

Assumption Parish School
Board

Basic Financial Statements

June 30, 2018



ASSUMPTION PARISH SCHOOL BOARD
NAPOLEONVILLE, LOUISIANA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

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INDEPENDENT AUDITORS' REPORT

The Members of the
Assumption Parish School Board
Napoleonville, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Assumption Parish School Board (the School Board), as of and for the year ended June 30, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Emphasis of a Matter

As described in Note 1w to the financial statements, in 2018, 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 on pages 4 through 11, budgetary comparison schedules on pages 60 through 62, schedule of changes in total OPEB liability and related ratios on page 63, schedule of the proportionate share of the net pension liability for the retirement systems on page 64, the schedule of employer's contributions to the retirement systems on page 65, and the notes to the required supplementary information on pages 66 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements on pages 70-79, the schedule of compensation paid to board members on page 80, schedule of compensation, benefits, and other payments to agency head on page 81, and the schedule of expenditures of federal awards on pages 86-87 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of compensation paid to board members, the schedule of compensation, benefits, and other payments to agency head, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The information included in the performance and statistical data on pages 97 through 99 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Board's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Donaldsonville, Louisiana
December 21, 2018

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

As management of the Assumption Parish School Board (hereinafter, School Board), we offer readers of the School Board's financial statements this narrative overview and analysis of the financial activities of the School Board for the fiscal year ended June 30, 2018.

Financial Highlights

- Total liabilities plus deferred inflows of the School Board exceeded total assets plus deferred outflows at June 30, 2018 by \$81,566,968 (net deficit) as compared to \$84,156,664 (net deficit), as restated, in the prior year ended June 30, 2017. The unrestricted portion of net position (deficit) was (\$99,091,147) at June 30, 2018, as compared to (\$104,648,045), as restated, in the prior year ended June 30, 2017. The net deficit is a result of the School Board's application of Government Accounting Standards Board (GASB) Statement Number 68 - Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, Statement Number 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, and Statement Number 75 - Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.
- During the course of the year, the School Board's cash and cash equivalents increased by 69.7% or approximately \$1.9 million. This is mainly due to securities that matured during the year that were not reinvested. Therefore, investments decreased approximately \$1.4 million from the prior year.
- Accounts receivable decreased in the current year approximately \$587,000 or 25.0%. This decrease is due to a decrease in Federal funding for the year, as well as the timing of reimbursement requests at year end.
- Current liabilities increased in the current year approximately \$598,000 or 16.1%. The increase can be attributed to ongoing construction projects relating to roof improvements and the Napoleonville Primary School renovations.
- Long-term liabilities decreased in the current year as a result of a decrease to the Net Pension Liability of approximately \$10.5 million and a decrease in the total other postemployment benefits liability of approximately \$3.2 million.
- The School Board's expenses decreased approximately \$6.7 million. This is the result of decreases in pension expense and other postemployment benefits expense of approximately \$5 million. Additionally, the School Board focused on reductions of expenses during the year ended June 30, 2018.
- As of the close of the current fiscal year, the School Board's governmental funds reported ending fund balances of \$21,600,972 as compared to \$22,991,048 in the prior year ended June 30, 2017. Of the total, \$5,187,818 is available for spending at the School Board's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,187,818 or 15.0% of the total General Fund expenditures as compared to \$7,951,078, or 22.2% of the total General Fund expenditures in the prior year ended June 30, 2017.

Overview of the Financial Statements

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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 (deficit)*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School Board is improving or deteriorating.

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

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

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

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

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

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

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Included therein is the information related to the major governmental funds, budgetary comparison schedules, changes in total other postemployment benefit liability and related ratios, the School Board's proportionate share of the net pension liability, the schedule of the School Board's contributions to the retirement systems, and the notes to required supplementary information. Under the label of *other supplementary information*, data on the non-major funds and information required to be presented by state statute can be found.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School Board, liabilities and deferred inflows exceeded assets and deferred outflows by \$81,566,968 at the close of the most recent fiscal year as compared to \$84,156,664, as restated, in the prior year ended June 30, 2017. Negative net position is a result of the School Board's adoption of Government Accounting Standards Board (GASB) Statement Number 68 - Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, Statement Number 71 - Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68, and Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

A portion of the School Board's net position, \$8,115,330, reflects its investments in capital assets (e.g., land, buildings, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The School Board uses these capital assets in the delivery of services to its students and residents; consequently, these assets are *not* available for future spending. Although the School Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

