taxes other than the Constitutional Tax must be renewed by popular vote every ten (10) years. The bonded indebtedness tax (bond sinking fund) remains in effect until all bond principal, interest and associated fees have been paid in full.

m. Long-Term Debt

In the government-wide Statement of Net Position, long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expenses in the year of debt issuance. Bonded debt premiums, discounts, and gains (losses) on refundings are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Gains (losses) on refundings are reported as deferred outflows/inflows of resources.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and bond issuance costs during the current financial reporting period. The face amount of the debt issue is reported as "other financing sources." Premiums received on debt issuances are reported as "other financing uses."

Excess revenue contracts, loans, and notes are obligations of the general government and payment of these debts are normally provided by transfers from the General Fund to a debt service fund.

Sales tax revenue bonds are secured by sales tax revenues. Payment of the debt is provided by sales tax revenue recognized in the appropriate debt service fund.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

n. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities to the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

o. Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints placed on assets' use are either:

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

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

p. Fund Equity of Fund Financial Statements

Accounting standards require governmental fund balances to be reported in as many as five classifications as listed below:

Nonspendable – represents amounts that are not expected to be converted to cash because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – represents balances where constraints have been established by parties outside the School Board or imposed by law through constitutional provisions or enabling legislation.

Committed – represents balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board's highest level of decision-making authority.

Assigned – represents balances that are constrained by the School Board's intent to be used for specific purposes, but are not restricted nor committed.

Unassigned – represents balances that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the general fund.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the School Board reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, and unassigned amounts are available, the School Board reduces committed amounts first, followed by assigned amounts and then unassigned amounts.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

q. Interfund Transactions/Balances

During the course of normal operations, the School Board has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets and service debt. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables. The accompanying financial statements generally reflect such transactions as operating transfers. Cash not transferred at year end will result in an interfund balance.

r. Encumbrances

Encumbrances representing purchase orders, contracts or other commitments are recorded in governmental fund-type budgetary funds to reserve portions of applicable appropriations. Encumbrances are part of the budgetary process and are included in actual expenditures when a comparison with budget is necessary. Encumbrances at year-end are not considered expenditures in the financial statements presented on the GAAP basis.

s. Risk Management

The School Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, business interruption, errors and omissions; employee injuries and illnesses, natural disasters; and employee health benefits. The School Board carries commercial insurance for all risks of loss.

t. Arbitrage Liability

Section 148 of the Internal Revenue Code of 1986, as amended, requires that issuers of tax exempt debt make arbitrage calculations annually on bond issues issued after August 31, 1986, to determine whether an arbitrage rebate liability exists between the issuer and the U.S. Department of Treasury. Arbitrage is the difference (or profit) earned from borrowing funds at tax exempt rates and investing the proceeds in higher yielding taxable securities. There are no arbitrage rebate liabilities outstanding to the U.S. Department of Treasury for School Board issues at June 30, 2017.

u. Pension Plans

The School Board is a participating employer in three defined benefit pension plans (plans) as described in Note 9. For purposes of measuring the Net Pension Liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by each of the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments have been reported at fair value within each plan.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

1. Summary of Significant Accounting Policies (continued)

v. Current Year Adoption of New Accounting Standard

GASB 77 establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both (a) agreements that are entered into by the reporting government and (b) agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The provisions of the Statement should be applied to all state and local governments subject to such tax abatement agreements. The provisions of GASB 77 are effective for reporting periods beginning after December 15, 2015.

2. Equity in Pooled Cash, Deposits and Investments

a. Equity in Pooled Cash

The School Board maintains a cash pool that is available for use by all funds. Positive book cash balances are displayed on the combined balance sheet as "Cash and cash equivalents." Negative book cash balances are included in "Due to Other Funds" on the combined balance sheet.

At June 30, 2017 the School Board had cash (book balances) totaling \$8,552,150. Included in cash and cash equivalents on the balance sheet at June 30, 2017, are the following:

	2017
Money market accounts	\$ 2,909,615
Restricted cash – demand deposit accounts	<u>5,642,535</u>
Total cash	<u>\$ 8,552,150</u>

b. Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2017, the School Board's bank balance was \$11,435,336. Of this amount, the School Board has no money that was exposed to custodial credit risk by being uninsured and uncollateralized. It is the School Board's policy to either have deposits secured by federal deposit insurance or pledged by securities owed by the fiscal agent financial institution.

Securities that may be pledged as collateral consist of obligations of the U.S. Government and its agencies, obligations of the State of Louisiana and its municipalities and school districts.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

2. **Equity in Pooled Cash, Deposits and Investments** (continued)

c. Investments

State statutes authorize the Board to invest in Louisiana Asset Management Pool (LAMP), U.S. Treasury notes and bonds, U.S. agency securities and other governmental debt obligations with limited exceptions as noted in LA-R.S. 33.2955. Investments in time certificates of deposit can be placed with state banks, national banks or federal credit unions as permitted in state statute.

As of June 30, 2017, the School Board had its assets in money market instruments, U.S. Treasury notes, and U.S. agency securities managed by financial institutions. The accounts managed by the financial institutions have a fair value of \$15,629,787 as of June 30, 2017. The School Board's investments are as follows:

Security	Fair Value	Years to Maturity	
		Less than 1	1 -5
Investments at fair value			
United States Treasury	\$ 1,886,152	\$ -	\$ 1,886,152
U.S. Agencies:			
Fannie Mae	599,880	-	599,880
Federal Farm Credit Bank	1,890,624	299,784	1,590,840
Federal Home Loan Bank	1,741,810	399,564	1,342,246
Federal Home Loan Mtg. Corp.	3,152,091	1,747,335	1,404,756
Federal National Mortgage Assn.	3,894,647	2,446,277	1,448,370
Subtotal investments at fair value	13,165,204	4,892,960	8,272,244
Investments measured at the net asset value (NAV)			
External investment pool	2,464,583	2,464,583	-
Total investments measured at fair value	\$ 15,629,787	\$ 7,357,543	\$ 8,272,244

As of June 30, 2017, the School Boards investments in United States treasury and agency securities were rated Aaa by Standard & Poor's.

The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is described in note 3.

Interest rate risk: The School Board's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit rate risk: The School Board has investments in an external investment pool (\$2,464,583) that is rated AAAM by Standard & Poor's. The School Board's investment policy does not limit its investment choices based upon credit rate risk.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

2. **Equity in Pooled Cash, Deposits and Investments** (continued)

c. **Investments** (continued)

Concentration of credit risk: The School Board's investment policy does not limit the amount the School Board may invest in any one issuer. The School Board's investments are in United States Treasury (14%), Federal Home Loan Bank (13%), Federal Farm Credit Bank (14%), Federal National Mortgage Association (30%), Fannie Mae (5%), and Federal Home Loan Mortgage Corporation (24%).

Custodial credit risk-investments: For an investment, this is the risk that, in the event of the failure of the counter party, the School Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School Board's policy addresses custodial credit risk for investments by requiring that they must be held by the School Board's fiscal agent bank that is selected in accordance with Louisiana statutes.

\$2,464,583 is invested in an external investment pool, Louisiana Asset Management Pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

LAMP is a governmental external investment pool that reports at fair value. The following facts are relevant for an investment pool:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The School Board's investment is with the pool, not the securities that make up the pool; therefore, no public disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the five percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 39 days as of June 30, 2017.
- Foreign currency risk: Not applicable.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

2. Equity in Pooled Cash, Deposits and Investments (continued)

c. Investments (continued)

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

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

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

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

3. Fair Value of Financial Instruments

Determination of Fair Value

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.

Fair Value Hierarchy

In accordance with this guidance, the School Board groups its financial assets and financial liabilities generally measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

- Level 1 – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuation is based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3 – Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

3. Fair Value of Financial Instruments (continued)

Fair Value Hierarchy (continued)

The following methods and assumptions were used by the School Board in estimating fair value disclosures for financial instruments:

Securities: Where quoted prices are available in an active market, we classify the securities within level 1 of the valuation hierarchy. Securities are defined as both long and short positions. Level 1 securities include highly liquid government bonds and exchange-traded equities.

If quoted market prices are not available, we estimate fair values using pricing models and discounted cash flows that consider standard input factors such as observable market data, benchmark yields, interest rate volatilities, broker/dealer quotes, and credit spreads. Examples of such instruments, which would generally be classified within level 2 of the valuation hierarchy, include GSE (Government sponsored enterprises) obligations, such as Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Federal Home Loan Bank), corporate bonds, and other securities. Mortgage backed securities are included in level 2 if observable inputs are available. In certain cases, where there is limited activity or less transparency around inputs to the valuation, we classify those securities in level 3.

Fair Value of Assets Measured on a Recurring Basis

The School Board's securities are measured on a recurring basis through a model used by its investment custodian. Prices are derived from a model which uses actively quoted rates, prepayment models and other underlying credit and collateral data.

The following table presents for each of the fair-value hierarchy level the School Board's financial assets and liabilities that are measured at fair value (in thousands) on a recurring basis at June 30, 2017:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
U.S. Treasury securities	\$ 1,886,152	\$ -	\$ -
U.S. Agency securities	-	11,279,052	-
Total	<u>\$ 1,886,152</u>	<u>\$ 11,279,052</u>	<u>\$ -</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

4. Ad Valorem Taxes

Ad valorem taxes were levied by the School Board on April 15, 2016 for the calendar year 2016, based on the assessed valuation of property as of January 1 of the calendar year. These taxes become due and payable on November 15 of each year, and become delinquent after December 31 of the year levied.

Total assessed value was \$203,582,097 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 \$36,337,845 of the assessed value in calendar year 2016.

The following is a summary of authorized and levied parish wide ad valorem taxes for the fiscal year ended June 30, 2017:

<u>Parish-wide taxes</u>	<u>Authorized Mills</u>	<u>Levied Mills</u>	<u>Expiration Date</u>
Constitutional	5.49	5.49	Not Applicable
School Maintenance	6.12	6.10	12/31/2024
Special Tax #2	20.81	20.81	12/31/2027
Special Maintenance Tax	6.97	6.97	12/31/2028

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 one and one-fourth percent per month until taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

5. Due From/To Other Funds

Individual balances due from/to other funds are as follows:

Fund	Due from other funds	Due to other funds
General Fund	\$ 1,508,729	\$ 771,763
Special Revenue Funds:		
School Food Services	336,100	177,477
Title I	-	343,108
Title II	-	79,506
Title III	-	6,242
Head Start	60,371	64,221
Vocation Education	-	17,864
IDEA	-	189,002
IDEA Preschool	-	48,727
REAP	-	35,359
SRCL	-	125,929
High Cost Services	72,859	142,733
McKinney Vento	-	17,755
Teacher Incentive Fund	-	33,266
Debt Service Funds:		
Debt Service PC	-	152,107
QSCB Sinking Fund	52,000	-
GO Bond Sinking Fund	70,679	-
Capital Projects Funds:		
Limited Tax Revenue Bond, Series 2016	104,321	-
Total	<u>\$ 2,205,059</u>	<u>\$ 2,205,059</u>

6. Receivables

Receivables as of June 30, 2017 for the governmental funds are as follows:

	General Fund	HVAC Fund	Limited Tax Revenue Bonds	Non-Major Governmental	Total
Sales Tax	\$ 464,906	\$ 91,853	\$ -	\$ -	\$ 556,759
Grants	358,409	-	-	1,233,478	1,591,887
Other	102,028	-	-	98,608	200,636
Total	<u>\$ 925,343</u>	<u>\$ 91,853</u>	<u>\$ -</u>	<u>\$ 1,332,086</u>	<u>\$ 2,349,282</u>

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

7. Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2017 is as follows:

	Balance 6/30/16	Additions	Transfers	Deletions	Balance 6/30/17
Capital assets, not being depreciated					
Land	\$ 480,573	\$ -	\$ -	\$ -	\$ 480,573
Construction in progress	80,906	610,875	(375,342)	-	316,439
Total capital assets, not being depreciated	<u>561,479</u>	<u>610,875</u>	<u>(375,342)</u>	<u>-</u>	<u>797,012</u>
Capital assets, being depreciated					
Buildings	22,423,432	-	89,896	-	22,513,328
Improvements	17,553,101	-	285,446	-	17,838,547
Furniture and equipment	4,733,253	98,638	-	(11,819)	4,820,072
Total capital assets, being depreciated	<u>44,709,786</u>	<u>98,638</u>	<u>375,342</u>	<u>(11,819)</u>	<u>45,171,947</u>
Less: Accumulated depreciation	<u>(27,354,654)</u>	<u>(1,352,292)</u>	<u>-</u>	<u>9,275</u>	<u>(28,697,671)</u>
Total capital assets, being depreciated	<u>17,355,132</u>	<u>(1,253,654)</u>	<u>375,342</u>	<u>(2,544)</u>	<u>16,474,276</u>
Capital assets, net of depreciation	<u>\$ 17,916,611</u>	<u>\$ (642,779)</u>	<u>\$ -</u>	<u>\$ (2,544)</u>	<u>17,271,288</u>

Depreciation expense of \$1,352,292 for the year ended June 30, 2017 was charged to the following governmental functions:

Plant operation and maintenance	\$ 825,135
Regular education programs	493,560
General administration	3,775
Food service expenditures	29,822
	<u>\$ 1,352,292</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

8. Long-term Obligations

A schedule of the bonds outstanding as of June 30, 2017 is as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest To Maturity</u>	<u>Principal Outstanding</u>
Certificates of Indebtedness: Series 2004	\$ 1,700,000	4.54%	10/1/20	\$ 45,286	\$ 573,000
QSCB, Series 2011	\$ 8,100,000	7.73%	3/1/27	\$ 6,321,935	\$ 5,244,404
Limited Tax Revenue Bond, Series 2016	\$ 5,000,000	2.00%	3/1/36	\$ 1,525,600	\$ 4,835,000
					<u>\$ 10,652,404</u>

Certificates of indebtedness, Series 2004

\$1,445,000 certificates of indebtedness, which is part of the total issuance of \$1,700,000, dated October 29, 2004; due in various semi-annual installments, including interest at 4.54 percent through October 1, 2020; payable from ad valorem taxes.

