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**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**  
**YEAR ENDED JUNE 30, 2018**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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**EAST FELICIANA PARISH SCHOOL BOARD**

**CLINTON, LOUISIANA**

**ANNUAL FINANCIAL AND COMPLIANCE REPORTS**

**YEAR ENDED JUNE 30, 2018**

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of the  
East Feliciana Parish School Board  
Clinton, Louisiana

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Parish School Board (the School Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements 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 auditors' 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 controls 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 East Feliciana Parish School Board, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of a Matter**

### *Change in Accounting Principle*

As described in Note 10 and Note 17 to the financial statements, the School Board adopted Governmental Accounting Standards Board (GASB) Statement Number 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the year ended June 30, 2018. This new standard requires the School Board to recognize and report its total other postemployment benefit liability, measured according to actuarial methods and approaches prescribed within the standard along with certain disclosures. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of net pension liability, the schedule of contributions to each retirement system, the schedule of changes in total other post-employment benefits liability and related ratios, the major funds description on, the budgetary comparison schedules, and the notes to required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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.

### *Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Feliciana Parish School Board's basic financial statements. The accompanying supplemental information consisting of the schedule of compensation, benefits, and other payments to agency head, the non-major governmental fund descriptions, the fiduciary fund type descriptions, the combining non-major governmental fund financial statements, the combining balance sheet – agency funds, the schedule of compensation paid to board members, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards and related notes 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 not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head, the non-major governmental fund descriptions, the fiduciary fund type descriptions, the combining non-major governmental fund financial statements, the combining balance sheet – agency funds, the schedule of compensation paid to board members, and the schedule of expenditures of federal awards and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the schedule of compensation, benefits, and other payments to agency head, the non-major governmental fund descriptions, the fiduciary fund type descriptions, the combining non-major governmental fund financial statements, the combining balance sheet – agency funds, the schedule of compensation paid to board members, and the schedule of expenditures of federal awards and related notes are fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2019, on our consideration of the East Feliciana Parish School Board’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the East Feliciana Parish School Board’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the East Feliciana Parish School Board’s internal controls over financial reporting and compliance.

*Postlethwaite & Netterville*  
Baton Rouge, Louisiana  
March 6, 2019

**REQUIRED SUPPLEMENTARY INFORMATION**

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2018**

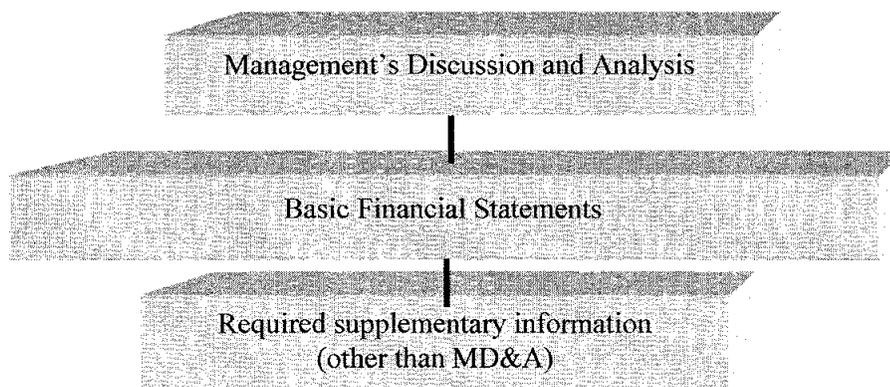
The Management's Discussion and Analysis of the East Feliciana Parish School Board's (the School Board) financial performance presents a narrative overview and analysis of the School Board's financial activities for the year ended June 30, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information.

**FINANCIAL HIGHLIGHTS**

- ★ The East Feliciana Parish School Board's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2018 by approximately \$26,549,000 thus indicating a deficit in net position.
- ★ Expenses exceeded revenues by \$219,097 for the year, indicating an overall decrease in the financial position of the School Board.
- ★ State MFP funding decreased by approximately \$1,049,000 from the prior year due to a decrease in student enrollment (including students attending the charter school) as of the October 1<sup>st</sup> count.
- ★ The General Fund's fund balance decreased from the prior year by approximately \$1,200,000 due to the decrease in state MFP funding as noted above. The General Fund's fund balance was approximately \$914,000 at June 30, 2018, approximately 5% of annual expenditures.
- ★ The Operations and Maintenance Fund, which accounts for the proceeds of a 1% sales tax, has a fund balance of approximately \$919,000 which can be used for a variety of operating purposes. The School Board has used this fund to provide salary supplements and capital outlay for the past several years.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following graphic illustrates the minimum requirements for Special Purpose Governments established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.



**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2018**

These financial statements consist of four sections: (1) Management's Discussion and Analysis (this section), (2) the basic financial statements (including the notes to the financial statements), (3) required supplementary information, and (4) an optional section that presents combining statements for Non-major governmental funds.

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

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

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

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

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

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating the government's near term financial requirements. Because of the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long term 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 balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The School Board maintains dozens of individual governmental funds. Information is presented separately in the government fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Operations and Maintenance Fund, the Title I Fund, the Capital Projects Fund, and the School Food Service Fund, all of which are considered major funds. The remaining funds are combined into a single, aggregated presentation under the label of non-major governmental funds, which contains all other governmental funds. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2018**

**Fund financial statements (continued)**

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of outside parties. Fiduciary funds are not reflected in the government-wide financial statements because of the resources of those funds are not available to support the School Board's programs. The School Board's fiduciary funds consist of the School Activity Fund, which contains monies belonging to the schools, their students, and clubs and other activities, and the Sales Tax Fund, which accounts for the collection and distribution of parish-wide sales taxes.

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

**FINANCIAL ANALYSIS OF THE ENTITY**

Condensed Statements of Net Position  
as of June 30, 2018 and 2017

	2018	2017 (as restated)*
Current assets	\$ 3,876,567	\$ 5,600,079
Capital assets, net	11,209,857	10,991,860
Total assets	15,086,424	16,591,939
Deferred outflows of resources	3,670,067	6,856,619
Total assets and deferred outflows of resources	18,756,491	23,448,558
Accounts, salaries and other payables	1,503,967	1,088,875
Bonds payable	4,607,034	5,006,656
Lease payable	75,246	92,346
Other post employment benefit liability	15,033,711	15,300,860
Compensated absences	288,947	366,714
Net pension liability	19,869,262	23,672,543
Total liabilities	41,378,167	45,527,994
Deferred inflows of resources	3,927,639	4,250,782
Net Position:		
Net investment in capital assets	6,602,823	7,189,158
Restricted	2,251,652	2,710,889
Unrestricted	(35,403,790)	(36,230,265)
Total net position	(26,549,315)	(26,330,218)
Total liabilities, deferred inflows of resources, and net position	\$ 18,756,491	\$ 23,448,558

\*Amounts previously reported in the prior year were restated to reflect implementation of GASB 75, corrections to sales tax receivable and amounts due from other governments during the preparation of the current year financial statements.

- Cash and cash equivalents decreased by approximately \$1,015,000 over the prior year. These assets, consisting of cash in local financial institutions comprise approximately 16% of total assets.
- Capital assets, which are reported net of accumulated depreciation, account for approximately 74% of the total assets of the School Board for the most recent year ended.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2018**

**FINANCIAL ANALYSIS OF THE ENTITY (continued)**

Condensed Statements of Revenues and Expenses  
for the years ended June 30, 2018 and 2017

	2018	2017 (as restated)*
<b>Program revenues</b>		
Charges for services	\$ 12,727	\$ 17,915
Operating grants	3,686,745	3,913,643
<b>General revenues</b>		
Property taxes	2,953,527	2,903,394
Sales taxes	3,746,498	3,446,812
Earnings on investments	41,736	11,413
MFP	10,524,053	11,572,972
Other	<u>685,489</u>	<u>869,754</u>
Total revenues	<u>21,650,775</u>	<u>22,735,903</u>
<b>Expenses</b>		
Instruction:		
Regular education	7,280,708	8,438,865
Special education	822,762	877,996
Vocational education	199,175	447,165
Other education	1,417,792	1,555,180
Support Services:		
Pupil support	653,642	720,646
Instructional staff	1,705,169	1,715,331
General administrative	814,699	811,301
School administrative	1,020,800	1,040,521
Business services	378,797	390,771
Plant operation and maintenance	2,113,163	2,996,033
Transportation	1,176,044	948,497
Food service	1,022,015	1,029,936
Central services	165,765	231,564
Community service programs	1,501	27,145
Interest charged on long-term debt	105,311	17,243
Appropriation to the charter school	<u>2,992,529</u>	<u>3,180,425</u>
Total expenses	<u>21,869,872</u>	<u>24,428,619</u>
Excess of revenues under expenses	(219,097)	(1,692,716)
Net position, beginning of year	(26,330,218)	(16,290,515)
Adoption of new accounting standard	-	(10,178,162)
Prior year accounting errors	<u>-</u>	<u>138,459</u>
	<u>\$ (26,549,315)</u>	<u>\$ (26,330,218)</u>

The revenues and expenses for 2017 do not include the effects of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and the prior year correction of accounting errors as that information was not readily available.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2018**

**FINANCIAL ANALYSIS OF THE ENTITY (continued)**

Change in Net Position

- MFP, which accounts for approximately 49% of total revenues for 2018, decreased by approximately \$1,049,000.
- Ad valorem taxes, which account for approximately 14% of total revenues for 2018, increased by approximately \$50,000.
- Sales taxes, which account for approximately 17% of total revenues for 2018, increased by approximately \$300,000.
- Operating grant revenues, comprising 17% of total revenues for 2018, decreased by approximately \$227,000.
- Expenses decreased by approximately \$2,417,000 or 10% over the previous year, and were primarily related to a reduction in personnel costs and the net effect of the costs associate with pension and other post-employment benefits to retirees recognized in the current fiscal year.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2018, the East Feliciana Parish School Board had approximately \$11 million (net of \$15,533,921 in accumulated depreciation) invested in a broad range of capital assets, including land, building, and equipment. (See Table below). This amount represents an increase of \$217,996 (approximately 2%) over the last year, primarily for buildings.

The School Board recorded depreciation expense of approximately \$669,678 and net additions of \$843,674.

Capital Assets at Year-end  
(Net of Accumulated Depreciation)

	2018	2017
Land	\$ 1,706,878	\$ 1,706,878
Construction-in-Progress	-	2,453,187
Buildings and Improvements	9,213,301	6,683,288
Equipment	289,678	148,508
Totals	\$ 11,209,857	\$ 10,991,861

**Long-term debt**

At June 30, 2018, the School Board had \$4,607,034 in bonds outstanding for the purpose of construction, rehabilitation and renovations. Long-term liabilities also consist of compensated absences payable of \$289,000, net other post-employment benefit obligation of \$15,034,000, a capital lease obligation of \$75,000, and a net pension liability of \$19,869,000.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**AS OF JUNE 30, 2018**

**VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

Over the course of the year, the General Fund operating budget was amended. The amendment of the operating budget is a customary practice and is reflective of the change that occurs with financial related matters throughout the fiscal year. The most significant changes during 2018 were as follows:

**Revenues:**

The General Fund budget was amended from the original projections to reflect increases in sales and use taxes (\$150,000) and decreases in MFP (\$270,000).

**Expenditures:**

Budgeted expenditures were amended to reflect decreased amounts incurred for regular education programs, business administration services, and central services. Budgeted expenditures were also amended to reflect increased amounts incurred for special education programs, other special programs, instructional staff services, general administration services and transportation. In total, the General Fund expenditure budget was amended from the original projections to reflect increases in total expenditures of approximately \$162,000.

**ANALYSIS OF FUND BALANCES**

The General Fund's fund balance of approximately \$913,000 is restricted for future salary and benefits expenditures. Best practices recommend that governments maintain general fund balances equal to 10% of annual expenditures. The Operations and Maintenance Fund's fund balance of approximately \$919,000 is also available for a broad range of uses, including operating costs paid by the General Fund. On a combined basis, these two funds' fund balance equals approximately 9% of annual expenditures of the two funds.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The East Feliciana 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:

- Sales tax revenues are budgeted to decrease approximately 10% from the 2018 sales tax revenues.
- Ad-valorem tax revenues are expected to increase by 1%.
- The General Fund operating budget was adopted to operate at a \$51,000 surplus.
- Health insurance and retirement benefit payments are expected to increase on an individual basis.
- State funding through MFP is expected to decrease by 2%.
- Appropriation of funds to the charter school is expected to increase by approximately 8%.