STATEMENT OF NET POSITION

	<u>2018</u>	<u>2017</u> <u>Restated</u>	<u>Change</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 4,563,617	\$ 2,688,811	69.73%
Investments	14,453,974	15,850,591	-8.81%
Receivables	1,762,368	2,349,282	-24.98%
Inventory	75,127	113,365	-33.73%
Restricted assets - cash	4,968,363	5,642,535	-11.95%
Land, building, and equipment - net	17,640,206	17,271,288	2.14%
TOTAL ASSETS	43,463,655	43,915,872	-1.03%
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related	6,503,001	11,062,299	-41.21%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,503,001	11,062,299	-41.21%
<u>LIABILITIES</u>			
Current liabilities	4,319,926	3,721,795	16.07%
Long-term liabilities	118,621,830	133,459,834	-11.12%
TOTAL LIABILITIES	122,941,756	137,181,629	-10.38%
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related	5,876,856	1,953,206	200.88%
Other postemployment benefits related	2,715,012	-	271.50%
TOTAL DEFERRED INFLOWS OF RESOURCES	8,591,868	1,953,206	339.89%
<u>NET POSITION (DEFICIT)</u>			
Net investment in capital assets	8,115,330	10,824,983	-25.03%
Restricted	9,408,849	9,666,402	-2.66%
Unrestricted	(99,091,147)	(104,648,045)	5.31%
TOTAL NET POSITION (DEFICIT)	\$ (81,566,968)	\$ (84,156,664)	3.08%

See financial highlights section for explanation of changes over the prior fiscal year.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

STATEMENT OF ACTIVITIES

	<u>2018</u>	<u>2017*</u>	<u>% Change</u>
Revenues			
Program Revenues			
Charges for Services	\$ 77,490	\$ 208,465	-62.83%
Operating Grants and Contributions	6,013,962	6,306,473	-4.64%
Taxes			
Property Taxes	7,127,888	6,551,737	8.79%
Sales and Use Taxes	6,574,690	6,049,788	8.68%
Other Local Sources	822,876	841,231	-2.18%
State Sources	22,046,296	22,187,218	-0.64%
Total Revenues	<u>42,663,202</u>	<u>42,144,912</u>	<u>1.23%</u>
Expenses			
Instruction	22,374,146	26,102,394	-14.28%
Support Services	15,044,599	17,475,099	-13.91%
Non-Instructional Services	2,110,122	2,432,571	-13.26%
Debt Service (interest)	544,639	754,526	-27.82%
Total Expenses	<u>40,073,506</u>	<u>46,764,590</u>	<u>-14.31%</u>
Increase (decrease) in net position	\$ 2,589,696	\$ (4,619,678)	
Beginning net position		(29,894,862)	
Cumulative effect of change in accounting principle		(49,642,124)	
Restated net position		<u>\$ (84,156,664)</u>	

(*) The expenses for 2017 do not reflect the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as that information was not available.

See financial highlights section for explanation of changes over the prior fiscal year.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Financial Analysis of the School Board's Funds

As noted earlier, the School Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the School Board's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the School Board's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the School Board's governmental funds reported combined ending fund balances of \$21,600,972, a decrease of \$1,390,076, in comparison with the prior fiscal year. \$5,187,818 or 24% of this total constitutes *unassigned fund balance*, which is available for spending at the School Board's discretion. Approximately \$9,408,849 of fund balance is *restricted* to indicate that it is *not* available for new spending since it is constrained to specific purposes by their providers through constitutional provisions, enabling legislation, or by terms of their debt agreements. The remainder of the fund balance is classified as *committed*, which the School Board constrained by formal action for a specific purpose, *nonspendable*, not in spendable form, or *assigned*, which the School Board intends to use for a specific purpose, but is not restricted nor committed.

The General Fund is the chief operating fund of the School Board. At the end of the current fiscal year, total fund balance of the General Fund was \$12,116,996. The unassigned portion amounts to \$5,187,818, while the committed portion amounts to \$3,871,165. The remaining fund balance is assigned. The assignments of fund balance represent the School Board, or its administration's, plans for keeping a portion of unassigned fund balance to be set aside for specific purposes, as follows: 1) capital construction; 2) self-insured retention; 3) compensated absences, and 4) textbooks.

General Fund Budgetary Highlights

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

State sources of revenues:

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

Expenditures:

Significant decreases in expenditures in the final revised budget of the General Fund as compared to the original budget are a result of an increased focus on the reduction of expenditures in order to diminish the General Fund deficit. Final budgeted expenditures decreased approximately \$3.5 million as compared to the original budget. These decreases were mainly in the areas of regular and special education, pupil support services, and plant operations and maintenance.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018

Capital Assets and Debt Administration

Capital Assets. The School Board's investment in capital assets as of June 30, 2018 amounts to \$17,640,206 (net of accumulated depreciation) as compared to \$17,271,288 in the prior year ended June 30, 2017. This investment includes land, buildings and improvements, furniture, and equipment and construction in progress. Net capital assets increased by \$368,918 over last year as compared to a decrease of \$645,323 in the prior year ended June 30, 2017. The net increase represents a 2.14% increase as compared to a net decrease of 3.60% in the prior year ended June 30, 2017. The increase is a result of asset additions of approximately \$1.86 million being greater than the current year depreciation expense of approximately \$1.47 million. The additions are a result of construction projects that began during the fiscal year and are ongoing at the close of the fiscal year. During the year, the School Board approved several roofing projects as well as renovations to Napoleonville Primary School. Costs incurred during the current year in relation to the roofing projects totaled approximately \$516,000. The School Board incurred an additional \$1.15 million in costs relating to the Napoleonville Primary School renovations. The remainder of the costs in construction in progress relate to the Assumption High School Girls Gym HVAC renovations, as well as the Napoleonville Primary School electrical renovations.