\$ 487,000

\$225,000 certificates of indebtedness, which is part of the total issuance of \$1,700,000, dated October 29, 2004; due in various annual installments, interest free through October 1, 2020; payable from ad valorem taxes.

86,000

QSCB, Series 2011

\$8,100,000 Qualified School Construction Bonds, Series 2011 dated 3/10/2011; due in various quarterly installments, including interest at 7.73 percent through March 1, 2027; payable from ad valorem taxes.

5,244,404

Limited Tax Revenue Bonds, Series 2016

\$5,000,000 Limited Tax Revenue Bonds, Series 2016 dated 5/12/2016; due in various semi-annual installments, including interest at 2.00 percent through March 1, 2026 and then interest at 3.00 percent through March 1 2036; payable from ad valorem and sales taxes.

4,835,000

\$10,652,404

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

8. Long-term Obligations (continued)

The School Board accumulates the tax proceeds in the Debt Service Funds. At June 30, 2017, the School Board has accumulated \$4,809,815 in the debt service funds for future debt service requirements.

The School Board is not in compliance with the requirements of its long-term debt agreements. During the current year the School Board was delinquent on one of its required debt payments.

The bonds are due as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2018	\$ 816,250	\$ 772,279	\$ 1,588,529
2019	826,250	763,468	1,589,718
2020	837,250	754,351	1,591,601
2021	853,250	744,908	1,598,158
2022	711,250	738,080	1,449,330
2023-2027	3,681,250	3,625,900	7,307,150
2028-2032	1,586,904	391,385	1,978,289
2033-2037	1,340,000	102,450	1,442,450
	<u>\$ 10,652,404</u>	<u>\$ 7,892,821</u>	<u>\$ 18,545,225</u>

The following is a summary of the changes in general long-term obligation transactions for the year ended June 30, 2017:

	<u>Balance 6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2017</u>	<u>Amount due within one year</u>	<u>Amount due after one year</u>
Certificates of indebtedness Series 2004	\$ 702,000	\$ -	\$ (129,000)	\$ 573,000	\$ 135,000	\$ 438,000
Qualified school construction bond, Series 2011	5,688,130	-	(443,726)	5,244,404	506,250	\$ 4,738,154
Limited tax revenue bond, Series 2016	5,000,000	-	(165,000)	4,835,000	175,000	\$ 4,660,000
	<u>\$11,390,130</u>	<u>\$ -</u>	<u>\$ (737,726)</u>	<u>\$10,652,404</u>	<u>\$ 816,250</u>	<u>\$ 9,836,154</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. Defined Benefit Pension Plans

The Assumption Parish School Board (the School Board) is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by three public employee retirement systems, the Teachers' Retirement System of Louisiana (TRSL), the Louisiana School Employees' Retirement System (LSERS), and the Louisiana State Employees' Retirement System (LASERS). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of these plans to the State Legislature. Each system is administered by a separate board of trustees and all Systems are component units of the State of Louisiana.

Each of the Systems issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. These reports may be obtained by writing, calling or downloading the reports as follows:

TRSL:
8401 United Plaza Blvd.
P. O. Box 94123
Baton Rouge, LA 70804-9123
(225) 925-6446
www.trsl.org

LSERS:
8660 United Plaza Blvd.
Baton Rouge, LA 70804
(225) 925-6484
www.lasers.net

LASERS:
8401 United Plaza Blvd.
P.O. Box 44213
Baton Rouge, LA 70804-4213
(225) 925-0185
www.lasersonline.org

Plan Descriptions:

Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing defined benefit plan. The plan provides retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in LRS 11:701. Eligibility for retirement benefits and the calculation of retirement benefits are provided for in LRS 11:761.

Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing defined benefit pension plan. The plan provides retirement, disability, and survivor benefits to school employees as defined in LRS 11:1002. Eligibility for retirement benefits and the computation of retirement benefits are provided for in LRS 11:1141.

Louisiana State Employees' Retirement System (LASERS) administers a cost-sharing defined benefit pension plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in LRS 11:411-414. The age and years of credible service required in order for a member to receive retirement benefits are established by LRS 11:441 and vary depending on the member's hire date, employer and job classification.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. Defined Benefit Pension Plans (continued)

A brief summary of eligibility and benefits of the plans are provided in the following table:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
Final average salary	Highest 36 or 60 months (1)	Highest 36 or 60 months (1)	Highest 36 or 60 months (1)
Years of service required and/or age eligible for benefits	30 years any age (5) 25 years age 55 20 years any age (2) 5 years age 60	30 years any age 25 years age 55 20 years any age (2) 5-10 years age 60 (6)	30 years any age 25 years age 55 20 years any age (2) 5-10 years age 60 (6)
Benefit percent per years of service	2.0% to 3.0% (4)	2.50% to 3.33% (4)	2.5% to 3.3% (3)

- (1) Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service.
- (2) With actuarial reduced benefits
- (3) Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%
- (4) Benefit percent varies depending on when hired
- (5) For school food service workers, hired on or before 6-30-15, 30 years at age 55
- (6) Five to ten years of creditable service at age 60 depending upon the plan or when hired

Cost of Living Adjustments

The pension plans in which the School System participates have the authority to grant cost-of-living adjustments (COLAs) on an ad hoc basis. COLAs may be granted to these systems, (TRSL LSERS, and LASERS) if approved with a two-thirds vote of both houses of the Legislature, provided the plan meets certain statutory criteria related to funded status and interest earnings.

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. TRSL also receives a percentage of ad valorem taxes collected by parishes. The parish is not a participating employer in the pension system and is considered to be a nonemployer contributing entity.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. Defined Benefit Pension Plans (continued)

Contributions (continued)

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2017, for the School Board and covered employees were as follows:

	<u>School System</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	25.50%	8.00%
Plan B	28.20%	5.00%
School Employees' Retirement System	27.30%	8.00%
State Employees' Retirement System	35.80%	8.00%

The contributions made to the Systems for the past three fiscal years, which equaled the required contributions for each of these years, were as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Teachers' Retirement System:			
Regular Plan	\$ 4,721,137	\$ 4,915,639	\$ 5,288,452
Plan B	183,420	195,211	198,449
School Employees' Retirement System	390,545	488,270	504,868
State Employees' Retirement System	21,512	21,536	21,401

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

The following schedule lists the School Board's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2016 measurement date. The School Board uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2016 along with the change compared to the June 30, 2015 rate. The School Board's proportion of the Net Pension Liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. **Defined Benefit Pension Plans** (continued)

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

	Net Pension Liability at June 30, 2016	Rate at June 30, 2016	Increase (Decrease) to June 30, 2015 Rate
Teachers' Retirement System	\$ 52,878,647	0.4505%	(0.0030%)
School Employees' Retirement System	4,293,941	0.5692%	0.0243%
State Employees' Retirement System	<u>244,136</u>	0.0031%	0.0000%
	<u>\$ 57,416,724</u>		

The following schedule lists each pension plan's recognized pension expense plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions by the School Board for the year ended June 30, 2017:

Teachers' Retirement System	\$ 5,602,975
School Employees' Retirement System	595,284
State Employees' Retirement System	<u>33,294</u>
	<u>\$ 6,231,553</u>

At June 30, 2017, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 141	\$ (1,163,414)
Changes of assumptions	101,724	(113,492)
Net difference between projected and actual earnings on pension plan investments	4,423,821	-
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,219,998	(676,300)
Employer contributions subsequent to the measurement date	5,316,615	-
Total	<u>\$ 11,062,299</u>	<u>\$ (1,953,206)</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. **Defined Benefit Pension Plans** (continued)

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

Summary totals of deferred outflows of resources and deferred inflows of resources by pension plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 9,828,088	\$ (1,711,759)
School Employees' Retirement System (LSERS)	1,179,180	(233,087)
State Employees' Retirement System (LASERS)	55,031	(8,360)
	<u>\$ 11,062,299</u>	<u>\$ (1,953,206)</u>

The School Board reported a total of \$5,316,615 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2016 which will be recognized as a reduction in Net Pension Liability in the year ended June 30, 2018. The following schedule list the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 4,904,558
School Employees' Retirement System (LSERS)	390,545
State Employees' Retirement System (LASERS)	21,512
	<u>\$ 5,316,615</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
2017	\$ 269,338	\$ 86,310	\$ 336	\$ 355,984
2018	269,339	66,863	5,753	341,955
2019	1,888,768	245,832	11,817	2,146,417
2020	784,326	156,543	7,253	948,122
	<u>\$ 3,211,771</u>	<u>\$ 555,548</u>	<u>\$ 25,159</u>	<u>\$ 3,792,478</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. Defined Benefit Pension Plans (continued)

Actuarial Assumptions

A summary of the actuarial methods and assumptions used in determining the total pension liability for each pension plan as of June 30, 2016 are as follows:

	TRSL	LSERS	LASERS
Valuation Date	June 30, 2016	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions: Expected Remaining			
Service Lives	5 years	3 years	3 years
Investment Rate of Return	7.75% net of investment expenses	7.125% per annum (increased from 7.0% in 2015)	7.75% net of investment expenses
Inflation Rate	2.5% per annum	2.625% per annum (decreased from 2.75% in 2015)	3.0% per annum
Mortality	Mortality rates were projected based on the RP-2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Sex Distinct Mortality Table.	Non-disabled members – Mortality rates based on the RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.		Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. **Defined Benefit Pension Plans** (continued)

Actuarial Assumptions (continued)

	TRSL	LSERS	LASERS																		
Salary Increases	3.50% - 10.0% varies depending on duration of service	Salary increases were projected based on the 2008-2012 experience study of the Plan's members ranging from 3.075% to 5.375% (decreased from a range of 3.2% to 5.5% in 2015)	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:																		
			<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Member Type</u></th> <th style="text-align: center;"><u>Lower Range</u></th> <th style="text-align: center;"><u>Upper Range</u></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">4.00%</td> <td style="text-align: center;">13.00%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">3.00%</td> <td style="text-align: center;">5.50%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.60%</td> <td style="text-align: center;">14.50%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.60%</td> <td style="text-align: center;">14.50%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.60%</td> <td style="text-align: center;">14.50%</td> </tr> </tbody> </table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	Regular	4.00%	13.00%	Judges	3.00%	5.50%	Corrections	3.60%	14.50%	Hazardous Duty	3.60%	14.50%	Wildlife	3.60%	14.50%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>																			
Regular	4.00%	13.00%																			
Judges	3.00%	5.50%																			
Corrections	3.60%	14.50%																			
Hazardous Duty	3.60%	14.50%																			
Wildlife	3.60%	14.50%																			
Cost of Living Adjustments	The System allows for the payment of ad hoc permanent benefit increases that are funded through investment earnings when recommended by the Board of Trustees.	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																		

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. **Defined Benefit Pension Plans** (continued)

Actuarial Assumptions (continued)

The following schedule list the methods used by each of the retirement systems in determining the long term rate of return on pension plan investments:

<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment 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 resulting expected long-term rate of return was 8.23% for 2016.</p>	<p>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.</p>	<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The expected rate of inflation was 3.25%. The resulting expected long-term rate of return is 8.72% for 2016.</p>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. Defined Benefit Pension Plans (continued)

Actuarial Assumptions (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2016:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	(0.24%)
Domestic equity	31.0%	51.0%	25.0%	4.50%	3.10%	4.31%
International equity	19.0%	-	32.0%	5.31%	-	5.48%
Domestic fixed income	14.0%	30.0%	8.0%	2.45%	1.82%	1.63%
International fixed income	7.0%	-	6.0%	3.28%	-	2.47%
Alternatives	29.0%	13.0%	22.0%	11.62%	0.79%	7.42%
Global asset allocation	-	-	7.0%	-	-	2.92%
Real assets	-	6.0%	-	-	0.36%	-
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	n/a	6.07%	5.30%
Inflation					<u>2.00%</u>	
Expected Arithmetic Nominal Return					<u>8.07%</u>	

n/a - amount not provided by Retirement System

Discount Rate

The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate used to measure the total pension liability for TRSL, LSERS, and LASERS was 7.75%, 7.125%, and 7.75%, respectively for the year ended June 30, 2016.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

9. **Defined Benefit Pension Plans** (continued)

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

The following table presents the School Board's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System 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 used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.75%	7.75%	8.75%
APSB Share of NPL	\$ 65,955,857	\$ 52,878,647	\$ 41,750,824
LSERS			
Rates	6.125%	7.125%	8.125%
APSB Share of NPL	\$ 5,636,748	\$ 4,293,941	\$ 3,143,503
LASERS			
Rates	6.75%	7.75%	8.75%
APSB Share of NPL	\$ 299,943	\$ 244,136	\$ 196,717

Payables to the Pension Plan

The Assumption Parish School Board recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2017 mainly due to the accrual for payroll at the end of the fiscal year. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to each of the retirement systems at June 30, 2017 is as follows:

	<u>June 30, 2017</u>
TRSL	\$ 792,543
LSERS	49,987
LASERS	3,590
	<u>\$ 846,030</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

10. Post-employment Benefits

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

The OGB plan is a fully insured, multiple-employer arrangement and has been deemed to be an *agent multiple-employer plan* (within the meaning of paragraph 22 of GASB Codification Section P50) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Most of the employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service (age 60 and 5 years of service if hired on or after July 1, 1999). In addition, employees hired on and after January 1, 2011 may not retire before age 60 without actuarial reduction in the retirement benefit. For employees not covered by TRSL, it was assumed that age 60 and 10 years of service applied instead of age 60 and 5 years of service.