**CONTACTING THE EAST FELICIANA 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 School Board's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Mr. Tommy LeJeune, CPA, Faulk & Winkler, LLC, c/o East Feliciana Parish School Board, 12732 Silliman Street, Clinton, LA 70722, (225) 683-8277.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

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

**ASSETS**

Cash and cash equivalents	\$	2,429,016
Sales tax receivable		346,742
Due from other governments		903,127
Other receivables		145,180
Inventory		52,502
Capital assets:		
Land and construction in progress		1,706,878
Buildings and equipment, net of accumulated depreciation		9,502,979
TOTAL ASSETS		15,086,424

**DEFERRED OUTFLOWS OF RESOURCES**

Deferred amounts related to net pension liability		3,430,699
Deferred amounts related to total other postemployment benefit liability		239,368
TOTAL DEFERRED OUTFLOWS OF RESOURCES		3,670,067

TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$	18,756,491
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**LIABILITIES**

Accounts, salaries and other payables	\$	1,420,006
Interest payable		83,961
Long-term liabilities:		
Due within one year (bonds, compensated absences and lease)		463,772
Due in more than one year (bonds, compensated absences and lease)		4,507,455
Net pension liability		19,869,262
Post-employment benefit obligation		15,033,711
TOTAL LIABILITIES		41,378,167

**DEFERRED INFLOWS OF RESOURCES**

Deferred amounts related to net pension liability		3,403,802
Deferred amounts related to total other postemployment benefit liability		523,837
TOTAL DEFERRED INFLOWS OF RESOURCES		3,927,639

**NET POSITION**

Net investment in capital assets		6,602,823
Restricted for:		
School food service		110,518
Facilities improvements		461,121
Salaries and benefits		1,680,013
Unrestricted		(35,403,790)
TOTAL NET POSITION		(26,549,315)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$	18,756,491

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Governmental Unit	
<b><u>Functions/Programs</u></b>				
Instruction:				
Regular education programs	\$ 7,280,708	\$ -	\$ 1,078,743	\$ (6,201,965)
Special education programs	822,762	-	121,904	(700,858)
Vocational education programs	199,175	-	29,511	(169,664)
Other education programs	1,417,792	-	210,066	(1,207,726)
Support Services:				
Pupil support services	653,642	-	96,846	(556,796)
Instructional staff services	1,705,169	-	252,645	(1,452,524)
General administration services	814,699	-	120,709	(693,990)
School administration services	1,020,800	-	151,246	(869,554)
Business services	378,797	-	56,124	(322,673)
Plant operation and maintenance	2,113,163	-	313,095	(1,800,068)
Transportation	1,176,044	-	174,248	(1,001,796)
Food service	1,022,015	12,727	1,056,826	47,538
Central services	165,765	-	24,560	(141,205)
Community services	1,501	-	222	(1,279)
Interest charges on long-term debt	105,311	-	-	(105,311)
Appropriation to charter school	2,992,529	-	-	(2,992,529)
<b>Total Governmental Activities</b>	<b>\$ 21,869,872.00</b>	<b>\$ 12,727.00</b>	<b>\$ 3,686,745.00</b>	<b>\$ (18,170,400.00)</b>
General Revenues				
Taxes:				
Ad-valorem taxes				2,953,527
Sales and use taxes				3,746,498
State revenue sharing				70,048
Grants and contributions not restricted to specific purposes:				
Minimum Foundation Program				10,524,053
Interest and investment earnings				41,736
Miscellaneous				615,441
Total general revenues				17,951,303
Change in Net Position				(219,097)
Net Position - beginning of year, as restated				(26,330,218)
Net Position - end of year				\$ (26,549,315)

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2018**

	General	Operations and Maintenance	Title I	Capital Projects	School Food Service	Non-major Governmental	Total
<b><u>ASSETS</u></b>							
Cash and cash equivalents	\$ 598,247	\$ 748,079	\$ -	\$ 529,426	\$ 553,264	\$ -	\$ 2,429,016
Sales tax receivable	173,371	173,371	-	-	-	-	346,742
Due from other funds	1,370,029	-	-	-	-	1,131	1,371,160
Due from other governments	12,347	-	289,923	-	-	600,857	903,127
Other receivables	145,180	-	-	-	-	-	145,180
Inventory	-	-	-	-	52,502	-	52,502
<b>TOTAL ASSETS</b>	<b>\$ 2,299,174</b>	<b>\$ 921,450</b>	<b>\$ 289,923</b>	<b>\$ 529,426</b>	<b>\$ 605,766</b>	<b>\$ 601,988</b>	<b>\$ 5,247,727</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>							
Liabilities:							
Accounts payable	240,934	2,533	27,229	-	3,117	1,456	\$ 275,269
Salaries and benefits payable	1,144,737	-	-	-	-	-	1,144,737
Due to other funds	-	-	262,694	68,305	439,629	600,532	1,371,160
<b>TOTAL LIABILITIES</b>	<b>1,385,671</b>	<b>2,533</b>	<b>289,923</b>	<b>68,305</b>	<b>442,746</b>	<b>601,988</b>	<b>2,791,166</b>
Fund balances:							
Nonspendable	-	-	-	-	\$ 52,502	-	52,502
Restricted for:							
School food services	-	-	-	-	110,518	-	110,518
Salaries and benefits	1,680,013	-	-	-	-	-	1,680,013
Facility improvements	-	-	-	461,121	-	-	461,121
Assigned to operations and maintenance	-	918,917	-	-	-	-	918,917
Unassigned	(766,510)	-	-	-	-	-	(766,510)
<b>TOTAL FUND BALANCES</b>	<b>913,503</b>	<b>918,917</b>	<b>-</b>	<b>461,121</b>	<b>163,020</b>	<b>-</b>	<b>2,456,561</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,299,174</b>	<b>\$ 921,450</b>	<b>\$ 289,923</b>	<b>\$ 529,426</b>	<b>\$ 605,766</b>	<b>\$ 601,988</b>	<b>\$ 5,247,727</b>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

Total Fund Balances at June 30, 2018 - Governmental Funds \$ 2,456,561

Amounts reported for governmental activities in the statement of net position is different due to the following:

Deferred inflows and outflows of resources related to the net pension and total other post-employment benefit liability are not payable or receivable, respectively, in the current period and therefore not reported in the governmental funds

Deferred outflows of resources - pension related	3,430,699	
Deferred outflows of resources - total other post employment benefit related	239,368	
Deferred inflows of resources - pension related	(3,403,802)	
Deferred inflows of resources - total other post employment benefit liability related	(523,837)	

Accrued interest payable (83,961)

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds

Cost of capital assets at June 30, 2018	26,743,778	
Less: Accumulated depreciation as of June 30, 2018:		
Buildings and improvements	(14,320,789)	
Movable property	(1,213,132)	
		11,209,857

Long-term liabilities are not due and payable in the current period and therefore not reported in the governmental funds

Long-term liabilities at June 30, 2018:		
Revenue & QSCB bonds	(842,328)	
Qualified Zone Academy bonds	(3,764,706)	
Lease liability	(75,246)	
Total other post employment benefit liability	(15,033,711)	
Compensated absences payable	(288,947)	
Net pension liability	(19,869,262)	
		(39,874,200)

Total Net Position at June 30, 2018 - Governmental Activities \$ (26,549,315)

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>General</u>	<u>Operations and Maintenance</u>	<u>Title I</u>	<u>Capital Projects</u>	<u>School Food Service</u>	<u>Non-major Governmental</u>	<u>Total</u>
<b><u>REVENUES</u></b>							
Local sources:							
Ad valorem taxes	\$ 2,953,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,953,527
Sales and use tax	1,873,249	1,873,249	-	-	-	-	3,746,498
Earnings on investments	30,576	7,759	-	-	3,401	-	41,736
Other	139,220	-	-	-	12,727	145,341	297,288
State sources:							
Unrestricted grants-in-aid, MFP	10,505,760	-	-	-	18,293	-	10,524,053
Revenue sharing	70,048	-	-	-	-	-	70,048
Restricted grants-in-aid	113,879	-	-	-	-	217,001	330,880
Federal grants	67,184	-	819,583	-	1,056,826	1,743,153	3,686,746
<b>TOTAL REVENUES</b>	<b>15,753,443</b>	<b>1,881,008</b>	<b>819,583</b>	<b>-</b>	<b>1,091,247</b>	<b>2,105,495</b>	<b>21,650,776</b>
<b><u>EXPENDITURES</u></b>							
Current:							
Instruction:							
Regular education programs	7,364,581	53,482	69,287	8,869	-	203,893	7,700,112
Special education programs	774,155	-	-	-	-	213,630	987,785
Vocational education programs	217,013	-	-	-	-	32,615	249,628
Other education programs	438,771	-	351,500	-	-	660,633	1,450,904
Support:							
Pupil support services	493,259	-	-	-	-	213,548	706,807
Instructional staff services	823,241	-	336,873	-	23,973	666,831	1,850,918
General administration services	879,815	-	1,837	-	-	-	881,652
School administration services	1,137,732	-	-	-	-	-	1,137,732
Business services	429,672	-	-	-	-	637	430,309
Plant operation and maintenance	1,433,363	17,343	-	38,334	-	-	1,489,040
Transportation	1,157,376	-	-	-	-	38,001	1,195,377
Food services	73,498	-	-	-	1,065,487	-	1,138,985
Central services	191,316	-	-	-	-	69	191,385
Community services	1,507	-	-	-	-	-	1,507
Appropriation to charter school	2,992,529	-	-	-	-	-	2,992,529
Debt service - principal	391,723	-	-	-	-	-	391,723
Debt service - interest	21,350	-	-	-	-	-	21,350
Capital outlay	217,044	-	-	670,630	-	-	887,674
<b>TOTAL EXPENDITURES</b>	<b>19,037,945</b>	<b>70,825</b>	<b>759,497</b>	<b>717,833</b>	<b>1,089,460</b>	<b>2,029,857</b>	<b>23,705,417</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,284,502)</b>	<b>1,810,183</b>	<b>60,086</b>	<b>(717,833)</b>	<b>1,787</b>	<b>75,638</b>	<b>(2,054,641)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>							
Transfers in	2,112,384	-	-	-	-	-	2,112,384
Transfers out	-	(1,976,660)	(60,086)	-	-	(75,638)	(2,112,384)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,112,384</b>	<b>(1,976,660)</b>	<b>(60,086)</b>	<b>-</b>	<b>-</b>	<b>(75,638)</b>	<b>-</b>
<b><u>NET CHANGES IN FUND BALANCES</u></b>	<b>(1,172,118)</b>	<b>(166,477)</b>	<b>-</b>	<b>(717,833)</b>	<b>1,787</b>	<b>-</b>	<b>(2,054,641)</b>
FUND BALANCES - beginning of year, as restated	2,085,621	1,085,394	-	1,178,954	161,233	-	4,511,202
FUND BALANCES - end of year	<b>\$ 913,503</b>	<b>\$ 918,917</b>	<b>\$ -</b>	<b>\$ 461,121</b>	<b>\$ 163,020</b>	<b>\$ -</b>	<b>\$ 2,456,561</b>

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED JUNE 30, 2018**

Net Change in Fund Balances \$ (2,054,641)

Amounts reported for governmental activities in the statement of activities are different due to the following:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay and other expenditures capitalized, net	\$ 887,676	
Depreciation expense for year ended June 30, 2018	<u>(669,680)</u>	217,996

Excess of interest accrued over interest paid (83,961)

The issuance of long-term debt (e.g. bond, leases) provides current financial resources to governmental funds. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities.

Principal payments on debt and capital lease		391,723
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Expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds

Change in total other post employment benefit liability	\$ (17,320)	
Change in claims liability	25,000	
Change in compensated absences liability	77,766	
Change in net pension liability, deferred outflows and inflows of resources related to pension liability	<u>1,224,340</u>	<u>1,309,786</u>

Change in Net Position - Governmental Activities \$ (219,097)

The accompanying notes are an integral part of this statement.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2018**

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 917,124
Sales tax receivable	<u>506,883</u>
TOTAL ASSETS	<u><u>\$ 1,424,007</u></u>
<b><u>LIABILITIES</u></b>	
Taxes paid under protest	\$ 291,700
Amounts held for school clubs and activities	201,972
Due to other governments	<u>930,335</u>
TOTAL LIABILITIES	<u><u>\$ 1,424,007</u></u>

The accompanying notes are an integral part of this statement

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**General Information**

The East Feliciana Parish School Board (School Board) was created by Louisiana Revised Statute (LSA-R.S.) 17:51 for the purpose of providing public education for the residents of East Feliciana Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is 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 supplements to their salaries. The School Board is currently comprised of 13 members who are elected from 7 districts for a term of four years.

During the fiscal year ended June 30, 2018, the School Board operated 5 schools within the parish with a total enrollment of approximately 1,700 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.

**1. Summary of Significant Accounting Policies**

a. Reporting Entity

The School Board complies with U.S. Generally Accepted Accounting Principles (GAAP). The School Board's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The School Board also has no *component units*, as defined by the standards. There are no other primary governments with which the School Board has a significant relationship. Certain units of local government, over which the School Board exercises no oversight responsibility, such as the parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from these financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the School Board. The School Board is not a component unit of any other entity.

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 fund, combined non-major funds, and the combined fiduciary funds.) The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental entities.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**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 type activities. As a general rule, the effect of inter-fund 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 over the long term and the change in aggregate economic position resulting from the activities of the fiscal period.

All programs of the School Board are considered to be *governmental activities* since all of the activities are normally supported by taxes and intergovernmental revenues, rather than fees for services.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Program revenues included in the Statement of Activities are derived from parties outside the School Board's taxpayers or citizenry. As a whole, program revenues reduce the cost of the function to be financed from the taxpayers.

The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities.

Fund Financial Statements

Emphasis of fund financial reporting is on the major funds. Non-major funds (by category) or fund type are summarized into a single column. The major funds of the School Board consist of the General fund, the Operations and Maintenance fund, the Title I fund, the Capital Projects fund and the School Food Service Fund.

The daily accounts and operations of the School Board are organized and maintained 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 expended and the means by which spending activities are controlled.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus. 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.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

b. Basis of Presentation (continued)

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

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 on the determination of changes in short-term financial position, rather than upon net income. 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. It also accounts for the accumulation of resources for and the payment of general long-term debt principal, interest and related costs.

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 and state grant programs established for various educational objectives as well as a fund to account for the proceeds of a 1% sales tax dedicated to salary supplements and capital improvements.

Capital Projects Fund - The Capital Projects Fund was established to account for capital improvements, including construction of new facilities and renovations.

Fiduciary Fund Type - Agency Funds:

Fiduciary 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 or operations.

c. Basis of Accounting/Measurement Focus

Government-wide Financial Statements (GWFS)

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.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

c. Basis of Accounting/Measurement Focus (continued)

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 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, and most governmental miscellaneous revenues, including investment earnings, are recorded as earned since they are measurable and available. The Board definition of available generally means expected to be received within sixty days of the end of the fiscal year.

Non-exchange transactions, in which the 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 gross receipts 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.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

c. Basis of Accounting/Measurement Focus (continued)

Expenditures

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

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 leave privileges not requiring current resources is recorded as a general long-term debt.

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.

d. Budget Practices

The proposed budgets for fiscal year 2018 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 fiscal year 2018 budgets were formally adopted by the School Board after the public hearing. The budgets, which included proposed expenditures and the means of financing them, for the General and Special Revenue Funds, were made available to the public.

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 not automatically re-appropriated in the next 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 a public meeting. Budgeted amounts included in the financial statements include the original adopted budget and all subsequent amendments.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

e. **Cash and Cash Equivalents**

Under state law, the School Board may deposit funds with a fiscal agent 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. The School Board may invest in United States bonds, notes, bills, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Cash and cash equivalents include cash on hand and cash on deposit with the fiscal agent bank. These deposits are stated at cost, which approximates fair value. Under state law, the resulting bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The estimated fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

f. **Inventory**

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

g. **Capital Assets**

All capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The School Board maintains threshold levels for capitalizing capital assets of \$5,000.