Governmental Activities

	<u>2018</u>	<u>2017</u>
Land	\$ 480,573	\$ 480,573
Buildings and improvements	40,351,875	40,351,875
Furniture and equipment	4,728,900	4,820,072
Construction in progress	2,073,111	316,439
Less accumulated depreciation	(29,994,253)	(28,697,671)
Total, net of depreciation	<u>\$ 17,640,206</u>	<u>\$ 17,271,288</u>

Long-term debt. At the end of the current fiscal year, the School Board had bonded debt outstanding of \$9,616,525 as compared to \$10,652,404 in the prior year ended June 30, 2017, a decrease of 9.72%. The bonded debt outstanding is from three outstanding bond issues. During the year, bond principal of \$1,035,879 was paid, as was interest in the amount of \$515,450. In the prior year, bond principal of \$737,726 was paid, as was interest in the amount of \$755,058. At June 30, 2018, the School Board's investments in US Treasury and Agency Securities were rated Aaa by Standard's & Poors.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

Economic Factors and Next Year's Budget

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

- As a result of a decline in student enrollment of approximately 110 students, the district will receive approximately \$930,000 less from the Louisiana Department of Education.
- A reduction in force that results in a net decrease of approximately 40 positions became effective July 1, 2018.
- The employer contributions rates for the retirement systems and health plans to which the employees belong to changed as follows:

Assumption Parish School Board Budget Factors			
	2018-2019 Rates		2017-2018 Rates
Teachers' retirement system	26.7%		26.6%
School employees' retirement system	28.0%		27.6%
State employees' retirement system	37.9%		37.9%
Health insurance	10% Increase		10% Increase

Contacting the Assumption Parish School Board's Management

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

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

STATEMENT OF NET POSITION

JUNE 30, 2018

ASSETS

Cash and cash equivalents	\$ 4,563,617
Investments	14,453,974
Receivables	1,762,368
Inventory	75,127
Restricted assets - cash	4,968,363
Land, building, and equipment - net	<u>17,640,206</u>
TOTAL ASSETS	<u>43,463,655</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension related	<u>6,503,001</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,503,001</u>

LIABILITIES

Salaries, payroll deductions, and withholdings payable	2,634,898
Accounts payable	848,196
Accrued interest	97,449
Retainage payable	76,905
Due to other governments	594,337
Other liabilities	68,141
Long-term liabilities:	
Due within one year (certificates and bonds payable and compensated absences)	928,535
Due in more than one year (certificates and bonds payable and compensated absences)	10,077,257
Other postemployment benefits liability	60,703,560
Net pension liability	<u>46,912,478</u>
TOTAL LIABILITIES	<u>122,941,756</u>

DEFERRED INFLOWS OF RESOURCES

Pension related	5,876,856
Other postemployment benefits related	<u>2,715,012</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,591,868</u>

NET POSITION (DEFICIT)

Net investment in capital assets	8,115,330
Restricted:	
Debt service	2,550,690
HVAC costs	4,075,031
Capital construction	2,542,371
Federal and state grants	240,757
Unrestricted	<u>(99,091,147)</u>
TOTAL NET POSITION (DEFICIT)	<u>\$ (81,566,968)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Changes in Net</u>
			<u>Contributions</u>	<u>Position</u>
				<u>Governmental</u>
				<u>Unit</u>
Instruction:				
Regular education programs	\$ 14,586,855	\$ -	\$ 2,450,432	\$ (12,136,423)
Special education programs	5,162,393	-	1,785,750	(3,376,643)
Special programs	837,349	-	-	(837,349)
Other education programs	1,787,549	-	-	(1,787,549)
Support Services:				
Pupil support services	1,902,368	-	-	(1,902,368)
Instructional staff services	437,436	-	-	(437,436)
General administration services	1,847,484	-	25,155	(1,822,329)
School administration services	2,727,133	-	-	(2,727,133)
Business services	427,818	-	-	(427,818)
Plant operation and maintenance	4,290,501	-	84,857	(4,205,644)
Student transportation services	2,331,123	-	-	(2,331,123)
Central services	1,080,736	-	-	(1,080,736)
Non-Instructional Services:				
Food service	2,087,335	77,490	1,667,768	(342,077)
Community service programs	22,787	-	-	(22,787)
Debt Service:				
Interest and bank charges	544,639	-	-	(544,639)
Total Governmental Activities	<u>\$ 40,073,506</u>	<u>\$ 77,490</u>	<u>\$ 6,013,962</u>	<u>(33,982,054)</u>
Local sources				
Taxes:				
Ad valorem				7,127,888
Sales and use taxes				6,574,690
Other				822,876
State sources				
Unrestricted grants-in-aid				22,046,296
Total general revenues and special items				<u>36,571,750</u>
Change in Net Position				2,589,696
Net Position - June 30, 2017, as restated				(84,156,664)
Net Position - June 30, 2018				<u>\$ (81,566,968)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2018