Life insurance coverage under the OGB program is available to retirees by election based on a blended rate (active and retired). The employer pays 50% of the cost of the retiree life insurance based on that blended rate. Since GASB Codification Section P50 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Contribution Rates. Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy – Until 2008, the Assumption Parish School Board recognized the cost of providing post-employment medical and life insurance benefits (the Assumption Parish School Board's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2017 and 2016, the Assumption Parish School Board's portion of health care and life insurance funding cost for retired employees totaled \$2,960,082 and \$2,906,444, respectively.

Effective July 1, 2008, the Assumption Parish School Board implemented Government Accounting Standards Board Codification Section P50, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB Codification Section P50). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

10. **Post-employment Benefits** (continued)

Annual Required Contribution. The Assumption Parish School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Codification Section P50. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB Codification Section P50) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	June 30	
	2017	2016
Normal cost	\$ 1,176,529	\$ 1,575,439
30-year UAL amortization amount	3,521,006	3,552,194
Annual required contribution (ARC)	\$ 4,697,535	\$ 5,127,633

Net Post-employment Benefit Obligation (Asset). The table below shows Assumption Parish School Board's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal years ending June 30:

	June 30		
	2017	2016	2015
Net OPEB obligation – beginning of year	\$ 12,721,079	\$ 10,690,504	\$ 8,604,662
Annual required contribution	4,697,535	5,127,633	4,930,416
Interest on net OPEB obligation	508,843	427,620	344,186
Adjustment to ARC	(735,661)	(618,234)	(497,608)
Annual OPEB cost (expense)	4,470,717	4,937,019	4,776,994
Current year retiree premium (plan contributions)	(2,960,082)	(2,906,444)	(2,691,152)
Increase in net OPEB obligation	1,510,635	2,030,575	2,085,842
Net OPEB obligation – end of year	\$ 14,231,714	\$ 12,721,079	\$ 10,690,504

The following table shows Assumption Parish School Board's annual other post-employment benefits (OPEB) cost, percentage of the cost contributed, and the net other post-employment benefits (OPEB) liability:

Post-employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical and Life	June 30, 2017	\$ 4,470,717	66.21%	\$ 14,231,714
Medical and Life	June 30, 2016	\$ 4,937,019	58.87%	\$ 12,721,079
Medical and Life	June 30, 2015	\$ 4,776,994	56.34%	\$ 10,690,504

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

10. Post-employment Benefits (continued)

Funded Status and Funding Progress. In the fiscal years ending June 30, 2017 and 2016, the Assumption Parish School Board made no contributions to its post-employment benefits plan. The plan is not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2016 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) at the end of the fiscal year June 30, 2017 was \$63,320,344 which is defined as that portion, as determined by a particular actuarial cost method (the Assumption Parish School Board uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost.

	June 30	
	2017	2016
Actuarial Accrued Liability (AAL)	\$ 63,320,344	\$ 63,881,292
Actuarial Value of Plan Assets (AVP)	-	-
Unfunded AAL (UAAL)	\$ 63,320,344	\$ 63,881,292
Funded Ratio (AVP/AAL)	0%	0%
Covered payroll (active plan members)	\$ 21,410,975	\$ 20,185,347
UAAL as a percentage of covered payroll	295.74%	316.47%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding the (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Assumption Parish School Board and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Assumption Parish School Board and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Assumption Parish School Board and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

10. **Post-employment Benefits** (continued)

Actuarial Value of Plan Assets. There are no plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Codification Section P50.

Turnover Rate. An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 10%.

Post-employment Benefit Plan Eligibility Requirements. It is assumed that entitlement to benefits will commence six years after earliest eligibility for retirement (or D.R.O.P. entry) as described above under the heading "Plan Description". Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate). GASB Codification Section P50 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a recently published mortality table which been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The OGB rates provided are "unblended" rates for active and retired as required by GASB 45 for valuation purposes.

Inflation Rate. Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected Salary Increases. This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases. The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

11. Deficit Fund Equity

The Debt Service PC fund had a deficit fund balance as of June 30, 2017 of \$152,107. The Debt Service PC Fund expects to receive funding from the General Fund in 2018 to cover the expenditures.

12. Litigation and Claims

The School Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the School Board.

13. Commitments and Contingencies

As of June 30, 2017, the School Board was committed to construction and engineering contract agreements totaling \$568,358, of which \$335,836 was expended through June 30, 2017.

Leases that do not meet criteria for capitalization are classified as operating leases with related rentals charged to operations as incurred.

The following is a schedule by year of future minimum lease payments under these arrangements as of June 30, 2017, that have initial or remaining terms in excess of one year.

<u>Year</u> <u>Ending</u> <u>June 30</u>	<u>Minimum</u> <u>Payments</u>
2018	\$ 100,507
2019	92,131
	<u>\$ 192,638</u>

Grant Disallowances. The School Board participates in a number of state and federally assisted grant programs. The programs are subject to audits under the single audit approach as well as audits conducted by the Louisiana and U.S. Department of Education. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

14. Operating Transfers

Operating transfers for the year ended June 30, 2017 are as follows:

<u>Fund</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 422,134	\$ 821,195
Special Revenue Funds:		
School Food Services	336,100	-
Title I	-	122,776
Title II	-	29,675
Title III	-	176
Head Start	60,371	-
IDEA	-	85,663
IDEA Preschool	-	9,737
Vocational Education	-	-
SRCL	13,064	53,292
REAP	-	9,014
High Cost Services	72,859	-
QSCB Sinking Fund	52,000	-
Debt Service Funds:		
Debt Service PC Fund	-	-
APSB GO Bond Sinking Fund	175,000	-
Total	<u>\$ 1,131,528</u>	<u>\$ 1,131,528</u>

15. Changes in Agency Deposits Due Others

A summary of changes in agency fund deposits due others are as follows:

	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance end of year</u>
Sales Tax Fund	\$ 2,182,385	\$ 10,132,938	(\$ 10,498,902)	\$ 1,816,421
School Activity Agency Fund	<u>779,485</u>	<u>1,305,252</u>	<u>(1,323,823)</u>	<u>760,914</u>
Total	<u>\$ 2,961,870</u>	<u>\$ 11,438,190</u>	<u>(\$ 11,822,725)</u>	<u>\$ 2,577,335</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

16. Sales Tax Collections

The following is a summary of the sales tax collections and costs associated with those collections on behalf of other taxing authorities for the year ended June 30, 2017:

	Total Collections	Collection Costs	Final Distribution
ASSUMPTION PARISH POLICY JURY (2%)			
<i>1% Sales (1%)</i>	\$ 2,016,597	\$ 57,400	\$ 1,959,197
<i>Library (.25%)</i>	475,379	13,751	461,628
<i>Roads (.5%)</i>	950,758	27,502	923,256
<i>Drainage (.25%)</i>	475,379	13,751	461,628
	3,918,113	112,404	3,805,709
ASSUMPTION PARISH SCHOOL BOARD (3%)			
<i>General (2.5%)</i>	5,041,482	58,839	4,982,643
<i>92 Bond Fund (.5%)</i>	1,008,306	11,768	996,538
	6,049,788	70,607	5,979,181
VILLAGE (1%)			
<i>General (1%)</i>	115,091	1,575	113,516
	115,091	1,575	113,516
TOTALS	\$ 10,082,992	\$ 184,586	\$ 9,898,406

17. Amounts Due to Other Governments

During previous fiscal years significant expenditures were incurred due to the disaster of Hurricane Gustav. The School Board received reimbursements for expenditures incurred from the United States Department of Homeland Security and from insurance proceeds. Total proceeds received exceeded the disaster expenditures that were incurred. A final allocation between federal expenditures and insurance proceeds has not yet been determined for a majority of the disaster expenditures. Amounts due to other governments totaling \$594,337 have been reported in the financial statements.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

18. Tax Abatements

The local government is subject to certain property tax abatements granted by the Louisiana State Board of Commerce and Industry (the "State Board"), a state entity governed by board members representing major economic groups and gubernatorial appointees. Abatements to which the government may be subject include those issued for property taxes under the Industrial Tax Exemption Program ("ITEP") and the Restoration Tax Abatement Program ("RTAP"). In addition, the local government has the authority to grant sales tax rebates to taxpayers pursuant to the Enterprise Zone Tax Rebate Program ("EZ Program"). For the year ending June 30, 2017, the School Board participated in the Industrial Tax Exemption Program.

Under the ITEP, as authorized by *Article 7, Section 21(F) of the Louisiana Constitution and Executive Order Number JBE 2016-73*, companies that qualify as manufacturers can apply to the State Board for a property tax exemption on all new property, as defined, used in the manufacturing process. Under the ITEP, companies are required to promise to expand or build manufacturing facilities in Louisiana, with a minimum investment of \$5 million. The exemptions are granted for a 5 year term and are renewable for an additional 5 year term upon approval by the State Board. In the case of the local government, these state-granted abatements have resulted in reductions of property taxes, which the assessor administers as a temporary reduction in the assessed value of the property involved. The abatement agreements stipulate a percentage reduction of property taxes, which can be as much as 100 percent. The local government may recapture abated taxes if a company fails to expand facilities or otherwise fail to fulfill its commitments under the agreement.

Taxes abated via the Industrial Tax Exemption Program for the fiscal year ended June 30, 2017 totaled \$172,701.

19. Subsequent Events

The School Board has evaluated subsequent events through the date that the financial statements were available to be issued, December 28, 2017, and has determined the following events occurred that required disclosure. The School Board entered into contract commitments subsequent to year end totaling \$1,532,000 for capital improvements.

20. Energy Efficient Contracts

On October 11, 2004, Assumption Parish School Board entered into an Energy Efficiency Contract with Siemens Building Technologies, Inc. The contract contained a stipulated savings clause which was determined to be illegal from *Siemens Building Technologies, Inc. v. Iberville Parish School Board*, ---, 2008 WL 1765598 (La.), 2008-0336 (La. 4/4/08). As of June 30, 2017, the contract is still in effect. The School Board has consulted with their legal counsel regarding this matter and is in the process of amending the contract to comply with the law.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

21. Restatement of Prior Year Fund Balance and Net Position

Fund balance and net position of the General fund within the fund financial statements and the government-wide financial statements was restated as of June 30, 2016 by a decrease of \$302,602. The decrease is a result of the prior year investment balance and interest earnings being overstated.

<u>Fund Balance</u>	<u>General</u>
Fund Balance, June 30, 2016, as previously reported	\$ 14,977,281
Adjustment for Investments	(302,602)
Fund Balance, June 30, 2016, as restated	<u>\$ 14,674,679</u>
<u>Net Position</u>	
	<u>General</u>
Net Position, June 30, 2016, as previously reported	\$ (29,592,260)
Adjustment for Investments	(302,602)
Net Position, June 30, 2016, as restated	<u>\$ (29,894,862)</u>

22. Current Accounting Standards Scheduled to be Implemented

The Governmental Accounting Standards Board recently issued GASB Statement No. 75 *Accounting for Postemployment Benefits*, which supersedes accounting standards that currently exist regarding retiree benefits. Under the new standard, governments recognize a liability for the full amount of the actuarially determined accrued benefits less amounts funded into a trust rather than recognizing a liability based upon the difference between funding recommendations and actual contributions, as in currently required. Additionally, the liability will be measured according to more prescriptive requirements. The standard is effective for annual reporting periods beginning after June 15, 2017. The School Board expects that the new standard will have a material negative effect on its net position for the year ended June 30, 2018. However, the amount of the effect is unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MAJOR FUND DESCRIPTION
JUNE 30, 2017

GENERAL FUND

The General Fund is used to account for resources traditionally associated with the School Board which are not required legally or by sound financial management to be accounted for in another fund.

HVAC FUND

The HVAC Fund is used to accumulate funds for the acquisition, installation, maintenance, and operation of air conditioning systems in parish schools, including the payment of utility costs with any excess to be used for additional support for the schools in the parish.