Capital assets are recorded in the GWFS as an asset, but are reported in the FFS as an expenditure. 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 5 to 15 years for equipment, 10 to 30 years for building and land improvements, and 40 years for buildings.

h. **Government-wide Net Position**

Government-wide net position is divided into three components:

- Net investment in capital assets - consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.
- Restricted net position - consists of net position that is restricted by the Board's creditors, by state enabling legislation, by grantors (both federal and state), and by other contributors.
- Unrestricted - all other net position is reported in this category.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

i. Fund Equity of Fund Financial Statements

In the governmental fund financial statements, fund balances are classified as follows:

- **Nonspendable** - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
- **Spendable:**
  - Restricted - amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.
  - Committed - amounts that can be used only for specific purposes determined by a formal action by School Board ordinance or resolution.
  - Assigned - amounts that are constrained by the Board’s intent to be used for specific purposes, but are neither restricted or committed.
  - Unassigned - all amounts not included in other spendable classifications.

j. Annual, Sick and Sabbatical Leave

All twelve-month employees earn annual leave based on the date of employment in accordance with the following schedule:

<u>Years of Service</u>	<u># of Annual Leave Days</u>
0 - 5	10 days
6 - 15	15 days
16 +	20 days

Annual leave may be accumulated and carried forward as earned up to a maximum of 30 days. Upon retirement or separation of employment, all unused accumulated vacation leave is paid to all eligible employees or to their estates.

All School Board employees earn 8 to 18 days of sick leave each year, which can be accumulated without limitation depending upon length of service with the School Board. Upon retirement or death, unused sick leave of up to 25 days is paid to the employee (or heirs) at the employee’s current rate of pay, and all unused sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service.

Sabbatical leave may be granted for rest and recuperation or for professional and cultural improvement. Sabbatical leave benefits are recorded as an expenditure of the period in which paid. The cost of leave privileges, computed in accordance with Codification Section C60, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

k. **Sales Taxes**

The East Feliciana Parish School Board levies a combined two percent sales and use tax within East Feliciana Parish consisting of:

- A one percent sales and use tax renewed on October 21, 1995 for the ten years beginning June 30, 1998. One-half of the proceeds of this one percent sales tax are dedicated to the payment of teachers' salaries. The remainder of the proceeds is to be used for the operations, including maintenance and improvement, of school buildings and sites of the public schools in East Feliciana Parish. This tax was renewed effective July 1, 2018 for a period of ten years.
- An additional one percent sales tax was approved by voters of the Parish on October 17, 1981 and originally set to expire on December 31, 2007. This sales tax is dedicated to capital improvements of the public school system of East Feliciana Parish, payment of any indebtedness incurred in making capital improvements, and payment of maintenance and operational expenses of the School Board. This tax was renewed for a second time effective January 1, 2018 for a period of ten years. Ninety-one percent of this tax was dedicated by the School Board for the payment of salary supplements during the year ended June 30, 2018.

The sales tax department of the School Board also collects sales and use taxes levied by the East Feliciana Parish Police Jury. The Police Jury pays the School Board a collection fee that is negotiated annually. The collection and distribution of the sales taxes are accounted for in the Sales Tax Agency Fund.

l. **Pension Plans**

The East Feliciana Parish 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.

m. **Other Postemployment Benefit Plan**

The East Feliciana Parish School Board provides certain continuing healthcare and life insurance benefits for its retired employees through a single-employer defined benefit other postemployment benefits plan as described in Note 10. For purposes of measuring the other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to the plan, and plan expense, information about the fiduciary net position of the plan, and additions to and deductions from the plan's fiduciary net position, have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with benefit terms. The postemployment benefit plan had no assets as of June 30, 2018.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

n. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities 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.

**2. Property Taxes**

All taxable property in Louisiana is required by law to be assessed annually at a percentage of its fair market value by the parish assessor, except for public utility property which is assessed by the Louisiana Tax Commission. The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands, and certain historic buildings be assessed at 10% of "use" value; and all other property be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The assessor is required to reappraise all property every four years. The Sheriff of East Feliciana Parish, as provided by state law, is the official tax collector of property taxes levied by the parish and parish special districts.

Property taxes are recognized as revenue in the fiscal year for which they are levied. State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Tax bills are mailed in November/December. If taxes are not paid by the due date of December 31, they bear interest at one percent per month until 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.

The following is a summary of parish-wide authorized and levied ad-valorem taxes for the year:

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional, Levied September, 2002	5.00	3.34	None
School Board Salary, Levied January 2017	17.00	17.00	2026

**3. Cash**

The School Board's cash and cash equivalents consist entirely of deposits in local financial institutions. At year end, the carrying amount of the School Board's deposits was \$3,346,140 which includes \$917,124 held in an agency capacity for sales tax and school activities. The total bank balance was \$4,694,020.

Deposits in financial institutions can be exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in event of 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. The School Board's deposits were not subject to custodial credit risk at June 30, 2018.

**EAST FELICIANA PARISH SCHOOL BOARD**  
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**4. Due From/To Other Funds**

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

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 1,370,029	\$ -
Title I	-	260,694
Capital Projects	-	68,305
School Food Service Fund	-	439,629
Non-major Governmental Funds	1,131	600,532
Total	<u>\$ 1,371,160</u>	<u>\$ 1,371,160</u>

Balances are a result of advances made by the general fund for expenditures of the federal grant programs.

**5. Interfund Transfers**

Interfund transfers for the year ended June 30, 2018, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 2,112,384	\$ -
Operations and Maintenance	-	1,976,660
Title I	-	60,086
School Food Service Fund	-	-
Non-Major Governmental Funds	-	75,638
	<u>\$ 2,112,384</u>	<u>\$ 2,112,384</u>

Transfers between funds generally consist of two types: 1) Transfers to the general fund from the federal grant funds for indirect cost reimbursements and 2) Transfers from the operations and maintenance fund to the general fund for salary supplements.

**EAST FELICIANA PARISH SCHOOL BOARD**  
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**6. Capital Assets**

Capital assets and depreciation activity as of and for the year ended June 30, 2018, are as follows:

	<u>Land</u>	<u>Construction in Progress</u>	<u>Buildings and Improvements</u>	<u>Furniture and Equipment</u>	<u>Total</u>
Cost at June 30, 2017	\$ 1,706,878	\$ 2,453,187	\$ 20,410,273	\$ 1,329,766	\$25,900,104
Additions, net of disposals	-	(2,453,187)	3,123,817	173,044	843,674
Cost at June 30, 2018	<u>1,706,878</u>	<u>-</u>	<u>23,534,090</u>	<u>1,502,810</u>	<u>26,743,778</u>
Accumulated depreciation at June 31, 2017	-	-	(13,726,985)	(1,181,258)	(14,908,243)
Additions, net of disposals	-	-	(593,804)	(31,874)	(625,678)
Accumulated depreciation at June 31, 2018	<u>-</u>	<u>-</u>	<u>(14,320,789)</u>	<u>(1,213,132)</u>	<u>(15,533,921)</u>
Capital assets, net of accumulated depreciation at June 30, 2018	<u>\$ 1,706,878</u>	<u>\$ -</u>	<u>\$ 9,213,301</u>	<u>\$ 289,678</u>	<u>\$11,209,857</u>

Depreciation expense of \$669,680 (gross) was a charge to plant operation and maintenance function in the statement of activities. The school board had equipment disposals of \$44,002, which were fully depreciated.

**7. General Long-term Debt**

The following is a summary of the changes in general long-term debt for the year ended June 30, 2018:

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2018</u>	<u>Amount due within one year</u>
Claims and assessments	\$ 25,000	\$ -	\$ (25,000)	\$ -	\$ -
Compensated absences Qualified School	366,713	654,175	(731,941)	288,947	81,053
Construction Bonds Qualified Zone	501,657	-	(64,329)	437,328	54,666
Academy Bond	4,000,000	-	(235,294)	3,764,706	235,294
Revenue Bonds	480,000	-	(75,000)	405,000	75,000
Alio Lease	92,346	-	(17,100)	75,246	17,759
	<u>\$ 5,465,716</u>	<u>\$ 654,175</u>	<u>\$ (1,148,664)</u>	<u>\$ 4,971,227</u>	<u>\$ 463,772</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. General Long-term Debt (continued)**

The compensated absence liability will be liquidated primarily from the general fund.

For the purpose of construction, rehabilitation, and renovations, the School System issued \$820,000 of bonds payable through the federally sponsored Qualified School Construction Bond Program during the year ended June 30, 2011. The bond bears interest at .80% (coupon rate) and interest is to be paid on March 15, June 15, September 15, and December 15 each year commencing September 15, each year commencing September 15, 2011, and ending June 15, 2026. Principal payments are to be paid on June 15 of each year. The bond is paid from the derived from the levy and collection of constitutional property tax of three and thirty-four hundredths (3.34) mills.

On July 19, 2013, the School Board issued a \$750,000 bond for various capital expenditures planned for 2014. The series 2013 bonds bear interest at 2.34% and is secured by a pledge of property taxes. Interest payments are made semi-annually on March 15, and September 15, while principal payments are made on March 15, annually. The bonds mature on March 15, 2023. The bond is paid from the derived from the levy and collection of constitutional property tax of three and thirty-four hundredths (3.34) mills.

On December 15, 2016, the School Board issued a \$4.0 million Qualified Zone Academy Bond (a "QZAB") with a term of 17 years with no interest. The payments are made semi-annually on June 15, and December 15. The QZAB proceeds will be utilized in rehabilitating, repairing and equipping the public school facilities throughout the School System comprising the Qualified Zone Academy. The bond is paid from the derived from the levy and collection of a constitutional property tax of three and thirty-four hundredths (3.34) mills.

On November 10, 2016, the School Board signed a lease with Government Capital Corporation for the Alio accounting and payroll system software. The payments are made yearly on November 10th and has an interest rate of 3.853%.

The bond issues outstanding at June 30, 2018, is as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Final Due Date</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Qualified School Construction Bonds, Series 2011, dated June 22, 2011	\$ 820,000	.8%	June 15, 2026	\$ 47,560	\$ 437,328
Revenue Bonds, Series 2013 dated July 2013	750,000	2.34%	March 15, 2023	29,016	405,000
Qualified Zone Academy Bond, Series 2016	4,000,000	0.00%	December 15, 2033	-	3,764,706
	<u>\$ 5,570,000</u>			<u>\$ 76,576</u>	<u>\$ 4,607,034</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. General Long-term Debt (continued)**

Principal and interest payments are due as follows:

Years Ending June 30,	Principal	Interest	Total
2019	\$ 364,960	\$ 16,037	\$ 380,997
2020	369,960	14,282	384,242
2021	369,960	12,410	382,370
2022	374,960	10,538	385,498
2023	374,960	8,549	383,509
2024-2028	1,340,469	14,760	1,355,229
2029-2033	1,176,471	-	1,176,471
2034-2038	235,294	-	235,294
Total	<u>\$ 4,607,034</u>	<u>\$ 76,576</u>	<u>\$ 4,683,610</u>

The School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the net assessed value of taxable property. At June 30, 2018, the net assessed value of taxable property for the parish was \$151,964,712, which would result in a \$53,187,649 bonded debt limit.

The Alio lease principal and interest payouts as of June 30, 2018, is as follows:

Years Ending June 30,	Principal	Interest	Total
2019	\$ 17,759	\$ 2,899	\$ 20,658
2020	18,443	2,215	20,658
2021	19,153	1,504	20,658
2022	19,891	766	20,657
	<u>\$ 75,246</u>	<u>\$ 7,384</u>	<u>\$ 82,631</u>

All long-term liabilities will be funded by either the School Board's General Fund or Operations and Maintenance Fund and will be appropriated in the year payment is necessary.

**8. Operating Leases**

The School Board contracts with individual bus owners on an annual basis for a period of one school year. The School Board had 26 operating lease agreements for the use of privately owned buses with various individual bus owners for the year ended June 30, 2018. Lease payments vary between \$14,500 and \$18,500 per year for each operating lease agreement. Total payments under the agreements were approximately \$409,500 for the school year ended June 30, 2018.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Defined Benefit Pension Plans**

The East Feliciana Parish School Board (the School System) is a participating employer in several cost-sharing defined benefit pension plans. These plans are administered by two public employee retirement systems, the Teachers' Retirement System of Louisiana (TRSL) and the Louisiana School Employees' Retirement System (LSERS). 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, Louisiana 70804-9123  
(225) 925-6446  
www.trsl.org

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

**Plan Descriptions:**

**Teachers' Retirement System of Louisiana (TRSL)**

The Teachers' Retirement System of Louisiana (TRSL) is the administrator of a cost-sharing multiple employer 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. The School System has participants in TRSL's Regular Plan and in Plan A. Eligibility for retirement benefits for these plans and the calculation of retirement benefits are provided for in LRS 11:761. Most members are eligible to receive retirement benefits 1) at the age of 60 with 5 years of creditable service, 2) at the age of 55 with at least 25 years of creditable service, or 3) at any age with at least 30 years of creditable service. Retirement benefits are calculated by applying a percentage ranging from 2% to 3% of final average salary multiplied by years of service. Final average salary is based upon the member's highest successive 36 months (highest successive 60 months for members employed after January 1, 2011).

In lieu of terminating employment and accepting a service retirement, an eligible member can begin participation in the Deferred Retirement Option Program (DRO) on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three-year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DRO account. Upon termination of DRO, the member can continue employment and earn additional accruals to be added to the fixed pre-DRO benefit. Upon termination of employment, the member is entitled to the fixed benefit, an additional benefit based on post-DRO service (if any), and the individual DRO account balance which can be paid in a lump sum or an additional annuity based upon the account balance.

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Defined Benefit Pension Plans (continued)**

Survivor benefits are provided for in LRS 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or must have had a minimum of twenty years of service credit regardless of when earned. Survivor benefits are equal to 50% of the benefit to which the member would have been entitled if he had retired on the date of his death using a factor of 2½% regardless of years of service or age, or \$600 per month, whichever is greater.