	<u>General</u>	<u>HVAC Fund</u>	<u>Limited Tax Revenue Bonds</u>	<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 2,013,329	\$ 2,147,446	\$ 189,098	\$ 213,744	\$ 4,563,617
Investments	13,402,725	949,712	-	101,537	14,453,974
Receivables	1,021,237	131,402	-	609,729	1,762,368
Due from other funds	7,453	866,420	-	915,095	1,788,968
Inventory	-	-	-	75,127	75,127
Restricted assets - cash	-	-	2,947,877	2,020,486	4,968,363
TOTAL ASSETS	<u>\$ 16,444,744</u>	<u>\$ 4,094,980</u>	<u>\$ 3,136,975</u>	<u>\$ 3,935,718</u>	<u>\$ 27,612,417</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Salaries, payroll deductions, and withholdings payable	\$ 2,348,529	\$ -	\$ -	\$ 286,369	\$ 2,634,898
Accounts payable and other liabilities	289,908	19,949	594,604	88,781	993,242
Due to other governments	594,337	-	-	-	594,337
Due to other funds	1,094,974	-	-	693,994	1,788,968
TOTAL LIABILITIES	<u>4,327,748</u>	<u>19,949</u>	<u>594,604</u>	<u>1,069,144</u>	<u>6,011,445</u>
Fund balances:					
Nonspendable	-	-	-	75,127	75,127
Restricted for:					
Debt service	-	-	-	2,550,690	2,550,690
HVAC costs	-	4,075,031	-	-	4,075,031
Capital construction	-	-	2,542,371	-	2,542,371
Federal and state grants	-	-	-	240,757	240,757
Committed for operations	3,871,165	-	-	-	3,871,165
Assigned:					
Capital construction	900,000	-	-	-	900,000
Internal purposes	2,158,013	-	-	-	2,158,013
Unassigned	5,187,818	-	-	-	5,187,818
TOTAL FUND BALANCES	<u>12,116,996</u>	<u>4,075,031</u>	<u>2,542,371</u>	<u>2,866,574</u>	<u>21,600,972</u>
 TOTAL LIABILITIES AND FUND BALANCES					
	<u>\$ 16,444,744</u>	<u>\$ 4,094,980</u>	<u>\$ 3,136,975</u>	<u>\$ 3,935,718</u>	<u>\$ 27,612,417</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

JUNE 30, 2018

Total fund balances - governmental funds		\$ 21,600,972
Cost of capital assets at June 30, 2018	47,634,459	
Less: accumulated depreciation as of June 30, 2018	<u>(29,994,253)</u>	17,640,206
Deferred outflows of resources at June 30, 2018		
Deferred outflows - pension related	<u>6,503,001</u>	6,503,001
Elimination of interfund assets and liabilities		
Due from other funds	1,788,968	
Due to other funds	<u>(1,788,968)</u>	-
Long-term liabilities at June 30, 2018		
Bonds and certificates of indebtedness	(9,616,525)	
Accrued interest payable	(97,449)	
Compensated absences payable	(1,389,267)	
Other postemployment benefits payable	(60,703,560)	
Net pension liability	<u>(46,912,478)</u>	(118,719,279)
Deferred inflows of resources at June 30, 2018		
Deferred inflows - pension related	(5,876,856)	
Deferred inflows - other postemployment benefits related	<u>(2,715,012)</u>	<u>(8,591,868)</u>
Total net position at June 30, 2018 - governmental activities		<u>\$ (81,566,968)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>HVAC Fund</u>	<u>Limited Tax Revenue Bonds</u>	<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>					
Local sources:					
Taxes:					
Ad valorem	\$ 7,127,888	\$ -	\$ -	\$ -	\$ 7,127,888
Sales and use	5,479,099	1,095,591	-	-	6,574,690
Rentals, leases, and royalties	4,400	-	-	-	4,400
Food sales	-	-	-	77,490	77,490
Earnings on investments	69,653	13,033	-	1,495	84,181
Other	320,457	-	-	418,193	738,650
State sources:					
Unrestricted grants-in-aid	21,533,848	-	-	512,448	22,046,296
Restricted grants-in-aid	545,816	-	-	65,696	611,512
Federal sources:					
Restricted grants-in-aid - direct	-	-	-	726,411	726,411
Restricted grants-in-aid - subgrants	496,209	-	-	3,988,474	4,484,683
Commodities - United States					
Department of Agriculture	-	-	-	191,356	191,356
Total revenues	<u>35,577,370</u>	<u>1,108,624</u>	<u>-</u>	<u>5,981,563</u>	<u>42,667,557</u>
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular education programs	12,892,591	-	-	2,204,620	15,097,211
Special education programs	4,038,602	-	-	1,384,275	5,422,877
Special programs	957,985	-	-	-	957,985
Other education programs	1,912,116	-	-	-	1,912,116
Support services:					
Pupil support services	2,121,062	-	-	-	2,121,062
Instructional staff services	533,105	-	-	-	533,105
General administration services	1,860,678	7,699	-	-	1,868,377
School administration services	2,949,507	-	-	-	2,949,507
Business and central services	459,438	-	-	-	459,438
Plant operation and maintenance	3,032,347	468,801	65,779	-	3,566,927
Transportation	2,445,700	-	-	-	2,445,700
Central services	1,135,219	-	-	-	1,135,219

The accompanying notes to the basic financial statements are an integral part of this statement.