LIMITED TAX REVENUE BONDS

The GO Bond Fund is used to account for the funds received from the bond. The purpose of the bond issuance is for the acquiring, constructing, and improvement of public school facilities, including sites, furnishings and equipment.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad valorem	\$ 7,119,846	\$ 7,573,536	\$ 6,551,737	\$ (1,021,799)
Sales and use	5,131,720	5,484,284	5,041,482	(442,802)
Rentals, leases, and royalties	-	-	4,000	4,000
Earnings on investments	57,500	76,244	(3,284)	(79,528)
Other	270,500	347,336	426,923	79,587
State sources:				
Unrestricted grants-in-aid	22,763,277	21,444,291	21,909,537	465,246
Restricted grants-in-aid	958,811	893,512	455,203	(438,309)
Federal sources:				
Restricted grants-in-aid - subgrants	58,500	53,463	538,526	485,063
Total revenues	<u>36,360,154</u>	<u>35,872,666</u>	<u>34,924,124</u>	<u>(948,542)</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	13,476,228	13,375,644	13,508,960	(133,316)
Special education programs	4,637,249	3,825,513	3,866,967	(41,454)
Special programs	1,100,026	964,050	1,060,163	(96,113)
Other education programs	1,643,828	1,912,053	1,890,321	21,732
Support services:				
Pupil support services	2,475,158	2,267,269	2,191,132	76,137
Instructional staff services	1,127,908	1,091,341	1,034,360	56,981
General administration services	2,091,154	2,038,516	1,718,958	319,558
School administration services	2,773,157	2,788,213	2,873,049	(84,836)
Business and central services	495,958	448,657	446,326	2,331
Plant operation and maintenance	4,417,188	3,426,459	3,475,614	(49,155)
Transportation	2,206,564	2,422,878	2,403,696	19,182
Central services	1,436,917	1,165,560	1,131,103	34,457

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
Expenditures (continued):				
Non-instructional services:				
Food service	\$ 284,320	\$ 175,813	\$ 169,734	\$ 6,079
Community service programs	20,000	27,278	28,014	(736)
Building acquisition and construction	250,000	112,790	37,957	74,833
Total expenditures	<u>38,435,655</u>	<u>36,042,034</u>	<u>35,836,354</u>	<u>205,680</u>
Excess (deficiency) of revenues over expenditures	<u>(2,075,501)</u>	<u>(169,368)</u>	<u>(912,230)</u>	<u>(742,862)</u>
Other financing sources (uses):				
Operating transfers out	(1,143,000)	(850,000)	(821,195)	28,805
Operating transfers in	650,000	166,992	422,134	255,142
Total other financing sources (uses)	<u>(493,000)</u>	<u>(683,008)</u>	<u>(399,061)</u>	<u>283,947</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,568,501)</u>	<u>(852,376)</u>	<u>(1,311,291)</u>	<u>(458,915)</u>
Fund balances at beginning of year, as restated	<u>14,674,679</u>	<u>14,674,679</u>	<u>14,674,679</u>	<u>-</u>
Fund balances at end of year	<u>\$ 12,106,178</u>	<u>\$ 13,822,303</u>	<u>\$ 13,363,388</u>	<u>\$ (458,915)</u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

SCHEDULE OF FUNDING PROGRESS FOR OTHER POST-EMPLOYMENT BENEFIT PLAN

JUNE 30, 2017

<u>Actuarial Valuation Date</u>	<u>(a) Actuarial Value of Assets</u>	<u>(b) Actuarial Accrued Liability (AAL)</u>	<u>(b-a) Unfunded AAL (UAAL)</u>	<u>(a/b) Funded Ratio</u>	<u>(c) Covered Payroll</u>	<u>((b-a)/c) UAAL as a Percentage of Covered Payroll</u>
7/1/2014	-	\$ 61,424,319	\$ 61,424,319	0.0%	\$ 21,496,096	285.7%
7/1/2015	-	\$ 63,881,292	\$ 63,881,292	0.0%	\$ 20,185,347	316.5%
7/1/2016	-	\$ 63,320,344	\$ 63,320,344	0.0%	\$ 21,410,975	295.7%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Fiscal Year Ending</u>	<u>(a) Annual OPEB Cost</u>	<u>(b) Annual Contributed</u>	<u>(b/a) Percentage of Annual OPEB Costs Contributed</u>	<u>(a-b) Increase (Decrease) to Net OPEB Obligation</u>	<u>(PY + (a-b)) Net OPEB Obligation</u>
6/30/2015	\$ 4,776,994	\$ 2,691,152	56.34%	\$ 2,085,842	\$ 10,690,504
6/30/2016	\$ 4,937,019	\$ 2,906,444	58.87%	\$ 2,030,575	\$ 12,721,079
6/30/2017	\$ 4,470,717	\$ 2,960,082	66.21%	\$ 1,510,635	\$ 14,231,714

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY FOR THE RETIREMENT SYSTEMS**

COST SHARING PLANS ONLY

For the Year Ended June 30, 2017 (*)

<u>Pension Plan</u>	<u>Year</u>	<u>Employer's Proportion of the Net Pension Liability (Asset)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
Teachers Retirement System of Louisiana						
	2017	0.4505%	\$ 52,878,647	\$ 19,373,880	272.9378%	59.90%
	2016	0.4536%	48,768,459	19,548,458	249.4747%	62.50%
	2015	0.4382%	44,786,543	19,012,624	235.5621%	63.70%
Louisiana School Employees Retirement System						
	2017	0.5692%	4,293,941	1,616,787	265.5848%	70.09%
	2016	0.5449%	3,455,307	1,529,902	225.8515%	74.50%
	2015	0.5320%	3,083,698	1,493,462	206.4798%	76.18%
Louisiana State Employees Retirement System						
	2017	0.0031%	244,136	57,891	421.7167%	57.70%
	2016	0.0030%	207,038	57,840	357.9495%	62.70%
	2015	0.0033%	204,282	63,390	322.2622%	65.00%

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana
SCHEDULE OF CONTRIBUTIONS
COST SHARING PLANS ONLY
For the Year Ended June 30, 2017

<u>Pension Plan</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Employee Payroll³</u>	<u>Contributions as a % of Covered Employee Payroll</u>
Teachers Retirement System of Louisiana						
	2017	\$ 4,904,558	\$ 4,904,558	-	\$ 19,168,228	25.5869%
	2016	5,110,850	5,110,850	-	19,373,880	26.3801%
	2015	5,532,748	5,532,748	-	19,548,458	28.3027%
Louisiana School Employees Retirement System						
	2017	390,545	390,545	-	1,430,566	27.3000%
	2016	488,270	488,270	-	1,616,787	30.2000%
	2015	504,868	504,868	-	1,529,902	33.0000%
Louisiana State Employees Retirement System						
	2017	21,512	21,512	-	60,090	35.7996%
	2016	21,536	21,536	-	57,891	37.2009%
	2015	21,401	21,401	-	57,840	37.0003%

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

For reference only:

¹ *Employer contribution rate multiplied by employer's covered employee payroll*

² *Actual employer contributions remitted to Retirement Systems*

³ *Employer's covered employee payroll amount for each of the fiscal year ended June 30*

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

Changes in benefit terms:

There were no changes in benefit terms for the three pension plans listed above for the years presented.

Changes in assumptions:

TRSL and LASERS did not have any changes in actuarial assumptions for the years presented.

LSERS had the following changes in actuarial assumptions for each year as follows:

Dicount Rate:

<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>
2017	7.125%	0.125%
2016	7.000%	-0.250%
2015	7.250%	

Inflation Rate:

<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>
2017	2.625%	-0.125%
2016	2.750%	

Salary Increases:

<u>Year (*)</u>	<u>Range</u>
2017	3.075% to 5.375%
2016	3.200% to 5.500%

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NON-MAJOR FUND DESCRIPTIONS
JUNE 30, 2017

IDEA, PRESCHOOL

IDEA and Preschool are federally funded programs. IDEA Part -B serves students ages 3 through 21 who have been found eligible through Bulletin 1508, for special education services. The funds are used for materials, supplies, and equipment for direct instruction in special education classes. The Pre-School Flow Through funds target the education of students ages 3 through 5 who have been found eligible, through Bulletin 1508, for special education services within a non-categorical preschool setting or for those needing only speech services. The funds are used for supplies for direct instruction.

SCHOOL FOOD SERVICES

The School Food Service program includes lunch and breakfast and is used to account for the operations of the school food service program in the parish school system during the regular school term. The basic goals of the school food service program are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influences to the homes of school children, and to provide learning experiences that will improve children's food habits with the ultimate goal of physically fit adults.

TITLE I

Title I of the Elementary and Secondary Education Act (ESEA) is a program for economically and educationally deprived school children that are federally financed, state-administered, and locally operated by the School Board. The Title I services are provided through various projects that are designed to meet the special needs of educationally deprived children. The activities supplement, rather than replace, state and locally mandated activities.

EDUCATION FOR ECONOMIC SECURITY ACT (EESA) - TITLE II

Education for Economic Security Act - Title II is a federally funded program to provide financial assistance to improve the skills of teachers in the instructional areas of mathematics, science, computer learning, and foreign languages; and increase the access of all students to this instruction.

STRIVING READERS COMPREHENSIVE LITERACY PROGRAM (SRCL)

The Striving Readers for Comprehensive Literacy (SRCL) program is a federally funded program for the purpose of improving the school readiness and success for disadvantaged youth, from birth to grade 12, by advancing their literacy skills and to establish a comprehensive approach to literacy development based on Louisiana's Comprehensive Literacy Plan.

TITLE III

Title III fund is a federally funded program. The purpose of this program is to focus on assisting school districts in teaching English to limited English proficient students and in helping students meet the challenging State standards required by all students.

HEAD START

The Head Start program is a federally financed program that provides comprehensive health, educational, nutritional, social, and other services to economically disadvantaged children and their families and to involve parents in their children's activities so that the children will attain overall social competence.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NON-MAJOR FUND DESCRIPTIONS
JUNE 30, 2017

VOCATIONAL EDUCATION

Vocational Education is a federally funded program restricted to expenditures for salaries, supplies, and equipment to be used in vocational education programs.

RURAL EDUCATION ACHIEVEMENT PROGRAM (REAP)

The Rural Education Achievement Program is a federally funded program. The purpose of this program is to provide funds for any of the following programs: 1) teacher recruitment and retention, 2) teacher professional development, 3) educational technology, and 4) parental involvement activities.

MCKINNEY VENTO

McKinney Vento is a federally funded program. The purpose of this program is to ensure that each child of a homeless individual or each homeless youth has equal access to the same free, appropriate public education as any non-homeless child or youth.

HIGH COST SERVICES

High Cost Services is a federally funded program based on IDEA funds made available to provide additional supports and services to students with high needs. High Cost services funding was introduced in response to concerns that costs for services for children with the most significant disabilities negatively impact the resources of districts and states, thus making it extremely difficult to provide individualized supports and services necessary for students to thrive in the education setting.

BELIEVE AND PREPARE

Believe and Prepare is a federally funded program for the purpose of supporting the design and implementation of innovative methods for preparing teachers, building a cadre of mentor teachers to support and develop aspiring teachers, and increase the numbers of certified special education teachers.

TITLE I SCHOOL IMPROVEMENT PROFESSIONAL DEVELOPMENT

This initiative helps principals and schools implement effective practices for teacher collaboration, observation and feedback, goal setting, and teacher leaders.

TEACHER INCENTIVE FUND

The Teacher Incentive Fund is aimed at recruiting and maintaining certified teachers.

APSB GO BOND SINKING FUND

The GO Bond Sinking Fund is used to retain and repay all debt owned for the Capital Projects Fund (Limited Tax Revenue Bonds). This account will hold all interest, principal, and other cost owned until the bonds are due.

QSCB SINKING FUND

The QSCB Sinking Fund is used to retain and repay all debt owned for the Capital Projects Fund (QSCB Bonds). This account will hold all interest, principal, and other cost owned until the bonds are due.

DEBT SERVICE PC

The Debt Service PC Fund is used to accumulate funds for the payment of 1.7 million Certificate of Indebtedness which are due in various semi-annual installments.

1979 DEBT SERVICE

The 1979 Debt Service Fund is used to accumulate funds for the payment of refunding general obligation bonds which are due in various annual installments.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS -

COMBINING BALANCE SHEET

JUNE 30, 2017

	<u>IDEA Preschool</u>	<u>IDEA</u>	<u>School Food Services</u>	<u>Title I</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ 2,948	\$ -
Investments	-	-	277,524	-
Receivables	48,800	227,917	14,405	396,743
Due from other funds	-	-	336,100	-
Inventory	-	-	113,365	-
Restricted assets - cash	-	-	-	-
Total assets	\$ 48,800	\$ 227,917	\$ 744,342	\$ 396,743
 <u>Liabilities and fund balances</u>				
Liabilities:				
Salaries payable, payroll deductions and withholdings payable	\$ 73	\$ 38,227	\$ 76,322	\$ 53,635
Accounts payable	-	688	108,056	-
Due to other governments	-	-	-	-
Due to other funds	48,727	189,002	177,477	343,108
Total liabilities	48,800	227,917	361,855	396,743
 Fund balances:				
Nonspendable:				
Inventory	-	-	113,365	-
Restricted:				
Debt service	-	-	-	-
Federal and state grants	-	-	269,122	-
Unassigned:				
	-	-	-	-
Total fund balances	-	-	382,487	-
Total liabilities and fund balances	\$ 48,800	\$ 227,917	\$ 744,342	\$ 396,743

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET

JUNE 30, 2017

	<u>Title II</u>	<u>SRCL</u>	<u>Title III</u>	<u>Head Start</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	93,676	155,269	6,242	51,896
Due from other funds	-	-	-	60,371
Inventory	-	-	-	-
Restricted assets - cash	-	-	-	-
Total assets	\$ 93,676	\$ 155,269	\$ 6,242	\$ 112,267
<u>Liabilities and fund balances</u>				
Liabilities:				
Salaries payable, payroll deductions and withholdings payable	\$ 13,291	\$ 24,804	\$ -	\$ 48,012
Accounts payable	879	4,536	-	34
Due to other governments	-	-	-	-
Due to other funds	79,506	125,929	6,242	64,221
Total liabilities	93,676	155,269	6,242	112,267
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Federal and state grants	-	-	-	-
Unassigned:				
Total fund balances	-	-	-	-
Total liabilities and fund balances	\$ 93,676	\$ 155,269	\$ 6,242	\$ 112,267