**Louisiana School Employees' Retirement System (LSERS)**

The Louisiana School Employees' Retirement System (LSERS) is the administrator of a cost-sharing multiple employer 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 calculation of retirement benefits are provided for in LRS 11:1141. Members who joined the system on or before June 30, 2010 are eligible for regular retirement benefits upon attaining 30 years of service at any age, 25 years of service and aged 55 years, 20 years of service regardless of age with an actuarially reduced benefit, or 10 years of service and aged 60 years. Members who joined the system after June 30, 2010 are eligible for regular retirement upon attaining at least 5 years of service and aged 60 years or 20 years of service regardless of age with an actuarially reduced benefit. For members employed prior to July 1, 2010, the maximum retirement benefit is equal to 3⅓% of the average compensation for the three highest consecutive years of service (five highest consecutive years for members employed between July 1, 2006 and June 30, 2010), subject to a 10% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service. For members employed on or after July 1, 2010, the maximum retirement benefit is equal to 2½% of the average compensation for the five highest consecutive years of service, subject to a 15% salary limitation, multiplied by the number of years of service limited to 100% of final average compensation plus a supplementary allowance of \$2 per month for each year of service

Members of the System may elect to participate in the Deferred Retirement Option Plan, (DROP) and defer the receipt of benefits. The election may be made only one time and the duration is limited to three years. Once an option has been selected, no change is permitted. Upon the effective date of the commencement of participation in the DROP Plan, active membership in the regular retirement plan of the System terminates. Average compensation and creditable service remain as they existed on the effective date of commencement of participation in the System. The monthly retirement benefits, that would have been payable had the person elected to cease employment and receive a service retirement allowance, are paid into the Deferred Retirement Option Plan Fund Account. The System maintains subaccounts within this account reflecting the credits attributed to each participant in the DROP program. Interest credited and payments from the DROP account are made in accordance with Louisiana Revised Statutes 11:1152(F)(3). Upon termination of participation in both the DROP program and employment, a participant may receive his DROP monies either in a lump sum payment from the account or systematic disbursements. The System also provides for deferred benefits for vested members who terminate before being eligible for retirement. Once the member reaches the appropriate age for retirement, benefits become payable.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Defined Benefit Pension Plans (continued)**

LRS 11:1147 provides that members are eligible to retire and receive disability benefits if the member has attained at least 5 years of creditable service (10 years of creditable service if employed on or after July 1, 2006), if the member is not eligible for regular retirement and has become totally and permanently disabled. Disability benefits are equal to 2½% of his average compensation multiplied by his years of creditable service, but not less than 33⅓% of his average compensation for members employed prior to July 1, 2006 and 3% of his average compensation multiplied by his years of creditable service for members employed between July 1, 2006 and June 30, 2010. For those employed on or after July 1, 2010 disability benefits are equivalent to the regular retirement formula without reduction by reason of age. Pursuant to LRS 11:1151, survivor benefits of up to 75% of the members' salary are available for surviving spouses and minor children of members with at least five years of service.

**Funding Policy**

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 (PRSAC).

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, 2016, for the School System and covered employees were as follows:

	School System	Employees
Teachers' Retirement System:		
Regular Plan	26.60%	8.00%
School Employees' Retirement System	27.60%	7.50%- 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:

	2018	2017	2016
Teachers' Retirement System:			
Regular Plan	\$ 1,967,106	\$ 2,026,792	\$ 2,101,010
School Employees' Retirement System	174,279	212,124	229,141

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

The following schedule lists the School System's proportionate share of the Net Pension Liability allocated by each of the pension plans for based on the June 30, 2017 measurement date. The School System uses this measurement to record its Net Pension Liability and associated amounts as of June 30, 2018 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at June 30, 2017 along with the change compared to the June 30, 2016 rate. The School System's proportion of the Net Pension Liability was based on a projection of the School System's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**EAST FELICIANA PARISH SCHOOL BOARD**  
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**9. Defined Benefit Pension Plans (continued)**

	Net Pension Liability at June 30, 2017	Rate at June 30, 2017	Increase (Decrease) to June 30, 2016 Rate
Teachers' Retirement System	\$ 18,391,458	0.1794%	(0.006)%
School Employees' Retirement System	1,477,804	0.231%	(0.016)%
	<u>\$ 19,869,262</u>		

The following schedule list each pension plan's recognized pension expense. of plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions by the School System for the year ended June 30, 2018:

	<u>Pension Expense</u>
Teachers' Retirement System	\$ 937,714
School Employees' Retirement System	41,511
	<u>\$ 979,225</u>

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ (639,018)
Changes of assumptions	224,925	(23,022)
Net difference between projected and actual earnings on pension plan investments		(498,126)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	1,064,389	(2,243,636)
Employer contributions subsequent to the measurement date	2,141,385	-
Total	<u>\$ 3,430,699</u>	<u>\$ (3,403,802)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Defined Benefit Pension Plans (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	\$ 3,156,476	\$ (3,168,794)
School Employees' Retirement System (LSERS)	271,223	( 235,008)
	<u>\$ 3,430,699</u>	<u>\$ (3,403,802)</u>

The School System reported a total of \$2,141,385 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of June 30, 2017 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	\$ 1,967,106
School Employees' Retirement System (LSERS)	174,279
	<u>\$ 2,141,385</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:

Year	TRSL	LSERS	Total
2019	\$ (931,447)	\$ (124,784)	\$ (1,056,231)
2020	(389,294)	30,747	(358,547)
2021	(17,885)	9,741	(8,144)
2022	(637,789)	(53,768)	(691,566)
	<u>\$ (1,976,424)</u>	<u>\$ (138,064)</u>	<u>\$ (2,114,488)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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, 2017 are as follows:

	<b>TRSL</b>	<b>LSERS</b>
<b>Valuation Date</b>	June 30, 2017	June 30, 2017
<b>Actuarial Cost</b>	Entry Age Normal	Entry Age Normal
<b>Method</b>		
<b>Actuarial Assumptions:</b>		
<b>Expected Remaining</b>		
<b>Service Lives</b>	5 years	3 years
<b>Investment Rate of Return</b>	7.70% net of investment expenses	7.125% per annum
<b>Inflation Rate</b>	2.5% per annum	2.625%
<b>Mortality</b>	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 Healthy Sex Distinct Mortality Table
<b>Termination, Disability, and Retirement</b>	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.	
<b>Salary Increases</b>	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%
<b>Cost of Living Adjustments</b>	None	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.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Defined Benefit Pension Plans (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:

TRSL	LSERS
<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 8.33% for 2017.</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 and an adjustment for the effect of rebalancing/ diversification. The resulting long-term arithmetic nominal expected return is 8.10%.</p>

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, 2017:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
	TRSL	LSERS	TRSL	LSERS
Cash	-	-	-	-
Domestic equity	27.0%	51.0%	4.28%	23.26%
International equity	19.0%	-	4.96%	5.77%
Domestic fixed income	13.0%	30.0%	1.98%	11.16%
International fixed income	5.50%	-	2.75%	1.38%
Alternatives	35.50%	13.0%	11.98%	19.22%
Global asset allocation	-	-	-	-
Real assets	-	6.0%	-	22.49%
Total	100.0%	100.0%	n/a	
Inflation				2.00%
Expected Arithmetic Nominal Return				8.07%

n/a - amount not provided by Retirement System

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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

**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 7.70%, 7.125% and 7.70, respectively for the year ended June 30, 2016.

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

The following table presents the School System's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the School System'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>
<b>TRSL</b>					
Rates	6.70%		7.70%		8.70%
EFPSB Share of NPL	\$ 23,697,813		\$ 18,391,458		\$ 13,877,469
<b>LSERS</b>					
Rates	6.125%		7.125%		8.125%
EFPSB Share of NPL	\$ 2,025,894		\$ 1,477,804		\$ 1,007,121

**Payables to the Pension Plan**

The East Feliciana Parish School Board recorded accrued liabilities to each of the Retirement Systems for the year ended June 30, 2018 mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables. The balance due to each for the retirement systems at June 30, 2018 is as follows:

	June 30, 2018
TRSL	\$ 234,403
LSERS	212
	<u>\$ 234,615</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**10. Other Postemployment Health Care and Life Insurance Benefits (OPEB)**

**General Information about the OPEB Plan**

*Plan description* – The School System provides certain continuing health care and life insurance benefits for its retirees, disabled retirees and their eligible beneficiaries. Current employees are eligible for these plan benefits if they retire as members of one of three School System sponsored retirement systems. These benefits are provided through an Other Post Employment Benefit Plan (the OPEB Plan) categorized as a single-employer defined benefit plan that the School System administers. The School System’s board has the authority to establish and/or amend the obligation of the employer, employees and retirees as provided by Louisiana Revised Statute Title 17 Sections 1221 through 1224. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75.

*Benefits Provided* – 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* for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Most 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 60 and 5 years of service. Employees who entered one of the four state systems on or after January 1, 2011 may not retire until age 60 without actuarial reduction in their pension benefits.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the "cost" of the retiree life insurance, but based on the blended rates. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

*Employees covered by benefit terms* – The June 30, 2018 total OPEB liability was determined using the July 1, 2017 actuarial valuation that included the following employees covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	135
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	191
	326

**Total OPEB Liability**

The School System’s total OPEB liability of \$15,033,711 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

*Actuarial Assumptions and other inputs* – The total OPEB liability as of June 30, 2018 was based on an actuarial valuation dated July 1, 2017 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.0%, including inflation
Discount rate	3.87%
Healthcare cost trend rates	Flat 5.5% annually

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**10. Other Postemployment Health Care and Life Insurance Benefits (OPEB) (continued)**

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

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

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of ongoing evaluations of the assumptions from July 1, 2008 to June 30, 2018.

**Changes in the Total OPEB Liability**

Balance at June 30, 2017		\$	15,300,860
Changes for the year:			
Service cost			458,410
Interest cost			564,182
Changes in assumptions/inputs			(582,041)
Differences between expected and actual experience			265,964
Benefit payments—Employer Retiree Premiums paid			(973,664)
Net changes			(267,149)
Balance at June 30, 2018		\$	15,033,711

The short-term portion of the total OPEB liability is approximately \$2,100,000.

*Sensitivity of the total OPEB liability to changes in the discount rate* – The following presents the total OPEB liability of the School System, as well as what the School System's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

	1.0% Decrease (2.87%)	Current Discount Rate (3.87%)	1.0% Increase (4.87%)
Total OPEB liability	\$ 17,263,728	\$ 15,033,711	\$ 13,226,852

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates* – The following presents the total OPEB liability of the School System, as well as what the School System's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.5%) or 1-percentage-point higher (6.5%) than the current healthcare trend rates:

	1.0% Decrease (4.5%)	Current Healthcare Cost Trend Rate (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 13,262,920	\$ 15,033,711	\$ 17,200,163

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**10. Other Postemployment Health Care and Life Insurance Benefits (OPEB) (continued)**

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

For the year ended June 30, 2018, the School System recognized OPEB expense of \$990,984. At June 30, 2018, the School System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ (523,837)
Differences between expected and actual experience	239,368	-
<b>Total</b>	<b>\$ 239,368</b>	<b>\$ (523,837)</b>

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

Years ending June 30:	Amortization of Deferred Outflows
2019	\$ (31,608)
2020	(31,608)
2021	(31,608)
2022	(31,608)
2023	(31,608)
Thereafter	(126,429)
	<b>\$ (284,469)</b>

**11. Receivables**

Receivables as of June 30, 2018 for the School Board's governmental activities are as follows:

	General Fund	Operations and Maintenance	Title I	Non-Major Governmental	Total
Sales Tax	\$ 173,371	\$ 173,371	\$ -	\$ -	\$ 346,742
Grants	12,347	-	289,923	600,857	903,127
Other	145,180	-	-	-	145,180
<b>Totals</b>	<b>\$ 330,898</b>	<b>\$ 173,371</b>	<b>\$ 289,923</b>	<b>\$ 600,857</b>	<b>\$ 1,395,049</b>

**12. Litigation, Claims and Contingencies**

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 attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the School Board.

On February 7, 2019, two search and seizure warrants were issued by the 20th Judicial District for several computers and memory storage devices of the East Feliciana Parish School Board. This is an ongoing investigation. The School Board is unable to predict the duration, scope, or financial impact of this investigation.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**12. Litigation, Claims and Contingencies (continued)**

The School Board participates in a number of federally assisted grant programs. These programs are audited in accordance with Uniform Guidance, "Audits of State and Local Governments and Non-Profit Organizations." Additionally, these programs are subject to state and federal monitoring examinations which could result in disallowed costs having to be returned to the granting agency. Management believes that further examinations would not result in material disallowed costs.

**13. Changes in Agency Funds**

A summary of the changes in agency funds (amounts due to others) due to taxing authorities and amounts due to others for school activity accounts follows:

	School Activity	Sales Tax	Total
Balance at June 30, 2017	\$ 163,575	\$ 1,531,108	\$ 1,694,683
Additions	415,909	9,083,650	9,499,235
Reductions	(377,512)	(9,392,723)	(9,770,500)
Balance at June 30, 2018	<u>\$ 201,972</u>	<u>\$ 1,222,035</u>	<u>\$ 1,424,007</u>

**14. Detailed Restricted Net Position**

Details of restricted Net Position as reported in the entity-wide Statement of Net Position are as follows:

**Capital improvements:**

Dedicated to improvements of the school system  
represents unspent bond proceeds payable from  
3.34 mills property tax

\$ 461,121

**External legal constraints:**

Dedicated sales taxes authorized one percent to  
payment of teachers' salaries

1,680,013

**School food services:**

Dedicated to school food services

110,518

Total Restricted Net Position

\$ 2,251,652

**15. State Required Disclosure – Tax Collections Remitted to Other Taxing Authorities**

Act 711 of the 2010 Louisiana Legislative Session amended LRS 24:513 B to provide required footnote disclosure in the financial statements of local governments that collect tax for other taxing jurisdictions. For the year ended June 30, 2018, the School Board withheld \$48,000 for administrative fees. This resulted in a distribution of \$4,986,808 of sales tax collections to the Police Jury during the year ended June 30, 2018.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**16. Tax Revenues Abated**

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Board of Commerce and Industry. The exemption may be renewed for an additional five years. For the fiscal year ending June 30, 2018, \$286,632 in East Feliciana Parish School System ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Ad Valorem Tax Exemption program.

**17. Restatement of Prior Year Net Position and Fund Balances**

The net position as of June 30, 2017 was restated as part of the implementation of Governmental Accounting Standards Board Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. In addition, based on an analysis by management of sales tax revenues and associated receivables fund balance of the general fund and the operations and maintenance fund as of June 30, 2017, were each restated by \$139,903. Finally, management has also determined that fund balance of the general fund should be restated for amounts due from other governments related to the accumulation of unreimbursed grant costs totaling \$141,347.