(continued)

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>HVAC Fund</u>	<u>Limited Tax Revenue Bonds</u>	<u>Other Non-major Governmental Funds</u>	<u>Total Governmental Funds</u>
Expenditures (continued):					
Non-instructional services:					
Food service	\$ 179,794	\$ -	\$ -	\$ 1,975,232	\$ 2,155,026
Community service programs	22,787	-	-	-	22,787
Building acquisition and construction	30,448	-	1,756,004	72,515	1,858,967
Debt service:					
Principal retirement	-	-	-	1,035,879	1,035,879
Interest and bank charges	-	-	525	514,925	515,450
Total expenditures	<u>34,571,379</u>	<u>476,500</u>	<u>1,822,308</u>	<u>7,187,446</u>	<u>44,057,633</u>
Excess (deficiency) of revenues over expenditures	<u>1,005,991</u>	<u>632,124</u>	<u>(1,822,308)</u>	<u>(1,205,883)</u>	<u>(1,390,076)</u>
Other financing sources (uses):					
Operating transfers out	(2,617,437)	-	-	(241,060)	(2,858,497)
Operating transfers in	365,054	-	-	2,493,443	2,858,497
Total other financing sources (uses)	<u>(2,252,383)</u>	<u>-</u>	<u>-</u>	<u>2,252,383</u>	<u>-</u>
Changes in fund balance	(1,246,392)	632,124	(1,822,308)	1,046,500	(1,390,076)
Fund balances at beginning of year	<u>13,363,388</u>	<u>3,442,907</u>	<u>4,364,679</u>	<u>1,820,074</u>	<u>22,991,048</u>
Fund balances at end of year	<u>\$ 12,116,996</u>	<u>\$ 4,075,031</u>	<u>\$ 2,542,371</u>	<u>\$ 2,866,574</u>	<u>\$ 21,600,972</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

(concluded)

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

RECONCILIATION OF THE GOVERNMENTAL FUNDS -
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Total net changes in fund balances - governmental funds		\$ (1,390,076)
Capital assets:		
Capital outlay capitalized	1,858,967	
Loss on capital outlay disposals	(23,855)	
Depreciation expense for the year ended June 30, 2018	<u>(1,466,194)</u>	368,918
Operating transfers in	2,858,497	
Operating transfers out	<u>(2,858,497)</u>	-
Long-term liabilities:		
Principal portion of debt service payments	1,035,879	
Excess of interest accrued over interest paid	(29,190)	
Excess of compensated absences used over amounts earned	127,601	
Net change in other post-employment benefits liability and deferred inflows/outflows of resources	455,266	
Net change in pension liability and deferred inflows/outflows of resources	<u>2,021,298</u>	<u>3,610,854</u>
Change in net position - governmental activities		<u>\$ 2,589,696</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	<u>Agency Funds</u>
<u>Assets</u>	
Cash and cash equivalents	<u>\$ 2,965,762</u>
Total assets	<u><u>\$ 2,965,762</u></u>
<u>Liabilities</u>	
Deposits due others	<u>\$ 2,965,762</u>
Total liabilities	<u><u>\$ 2,965,762</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies

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

a. Financial Reporting Entity

The School Board is a political subdivision of the State of Louisiana. It was created by Louisiana Revised Statute (LRS) 17:51 for the purpose of providing public education for the residents of Assumption Parish, Louisiana. The School Board is authorized by LRS 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is authorized to establish public schools as it deems necessary, to provide adequate school facilities for the children of the parish, to determine the number of teachers to be employed, and to determine local supplement to their salaries. The School Board is comprised of 9 board members who are elected from 9 districts for a term of four years.

The School Board operates 10 schools within the parish with a total enrollment of approximately 3,600 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. Additionally, the School Board provides transportation and school food services for the students.

Governmental Accounting Standards Board (GASB) Statement No. 61, Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the School Board is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 61, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the School Board does not have any component units, which are defined by GASB Statement No. 61 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

b. Basis of Presentation

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 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 activities. As a general rule, the effect of interfund activity has been removed from these statements. Exceptions to the general rule are advances between fiduciary funds and the various functions of the School Board. The government-wide presentation focuses primarily on the sustainability of the School Board as an entity and the change in aggregate economic position resulting from the activities of the fiscal period.

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

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

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

Fund Financial Statements

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

b. Basis of Presentation (continued)

Governmental Fund Types:

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

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

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

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

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

Fiduciary Fund Type:

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

c. Basis of Accounting/ Measurement Focus

Government-Wide Financial Statements (GWFS)

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

c. **Basis of Accounting/ Measurement Focus** (continued)

Government-Wide Financial Statements (GWFS) (continued)

Program Revenues

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

Allocation of Indirect Expenses

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

Fund Financial Statements (FFS)

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

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

c. **Basis of Accounting/ Measurement Focus** (continued)

Fund Financial Statements (FFS) (continued)

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

Revenues

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

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

Expenditures

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

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

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

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

d. Cash and Cash Equivalents

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

e. Investments

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

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

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

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

f. Receivables

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

g. Inventory

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

h. Interfund Transactions/Balances

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

i. Capital Assets

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

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

j. Restricted Assets

Restricted assets are cash, cash equivalents or investments whose use is limited by legal requirements such as a bond indenture. Restricted assets, if any, are reported only in the government-wide financial statements.