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET

JUNE 30, 2017

	<u>Vocational Education</u>	<u>REAP</u>	<u>McKinney Vento</u>	<u>High Cost Services</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	17,864	38,769	19,692	118,281
Due from other funds	-	-	-	72,859
Inventory	-	-	-	-
Restricted assets - cash	-	-	-	-
Total assets	\$ 17,864	\$ 38,769	\$ 19,692	\$ 191,140
<u>Liabilities and fund balances</u>				
Liabilities:				
Salaries payable, payroll deductions and withholdings payable	\$ -	\$ 3,410	\$ 1,937	\$ 48,407
Accounts payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	17,864	35,359	17,755	142,733
Total liabilities	17,864	38,769	19,692	191,140
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Federal and state grants	-	-	-	-
Unassigned:	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	\$ 17,864	\$ 38,769	\$ 19,692	\$ 191,140

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

**NON-MAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET**

JUNE 30, 2017

	<u>Believe & Prepare</u>	<u>School Imp. Professional Development</u>	<u>Teacher Incentive Fund</u>	<u>APSB GO Bond Sinking Fund</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	-	-	43,924	-
Due from other funds	-	-	-	70,679
Inventory	-	-	-	-
Restricted assets - cash	-	-	-	-
Total assets	\$ -	\$ -	\$ 43,924	\$ 70,679
<u>Liabilities and fund balances</u>				
Liabilities:				
Salaries payable, payroll deductions and withholdings payable	\$ -	\$ -	\$ 10,658	\$ -
Accounts payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	33,266	-
Total liabilities	-	-	43,924	-
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
Debt service	-	-	-	70,679
Federal and state grants	-	-	-	-
Unassigned:				
Total fund balances	-	-	-	70,679
Total liabilities and fund balances	\$ -	\$ -	\$ 43,924	\$ 70,679

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

**NON-MAJOR GOVERNMENTAL FUNDS -
COMBINING BALANCE SHEET**

JUNE 30, 2017

	<u>QSCB Sinking Fund</u>	<u>Debt Service PC</u>	<u>1979 Debt Service</u>	<u>Total</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ 230	\$ 3,178
Investments	-	-	-	277,524
Receivables	98,608	-	-	1,332,086
Due from other funds	52,000	-	-	592,009
Inventory	-	-	-	113,365
Restricted assets - cash	1,368,177	-	-	1,368,177
Total assets	\$ 1,518,785	\$ -	\$ 230	\$ 3,686,339
<u>Liabilities and fund balances</u>				
Liabilities:				
Salaries payable, payroll deductions and withholdings payable	\$ -	\$ -	\$ -	\$ 318,776
Accounts payable	-	-	-	114,193
Due to other governments	-	-	-	-
Due to other funds	-	152,107	-	1,433,296
Total liabilities	-	152,107	-	1,866,265
Fund balances:				
Nonspendable:				
Inventory	-	-	-	113,365
Restricted:				
Debt service	1,518,785	-	230	1,589,694
Federal and state grants	-	-	-	269,122
Unassigned:	-	(152,107)	-	(152,107)
Total fund balances	1,518,785	(152,107)	230	1,820,074
Total liabilities and fund balances	\$ 1,518,785	\$ 152,107	\$ 230	\$ 3,686,339

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>IDEA Preschool</u>	<u>IDEA</u>	<u>School Food Services</u>	<u>Title I</u>
<u>Revenues</u>				
Local sources:				
Food sales	\$ -	\$ -	\$ 208,465	\$ -
Earnings on investments	-	-	2,396	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	-	107,115	-
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - direct	-	-	-	-
Restricted grants-in-aid - subgrants	90,873	767,627	1,360,366	1,079,624
Commodities - United States				
Department of Agriculture	-	-	130,859	-
Total revenues	<u>90,873</u>	<u>767,627</u>	<u>1,809,201</u>	<u>1,079,624</u>
<u>Expenditures</u>				
Instruction:				
Regular education programs	-	-	-	-
Special education programs	81,136	681,964	-	956,848
Non-instructional services:				
Food service	-	-	2,133,196	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>81,136</u>	<u>681,964</u>	<u>2,133,196</u>	<u>956,848</u>
Excess (deficiency) of revenues over expenditures	<u>9,737</u>	<u>85,663</u>	<u>(323,995)</u>	<u>122,776</u>
Other financing sources (uses):				
Operating transfers out	(9,737)	(85,663)	-	(122,776)
Operating transfers in	-	-	336,100	-
Total other financing sources (uses)	<u>(9,737)</u>	<u>(85,663)</u>	<u>336,100</u>	<u>(122,776)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	12,105	-
Fund balances at beginning of year	-	-	370,382	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 382,487</u>	<u>\$ -</u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Title II</u>	<u>SRCL</u>	<u>Title III</u>	<u>Head Start</u>
<u>Revenues</u>				
Local sources:				
Food sales	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - direct	-	-	-	719,362
Restricted grants-in-aid - subgrants	261,046	478,225	15,207	-
Commodities - United States				
Department of Agriculture	-	-	-	-
Total revenues	<u>261,046</u>	<u>478,225</u>	<u>15,207</u>	<u>719,362</u>
<u>Expenditures</u>				
Instruction:				
Regular education programs	-	-	-	-
Special education programs	231,371	437,997	15,031	779,733
Non-instructional services:				
Food service	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>231,371</u>	<u>437,997</u>	<u>15,031</u>	<u>779,733</u>
Excess (deficiency) of revenues over expenditures	<u>29,675</u>	<u>40,228</u>	<u>176</u>	<u>(60,371)</u>
Other financing sources (uses):				
Operating transfers out	(29,675)	(53,292)	(176)	-
Operating transfers in	-	13,064	-	60,371
Total other financing sources (uses)	<u>(29,675)</u>	<u>(40,228)</u>	<u>(176)</u>	<u>60,371</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Vocational Education</u>	<u>REAP</u>	<u>McKinney Vento</u>	<u>High Cost Services</u>
<u>Revenues</u>				
Local sources:				
Food sales	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	-	-	170,566
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - direct	-	-	-	-
Restricted grants-in-aid - subgrants	46,058	79,327	42,021	172,020
Commodities - United States Department of Agriculture	-	-	-	-
Total revenues	<u>46,058</u>	<u>79,327</u>	<u>42,021</u>	<u>342,586</u>
<u>Expenditures</u>				
Instruction:				
Regular education programs	-	-	-	-
Special education programs	46,058	70,313	42,021	415,445
Non-instructional services:				
Food service	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>46,058</u>	<u>70,313</u>	<u>42,021</u>	<u>415,445</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>9,014</u>	<u>-</u>	<u>(72,859)</u>
Other financing sources (uses):				
Operating transfers out	-	(9,014)	-	-
Operating transfers in	-	-	-	72,859
Total other financing sources (uses)	<u>-</u>	<u>(9,014)</u>	<u>-</u>	<u>72,859</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Believe & Prepare</u>	<u>School Imp. Professional Development</u>	<u>Teacher Incentive Fund</u>	<u>APSB GO Bond Sinking Fund</u>
<u>Revenues</u>				
Local sources:				
Food sales	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - direct	-	-	-	-
Restricted grants-in-aid - subgrants	3,784	22,420	43,925	-
Commodities - United States				
Department of Agriculture	-	-	-	-
Total revenues	<u>3,784</u>	<u>22,420</u>	<u>43,925</u>	<u>-</u>
<u>Expenditures</u>				
Instruction:				
Regular education programs	-	-	-	-
Special education programs	3,784	22,420	43,925	-
Non-instructional services:				
Food service	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	104,321
Total expenditures	<u>3,784</u>	<u>22,420</u>	<u>43,925</u>	<u>104,321</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(104,321)</u>
Other financing sources (uses):				
Operating transfers out	-	-	-	-
Operating transfers in	-	-	-	175,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,679</u>
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,679</u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2017

	QSCB Sinking Fund	Debt Service PC	1979 Debt Service	Total
<u>Revenues</u>				
Local sources:				
Food sales	\$ -	\$ -	\$ -	\$ 208,465
Earnings on investments	-	-	-	2,396
Other	407,416	-	-	407,416
State sources:				
Unrestricted grants-in-aid	-	-	-	277,681
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - direct	-	-	-	719,362
Restricted grants-in-aid - subgrants	-	-	-	4,462,523
Commodities - United States				
Department of Agriculture	-	-	-	130,859
Total revenues	<u>407,416</u>	<u>-</u>	<u>-</u>	<u>6,208,702</u>
<u>Expenditures</u>				
Instruction:				
Regular education programs	-	-	-	-
Special education programs	-	-	-	3,828,046
Non-instructional services:				
Food service	-	-	-	2,133,196
Debt service:				
Principal retirement	443,726	129,000	-	572,726
Interest and bank charges	626,130	24,607	-	755,058
Total expenditures	<u>1,069,856</u>	<u>153,607</u>	<u>-</u>	<u>7,289,026</u>
Excess (deficiency) of revenues over expenditures	<u>(662,440)</u>	<u>(153,607)</u>	<u>-</u>	<u>(1,080,324)</u>
Other financing sources (uses):				
Operating transfers out	-	-	-	(310,333)
Operating transfers in	52,000	-	-	709,394
Total other financing sources (uses)	<u>52,000</u>	<u>-</u>	<u>-</u>	<u>399,061</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(610,440)</u>	<u>(153,607)</u>	<u>-</u>	<u>(681,263)</u>
Fund balances at beginning of year	2,129,225	1,500	230	2,501,337
Fund balances at end of year	<u>\$ 1,518,785</u>	<u>\$ (152,107)</u>	<u>\$ 230</u>	<u>\$ 1,820,074</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2017

Honoray Lewis	\$ 9,600
Andrea Barras	9,600
John Beck	9,600
Doris Dugas	10,200
Lawrence Howell	9,600
Electa Fletcher Mickens	9,600
Daniel Washington	9,600
Jessica Ourso	9,600
Lee Meyer	<u>9,600</u>
Total board member compensation	<u>\$ 87,000</u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2017**

Agency Head Name/Title: Earl Martinez, Superintendant

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 168,571
Insurance Benefits	11,996
Retirement Benefits	44,642
Car Allowance	8,000
Reimbursements (Phone)	-
Membership Dues/Fees	-
Registration fees	-
Conference travel	-
	<hr/>
	<u>\$ 233,209</u>

**INDEPENDENT AUDITORS' 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**

The Members of the
Assumption Parish School Board
Napoleonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Assumption 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 Assumption Parish School Board's basic financial statements and have issued our report thereon dated December 28, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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



Purpose of this Report

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

Postlethwaite & Netterville

Donaldsonville, Louisiana
December 28, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Members of the
Assumption Parish School Board
Napoleonville, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Assumption 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 Assumption Parish School Board's major federal programs for the year ended June 30, 2017. Assumption Parish School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Assumption Parish School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of 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 Assumption Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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



Postlethwaite & Netterville

Report on Internal Control over Compliance

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

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

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

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.

Donaldsonville, Louisiana
December 28, 2017

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
CHILD NUTRITION CLUSTER			
UNITED STATES DEPARTMENT OF AGRICULTURE			
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	10.555	None	\$ 130,859
Passed through Louisiana Department of Education:			
National School Breakfast Program	10.553	None	372,204
National School Lunch Program	10.555	None	988,162
TOTAL CHILD NUTRITION CLUSTER			<u>1,491,225</u>
SPECIAL EDUCATION CLUSTER (IDEA)			
UNITED STATES DEPARTMENT OF EDUCATION			
Special Education Grants to States			
Passed through Louisiana Department of Education:			
IDEA - Part B	84.027A	28-17-B1-04	767,627
Believe & Prepare - Cohort 3 - IDEA	84.027A	28-16-BI-55	3,784
High Cost Services - IDEA	84.027A	28-16-RH-04	50,287
High Cost Services - IDEA	84.027A	28-17-RH-04	121,733
Total Special Education Grants to States			<u>943,431</u>
Special Education Preschool Grants			
Passed through Louisiana Department of Education:			
Special Education - Preschool Grants	84.173A	28-17-P1-04	90,873
Early Childhood Lead Agencies	84.173	27-17-CY-04	621
Total Special Education - Preschool Grants			<u>91,494</u>
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			<u>1,034,925</u>
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES CLUSTER (TANF)			
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Louisiana Department of Education:			
Jobs for America's Graduates (JAG)	93.558	28-17-JS-04	99,628
The Cecil J. Picard LA 4 Early Childhood Program (TANF)	93.558	28-17-36-04	360,588
TOTAL TANF CLUSTER			<u>460,216</u>
CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER			
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Louisiana Department of Education:			
Early Childhood Lead Agencies	93.575	28-16-CO-04	4,725
TOTAL CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER			<u>4,725</u>
OTHER PROGRAMS			
UNITED STATES DEPARTMENT OF EDUCATION			
Passed through Louisiana Department of Education:			
Naval Junior Reserve Officer Training Program	None	JROTC	68,989
Advanced Placement Test Fee Program	84.330B	S330B160021	3,975
Education for Homeless Children and Youth	84.196A	28-17-H1-04	42,021
Striving Readers Comprehensive Literacy Program (SRCL):			
Birth - Age 5	84.371C	28-16-U1-04	118,732
Kindergarten - Grade 5	84.371C	28-16-U2-04	136,080
Grades 6 - 8	84.371C	28-16-U3-04	97,437
Grades 9 - 12	84.371C	28-16-U4-04	125,976
REAP - Rural Education Achievement Program	84.358B	28-17-RE-04	79,327