The following summarizes the restated beginning net position at the government-wide level and fund balances for the general fund and operations and maintenance funds as described above:

	<u>Government- wide</u>	<u>General Fund</u>	<u>Operations and Maintenance</u>
Net position/fund balance, beginning of year, as previously stated:	\$ (16,290,516)	\$2,087,065	\$ 945,491
Sales tax revenue	279,806	139,903	139,903
Amounts due from other governments	(141,347)	(141,347)	-
Reverse OPEB liability at June 30, 2017 (GASB 45)	5,122,699	-	-
Record OPEB liability at June 30, 2017 (GASB 75)	<u>(15,300,860)</u>	<u>-</u>	<u>-</u>
Net position/fund balance, beginning of year, as stated:	<u>\$ (26,330,218)</u>	<u>\$2,085,621</u>	<u>\$ 1,085,394</u>

**REQUIRED SUPPLEMENTAL INFORMATION – PART II**

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**BUDGETARY COMPARISON SCHEDULES**  
**MAJOR FUND DESCRIPTIONS**  
**JUNE 30, 2018**

Budgetary comparison schedules are reported for the following general and special revenue funds:

General Fund

The General Fund accounts for all financial transactions except those required to be accounted for in another fund.

Operations and Maintenance Fund

The Operations and Maintenance Fund (formerly the Sales Tax Debt Service Fund) accounts for the proceeds of the one cent sales tax. The School Board has uses the proceeds to fund salary supplements and capital improvements. The tax has been used as follows:

- 91% is to be used for the purpose of paying salaries and benefits for all employees of the School System,
- 9%, for maintaining and operating public schools in East Feliciana Parish.

Title I

The Title I Fund accounts for the federally funded Title I program which is aimed at improving low achieving schools or students with emphasis on at-risk students. The program is overseen by the Louisiana Department of Education.

School Food Service Fund

The School Food Service Fund is used to account for the operations of the school food service program. The purposes 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. The program is subsidized by grants from the U.S. Department of Agriculture and the Louisiana Department of Education.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Ad-valorem	\$ 2,940,000	\$ 2,945,000	\$ 2,953,527	\$ 8,527
Sales and use	1,575,000	1,725,000	1,873,249	148,249
Earnings on investments	5,650	20,650	30,576	9,926
Other	451,750	484,750	139,220	(345,530)
State sources:				
Unrestricted grants-in-aid	11,240,000	10,970,000	10,505,760	(464,240)
Revenue sharing	75,000	75,000	70,048	(4,952)
Restricted grants-in-aid	23,000	23,000	113,879	90,879
Federal sources:				
Grants-in-aid	150,000	153,000	67,184	(85,816)
Total revenues	16,460,400	16,396,400	15,753,443	(642,957)
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	6,787,880	6,750,880	7,364,581	(613,701)
Special education programs	845,200	883,400	774,155	109,245
Vocational education programs	186,291	188,291	217,013	(28,722)
Other education programs	434,281	482,281	438,771	43,510
Support services:				
Pupil support services	577,943	587,943	493,259	94,684
Instructional staff services	735,601	786,801	823,241	(36,440)
General administration services	861,440	903,440	879,815	23,625
School administration services	1,072,500	1,072,500	1,137,732	(65,232)
Business administration services	738,260	363,660	429,672	(66,012)
Plant operation and maintenance	1,416,260	1,413,260	1,433,363	(20,103)
Transportation	1,075,222	1,104,222	1,157,376	(53,154)
Food services	108,684	108,684	73,498	35,186
Central services	235,600	219,600	191,316	28,284
Community services	1,500	1,500	1,507	(7)
Appropriation to charter school	2,990,946	2,936,864	2,992,529	(55,665)
Debt service - principal	-	372,000	391,723	(19,723)
Debt service - interest	-	-	21,350	(21,350)
Facility Acquisition & construction	-	-	217,044	(217,044)
Total expenditures	18,067,608	18,175,326	19,037,945	(862,619)
Deficiency of revenues under expenditures	\$ (1,607,208)	\$ (1,778,926)	\$ (3,284,502)	\$ (1,505,576)

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**GENERAL FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Other financing sources (uses):</u></b>				
Transfers of Indirect costs	\$ 107,720	\$ 147,720	\$ -	\$ (147,720)
Operating transfers in	1,502,500	1,652,500	2,112,384	459,884
Total other financing sources	1,610,220	1,800,220	2,112,384	312,164
Excess (deficiency) of revenues and other financing sources over expenditures and other financing sources (uses)	3,012	21,294	(1,172,118)	(1,193,412)
FUND BALANCES - beginning of year, restated	2,095,156	2,095,156	2,085,621	(9,535)
FUND BALANCES - end of year	\$ 2,098,168	\$ 2,116,450	\$ 913,503	\$ (1,202,947)

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**OPERATIONS AND MAINTENANCE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Local sources:				
Taxes:				
Sales and use	\$ 1,575,000	\$ 1,725,000	\$ 1,873,249	\$ 148,249
Earnings on investments	2,500	2,500	7,759	5,259
Total revenues	<u>1,577,500</u>	<u>1,727,500</u>	<u>1,881,008</u>	<u>153,508</u>
<b><u>Expenditures:</u></b>				
Current:				
Support services:				
Regular education programs	-	-	53,482	(53,482)
Plant operation and maintenance	75,000	75,000	17,343	57,657
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>70,825</u>	<u>4,175</u>
Excess of revenues over expenditures	<u>1,502,500</u>	<u>1,652,500</u>	<u>1,810,183</u>	<u>157,683</u>
<b><u>Other financing uses:</u></b>				
Operating transfers out	<u>(1,502,500)</u>	<u>(1,652,500)</u>	<u>(1,976,660)</u>	<u>(324,160)</u>
Total other financing uses	<u>(1,502,500)</u>	<u>(1,652,500)</u>	<u>(1,976,660)</u>	<u>(324,160)</u>
Net Changes in Fund Balances	-	-	(166,477)	(166,477)
FUND BALANCES - beginning of year	<u>945,691</u>	<u>945,491</u>	<u>1,085,394</u>	<u>139,903</u>
FUND BALANCES - end of year	<u>\$ 945,691</u>	<u>\$ 945,491</u>	<u>\$ 918,917</u>	<u>\$ (26,574)</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**TITLE I FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><u>Revenues:</u></b>				
Federal grants	\$ 1,462,500	\$ 1,462,500	\$ 819,583	\$ (642,917)
<b><u>Expenditures:</u></b>				
Current:				
Instruction:				
Regular education programs	-	-	69,287	(69,287)
Vocational education programs	-	-	-	-
Special education programs	585,000	585,000	-	585,000
Other education programs	306,000	306,000	351,500	(45,500)
Instructional staff services	311,400	311,400	336,873	(25,473)
General administration services	198,000	190,000	1,837	188,163
Capital Outlay	-	-	-	-
Total expenditures	<u>1,400,400</u>	<u>1,392,400</u>	<u>759,497</u>	<u>632,903</u>
Excess of revenues over expenditures	<u>62,100</u>	<u>70,100</u>	<u>60,086</u>	<u>(10,014)</u>
<b><u>Other financing uses:</u></b>				
Operating transfers out	<u>(62,100)</u>	<u>(70,100)</u>	<u>(60,086)</u>	<u>10,014</u>
Total other financing uses	<u>(62,100)</u>	<u>(70,100)</u>	<u>(60,086)</u>	<u>10,014</u>
Net Chnages in Fund Balances	-	-	-	-
FUND BALANCES - beginning of year	-	-	-	-
FUND BALANCES - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**SCHOOL FOOD SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b><u>Revenues:</u></b>				
Local sources:				
Earnings on investments	\$ 360	\$ 360	\$ 3,401	\$ 3,041
Other	-	-	12,727	12,727
State sources:				
Unrestricted grants-in-aid	22,982	22,982	18,293	(4,689)
Federal sources:				
Grants-in-aid - subgrants	1,002,800	1,002,800	1,056,826	54,026
Total revenues	1,026,142	1,026,142	1,091,247	65,105
<b><u>Expenditures:</u></b>				
Current:				
Support services:				
Instructional staff services	1,021	1,022	23,973	(22,951)
Food services	1,023,000	1,023,000	1,065,487	(42,487)
Total expenditures	1,024,021	1,024,022	1,089,460	(65,438)
Excess of revenues over expenditures	2,121	2,120	1,787	(333)
<b><u>Other financing uses:</u></b>				
Operating transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Net Changes in Fund Balances	2,121	2,120	1,787	(333)
FUND BALANCES - beginning of year	113,851	113,851	161,233	47,382
FUND BALANCES - end of year	\$ 115,972	\$ 115,971	\$ 163,020	\$ 47,049

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF CHANGES IN TOTAL OTHER POST EMPLOYMENT**  
**LIABILITY AND RELATED RATIOS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

<b>Total OPEB Liability</b>	
Service cost	\$ 458,410
Interest	564,182
Changes of benefit terms	-
Differences between expected and actual experience	265,964
Changes of assumptions	(582,041)
Benefit payments	(973,664)
<b>Net change in total OPEB liability</b>	<u>(267,149)</u>
<b>Total OPEB liability - beginning</b>	<u>15,300,860</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 15,033,711</u></u>
Covered-employee payroll	\$ 8,534,409
Net OPEB liability as a percentage of covered-employee payroll	176.15%

**Notes to Schedule:**

*Benefit Changes.* There were no changes of benefit terms for the year ended June 30, 2018.

*Changes of Assumptions.* The discount rate as of 6/30/2017 was 3.58% and it changed to 3.87% as of 6/30/2018.

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

There are no assets accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75 for this OPEB plan.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR COST SHARING DEFINED BENEFIT PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2018 (\*)**

<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 Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<b>Teachers Retirement System of Louisiana</b>						
	2018	0.1794%	\$ 18,391,458	\$ 7,929,508	231.9369%	65.60%
	2017	0.1858%	21,807,087	7,988,631	272.9765%	59.90%
	2016	0.1739%	18,698,318	7,689,440	243.1688%	62.50%
	2015	0.2057%	21,024,672	8,999,354	233.6242%	63.70%
<b>Louisiana School Employees Retirement System</b>						
	2018	0.2309%	\$ 1,477,804	\$ 672,267	219.8240%	75.03%
	2017	0.2473%	1,865,456	758,745	245.8607%	70.09%
	2016	0.2829%	1,794,028	734,381	244.2912%	74.49%
	2015	0.3000%	1,739,552	818,965	212.4086%	76.18%
<b>Louisiana State Employees' Retirement System</b>						
	2018	0.0000%	\$ -	\$ -	-	0.00%
	2017	0.0000%	-	-	-	0.00%
	2016	0.0000%	-	-	-	0.00%
	2015	0.0026%	163,013	52,983	307.6704%	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.

**EAST FELICIANA PARISH SCHOOL SYSTEM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO EACH RETIREMENT SYSTEM**  
**FOR COST SHARING DEFINED BENEFIT PLANS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Pension Plan:	Year	Contractually Required Contribution <sup>1</sup>	Contributions in Relation to Contractually Required Contribution <sup>2</sup>	Contribution Deficiency (Excess)	Employer's Covered Payroll <sup>3</sup>	Contributions as a % of Covered Payroll
<b>Teachers Retirement System of Louisiana</b>						
	2018	\$ 1,967,106	\$ 1,967,106	\$ -	\$ 7,688,813	25.5840%
	2017	2,026,792	2,026,792	-	7,929,508	25.5601%
	2016	2,101,010	2,101,010	-	7,988,631	26.3000%
	2015	2,471,094	2,471,094	-	7,689,480	32.1360%
<b>Louisiana School Employees Retirement System</b>						
	2018	\$ 174,279	\$ 174,279	-	\$ 558,407	31.2100%
	2017	212,124	212,124	-	672,267	31.5535%
	2016	229,141	229,141	-	758,745	30.2000%
	2015	322,963	322,963	-	734,381	43.9776%
<b>Louisiana State Employees' Retirement System</b>						
	2018	\$ -	\$ -	\$ -	\$ -	0.0000%
	2017	-	-	-	-	0.0000%
	2016	-	-	-	-	0.0000%
	2015	-	-	-	-	0.0000%

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

**For reference only:**

<sup>1</sup> Employer contribution rate multiplied by employer's covered payroll

<sup>2</sup> Actual employer contributions remitted to Retirement Systems

<sup>3</sup> Employer's covered payroll amount for each of the fiscal year ended June 30

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**A. Changes in Benefit Terms and Assumptions Related to Retiree Health Plan**

*Benefit Changes.*

*Measurement date*

6/30/2018      There were no changes to the benefit terms that affected the total OPEB liability

*Changes of Assumptions.*

The changes in assumptions balance was a result of changes of the following:

Discount rate assumption

<u>Measurement Date</u>	<u>Rate</u>	<u>Change</u>
6/30/2018	3.87%	0.29%
6/30/2017	3.58%	

Inflation rate assumption

<u>Measurement Date</u>	<u>Rate</u>	<u>Change</u>
6/30/2018	2.30%	-0.20%
6/30/2017	2.50%	

Mortality

<u>Measurement Date</u>	<u>Table Used:</u>
6/30/2018	RP-2014 Total Dataset Mortality with separate pre and post commencement rates projected generationally using scale MP-2017
6/30/2017	RP-2000 Mortality for Employees, Healthy

**B. Changes in Benefit Terms and Assumptions Related to Defined Benefit Pension Plans**

**Changes of Benefit Terms include:**

Teachers Retirement System of Louisiana

2016 - Act 93 of the 2016 Legislature provides for a 1.5% permanent benefit increase on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16 for those retired on or before 6/30/15 who are at least the age of 60.

Louisiana School Employees Retirement System

2016 - Act 93 of the 2016 Legislature provides for an up to 2.0% COLA on the first \$60,000 of a recipient's benefit for eligible members effective 7/1/16.

Louisiana State Employees' Retirement System

2016 - The Harbor Police Retirement System transferred into LASERS in 2016 that resulted in a change in benefit terms.