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School Board has three types of items that qualify for reporting in this category. It has deferred outflows of resources related to the net pension liability of \$6,503,001. See Note 10 for additional information on deferred outflows of resources related to defined benefit pension plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The School Board has deferred inflows of resources related to the net pension liability in the amount of \$5,876,856 and deferred inflows of resources related to other postemployment benefits of \$2,715,012. See Note 10 for additional information on deferred inflows of resources related to defined benefit pension plans, and Note 11 for additional information on deferred inflows of resources related to other postemployment benefits.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

l. Compensated Absences

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

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

At June 30, 2018, employees of the School Board have accumulated and vested compensated absence benefits of \$1,389,267.

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

m. Lease Commitments

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

n. Long-Term Debt

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

n. Long-Term Debt (continued)

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

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

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

o. Sales Use and Property Taxes

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

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

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

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

o. Sales Use and Property Taxes (continued)

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

p. Restricted Net Position

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

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

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

q. Fund Equity of Fund Financial Statements

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

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

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

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

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

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

r. Use of Estimates

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

s. Budget Practices

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

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

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

t. Encumbrances

Encumbrances representing purchase orders, contracts or other commitments are recorded in governmental fund-type budgetary funds to reserve portions of applicable appropriations. Encumbrances are part of the budgetary process and are included in actual expenditures when a comparison with budget is necessary. Encumbrances at year-end are not considered expenditures in the financial statements presented on the GAAP basis. There are no significant encumbrances at June 30, 2018.

u. Risk Management

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

1. Summary of Significant Accounting Policies (continued)

v. Pension Plans

The School Board is a participating employer in three defined benefit pension plans (plans) as described in Note 10. 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 plan's 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.

w. Current Year Adoption of New Accounting Standard

The School Board adopted Government Accounting Standards Board (GASB) Statement Number 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The net effect to the School Board's Statement of Net Position for the prior year that resulted from the adoption of GASB 75 is as follows:

	Governmental Activities
Total Net Position, June 30, 2017, as previously reported	\$ (34,514,540)
Reverse postemployment benefit obligation June 30, 2017	14,231,714
Record total postemployment benefit liability June 30, 2017	(63,873,838)
Net effect	<u>(49,642,124)</u>
Total Net Position, June 30, 2017, restated	<u>\$ (84,156,664)</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

2. Equity in Pooled Cash, Deposits and Investments

a. Equity in Pooled Cash

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

At June 30, 2018 the School Board had cash (book balances) totaling \$12,497,742. Included in cash and cash equivalents on the balance sheet at June 30, 2018, are the following:

	<u>2018</u>
Deposits	\$ 4,563,617
Agency fund deposits	2,965,762
Restricted cash – demand deposit accounts	4,968,363
Total cash	\$ <u>12,497,742</u>

b. Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the School Board's deposits may not be returned to them. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. As of June 30, 2018, the School Board's bank balance was \$12,657,040. Of this amount, the School Board has no money that was exposed to custodial credit risk by being uninsured and uncollateralized. It is the School Board's policy to either have deposits secured by federal deposit insurance or pledged by securities owed by the fiscal agent financial institution.

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

c. Investments

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

As of June 30, 2018, the School Board had its assets in money market instruments, U.S. Treasury notes, and U.S. agency securities managed by financial institutions. The accounts managed by the financial institutions have a fair value of \$14,453,974 as of June 30, 2018. The School Board's investments are as follows:

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

c. **Investments** (continued)

<u>Security</u>	<u>Fair Value</u>	<u>Years to Maturity</u>	
		<u>Less than 1</u>	<u>1 -5</u>
Investments at fair value			
United States Treasury	\$ 3,764,097	\$ 1,292,664	\$ 2,471,433
U.S. Agencies:			
Federal Farm Credit Bank	1,584,493	797,423	787,070
Federal Home Loan Bank	1,726,717	997,158	729,559
Federal Home Loan Mtg. Corp.	2,319,364	546,937	1,772,427
Federal National Mortgage Assn.	2,718,582	1,545,033	1,173,549
Subtotal investments at fair value	<u>12,113,253</u>	<u>5,179,215</u>	<u>6,934,038</u>
Investments measured at the net asset value (NAV)			
Money market fund	528,203	528,203	-
External investment pool	1,812,518	1,812,518	-
Total investments measured at NAV	<u>2,340,721</u>	<u>2,340,721</u>	<u>-</u>
Total investments	<u>\$ 14,453,974</u>	<u>\$ 7,519,936</u>	<u>\$ 6,934,038</u>

As of June 30, 2018, the School Boards investments in United States treasury and agency securities were rated Aaa by Standard & Poor's.