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS (continued)			
Teacher and School Leader Incentive Grants	84.374A	28-17-TP-04	43,925
Title I	84.010A	28-17-T1-04	1,079,624
Title I SI Professional Development	84.010A	28-16-TA-04	22,420
Title II	84.367A	28-17-50-04	261,046
Title III	84.365A	28-17-60-04	15,207
Career and Technical Education - Basic Grants to State:			
Carl Perkins 15-16 Reallocation	84.048A	28-16-02-04	1,427
Carl Perkins Grant	84.048A	28-17-02-04	44,631
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>2,140,817</u>
 UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Grant:			
Head Start	93.600	06CH7187-04-01	719,362
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>719,362</u>
 TOTAL OTHER PROGRAMS			 <u>2,860,179</u>
 TOTAL FEDERAL ASSISTANCE EXPENDED			 <u><u>\$ 5,851,270</u></u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Assumption 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 operation of Assumption Parish School Board, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Assumption Parish School Board.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

NOTE C - RECONCILIATION OF FEDERAL REVENUES TO FEDERAL EXPENDITURES

The federal revenues are recognized in the financial statements as follows:

Other Governmental - Restricted grants-in-aid - direct	\$ 719,362
Other Governmental - Restricted grants-in-aid - subgrants	5,001,049
Other Governmental - Commodities	130,859
Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 5,851,270</u>

NOTE D - INDIRECT COST RATE

Assumption Parish School Board has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE F - SUBRECIPIENTS

Assumption Parish School Board did not pass any funds through to subrecipients during the year ended June 30, 2017.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified Yes X No

- Significant deficiency identified not considered to be a material weakness? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over financial reporting:

- Material weakness identified Yes X No

- Significant deficiency identified not considered to be a material weakness? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes X No

Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>Federal CFDA Number</u>
Special Education Cluster	84.027, 84.173
Title II – Improving Teacher Quality	84.367
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

SECTION II – FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESSES

None reported.

SIGNIFICANT DEFICIENCIES

None reported.

COMPLIANCE WITH LAWS AND REGULATIONS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

A. FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

None reported.

B. FINDINGS – COMPLIANCE WITH LAWS AND REGULATIONS

None reported.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None reported.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the
Assumption Parish School Board

We have performed the procedures enumerated below, which were agreed to by the Assumption Parish School Board; the Louisiana Department of Education, and the Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Assumption Parish School Board for the fiscal year ended June 30, 2017; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 1. Management of the Assumption Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

1. We selected a random sample of 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.

Results:

In performing the testing on the sample of expenditures/revenues, we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount. Schedule 1 general fund instructional expenditures were overstated by \$173,662.

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 1st.

Results:

We reconciled the information from Schedule 2 and Schedule 4 noting agreement. However, the supporting documentation provided to us did not reconcile with these two schedules.

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.

Results:

The supporting documentation provided to us did not agree with the schedule that was submitted.

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

Results:

The supporting documentation provided to us did not agree with the schedule that was submitted. As a result, no sample was selected to test if the individual’s education level was properly classified.

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 District Composite Reports “Find School List” Report on Louisiana Department of Education’s web site.

Results:

We noted no discrepancies between the schools as listed in the District Composite Report and the list supporting the schools represented in the schedule.

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

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule and reconciled the detailed data to the schedule to note agreement.

Results:

The supporting documentation provided to us did not agree with the schedule that was submitted.

Public Staff Data (Schedule 5)

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

Results:

The supporting documentation provided to us did not agree with the schedule that was submitted. As a result, no sample was selected to test if the salary and extra compensation were properly included on the schedule.

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

Results:

The supporting documentation provided to us did not agree with the schedule that was submitted. Therefore, we did not recalculate average salaries and full-time equivalents.

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 1st roll books for those classes and determined if the class was properly classified on the schedule.

Results:

We noted 1 out of the 10 schools had classes that were in violation of class size. In our sample of 10 classes 1 class selected did not have a class roll book.

Louisiana Educational Assessment Program (LEAP) – ELA and Math (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 Assumption Parish School Board.

Results:

No differences were noted.

LEAP Tests – Science and Social Studies (Schedule 9)

11. 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 Assumption Parish School Board.

Results:

No differences were noted.



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

The purpose of this report is solely to describe the scope of testing performed on the performance and statistical data accompanying the annual financial statements of the Assumption Parish School Board, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads 'Postlethwaite & Netterville'.

Donaldsonville, Louisiana
December 28, 2017

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULES REQUIRED BY STATE LAW (R.S. 24:514 – PERFORMANCE AND STATISTICAL DATA)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

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

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

Schedule 2 - Education Levels of Public School Staff

This schedule includes the certified and uncertified number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principals with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 3 - Number and Type of Public Schools

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial Statistical Report (AFSR).

Schedule 4 - Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 5 - Public School Staff Data

This schedule includes average classroom teacher's salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

Schedule 6 - Class Size Characteristics

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the legislature in the Annual School Report (ASR).

Schedule 7 - Louisiana Educational Assessment Program (LEAP)

This schedule represents student performance testing data and includes summary scores by district for grades 3 through 8 in each category tested. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

Schedule 9 - The *iLEAP* Tests

This schedule represents student performance testing data and includes a summary score for grades 3 through 8 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. Scores are reported as Advanced, Mastery, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

Schedule 1

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

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teachers Salaries	\$ 9,996,602	
Other Instructional Staff Salaries	1,405,319	
Employee Benefits	6,790,042	
Purchased Professional and Technical Services	34,927	
Instructional Materials and Supplies	328,113	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	\$ 18,555,003	
Other Instructional Activities	12,960	12,960
Pupil Support Activities	2,764,779	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	2,764,779	2,764,779
Instructional Staff Services	1,034,359	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	1,034,359	1,034,359
School Administration	2,873,050	
Less: Equipment for School Administration	-	
Net School Administration	2,873,050	2,873,050
Total General Fund Instructional Expenditures	\$ 25,240,151	
Total General Fund Equipment Expenditures	\$ -	

Certain Local Revenue Sources

Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$ 888,035	
Renewable Ad Valorem Taxes	5,496,554	
Debt Service Ad Valorem Taxes	-	
Up to 1% of Collections by Sheriff	170,026	
Sales and Use Taxes	6,049,787	
Total Local Taxation Revenue	\$ 12,604,402	
Local Earnings on Investments in Real Property:		
Earnings from 16th Section Property	\$ 5,269	
Earnings from Other Real Property	-	
Total Local Earnings on Investments in Real Property	\$ 5,269	
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$ 14,367	
Revenue Sharing - Other Taxes	88,694	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes	\$ 103,061	
Nonpublic Textbook Revenue	\$ 5,181	
Nonpublic Transportation Revenue	\$ -	

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

Schedule 2

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

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	5	2%	5	50%	0	0%	0	0%
Bachelor's Degree	172	72%	5	50%	0	0%	0	0%
Master's Degree	55	23%	0	0%	10	45%	0	0%
Master's Degree + 30	7	3%	0	0%	12	55%	0	0%
Specialist in Education	1	0%	0	0%	0	0%	0	0%
Ph. D. or Ed. D.	0	0%	0	0%	0	0%	0	0%
Total	240	100%	10	100%	22	100%	0	0%

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

Schedule 3

Number and Type of Public Schools
For the year ended June 30, 2017

Type	Number
Elementary	5
Middle/Jr. High	4
Secondary	1
Combination	0

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, 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	0	1	5	4	1	11
Principals	0	0	0	1	3	4	3	11
Classroom Teachers	29	38	54	31	34	38	26	250
Total	29	38	54	33	42	46	30	272

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

Schedule 5

Public School Staff Data

As of June 30, 2017

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$46,626	\$46,305
Average Classroom Teachers' Salary Excluding Extra Compensation	\$45,632	\$45,315
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	250	238

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

Schedule 6

Class Size Characteristics
As of October 1, 2016

School Type:	1-20		21-26		27-33		34+		Total
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	
Elementary	65%	191	34%	98	1%	3	0%	0	292
Elementary Activity Classes	55%	34	42%	26	3%	2	0%	0	62
Middle/Jr. High	62%	200	32%	104	6%	19	0%	0	323
Middle/Jr. High Activity Classes	80%	79	20%	18	0%	4	0%	2	103
High	57%	256	32%	143	11%	47	0%	1	447
High Activity Classes	83%	62	11%	8	5%	4	1%	1	75
Combination	0%	0	0%	0	0%	0	0%	0	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0	0

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

Schedule 7

Louisiana Educational Assessment Program (LEAP) - ELA and Math
For the year ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 3						
Advanced	5%	2%	0%	8%	8%	4%
Mastery	41%	30%	37%	37%	34%	32%
Basic	20%	28%	23%	31%	30%	31%
Approaching Basic	20%	20%	25%	17%	21%	22%
Unsatisfactory	14%	21%	15%	6%	7%	11%
Total	100%	101%	100%	99%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 4						
Advanced	6%	4%	2%	4%	5%	2%
Mastery	32%	36%	37%	36%	40%	35%
Basic	32%	28%	29%	35%	33%	33%
Approaching Basic	19%	23%	24%	22%	17%	24%
Unsatisfactory	11%	9%	8%	4%	5%	6%
Total	100%	100%	100%	101%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 5						
Advanced	3%	1%	0%	2%	4%	0%
Mastery	28%	28%	20%	25%	24%	19%
Basic	30%	29%	43%	36%	28%	33%
Approaching Basic	24%	29%	31%	27%	34%	39%
Unsatisfactory	15%	12%	7%	10%	11%	9%
Total	100%	99%	101%	100%	101%	100%

The percent of students across achievement levels may not total 100 due to rounding.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

Schedule 7

Louisiana Educational Assessment Program (LEAP) - ELA and Math
For the year ended June 30, 2017

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 6						
Advanced	6%	3%	3%	5%	5%	3%
Mastery	25%	33%	38%	26%	22%	23%
Basic	27%	39%	38%	28%	37%	32%
Approaching Basic	28%	20%	18%	33%	30%	34%
Unsatisfactory	13%	5%	3%	8%	7%	8%
Total	99%	100%	100%	100%	101%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 7						
Advanced	5%	13%	5%	1%	3%	2%
Mastery	33%	33%	30%	19%	26%	20%
Basic	33%	35%	40%	42%	42%	45%
Approaching Basic	18%	12%	22%	28%	24%	25%
Unsatisfactory	11%	7%	4%	11%	5%	8%
Total	100%	100%	101%	101%	100%	100%

District Achievement Level Results	English Language Arts			Mathematics		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Percent
Grade 8						
Advanced	11%	10%	4%	6%	7%	2%
Mastery	52%	39%	40%	43%	42%	36%
Basic	24%	37%	33%	29%	26%	31%
Approaching Basic	9%	9%	17%	16%	16%	19%
Unsatisfactory	4%	5%	6%	6%	9%	12%
Total	100%	100%	100%	100%	100%	100%

The percent of students across achievement levels may not total 100 due to rounding.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

Schedule 9

LEAP Tests - Science and Social Studies
For the year ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Number
Grade 3						
Advanced	6%	3%	3%	8%	N/A	0%
Mastery	21%	16%	20%	22%	N/A	15%
Basic	45%	46%	44%	28%	N/A	52%
Approaching Basic	18%	24%	23%	23%	N/A	21%
Unsatisfactory	10%	11%	11%	19%	N/A	12%
Total	100%	100%	101%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Number
Grade 4						
Advanced	2%	4%	5%	3%	N/A	4%
Mastery	14%	16%	12%	16%	N/A	10%
Basic	50%	51%	46%	28%	N/A	52%
Approaching Basic	23%	21%	24%	31%	N/A	20%
Unsatisfactory	12%	7%	12%	22%	N/A	15%
Total	101%	99%	99%	100%	N/A	101%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Number
Grade 5						
Advanced	2%	0%	0%	1%	N/A	0%
Mastery	13%	15%	6%	8%	N/A	6%
Basic	43%	41%	42%	28%	N/A	49%
Approaching Basic	28%	22%	37%	32%	N/A	30%
Unsatisfactory	14%	21%	15%	31%	N/A	15%
Total	100%	99%	100%	100%	N/A	100%

The percent of students across achievement levels may not total 100 due to rounding.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

Schedule 9

LEAP Tests - Science and Social Studies
For the year ended June 30, 2017

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Number
Grade 6						
Advanced	4%	3%	3%	6%	N/A	4%
Mastery	18%	12%	13%	14%	N/A	10%
Basic	42%	48%	56%	22%	N/A	50%
Approaching Basic	21%	28%	20%	30%	N/A	25%
Unsatisfactory	16%	9%	9%	28%	N/A	11%
Total	101%	100%	101%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Number
Grade 7						
Advanced	3%	6%	5%	5%	N/A	4%
Mastery	20%	26%	20%	19%	N/A	20%
Basic	44%	38%	44%	32%	N/A	51%
Approaching Basic	23%	19%	24%	23%	N/A	20%
Unsatisfactory	11%	11%	7%	21%	N/A	5%
Total	101%	100%	100%	100%	N/A	100%

District Achievement Level Results	Science			Social Studies		
	2017	2016	2015	2017	2016	2015
Students	Percent	Percent	Percent	Percent	Percent	Number
Grade 8						
Advanced	3%	2%	2%	12%	N/A	2%
Mastery	19%	15%	17%	31%	N/A	11%
Basic	45%	44%	33%	30%	N/A	46%
Approaching Basic	21%	32%	33%	19%	N/A	29%
Unsatisfactory	12%	7%	14%	7%	N/A	13%
Total	100%	100%	99%	99%	N/A	101%

The percent of students across achievement levels may not total 100 due to rounding.