**Changes of Assumptions**

The following discount rate changes were made to the pension plans identified in the following table:

Discount Rate:		
<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>
TRSL		
2017	7.700%	-0.050%
2016	7.750%	-
2015	7.750%	
LSERS		
2017	7.125%	0.000%
2016	7.125%	0.125%
2015	7.000%	
LASERS		
2017	7.700%	-0.050%
2016	7.750%	-
2015	7.750%	

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2018**

**B. Changes in Benefit Terms and Assumptions Related to Defined Benefit Pension Plans (continued)**  
**Changes of Assumptions (continued)**

The following inflation rate changes were made to the pension plans identified in the following table:  
 Inflation Rate:

<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>
<b>LSERS</b>		
2016	2.625%	-0.125%
2015	2.750%	
<b>LA SERS</b>		
2017	2.750%	-0.250%
2016	3.000%	

The following changes to projected salary increases were made to the pension plans identified in the following table:  
 Salary Increases:

<u>Year (*)</u>	<u>Range</u>
<b>LA SERS</b>	
2017	2.80% to 14.30% for various member types
2016	3.00% to 14.50% for various member types
<b>LSERS</b>	
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.

**C. General Budget Policies**

The School Board follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules.

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

Each year prior to September 15, the Superintendent submits to the School Board proposed annual budgets for the general fund and special revenue funds' budgets. Public hearings are conducted, prior to the School Board's approval, to obtain citizens comments. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year end.

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

The budgets are prepared under the modified accrual basis of accounting. The level of budgetary control is established by function within each fund.

**SUPPLEMENTAL INFORMATION**

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**SCHEDULE OF COMPENSATION, BENEFITS AND  
OTHER PAYMENTS TO AGENCY HEAD**

**FOR THE YEAR ENDED JUNE 30, 2018**

**Agency Head:** Carlos J. Sam

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 151,273
Benefits - insurance	6,971
Benefits - retirement	39,599
Membership Dues	300
Car allowance	6,000
Mileage	336
Registration fees	3,152
Conference travel (mileage, parking, taxi, airfare, ect.)	1,363
Special meals	1,712
	<hr/>
	\$ 210,706
	<hr/>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**NON-MAJOR GOVERNMENTAL FUND DESCRIPTIONS**

**JUNE 30, 2018**

**Title II**

The Title II Fund accounts for a federally funded program aimed at enhancing and improving teacher quality. This program is overseen by the Louisiana Department of Education.

**Individuals with Disabilities Education Act (IDEA) Funds**

This Special Revenue Fund accounts for those expenditures related to providing children with disabilities special education and related services designed to meet their unique needs. These expenditures are funded through Special Education (IDEA) federal grants.

**Temporary Assistance to Needy Families (TANF) Funds**

This Special Revenue Fund accounts for those expenditures related to providing assistance to needy families with children which are funded from the TANF federal grant program.

**Other Federal Funds**

This Special Revenue Fund accounts for the federal awards not included in the Federal Funds described above.

**State Grants**

This Special Revenue Fund accounts for the various State awards including 8(G), Lines, Millinium Trust Fund and other awards.

**SRCL**

The Striving Reader Comprehensive Literacy Program (SRCL) accounts for those expenditures for comprehensive literacy development and education program to advance literacy skills for students.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	Special Revenue						Total
	Title II	IDEA	TANF	Other		SRCL	
				Federal Funds	State Grants		
<b><u>ASSETS</u></b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other governments	31,693	152,462	100,935	257,170	58,597	-	600,857
Due from other funds	-	-	-	-	-	1,131	1,131
Inventory	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 31,693</u></b>	<b><u>\$ 152,462</u></b>	<b><u>\$ 100,935</u></b>	<b><u>\$ 257,170</u></b>	<b><u>\$ 58,597</u></b>	<b><u>\$ 1,131</u></b>	<b><u>\$ 601,988</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>							
Liabilities:							
Accounts payable	-	-	96	201	28	1,131	\$ 1,456
Due to other funds	31,693	152,462	100,839	256,969	58,569	-	600,532
<b>TOTAL LIABILITIES</b>	<b><u>31,693</u></b>	<b><u>152,462</u></b>	<b><u>100,935</u></b>	<b><u>257,170</u></b>	<b><u>58,597</u></b>	<b><u>1,131</u></b>	<b><u>601,988</u></b>
Fund balances:							
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Spendable:							
Restricted for:							
Federal and state grant programs	-	-	-	-	-	-	-
School food services	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 31,693</u></b>	<b><u>\$ 152,462</u></b>	<b><u>\$ 100,935</u></b>	<b><u>\$ 257,170</u></b>	<b><u>\$ 58,597</u></b>	<b><u>\$ 1,131</u></b>	<b><u>\$ 601,988</u></b>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue						Total Non-Major Governmental
	Title II	IDEA	TANF	Other Federal Funds	State Grants	SRCL	
<b><u>REVENUES</u></b>							
Local sources:							
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenues	-	-	-	85,400	59,941	-	145,341
State sources:							
Unrestricted grants-in-aid, MFP	-	-	-	-	-	-	-
Restricted grants-in-aid	-	-	115,938	4,650	96,413	-	217,001
Federal grants	177,632	613,046	143,474	707,365	-	101,636	1,743,153
<b>TOTAL REVENUES</b>	<b>177,632</b>	<b>613,046</b>	<b>259,412</b>	<b>797,415</b>	<b>156,354</b>	<b>101,636</b>	<b>2,105,495</b>
<b><u>EXPENDITURES</u></b>							
Current:							
Instruction:							
Regular education programs	(5)	158	31,829	94,716	77,195	-	203,893
Special education programs	-	212,598	-	1,032	-	-	213,630
Vocational education programs	-	-	-	27,872	4,743	-	32,615
Other education programs	99,638	1,846.00	216,026	194,048	56,449	92,626	660,633
Support:							
Pupil support services	-	212,596	-	952	-	-	213,548
Instructional staff services	63,573	146,808	-	437,151	17,967	1,332	666,831
General administration services	-	-	-	-	-	-	-
School administration services	-	-	-	-	-	-	-
Business and central services	-	637	-	-	-	-	637
Plant operation and maintenance	-	-	-	-	-	-	-
Transportation	-	-	-	38,001	-	-	38,001
Food services	-	-	-	-	-	-	-
Central services	-	-	-	69	-	-	69
Community services	-	-	-	-	-	-	-
Facilities acquisition and maintenance	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>163,206</b>	<b>574,643</b>	<b>247,855</b>	<b>793,841</b>	<b>156,354</b>	<b>93,958</b>	<b>2,029,857</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ 14,426</b>	<b>\$ 38,403</b>	<b>\$ 11,557</b>	<b>\$ 3,574</b>	<b>\$ -</b>	<b>\$ 7,678</b>	<b>\$ 75,638</b>

**EAST FELICIANA PARISH SCHOOL BOARD**

**Clinton, Louisiana**

**GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - NON-MAJOR FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2018**

	Special Revenue						Total Other Governmental
	Title II	IDEA	TANF	Other Federal Funds	State Grants	SRCL	
<b><u>OTHER FINANCING (USES)</u></b>							
Operating transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating transfers (out)	(14,426)	(38,403)	(11,557)	(3,574)	-	(7,678)	(75,638)
TOTAL OTHER FINANCING (USES)	(14,426)	(38,403)	(11,557)	(3,574)	-	(7,678)	(75,638)
<b><u>NET CHANGE IN FUND BALANCES</u></b>	-	-	-	-	-	-	-
FUND BALANCES - beginning of year	-	-	-	-	-	-	-
FUND BALANCES - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**  
**FIDUCIARY FUND TYPE – DESCRIPTIONS**  
**JUNE 30, 2018**

**AGENCY FUNDS**

**Sales Tax Fund**

Collection, custodianship and disbursement of sales taxes for the entire parish are accounted for in this fund. The sales taxes consist of a two percent sales and use tax levied by the School Board and a two percent sales and use tax levied by the East Feliciana Parish Police Jury. Since these taxes are remitted to the beneficiary government (including the School Board's General Fund and Operations and Maintenance Fund), this fund is considered to be a collection agent.

**School Activity Funds**

The activities of the various school accounts are accounted for in the School Activity Funds. While the funds are under the supervision of the School Board, these funds belong to the individual schools or their student bodies and are not available for use in operations.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**COMBINING BALANCE SHEET - AGENCY FUNDS**  
**JUNE 30, 2018**

	<u>School Activity</u>	<u>Sales Tax</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and cash equivalents	\$ 201,972	\$ 715,152	\$ 917,124
Certificates of deposit	-	-	-
Sales tax receivable	-	506,883	506,883
	<u>201,972</u>	<u>506,883</u>	<u>506,883</u>
Total assets	\$ <u>201,972</u>	\$ <u>1,222,035</u>	\$ <u>1,424,007</u>
 <b><u>LIABILITIES</u></b>			
Taxes paid under protest	\$ -	\$ 291,700	\$ 291,700
Due to other funds	-	-	-
Amounts held for school clubs and activities	201,972	-	201,972
Due to other governments	-	930,335	930,335
	<u>201,972</u>	<u>930,335</u>	<u>930,335</u>
Total liabilities	\$ <u>201,972</u>	\$ <u>1,222,035</u>	\$ <u>1,424,007</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS**

**FOR THE YEAR ENDED JUNE 30, 2018**

Richard Terrell	\$ 7,200
Paul Kent	6,600
Beth Dawson	6,550
Joyce Kent	6,550
Melvin Hollins	6,550
Micheal Bradford	6,550
Rufus Nesbitt	6,500
Mitch Harrell	6,450
Timothy Corcoran	6,450
Derald Spears	6,400
Edward Brooks, Jr.	5,900
Rhonda Matthews	3,200
Lillian Drake	<u>1,100</u>
	<u><u>\$ 76,000</u></u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the East Feliciana Parish School Board  
Clinton, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated March 6, 2019.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described as item 2018-002 in the accompany schedule of findings and questioned costs that we consider to be a significant deficiency.

### **Compliance and Other Matters**

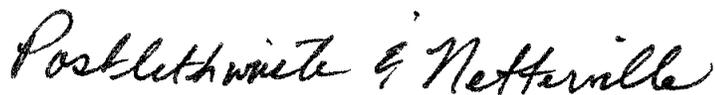
As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2018-001.

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

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.



Baton Rouge, Louisiana  
March 6, 2019

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

East Feliciana Parish School Board  
Clinton, Louisiana

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

We have audited East Feliciana Parish School Board (the School Board)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of School Board's major federal programs for the year ended June 30, 2018. The School Board's major federal program is 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 the requirements of laws, regulation, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the East Feliciana 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 the East Feliciana Parish School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the East Feliciana 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 its major federal program for the year ended June 30, 2018.

## Report on Internal Control over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School System'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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

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

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

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



Baton Rouge, Louisiana  
March 6, 2019

**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/ Pass-Through Grantor/ Program Name	Grant Number	CFDA Number	Expenditures	Passed through to Sub-recipients
<b><u>UNITED STATES DEPARTMENT OF AGRICULTURE</u></b>				
Pass-through program from Louisiana Department of Education:				
National School Lunch Program	N/A	10.555 <sup>1</sup>	\$ 710,668	\$ -
School Breakfast Program	N/A	10.553 <sup>1</sup>	249,694	-
Child Nutrition Discretionary Grants Limited Availability	N/A	10.579	4,576	-
Food Distribution Program (Food Commodities)	N/A	10.555 <sup>1</sup>	91,888	-
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			<u>1,056,826</u>	<u>-</u>
<b><u>UNITED STATES DEPARTMENT OF EDUCATION</u></b>				
Pass-through program from Louisiana Department of Education:				
Title I Grants to Local Education Agencies	10-T1-19	84.010A	725,572	32,181
Title I - School Improvement	N/A	84.388	94,011	-
Striving Readers Comprehensive Literacy	28-12-SN-19C	84.371C	101,636	-
Title II - Improving Teacher Quality	10-50-19	84.367	177,632	-
Teachers Incentive Fund	N/A	84.374A	635,482	-
Special Education - Grant to States	10-B1-19	84.027 <sup>2</sup>	581,762	-
Special Education - Grant to States Opportunity Grant (IDEA)	28-15-OG-19	84.027A <sup>2</sup>	7,085	-
Special Education - Preschool Grants	10-P1-19	84.173 <sup>2</sup>	25,231	-
Vocational Education - Basic Secondary	10-02-19	84.048	22,978	-
Rural Education Achievement Program	28-11-RE-19	84.358	40,062	-
Education for Homeless Children and Youth	28-16-H1-19	84.196A	3,691	-
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>2,415,142</u>	<u>32,181</u>
<b><u>UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
Pass-through program from Louisiana Department of Health and Human Services:				
Early Childhood Community Network Lead Agencies		93.575 <sup>2</sup>	4,120	-
Temporary Assistance for Needy Families (TANF)		93.558	143,474	-
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>147,594</u>	<u>-</u>
<b><u>UNITED STATES DEPARTMENT OF DEFENSE</u></b>				
Pass-through program from Louisiana Governor's Office of Homeland Security and Emergency Preparedness:				
Public Assistance Grant	EFB001B	97.036	67,184	-
			<u>67,184</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 3,686,746</u>	<u>\$ 32,181</u>

See the accompanying notes to the schedule of expenditures of federal awards.

<sup>1</sup> Child Nutrition Cluster \$ 1,052,250  
<sup>2</sup> Special Education Cluster: \$ 614,078  
<sup>3</sup> CCDF (Child Care and Development Fund) Cluster \$ 4,120

**EAST FELICIANA PARISH SCHOOL BOARD**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of East Feliciana Parish School Board and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE B – NON-MONETARY ASSISTANCE**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed. At June 30, 2018, the organization had food commodities totaling \$52,502 in inventory. The value of commodities received and used during the period ended June 30, 2018, totaled \$91,888.

**NOTE C - RECONCILIATION TO THE BASIC FINANCIAL STATEMENTS**

The expenditures listed in the accompanying schedule are reported in the following funds in the East Feliciana Parish School Board's June 30, 2018, basic financial statements and combining schedules. Since revenues are recognized to the extent expenditures are incurred, expenditures are readily identifiable with the revenue reported.

General Fund – FEMA	\$	67,184
Title I		819,583
Title II		177,632
IDEA Special Education Funds		614,078
Striving Readers Comprehensive Literacy		101,636
Teachers' Incentive Fund		635,482
Other Federal Funds		70,851
TANF		143,474
School Food Service Fund		<u>1,056,826</u>
Balance at June 30, 2018	\$	<u>3,686,746</u>

**NOTE D – DE MINIMIS INDIRECT COST RATE**

East Feliciana Parish School Board did not elect to use the 10% de minimis indirect cost rate for the year ended June 30, 2018.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

**A. SUMMARY OF AUDITORS' RESULTS**

*Financial Statements*

Type of auditors' report issued: Unmodified

Internal Control over Financial Reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ none reported  
  x   yes

Noncompliance material to financial statements noted?

  x   yes    \_\_\_\_\_ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes      x   no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ none reported  
  x   yes

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 §200.516(a)?