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

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

Concentration of credit risk: The School Board's investment policy does not limit the amount the School Board may invest in any one issuer. The School Board's investments are in United States Treasury (31%), Federal Home Loan Bank (14%), Federal Farm Credit Bank (13%), Federal National Mortgage Association (22%), and Federal Home Loan Mortgage Corporation (20%).

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

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

c. Investments (continued)

As of June 30, 2018, \$528,203 is invested in a money market government portfolio fund. This mutual fund only holds short term government-backed securities.

\$1,812,518 is invested in an external investment pool, Louisiana Asset Management Pool. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

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

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

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

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

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

3. Fair Value of Financial Instruments

Determination of Fair Value

The School Board categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

Fair Value Hierarchy

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

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

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

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

3. Fair Value of Financial Instruments (continued)

Fair Value of Assets Measured on a Recurring Basis

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

The following table presents for each of the fair-value hierarchy level the School Board's financial assets and liabilities that are measured at fair value (in thousands) on a recurring basis at June 30, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury securities	\$ 3,764,097	\$ -	\$ -
U.S. Agency securities	-	8,349,156	-
Total	<u>\$ 3,764,097</u>	<u>\$ 8,349,156</u>	<u>\$ -</u>

4. Ad Valorem Taxes

Ad valorem taxes were levied by the School Board on June 14, 2017 for the calendar year 2017, based on the assessed valuation of property as of January 1 of the calendar year. These taxes become due and payable on November 15 of each year, and become delinquent after December 31 of the year levied.

Total assessed value was \$215,256,567 in calendar year 2017. Louisiana state law exempts the first \$75,000 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$36,696,029 of the assessed value in calendar year 2017.

The following is a summary of authorized and levied parish wide ad valorem taxes for the fiscal year ended June 30, 2018:

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

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

4. Ad Valorem Taxes (continued)

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

5. Due From/To Other Funds

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

Fund	Due from other funds	Due to other funds
General Fund	\$ 7,453	\$ 1,094,974
Special Revenue Funds:		
HVAC Fund	866,420	-
School Food Services	67,000	-
Title I	-	96,583
Title II	-	49,766
Title IV	-	11,170
Head Start	-	50,517
Vocation Education	-	21,014
IDEA	-	51,450
IDEA Preschool	-	7,263
REAP	-	14,294
TAP Expansion	-	52,052
High Cost Services	11,515	-
McKinney Vento	-	4,994
Teacher Incentive Fund	-	28,285
Debt Service Funds:		
Debt Service PC	306,606	306,606
QSCB Sinking Fund	53,299	-
GO Bond Sinking Fund	476,675	-
Total	<u>\$ 1,788,968</u>	<u>\$ 1,788,968</u>

6. Receivables

Receivables as of June 30, 2018 for the governmental funds are as follows:

	General Fund	HVAC Fund	Non-Major Governmental	Total
Sales Tax	\$ 662,652	\$ 131,402	\$ -	\$ 794,054
Grants	226,590	-	609,729	836,319
Other	131,995	-	-	131,995
Total	<u>\$ 1,021,237</u>	<u>\$ 131,402</u>	<u>\$ 609,729</u>	<u>\$ 1,762,368</u>

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

7. Capital Assets

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

	<u>Balance</u> <u>6/30/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/18</u>
Capital assets, not being depreciated				
Land	\$ 480,573	\$ -	\$ -	\$ 480,573
Construction in progress	316,439	1,776,172	(19,500)	2,073,111
Total capital assets, not being depreciated	<u>797,012</u>	<u>1,776,172</u>	<u>(19,500)</u>	<u>2,553,684</u>
Capital assets, being depreciated				
Buildings	22,513,328	-	-	22,513,328
Improvements	17,838,547	-	-	17,838,547
Furniture and equipment	4,820,072	82,795	(173,967)	4,728,900
Total capital assets, being depreciated	<u>45,171,947</u>	<u>82,795</u>	<u>(173,967)</u>	<u>45,080,775</u>
Less: Accumulated depreciation	<u>(28,697,671)</u>	<u>(1,466,194)</u>	<u>169,612</u>	<u>(29,994,253)</u>
Total capital assets, being depreciated	<u>16,474,276</u>	<u>(1,383,399)</u>	<u>(4,355)</u>	<u>15,086,522</u>
Capital assets, net of depreciation	<u>\$ 17,271,288</u>	<u>\$ 392,773</u>	<u>\$ (23,855)</u>	<u>\$ 17,640,206</u>

Depreciation expense of \$1,466,194 for the year ended June 30, 2018 was charged to the following governmental functions:

Plant operation and maintenance	\$ 810,059
Regular education programs	621,596
General administration	3,506
Food service expenditures	31,033
	<u>\$ 1,466,194</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

8. Long-term Obligations

A schedule of the bonds outstanding as of June 30, 2018 is as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Payment Due</u>	<u>Interest To Maturity</u>	<u>Principal Outstanding</u>
Certificates of Indebtedness: Series 2004	\$ 1,700,000	4.54%	10/1/20	\$ 25,787	\$ 438,000
QSCB, Series 2011	\$ 8,100,000	7.73%	3/1/27	\$ 5,965,805	\$ 4,518,525
Limited Tax Revenue Bond, Series 2016	\$ 5,000,000	2.00%	3/1/36	\$ 1,398,950	\$ 4,660,000
					<u>\$ 9,616,525</u>

Certificates of indebtedness, Series 2004

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

\$ 372,000

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

66,000

QSCB, Series 2011

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

4,518,525

Limited Tax Revenue Bonds, Series 2016

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

4,660,000

\$ 9,616,525

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

8. Long-term Obligations (continued)

The School Board accumulates the tax proceeds in the Debt Service Funds. At June 30, 2018, the School Board has accumulated \$5,594,046 in the debt service funds for future debt service requirements.