ASSUMPTION PARISH SCHOOL BOARD

"Celebrating 135 Years of Educating Assumption Parish"

4901 HIGHWAY 308
NAPOLEONVILLE, LOUISIANA 70390
PHONE: (985) 369-7251 • FAX: (985) 369-2530
Website: <http://www.assumptionschools.com>

ANDREA BARRAS
JOHN BECK
DORIS DUGAS
LAWRENCE HOWELL
HONORAY LEWIS

Office of the Superintendent
emartinez@assumptionschools.com

LEE MEYER
ELECTA FLETCHER MICKENS
JESSICA OURSO
DANIEL WASHINGTON

December 21, 2017

Postlethwaite and Netterville
Post Office Box 1190
Donaldsonville, LA 70390

To Whom It May Concern:

The purpose of this communication is to respond to issues included in the Agreed Upon Procedures for the audit period which ended June 30, 2017.

AGREED UPON PROCEDURES

AUP (Schedule 1) – General Fund Instructional and Support Expenditures and Certain Local Revenue Sources – Schedule 1
General Fund instructional expenses were overstated by \$173,662

Corrective Action – The administration has identified this as an isolated situation in which a state grant was duplicated in the report.

AUP (Schedule 2) - Education Levels of Public School Staff – The supporting documentation provided did not agree with the schedule that was submitted.

Corrective Action – The administration is continuously correcting data in the Assumption Parish's Sungard system (Assignment Code) that produces this information for the Louisiana PEP report.

AUP (Schedule 4) – Experience of Public Principals and Full-time Classroom Teachers – The supporting documentation provided did not agree with schedule that was submitted.

Corrective Action – The administration is continuously correcting data in the Assumption Parish's Sungard system (Function Code) that produces this information for the Louisiana PEP report.

"An Equal Opportunity Employer"

The Assumption Parish School Board does not discriminate on the basis of race, color, national origin, sex, age, or disability in any of its programs, activities, admission, or employment practices as required by Title VI, Title IX, Section 504, and Title II.

AUP (Schedule 5) – Public Staff Data – The supporting documentation provided did not agree with the schedule that was submitted.

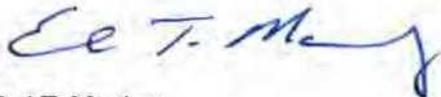
Corrective Action – The administration is continuously correcting data in the Assumption Parish's Sungard system that produces this information for the Louisiana PEP report.

AUP (Schedule 6) – Class Size Characteristics – 1 out of 10 schools had classes that were in violation of class size. In addition, 1 class did not have a roll book.

Corrective Action – The administration will request class size waivers from Louisiana Department of Education when the needs arises to correct this issue. In the one instance in which a roll book was not in the district's software, it appears that the issue is an isolated instance that is a result of a malfunction of the software. We will monitor all classes more closely in the future.

If further information regarding this communication is warranted, please contact me via email at emartinez@assumptionshools.com.

Sincerely,



Earl T. Martinez
Superintendent

ASSUMPTION PARISH SCHOOL BOARD

STATEWIDE AGREED-UPON PROCEDURES

FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2017

**Independent Accountants' Report
On Applying Agreed-Upon Procedures
For the Year Ended 2017**

The Members of the
Assumption Parish School Board
And the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Assumption Parish School Board (the School Board) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The School Board's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exception noted*". If not, then a description of the exception ensues.

Written Policies and Procedures

1. Obtain the School Board'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 School Board does not have any written policies and procedures), as applicable:

- a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

The School Board's Budgeting Policy does not address monitoring.

- 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 or state purchasing rules and regulations; and (5) documentation required to be maintained for all bids and price quotes.

The School Board's Purchasing Policy does not address how vendors are added to the vendor list. This policy also does not include the controls that are in place to ensure compliance with Public Bid Law.

- c) **Disbursements**, including processing, reviewing, and approving.

No exceptions noted.

- d) **Receipts**, including receiving, recording, and preparing deposits.

The School Board does not have a policy that addresses 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.

No exceptions noted.

- 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

The School Board's Contract Policy does not address standard terms and conditions or a 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

No exceptions noted.

- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

No exceptions noted.

- 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 School Board's ethics policy.

The School Board's Ethics Policy does not address the actions to be taken if an ethics violation takes place, the system to monitor possible ethics violations, and the requirement that all employees including elected officials annually attest through signature verification that they have read the School Board's Ethics Policy.

- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The School Board does not have a written policy regarding debt service.

Board (or Finance Committee, if applicable)

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.

No exceptions noted.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and other major funds. 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.

The minutes did not include monthly budget-to-actual comparisons on the General Fund and other major funds.

- 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.

No exceptions noted.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

No exceptions noted.

4. Using the listing provided by management, select all of the School Board'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). 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;

No exceptions noted.

- 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;

No exceptions noted.

- 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.

No exceptions noted.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

No exceptions noted.

6. Using the listing provided by management, select all of the School Board'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 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 a board member or an outside party) and 3) not required to share the same cash register or drawer.

For five of the five selected locations the person collecting the cash is responsible for all duties surrounding the cash function. There is no policy that requires bonding of the person collecting the cash. There is also no documentation that requires the person collecting the cash to not share the same cash register or drawer.

- b. Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the School Board 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 location selected.

This documentation was not provided.

- c. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
- Using School Board 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.

No exceptions noted.

- 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.

No exceptions noted.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the School Board has a process specifically defined (identified as such by the School Board) 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 of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

This documentation was not provided.

Disbursements – Other General

8. Obtain a listing of School Board disbursements from management or, alternately, obtain the general ledger and sort/filter for School Board disbursements. Obtain management's representation that the listing or general ledger population is complete.

No exception noted.

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 School Board 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.

Of the twenty-five disbursements selected, thirteen required a requisition or purchase order. Of the thirteen that required a requisition or purchase order, one was lacking a requisition or purchase order.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

No exceptions noted.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order (P.O.), or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

For 11 of the 25 disbursements selected, no purchase orders or requisitions were issued. However, these disbursements were for services, utilities, or on-going recurring purchases whose quantities are not pre-determined by the School Board and "ordered". Issuance of a P.O. in these circumstances is not customarily performed according to School Board standard procedures.

10. Using School Board 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 School Board's purchasing/disbursement system.

No exceptions noted.

11. Using School Board 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.

No exceptions noted.

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 School Board documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

No exceptions noted.

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.

Nine accounts were included in the testing. Six of the nine authorized signers do not maintain control of the signed checks until mailed.

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

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.

No exceptions noted.

15. Using the listing prepared by management, randomly select ten cards (or at least one-third if the School Board has less than ten cards that were used during the fiscal period. Obtain the monthly statements, or combined statements 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.

Ten monthly statements were tested. The supporting documentation for nine of the ten monthly statements was reviewed and approved by the cardholder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No exceptions noted.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the 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).

A total of 57 transactions were tested. There was no receipt for ten of the transactions.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

One of the ten cards selected was a Fuelman card. Fuelman cards are issued to employees that operate transportation equipment that is owned by the School Board. Fuel purchases through Fuelman cards did not have an explicitly documented business purpose. A statement containing all transactions for all cards and that identifies the card user, the vehicle, and other information is maintained that implies business use; however, positive determination or documentation of business purpose is not present on the face of the statement. Seven of the non-fuel transactions were not supported by documentation of a business/public purpose. Additionally, one of the charges for a meal was not supported by documentation of a business/public purchase nor was there documentation of the individuals participating.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Thirteen transactions did not include all documentation that is required by written policies.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the School Board'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.

No exceptions noted.

- c) For each transaction, compare the School Board'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.

No exceptions noted.

Travel and Expense Reimbursement

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.

No exceptions noted.

18. Obtain the School Board'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 (GSA) and report any rates that exceed the GSA rates.

No exceptions noted.

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 School Board does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions noted.

b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased.
- 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).

No exceptions noted.

c) Compare the School Board'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.

No exceptions noted.

d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions noted.

Contracts

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.

No exceptions noted.

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 or the Louisiana Legislative Auditor). 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.

No exceptions noted.

- 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 (bid law) and:
- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the School Board complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder). *Not applicable.*
 - If no, obtain supporting contract documentation and report whether the School Board solicited quotes as a best practice.

Four of the five contracts selected were not subject to the bid law. In procurement of these contracts, the School Board did not solicit quotes for three of the four contracts.

- 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.

No exceptions noted.

- 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.

No exceptions noted.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

No exceptions noted.

Payroll and Personnel

22. Obtain a listing of employees with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees, 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.

No exceptions noted.

- 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.

No exceptions noted.

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, select 25 employees and:

- a) Report whether all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

No exceptions noted.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

No exceptions noted.

- c) Report whether there is written documentation that the School Board maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No exceptions noted.

24. Obtain from management a list of those employees 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. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No exceptions noted.

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.

No exceptions noted.

Ethics

26. Using the five selected employees from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the School Board maintained documentation to demonstrate that required annual ethics training was completed.

No exceptions noted.

27. Inquire of management whether any alleged ethics violations were reported to the School Board 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 School Board's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

No exceptions noted.

Debt Service

28. If debt was issued during the fiscal period, obtain supporting documentation from the School Board, and report whether State Bond Commission approval was obtained.

No debt was issued for the period under review.

29. If the School Board had outstanding debt during the fiscal period, obtain supporting documentation from the School Board and report whether the School Board made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

One principal payment was paid subsequent to the due date. The request for payment was dated and received by the School Board subsequent to the due date of the payment.

30. If the School Board 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.

No exceptions noted

Other

31. Inquire of management whether the School Board had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the School Board reported the misappropriation to the legislative auditor and the district attorney of the parish in which the School Board is domiciled.

No exceptions noted.

32. Observe and report whether the School Board 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) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions noted.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

No exceptions noted.

Corrective Action

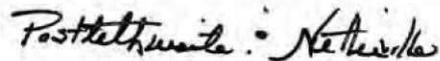
34. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

See the attached Corrective Action Plan.

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 C/C 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 C/C 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.

Sincerely,



December 28, 2017

HONORAY LEWIS
PRESIDENT

EARL T. MARTINEZ
SUPERINTENDENT

DANIEL WASHINGTON
VICE-PRESIDENT

ASSUMPTION PARISH SCHOOL BOARD

"Celebrating 135 Years of Educating Assumption Parish"

4901 HIGHWAY 308
NAPOLEONVILLE, LOUISIANA 70390
PHONE: (985) 369-7251 • FAX: (985) 369-2530
Website: <http://www.assumptionschools.com>

ANDREA BARRAS
JOHN BECK
DORIS DUGAS
LAWRENCE HOWELL
HONORAY LEWIS

Office of the Superintendent
emartinez@assumptionschools.com

LEE MEYER
ELECTA FLETCHER MICKENS
JESSICA OURSO
DANIEL WASHINGTON

December 21, 2017

Postlethwaite and Netterville
Post Office Box 1190
Donaldsonville, LA 70390

To Whom It May Concern:

The purpose of this communication is to respond to issues included in the Agreed Upon Procedures for the audit period which ended June 30, 2017.

AGREED UPON PROCEDURES

1a. Budgeting – No exceptions noted relating to the preparing, adopting, amending the budget. The School Board's Budgeting Policy does not address monitoring.

Corrective Action – The School Board's Budget Policy will be amended to include monitoring.

1b. Purchasing – The School Board's Purchasing Policy does not address how vendors are added to the list. This policy also does not include the controls that are in place to ensure compliance with Public Bid Law.

Corrective Action – The School Board's Purchasing Policy will be amended to include being compliant with the Public Bid Law. The purchasing procedures will be amended to include how vendors are added.

1d. Receipts – The School Board does not have a policy that addresses recording and preparing deposits.

Corrective Action – The School Board's Policy will be amended to include processes in relation to receipts.

1f. Contracts – The School Board's Contract Policy does not address standard terms and conditions or a monitoring process.

Corrective Action – The School Board's Policy will be amended to include processes in regards to contracts conditions, legal review, and monitoring.

1i. Ethics – The School Board's Ethics Policy does not address the actions to be taken if an ethics violation takes place, the system to monitor possible violations, and the requirement that all employees including elected officials annually attest through signature verification that they have read the School Board's Ethics Policy.

Corrective Action – The School Board's Ethics Policy will be amended to include disciplinary actions that results from ethics violations.

"An Equal Opportunity Employer"

The Assumption Parish School Board does not discriminate on the basis of race, color, national origin, sex, age, or disability in any of its programs, activities, admission, or employment practices as required by Title VI, Title IX, Section 504, and Title II.

1j. Debt Service– The School Board does not have a written policy regarding debt service.

Corrective Action – The School Board’s Policy will be amended to include procedures that govern the Debt Service Process.

2b. Board – The minutes did not include monthly budget-to-actual comparisons on the General Fund and other major funds.

Corrective Action – The School Board review its budget to actual comparison on a quarterly basis and those discussions are documented in the regular or finance committee meetings minutes as those are presented accordingly.