\_\_\_\_\_ yes      x   no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
---------------------	---

10.553; 10.555	Child Nutrition Cluster
----------------	-------------------------

- The threshold for distinguishing types A & B programs was program expenditures exceeding \$750,000.
- The East Feliciana Parish School Board qualified as a low-risk auditee.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

**2018 – 001) Non-compliance with State Audit Law**

Criteria: In accordance with R.S. 24:513, any local auditee that receives \$500,000 or more in revenues and other sources in any one fiscal year shall be audited annually. The due date of the audit report is six months after the agency's fiscal year end.

Condition: The School Board was required to have an audit completed by the filing of December 31, 2018 (six months after its fiscal year end) and the School Board did not meet this filing deadline.

Cause: The School Board implemented a new accounting software during the fiscal year along with the implementation of a new accounting standard to be applied which did not allow for the close out of year-end financial statement to occur in a timely manner. In addition, during August and September 2018, a resolution that was adopted by the full board that requested a significant number of financial records dating 3 prior years to be distributed to 12 board members. The document request was approximately 7,500 pages, per board member, and consumed a significant amount of time from the financial staff team of only two individuals. The result of this request delayed normally scheduled annual financial statement closing procedures and delayed certain aspects of the normal year-end process. In February 2019, search warrants were issued to seize a desktop and laptop computer. This matter had to be further reviewed prior to the issuance of the report.

Effect: The School Board applied for an extension with the Louisiana Legislative Auditor who granted an extension to the filing deadline.

Recommendation: The School Board should ensure year-end close out procedures are done timely to allow sufficient time for the auditor to complete their procedures in accordance with *Government Auditing Standards* and meet future deadlines.

**View of Responsible Official:**

*Due to numerous reasons described above related to our accounting system conversion, a massive public records request, new accounting standards and a recent search warrant, the School District was late filing the 2018 audit report with the Louisiana Legislative Auditor.*

*Prior to 2018, the School District had a stellar record of timely filing audit report without exception. This year is considered isolated for the reasons previously stated. The School District expect to return to its normal submission schedule and timely file reports moving forward.*

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

**2018 – 002) Documentation of Internal Controls over Open Purchase Orders**

- Criteria: Internal controls authorizing the payment of supply invoices on open purchase orders should be enhanced.
- Condition: The Superintendent authorizes all purchase orders. Certain purchases are approved with an open purchase order for some vendors. This is done to allow for personnel to buy items as deemed necessary for school board use. Payments are made by obtaining invoices from employees and follow the normal procedures for processing payments by accounting personnel. Currently, a supervisor of the department purchasing the item does not document review of these purchases. Final review of the invoice and open purchase order is made by accounting personnel.
- Cause: Under the accounting system, supervisors do not document review of actual invoices used to match with open purchase orders.
- Effect: While our audit procedures did not identify any unsupported or unusual transactions, the lack of documented approval of supplies from retailers on open purchase orders could result in unauthorized transactions and use of school board assets.
- Recommendation: The School Board should establish written policies and/or procedures to ensure documentation is evidenced to authorize the approval of these purchases prior to payment.

**View of Responsible Official:**

*The School Board has initiated additional documentation procedures in February 2019 to address this matter. In particular, prior to a check being prepared by accounting personnel, each departmental supervisor will document review of actual invoices being matched to open purchase orders for reasonableness and accuracy.*

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

None.

**EAST FELICIANA PARISH SCHOOL BOARD**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2018**

**A. FINDINGS – FINANCIAL STATEMENT AUDIT**

**None**

**B. FINDINGS AND QUESTIONED COST – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

**2017 -001 Reporting- Internal Controls**

*CFDA#10.555 and CFDA 10.553 Child Nutrition Cluster*

Questioned Costs: None

Condition:

During our audit procedures, we noted that a detailed review and approval of requests for reimbursement prior to its submission to the LDOE was not documented. The food service clerical prepares reimbursement requests from system data that supports meal counts and the number of meals served by category and based on inquiry of management a review of these requests for reimbursement is performed; however, no documented evidence of this review of the prepared request is maintained.

Recommendation:

The School Board should develop and implement policies and procedures requiring documented evidence of review over all reporting requirements, specifically for meals claimed for reimbursement, to ensure that all reports required by the grant terms are reviewed and approved prior to submission.

Current Status: **Resolved**

**2017-002 Documentation of Suspension and Debarment**

*CFDA#10.555 and CFDA 10.553 Child Nutrition Cluster*  
*CFDA #84.027; CFDA #84.027A; and CFDA #84.173 Special Education Cluster*

Condition:

During the performance of our audit procedures, we noted that for new vendors the School Board is performing the search for suspension and debarment procedures however they should annually perform the search on all vendors.

Recommendation:

The School Board should perform a search for all vendors annually then export and/or print the results of its search of SAMS system and maintain this documentation in each file of a vendor which meets the applicable criteria.

Current Status: **Resolved**

**PERFORMANCE MEASUREMENT DATA**

**Independent Accountants' Report  
On Applying Agreed-Upon Procedures**

To the Members of the  
East Feliciana Parish School Board,  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the East Feliciana Parish School Board (the School Board), the Louisiana Department of Education, and the Louisiana Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the School Board for the fiscal year ended June 30, 2018; and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin, in compliance with Louisiana Revised Statute 24:514 I. Management of the East Feliciana 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, reviewed supporting documentation, and observed that the sampled expenditures/revenues are classified correctly and are reported in the proper amounts among the following amounts reported on the schedule:

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

*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. No exceptions noted.*

**Class Size Characteristics (Schedule 2)**

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

*It was noted that 5 of the 10 class roll counts tested were not consistent with the LEADS class summary report. The difference variations were equal or less than 2 students.*

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

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

*Years of Experience: It was noted that 4 out of 25 teachers' years of experience per the PEP data did not agree to the personnel file information.*

**Public School Staff Data: Average Salaries (NO SCHEDULE)**

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

*No exceptions 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 East Feliciana Parish School Board, as required by Louisiana Revised Statute 24:514.I, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Postlethwaite & Netterville*

Baton Rouge, Louisiana  
March 6, 2019

**EAST FELICIANA PARISH SCHOOL BOARD**

**CLINTON, LOUISIANA**

**Schedules Required by State Law (R.S. 24:514 – Performance and Statistical Data)**

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

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

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

**Schedule 2 (Formerly Schedule 6) Class Size Characteristics**

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

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

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

**Schedule 1**

**General Fund Instructional and Equipment Expenditures**

General Fund Instructional Expenditures:		
Teacher and Student Interaction Activities:		
Classroom Teacher Salaries	\$ 4,932,332	
Other Instructional Staff Activities	450,810	
Instructional Staff Employee Benefits	2,805,594	
Purchased Professional and Technical Services	346,447	
Instructional Materials and Supplies	173,346	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 8,708,529
Other Instructional Activities		85,991
Pupil Support Activities	493,259	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities		493,259
Instructional Staff Services	823,241	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		823,241
School Administration	1,137,732	
Less: Equipment for School Administration	-	
Net School Administration		1,137,732
Total General Fund Instructional Expenditures		<u>\$ 11,248,752</u>
Total General Fund Equipment Expenditures		<u>\$ -</u>

**Certain Local Revenue Sources**

Local Taxation Revenue:		
Constitutional Ad Valorem Taxes	\$ 485,211	
Renewable Ad Valorem Tax	2,468,316	
Debt Service Ad Valorem Tax	-	
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	-	
Sales and Use Taxes	3,746,498	
Total Local Taxation Revenue		<u>\$ 6,700,025</u>
Local Earnings on Investment in Real Property:		
Earnings from 16th Section Property	\$ 17,807	
Earnings from Other Real Property	752	
Total Local Earnings on Investment in Real Property		<u>\$ 18,559</u>
State Revenue in Lieu of Taxes:		
Revenue Sharing - Constitutional Tax	\$ 70,048	
Revenue Sharing - Other Taxes	-	
Revenue Sharing - Excess Portion	-	
Other Revenue in Lieu of Taxes	-	
Total State Revenue in Lieu of Taxes		<u>\$ 70,048</u>
Nonpublic Textbook Revenue		<u>\$ 12,347</u>
Nonpublic Transportation Revenue		<u>\$ -</u>

**EAST FELICIANA PARISH SCHOOL BOARD**  
**Clinton, Louisiana**

**Class Size Characteristics**  
**As of October 1, 2017**

**Schedule 2 (Formerly Schedule 6)**

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	55.93%	132	36.02%	85	2.54%	6	5.51%	13
Elementary Activity Classes	37.50%	12	53.13%	17	0.00%	0	9.38%	3
Middle/Jr. High	92.79%	103	6.31%	7	0.90%	1	0.00%	0
Middle/Jr. High Activity Classes	66.67%	12	27.78%	5	5.56%	1	0.00%	0
High	73.77%	284	22.60%	87	3.38%	13	0.26%	1
High Activity Classes	66.67%	22	33.33%	11	0.00%	0	0.00%	0
Combination	100.00%	22	0.00%	0	0.00%	0	0.00%	0
Combination Activity Classes	0.00%	0	0.00%	0	0.00%	0	0.00%	0

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

# EAST FELICIANA PARISH SCHOOL BOARD

**CARLOS J. SAM**

Superintendent

**RICHARD TERRELL**  
President

225-683-8277 ~ 225-683-5420  
225-683-5378



**MITCHELL HARRELL**  
Vice President

FAX  
225-683-3320

March 6, 2019

Postlethwaite & Netterville  
8550 United Plaza Blvd., Ste. 101  
Baton Rouge, LA 70809

In connection with your audit of the financial statements for the East Feliciana Parish School Board (School District), we have the following corrective action plan for the matters reported relating to the internal control and compliance report issued by your firm.

## **2018 audit**

### **2018-001 Non-compliance with state audit law**

Due to numerous reasons described in your report related to our accounting system conversion, a massive public records request, new accounting standards and a recent search warrant, the School District was late filing the 2018 audit report with the Louisiana Legislative Auditor.

Prior to 2018, the School District had a stellar record of timely filing audit report without exception. This year is considered isolated for the reasons previously stated. The School District expect to return to its normal submission schedule and timely file reports moving forward.

This matter is considered resolved.

### **2018-002 Documentation of internal controls over open purchase orders**

The School Board has initiated additional documentation procedures in February 2019 to address this matter. In particular, prior to a check being prepared by accounting personnel, each departmental supervisor will document review of actual invoices being matched to open purchase orders for reasonableness and accuracy.

This matter is considered resolved.

Sincerely,

*Carlos Sam*

Carlos Sam, Superintendent

# EAST FELICIANA PARISH SCHOOL BOARD

**CARLOS J. SAM**

Superintendent

**RICHARD TERRELL**  
President

225-683-8277 ~ 225-683-5420  
225-683-5378



**MITCHELL HARRELL**  
Vice President

FAX  
225-683-3320

March 6, 2019

Postlethwaite & Netterville  
8550 United Plaza Blvd., Ste. 101  
Baton Rouge, LA 70809

In connection with your agreed upon procedures engagement on the performance and statistical data accompanying the annual financial statements for the East Feliciana Parish School Board (School District) for the year ended June 30, 2018, we have the following corrective action plan for the matters reported by your firm.

The School District will review and enhance current procedures to capture these records in a more precise manner. Although the items reported were isolated in nature and minor, the District will strive to correct these matters moving forward.

Sincerely,

*Carlos Sam*

Carlos Sam, Superintendent

**EAST FELICIANA PARISH SCHOOL BOARD**

**REPORT TO MANAGEMENT**

**JUNE 30, 2018**



Postlethwaite & Netterville

A Professional Accounting Corporation

[www.pncpa.com](http://www.pncpa.com)



Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809

225-922-4600 Phone – 225-922-4611 Fax – [www.pn.com](http://www.pn.com)

*A Professional Accounting Corporation*

March 6, 2019

Members of Management of the  
East Feliciana Parish School Board

In planning and performing our audit of the financial statements of the East Feliciana Parish School Board (the School Board) for the year ended June 30, 2018, we considered the School Board's internal controls and compliance with laws and regulations having a material effect on financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure or on compliance.

However, during our audit, we became aware of the following matters that are opportunities for improving financial reporting, refining policies and procedures and enhancing compliance with laws and regulations. The following paragraphs summarize our comments and suggestions regarding those matters. This letter does not affect our report dated March 6, 2019 on the financial statements of the School Board.

**2018-A) Internal Controls over Contract Compliance**

**Condition:** As part of the national school lunch application process through the State of Louisiana, a school board must disclose as part of its income and expense reporting the amount of net cash resources available. If the amount of net cash resources on hand is more than the average of 3 month's operating cash needs at year end the State requires that a corrective action plan be established to spend this excess. The School Board's cash on hand exceeded the average of three month's operating expenses by approximately \$104,000 and a corrective action plan was established for the 2018-2019 application. A corrective action on the use of the exceeds funds was presented and approved by the State of Louisiana and the School Board does not have controls in place to ensure compliance with the corrective action established. Management does not currently have an established policy or procedure in place to monitor compliance with the corrective action established.

**Recommendation:** The School Board needs to establish policies and procedures to ensure compliance and monitoring of the corrective action plan established.



Postlethwaite & Netterville

**2018 –B) Internal Controls over Census Data**

Condition: The School Board provided the actuary with an inaccurate database of participants receiving other post-employment benefits. The School Board does not have an established policy or procedure to ensure the completeness and accuracy of the census data being provided to the actuary.

Recommendation: The School Board should establish policies and/or procedures to ensure the completeness and accuracy of the data base used in the valuation.

**2018 – C) Segregation of Duties**

Condition: During our audit process, it was noted that the individual responsible for approving payments and processing invoices also has the ability to create and modify vendors in the newly implemented accounting system.

Recommendation: The School Board should review the roles assigned to this individual and all involved in the accounting function and ensure that segregation of duties be reviewed and adjusted where possible to strengthen the system of internal control.