6a. Collections– For five of the five selected locations the person collecting the cash is responsible for all duties surrounding the cash function. There is no policy that requires bonding of the person collecting the cash. There is also no documentation that requires the person collecting the cash to not share the same register or drawer.

Corrective Action – Considering the structure of our environment and the many cash collections sites and collectors, we have structured various internal control procedures to minimize the risk when cash is collected. With the financial conditions of our organization, it is not financially possible to bond all persons collecting cash.

6b. Collections– This documentation was not provided.

Corrective Action – The School Board will adopt a formal policy to address the processes to reconcile cash collections to the general ledger and subsidiary ledgers.

7. Collections– This documentation was not provided.

Corrective Action – The School Board will adopt a formal policy to address the process to determine the completeness of all collections, including electronic transfers for each revenue source and agency fund.

9a. Disbursements – Other General– Of the twenty-five disbursements selected, thirteen required a requisition or purchase order. Of the thirteen that required a requisition or purchase order, one was lacking a requisition or purchase order.

Corrective Action – Established procedures include prior approval before all transactions except utilities. The administration will closely monitor this issue to avoid future incidents in this regard.

9c. Disbursements – Other General– For 11 of the 25 disbursements selected, no purchase orders or requisitions were issued. However, these documents were for services, utilities, or ongoing recurring payments whose quantities are not pre-determined by the School Board and “ordered.” Issuance of a P.O. in these circumstances is not customarily performed according to School Board standard procedures.

Corrective Action – Established procedures cannot predict the amount of utility related expenses therefore it is impossible to perform the purchase order process.

13. Disbursements – Other General– Six of the nine authorized signers do not maintain control of the signed checks until mailed.

Corrective Action – Considering the structure of our environment, it is ultimately impossible for the authorized signers to process checks and mail the payments to the vendors.

15a. Credit Cards/Debit Cards/Fuel Cards/P-Cards– Ten monthly statements were tested. The supporting documentation for nine of the ten monthly statements was received and approved by the cardholder..

Corrective Action – Considering the structure of our organization, the cardholder must approve the transaction for payment. However, the cardholder does not have access to make the payment of the invoice. Also, with an internal auditor reviewing the purchases, the administration feels that the internal controls in place limits the risk of exposure for misuse.

16a. Disbursements – Other General– There were no receipts for 10 of the 57 transactions tested.

Corrective Action – The structure of our internal controls should not allow in the future.

16a. Credit Cards/Debit Cards/ Fuel Cards/P-Cards– Fuelman cards are issued to employees that operate transportation equipment that is owned by the School Board. Fuel purchases through Fuelman cards did not have an explicit documented business purpose. A statement containing all transactions for all cards and that identifies the card user, the vehicle and other information is maintained that implies business use; however, positive determination or documentation of business purpose is not present on the face of the statement. Seven of the non-fuel transactions were not supported by documentation of a business /public purpose. Additionally, one of the charges for a meal was not supported by documentation of a business/public purchase nor was there documentation of the individuals participating.

Corrective Action – The monthly reviews of the statements normally verify the purpose/use of each transaction. The structure of our internal controls closely monitor the relativeness of business related purchase. Documentation is to be attached for each purpose.

16a. Credit Cards/Debit Cards/ Fuel Cards/P-Cards–Thirteen transactions did not include all the documentation that is required by written policies.

Corrective Action – In the future, proper documentation will be collected and attached to invoice before payment is issued.

21b. Contracts – Four of the five contracts selected were not subject to the bid law. In procurement of these contracts, the School Board did not solicit quotes for three of the four contracts.

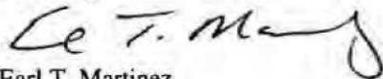
Corrective Action – Quotes will be solicited for all future purchases/services that involves contracts.

29. Debt Service – One principal payment was paid subsequent to the due date. The request for payment was dated and received by the School Board subsequent to the due date of the payment.

Corrective Action – The administration will communicate with the banking institution the importance of invoicing promptly.

If further information regarding this communication is warranted, please contact me via email at emartinez@assumptionshools.com.

Sincerely,



Earl T. Martinez

Superintendent

To the Members of the
Assumption Parish School Board
Napoleonville, LA.

We have audited the general-purpose financial statements of the Assumption Parish School Board (the School Board) for the year ended June 30, 2017, and have issued our report thereon dated December 28, 2017. As part of our audit, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated December 28, 2017, on the financial statements of the Assumption Parish School Board or the School Board's internal control over financial reporting.

ML 17-001 Capital Assets, Construction in Progress, and Technology Equipment Inventory

Condition: Management is responsible for designing controls that safeguard the assets of the School Board. The School Board is not currently reconciling capital assets to inventory counts and its accounting records. There is also a significant amount of technology equipment that does not meet the internal criteria for capitalization and as such, is not included on the fixed asset schedules. This equipment is not tagged or inventoried. Most of these items are moveable and highly susceptible to being lost or stolen. Also, the construction in progress schedule was also incomplete and did not agree with the accounting records.

Recommendation: Management should design and implement a formal process to track, update, adjust, and reconcile the inventory of capital assets to the inventory counts and the accounting records. In addition, a process to tag and track technology equipment for items below the current threshold for capitalization should also be designed and implemented in order to assist in the proper safeguarding of assets of the School Board. Also, the construction in progress schedule should include a complete listing of projects and should also be reconciled to the accounting records.

ML 17-002 Enhancement of Policies and Procedures for Federal Awards

Condition: The Uniform Guidance administrative requirements and cost principles apply to federal funding awarded on or after December 26, 2014. 2 CFR 200, Subpart D – Post Federal Award Requirements and Subpart E – Cost Principles of the Uniform Guidance require specific written policies relative to federal awards. The written policies and procedures of the School Board do not directly address compliance with the Uniform Guidance for federal programs.

Recommendation: The written policies and procedures of the School Board should be enhanced to ensure compliance with the Uniform Guidance as it relates to allowable costs, procurement, and subrecipient monitoring, as applicable.

ML 17-003 Debt Covenants and Payments

Condition: The School Board failed to make a timely principal payment for the Certificate of Indebtedness, Series 2004. Louisiana R.S. 39:1410.62 requires notification to the Louisiana State Bond Commission, in writing, whenever principal, interest, premiums, or other payments due on outstanding indebtedness have not been made timely.

Recommendation: Management should establish procedures to ensure that all debt payments are made timely. Procedures should also be established to ensure that written communication will be provided to the bond commission in the event of a delinquent debt payment.



Postlethwaite & Netterville

ML 17-004 Information System Control Environment

Condition: The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate.

Recommendations: The School Board should consider implementing the following:

- The School Board should establish written policies and procedures concerning information technology functions, information systems operations, security, change management, and backup and recovery to ensure that proper controls are in place to mitigate the information systems' risk.
- The School Board has drafted a formalized disaster recovery plan. Currently, the plan has not yet been approved or implemented.
- The School Board should minimize the time lag between the effective date of the user access change and the date that the request is made on the Employee Notification Form in order to prevent improper access to the information system.
- The School Board should consider having someone who is not an end-user as the system administrator for Pentamation.

This information is intended solely for the use of the Board Members and management of the Assumption Parish School Board and should not be used for any other purpose.

Postlethwaite & Netterville

Donaldsonville, Louisiana
December 28, 2017

Status of Prior Year Management Letter Comments

ML 16-001 Technology Equipment Inventory

Condition: Management is responsible for designing controls that safeguard the assets of the School Board. The School Board has a significant amount of technology equipment that is below the current threshold for capitalization. Currently, this equipment is not tagged or tracked. Most of these items are readily moveable and are highly susceptible to being lost or stolen.

Recommendation: Management should design and implement a formal process to track, update, and adjust an inventory of technology equipment for items below the current threshold for capitalization in order to assist in the proper safeguarding of assets of the School Board.

Current Status: This is repeated for the current year. However, the School Board has purchased software that will be used to track and update the inventory of technology equipment.

ML 16-002 Vendor Management

Condition: The controls related to adding or modifying a vendor could be enhanced. One of the employees with access to be able to add or modify a vendor also has the ability to approve invoices for payment. Generally, two approvals are required for the majority of invoices before they can be paid. However, the payment of certain invoices can be made with only one approval.

Recommendation: The School Board should design and implement a control that includes the review of the adding or modification of a vendor by an employee that is either restricted from making such changes or who is restricted from approving invoices for payment.

Current Status: This has been corrected.

ML 16-003 Adherence to Salary Schedule

Condition: There were several teachers that were hired during the year that had not yet obtained their Teaching Certificate from the Louisiana Department of Education. However, these teachers were paid based upon the Board approved Salary Schedule for certified teachers. There was no Board approval for the deviation from the Salary Schedule.

Recommendation: The controls related to the setup or maintenance of salaries for employees should be improved to ensure that employees are paid based upon the Board approved Salary Schedule. Any deviations from the Salary Schedule should be approved by the School Board and appropriately documented in the employees' personnel file.

Current Status: This has been corrected.

ML 16-004 Enhancement of Policies and Procedures for Federal Awards

Condition: The Uniform Guidance administrative requirements and cost principles apply to federal funding awarded on or after December 26, 2014. 2 CFR 200, Subpart D – Post Federal Award Requirements and Subpart E – Cost Principles of the Uniform Guidance require specific written policies relative to federal awards. The written policies and procedures of the School Board do not directly address compliance with the Uniform Guidance for federal programs.

Recommendation: The written policies and procedures of the School Board should be enhanced to ensure compliance with the Uniform Guidance as it relates to allowable costs, procurement, and subrecipient monitoring, as applicable.

Current Status: This is repeated for the current year.

ML 16-005 **Information System Control Environment**

Condition: The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that system changes are appropriate.

Recommendation: The School Board should consider implementing the following:

- The School Board should establish written policies and procedures concerning information systems operations, security, change management, and backup and recovery to ensure that proper controls are in place to mitigate the information systems' risk.
- The School Board does not have a formalized disaster recovery plan in place. The School Board management should formalize a disaster recovery plan to ensure that, in the event of a disaster, operations and systems can be up and running in a minimal amount of time.
- The School Board should minimize the time lag between the effective date of the user access change and the date that the request is made on the Employee Notification Form in order to prevent improper access to the information system.
- The School Board should consider having someone who is not an end-user as the system administrator for Pentamation.

Current Status: This was repeated for the current year.

HONORAY LEWIS
PRESIDENT

EARL T. MARTINEZ
SUPERINTENDENT

DANIEL WASHINGTON
VICE-PRESIDENT

ASSUMPTION PARISH SCHOOL BOARD

"Celebrating 135 Years of Educating Assumption Parish"

4901 HIGHWAY 308
NAPOLEONVILLE, LOUISIANA 70390
PHONE: (985) 369-7251 • FAX: (985) 369-2530
Website: <http://www.assumptionschools.com>

ANDREA BARRAS
JOHN BECK
DORIS DUGAS
LAWRENCE HOWELL
HONORAY LEWIS

Office of the Superintendent
emartinez@assumptionschools.com

LEE MEYER
ELECTA FLETCHER MICKENS
JESSICA OURSO
DANIEL WASHINGTON

December 22, 2017

Postlethwaite and Netterville
Post Office Box 1190
Donaldsonville, LA 70390

To Whom It May Concern:

The purpose of this communication is to respond to issues included in the management letter for the audit period which ended June 30, 2017.

MANAGEMENT LETTER FINDINGS

ML 17-001 Management is responsible for designing controls that safeguards the assets of the School Board. The School Board is not currently reconciling capital assets to inventory counts and its accounting records. There is also a significant amount of technology equipment that does not meet the internal criteria for capitalization as such, is not included on the fixed assets schedules. This equipment is not tagged or inventoried. Most of these items are readily moveable and are highly susceptible to being lost or stolen. Also, the construction in progress schedule was also incomplete and did not agree with the accounting records.

Corrective Action – The administration is in the process of implementing an asset management software to track and update all technology related inventory. The unreconciled item in the construction in progress schedule was a one-time isolated situation in which our internal controls should not allow in the future.

ML 17-002 Enhancement of Policies and Procedures for Federal Awards – The Uniform Guidance administrative requirements and cost principles apply to federal funding awarded on or after December 26, 2014. Principles of the Uniform Guidance require specific written policies relative to federal awards. The written policies and procedures of the School Board do not directly address compliance with the Uniform Guidance for federal programs.

Corrective Action – The administration will review and revise policies as needed in alignment with the Uniform Grant Guidance.

"An Equal Opportunity Employer"

The Assumption Parish School Board does not discriminate on the basis of race, color, national origin, sex, age, or disability in any of its programs, activities, admission, or employment practices as required by Title VI, Title IX, Section 504, and Title II.

ML 17-003 Debt Covenants and Payments – Management should establish procedures to ensure that all debt payments are made timely. Procedures should also be established to ensure that written communication will be provided to the bond commission in the event of a delinquent debt payment

Corrective Action – The administration will communicate with the banking institution the importance of invoicing promptly to insure timely payment. The administration will forward delinquent debt payment notice to the bond commission.

ML 17-004 Information System Control Environment – The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that the system changes are appropriate.

Corrective Action – The administration has developed a plan and is currently implementing such controls, however, it has not been present to the Board for adoption. The plan is being tested internally to determine if procedures concerning information systems operations, security, change in management, and backup and recovery is the best solution to rectify this finding. The plan, which will also include disaster recovery documentation, will be considered for board adoption soon.

If further information regarding this communication is warranted, please contact me via email at emartinez@assumptionshools.com.

Sincerely,



Earl T. Martinez
Superintendent