**2018 – D) Daily Attendance Records and Leave Requests**

Condition: During our audit process, it was noted that leave requests are not being reconciled to the daily attendance records (sign in sheets maintained) of employees. Without a reconciliation, leave may be taken by employees without proper approval and reduction of leave balances.

Recommendation: The School Board should establish a process to reconcile the daily sign in sheets maintained at each school and the administrative office to approved leave requests to determine that all leave taken is properly requested and pay adjusted accordingly.

We have already discussed these comments and suggestions with management, and we will be pleased to discuss them in further detail at your convenience. We would also welcome any opportunity to perform any additional study of these matters or to assist you in implementing the recommendations. We would also like to thank the School System staff for their cooperation with us during the performance of the audit.

This letter is intended solely for the information and use of the East Feliciana Parish School Board, management of the School Board and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

*Postlethwaite & Netterville*

# EAST FELICIANA PARISH SCHOOL BOARD

**CARLOS J. SAM**

Superintendent

**RICHARD TERRELL**  
President

225-683-8277 ~ 225-683-5420  
225-683-5378



**MITCHELL HARRELL**  
Vice President

FAX  
225-683-3320

March 6, 2019

Postlethwaite & Netterville  
8550 United Plaza Blvd., Ste. 101  
Baton Rouge, LA 70809

In connection with your audit of the financial statements for the East Feliciana Parish School Board (School District), we have the following corrective action plan for the matters reported relating to the management letter issued by your firm.

#### **2018-A – Internal Controls over Contract Compliance**

The School District will monitor this matter more closely so that excess cash does not accumulate in the School Food program. Subsequent to year end, the District identified various needs in the food program and began spending down excess cash on hand.

#### **2018-B – Internal Controls over Census Data**

This is an annual process performed for the School District's actuary for adjustments made and reported in the annual audit. As a result, this process is not performed on a regular basis by School Board staff.

The School District is revising procedures in the new accounting system to ensure future data submissions do not erroneously exclude employees as experienced in 2018.

#### **2018-C – Segregation of Duties**

The School District is working with its information technology consultants to install control features relating to the segregation of vendor setup and check preparation.

#### **2018-D – Daily Attendance Records and Leave Requests**

The School District will add an approval line to the current daily time records maintained at each school location. However, the School District is researching automated practices to replace this current manual process so that daily attendance records can be efficiently reconciled to leave requests.

Sincerely,

*Carlos Sam*

Carlos Sam, Superintendent

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**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED JUNE 30, 2018**

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Postlethwaite & Netterville

A Professional Accounting Corporation

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**EAST FELICIANA PARISH SCHOOL BOARD**  
**CLINTON, LOUISIANA**

**STATEWIDE AGREED-UPON PROCEDURES**

**FOR THE YEAR ENDED JUNE 30, 2018**



Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 - Baton Rouge, LA 70809  
225-922-4600 Phone - 225-922-4611 Fax -

*A Professional Accounting Corporation*

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

To the Board Members of the  
East Feliciana Parish School Board  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the East Feliciana Parish School Board (Entity/School Board) and the Louisiana Legislative Auditor (LLA) (the specified parties) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. 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. Additionally, certain procedures listed below may not have been performed in accordance with guidance provided by the Louisiana Legislative Auditor, the specified user of the report. For those procedures, "procedure was not performed due to no exceptions occurring for this procedure in the prior year, the existence of mitigating internal controls as asserted by the entity" in accordance with criteria set forth by the LLA Statewide Agreed-Upon Procedures.

### *Written Policies and Procedures*

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.  
  
*No exceptions noted.*
  - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.



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*The School Board's Purchasing Policy in effect during the fiscal year under audit did not address how vendors are added to the vendor list. However, a revised policy was adopted subsequent to the School Board's fiscal year end which addressed this requirement.*

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

*No exceptions noted.*

- d) **Receipts**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

*The School Board did not have a policy in effect during the fiscal year under audit that addressed how completeness of all collections for each type of revenue is identified. However, a revised policy was adopted subsequent to the School Board's fiscal year end which addressed these requirements.*

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

*The School Board's Payroll Policy in effect during the fiscal year under audit did not address the reviewing and approving of time and attendance. However, a revised policy was adopted subsequent to the School Board's fiscal year end which addressed these requirements.*

- 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 in effect during the fiscal year did not address standard terms and conditions, legal review, approval process, or a monitoring process. However, a revised policy was adopted subsequent to the School Board's fiscal year end which addressed these requirements.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

*The School Board did not have in effect during the fiscal year under audit a formalized policy over credit card procedures to address topics, such as: how cards are to be controlled, allowable business uses, documentation requirements, required approvers of monthly statements and monitoring of card usage. However, a revised policy was adopted subsequent to the School Board's fiscal year end which addressed these requirements.*

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

*The School Board's Travel and Expense Reimbursement Policy in effect during the fiscal year did not address the required approvers (#4 shown above). However, a revised policy was adopted subsequent to the School Board's fiscal year end which addressed this requirement.*



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- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

*The School Board's Ethics Policy in effect during the fiscal year did not address certain topics, such as: 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, will annually attest through signature verification that they have read the School Board's Ethics Policy. However, a revised policy was adopted subsequent to the School Board's fiscal year end which addressed this requirement.*

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

*The School Board Debit Service Policy in effect during the fiscal year under audit did not address certain topics, such as: EMMA reporting requirements, debt reserve requirements, or debt service requirements. However, a revised policy was adopted subsequent to the School Board's fiscal year end which addressed this requirement.*

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

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*No exceptions noted.*

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*For all of the 14 monthly board minutes reviewed, no evidence existed that a monthly budget-to-actual comparison report for all the major special revenue funds (excluded Title I Fund) were included or referenced in those minutes.*

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

*No exceptions noted.*



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### **Bank Reconciliations**

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

*A listing of bank accounts was provided and included a total of 13 bank accounts. Management identified the entity's main operating account. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending October 31, 2017, resulting in 5 bank reconciliations obtained and subjected to the below procedures.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

*It was noted that 1 (October 2017 General Fund Account) out of 5 bank reconciliations tested was not signed or dated by the preparer. Therefore, it was undeterminable if the bank reconciliation was prepared within the 2-month requirement. It was also noted that the client was unable to provide 1 (October 2017 Slaughter Elementary Account) out of 5 bank reconciliations selected, and therefore, was undeterminable if one was prepared (all other attributes for this sample was undeterminable and considered exceptions as well).*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

*It was noted that 1 (October 2017 General Fund Account) out of 5 bank reconciliations tested did not properly include evidence that a member of management reviewed the reconciliation. It was also noted that the client was unable to provide 1 (October 2017 Slaughter Elementary Account) out of 5 bank reconciliations selected. Therefore, in both instances it was undeterminable if the bank reconciliation was reviewed by someone other than a person who handles cash, post ledgers or issues checks.*

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*It was noted that 2 (October 2017 East Feliciana High and Jackson Elementary School Accounts) out of 5 bank reconciliations tested did not properly include dates for outstanding items. It was also noted that the client was unable to provide 1 out of 5 bank reconciliations selected as discussed in item 3b. Therefore, for 3 out of 5 reconciliations selected, it was undeterminable if the bank reconciliation had outstanding items that exceeded 12 months.*



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## Collections

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

*A listing of deposit sites was provided and included a total of 11 deposit sites. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 deposit sites and performed the procedures below.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that.

*A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 5 collection locations. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected one collection location for each deposit site. Review of the Entity's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.*

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

*No exceptions noted.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

*For 4 out of 5 locations selected for testing, the person responsible for collecting cash was also responsible for preparing/ making bank deposits. The 4 locations included Clinton Elementary, East Feliciana Middle School, Slaughter Elementary, and East Feliciana High School.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

*For 4 out of 5 locations selected for testing, the person responsible for collecting cash was also responsible for posting collection entries to the general ledger or subsidiary ledgers. The 4 locations noted included Clinton Elementary, East Feliciana Middle School, Slaughter Elementary, and East Feliciana High School.*



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- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

*No exceptions noted.*

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

*Per inquiries with the client, all main office secretaries are bonded. No exceptions noted.*

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

*We randomly selected two deposit dates for each of the 5 bank accounts selected in procedure #3. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.*

- a) Observe that receipts are sequentially pre-numbered.

*No exceptions noted.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

*For 2 out of 10 deposits tested, the related collection documentation provided did not properly agree to the deposit slip amounts. These deposits totaled \$176.50 and \$50.00 were made into the **Jackson Elementary School Account**.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

*For 2 out of 10 deposits selected for testing, the relating bank statement (**Slaughter Elementary October 2017**) was not provided to determine if the deposit slip total agreed to the actual deposit per the bank statement.*

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

*For 6 out of 10 deposits selected for testing, the deposit was not properly made within one business day of receipt. 4 of the 10 deposits (1 from **General Fund**, 1 from **East Feliciana Middle**, 2 from **East Feliciana High School**) were made within one week. For 2 of the 10 deposits (both from **Slaughter Elementary**) were made within three weeks of receipt.*



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- e) Trace the actual deposit per the bank statement to the general ledger.

*For 2 out of 10 deposits selected for testing, the relating bank statement (Slaughter Elementary October 2017) was not provided to determine if the actual deposit per the bank statement agreed to the general ledger.*

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

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

*The listing of locations that process payments for the fiscal period was provided and included 6 locations. No exceptions were noted as a result of performing this procedure. From the listing provided, we randomly selected 5 locations and performed the procedures below.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

*The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 was provided. No exceptions were noted as a result of performing this procedure.*

*Review of the School Board's written policies and procedures or inquiry with employee(s) regarding job duties were performed in order to perform the procedures below.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

*No exceptions noted.*

- b) At least two employees are involved in processing and approving payments to vendors.

*No exceptions noted*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

*For all 5 locations selected for testing, the employees who were responsible for processing payments also had the ability to add/modify vendors and there was not another employee noted as being responsible for periodically reviewing changes to vendor files.*



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- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

*For 4 out of 5 locations tested, the employee responsible for processing payments was also responsible for mailing the signed checks. **These are all school administered accounts.***

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

*A listing of non-payroll disbursements for each payment processing location selected in procedures #8 was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.*

*From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.*

- a) Observe that the disbursement matched the related original invoice/billing statement.

*No exceptions noted*

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*For 4 out of 25 disbursements tested, there was no documented evidence on the purchase order and/or requisition request of the person whom initiated the purchase. Therefore, it was undeterminable if the requisition was initiated by someone other than who approved the requisition or purchase order (or similar document).*

*For 4 out of 25 disbursements tested, the purchase was initiated and approved by the same individual. **These were related to school administered accounts.***

*For all 25 disbursements tested, the payment processors were not prohibited from adding or modifying vendor files.*

*For 20 out of 25 disbursements tested, the check signer did not mail payments or give payments to someone other than who is responsible for processing payments. **These were related to school administered accounts.***

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

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

*A listing of credit cards was provided. No exceptions were noted as a result of performing this procedure.*



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12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

*From the listing provided, we randomly selected 2 cards (1 purchase card linked to 4 accounts and 1 fuel card) used in the fiscal period. We randomly selected one monthly statement for each of the 2 cards selected and performed the procedures noted below.*

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]

*For the 2 credit cards selected for testing, there was no evidence the monthly statements were reviewed and approved, in writing, by someone other than the authorized card holder. However, the accountant reviews invoices with statements as payments are processed.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

*No exceptions noted.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

*For the 15 transactions selected for testing, there was no written documentation of the business/public purpose (#2 shown in the above procedure).*

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

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*



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- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

### ***Contracts***

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

*A listing of contracts was provided. No exceptions were noted as a result of performing this procedure.*

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

*All contracts selected were not subject to Public Bid Law. No exceptions noted.*

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

*No exceptions noted.*

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

*No exceptions noted.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.



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*No exceptions noted.*

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

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

*A listing of employees/elected officials employed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.*

*From the listing provided, we randomly selected 5 employees/officials and performed the specified procedures. No exceptions noted.*

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

*We randomly selected 1 pay period during the fiscal period and performed the procedures below for the 5 employees/officials selected in procedure #16.*

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

*No exceptions noted.*

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*For all 5 employees selected for testing, the supervisor approval of the employees' daily attendance record was not noted electronically or in writing.*

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

*No exceptions noted.*

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

*A listing of employees/officials receiving termination payments during the fiscal period was provided. No exceptions were noted as a result of performing this procedure.*



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*From the listing provided, we randomly selected 2 employees/officials and performed the specified procedures. No exceptions noted.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*No exceptions noted.*

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Not applicable.*

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Not applicable.*

### ***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*



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*Other*

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

*Procedure was not performed due to no exceptions occurring for this procedure in the prior year or the existence of mitigating internal controls as asserted by the School Board.*

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Not applicable.*

*Corrective Action*

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

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,

*Postlethwaite & Netterville*

March 6, 2019

# EAST FELICIANA PARISH SCHOOL BOARD

**CARLOS J. SAM**

Superintendent

**RICHARD TERRELL**  
President

225-683-8277 ~ 225-683-5420  
225-683-5378



**MITCHELL HARRELL**  
Vice President

FAX  
225-683-3320

March 6, 2019

Postlethwaite & Netterville  
8550 United Plaza Blvd., Ste. 101  
Baton Rouge, LA 70809

In connection with your statewide agreed upon procedures engagement for the East Feliciana Parish School Board (School District), we have the following corrective action plan for the matters reported relating to the internal control and compliance report issued by your firm.

*Board/Finance Committee, Step 2 b*

The School District will begin adding financial reports relating to federal and state grant funds separately reported from the General Fund. Although the School District prepares annual budgets for the Special Revenue Funds, an on-going report will be added to the financial packet shared with the Finance Committee.

*Bank Reconciliations, Steps 3 a through c, Collections, Step 7, Non-payroll disbursements Steps 9 d, 10*

The School District will emphasize procedural changes at the individual schools relating to timely preparation of bank reconciliations, retention for recordkeeping purposes, timely deposits and timely clearing of outstanding checks.

*Collections, Steps 4 and 5*

Due to the small size of the staff at each school location, the School Board does not plan to implement any additional procedures at this time.

*Non-payroll disbursements, Step 9 c*

The School District is working with its information technology consultants to install control features relating to the segregation of vendor setup and check preparation.

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*Payroll and personnel, Step 17 b*

The School District will add an approval line to the current daily time records maintained at each school location. However, the School District is researching automated practices to replace this current manual process.

Sincerely,

*Carlos Sam*

Carlos Sam, Superintendent