The School Board is in compliance with the requirements of its long-term debt agreements.

The bonds are due as follows:

<u>Year Ending June 30</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2019	\$ 826,250	\$ 763,468	\$ 1,589,718
2020	837,250	754,351	1,591,601
2021	853,250	744,908	1,598,158
2022	711,250	738,080	1,449,330
2023	716,250	733,980	1,450,230
2024-2028	3,187,275	2,817,738	6,005,013
2029-2033	1,460,000	288,600	1,748,600
2034-2038	1,025,000	62,250	1,087,250
	<u>\$ 9,616,525</u>	<u>\$ 6,903,375</u>	<u>\$ 16,519,900</u>

The following is a summary of the changes in general long-term obligation transactions 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>	<u>Amount due after one year</u>
Certificates of indebtedness						
Series 2004	\$ 573,000	\$ -	\$ (135,000)	\$ 438,000	\$ 140,000	\$ 298,000
Qualified school construction bond, Series 2011	5,244,404	-	(725,879)	4,518,525	506,250	4,012,275
Limited tax revenue bond, Series 2016	4,835,000	-	(175,000)	4,660,000	180,000	4,480,000
Total Bonds Payable	<u>10,652,404</u>	<u>-</u>	<u>(1,035,879)</u>	<u>9,616,525</u>	<u>826,250</u>	<u>8,790,275</u>
Compensated absences	1,516,868	20,142	(147,743)	1,389,267	102,285	1,286,982
Total Long-term Obligation	<u>\$ 12,169,272</u>	<u>\$ 20,142</u>	<u>\$ (1,183,622)</u>	<u>\$ 11,005,792</u>	<u>\$ 928,535</u>	<u>\$ 10,077,257</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

9. Defeasance of Debt

The School Board partially defeased QSCB Revenue Bonds, Series 2011 by transferring funds into an irrevocable trust to provide for the future debt service payments on the bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statements. As of fiscal year ending June 30, 2018, \$3,581,475 of bonds outstanding were considered defeased.

10. Defined Benefit Pension Plans

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

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

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

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

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

Plan Descriptions:

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

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

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Defined Benefit Pension Plans (continued)

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

Final average salary	TRSL	LSERS	LASERS
	Highest 36 or 60 months (1)	Highest 36 or 60 months (1)	Highest 36 or 60 months (1)
Years of service required and/or age eligible for benefits	30 years any age (5) 25 years age 55 20 years any age (2) 5 years age 60	30 years any age 25 years age 55 20 years any age (2) 5-10 years age 60 (6)	30 years any age 25 years age 55 20 years any age (2) 5-10 years age 60 (6,7)
Benefit percent per years of service	2.0% to 3.0% (4)	2.50% to 3.33% (4)	2.5% to 3.5% (3)

- (1) Employees hired after a certain date use the revised benefit calculation based on the highest 60 months of service.
- (2) With actuarial reduced benefits
- (3) Members in regular plan 2.5%, hazardous duty plan 3.33%, and judges 3.5%
- (4) Benefit percent varies depending on when hired
- (5) For school food service workers, hired on or before 6-30-15, 30 years at age 55
- (6) Five to ten years of creditable service at age 60 depending upon the plan or when hired
- (7) Hired on or after 7/1/15, age eligibility is 5 years age 62

Cost of Living Adjustments

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

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. In accordance with state statute, TRSL receives ad valorem taxes and state revenue sharing funds. These additional sources of income are used as employer contributions and are considered support for non-employer contributing entities, but are not considered special funding situations.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Defined Benefit Pension Plans (continued)

Contributions (continued)

Contributions to the plans are required and determined by State statute (which may be amended) and are expressed as a percentage of covered payroll. The contribution rates in effect for the year ended June 30, 2018, for the School Board and covered employees were as follows:

	<u>School System</u>	<u>Employees</u>
Teachers' Retirement System:		
Regular Plan	26.60%	8.00%
Plan B	26.60%	5.00%
School Employees' Retirement System	27.60%	7.50% - 8.00%
State Employees' Retirement System	37.90%	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:

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Teachers' Retirement System:			
Regular Plan	\$ 4,654,139	\$ 4,721,137	\$ 4,915,639
Plan B	172,529	183,420	195,211
School Employees' Retirement System	346,882	390,545	488,270
State Employees' Retirement System	22,027	21,512	21,536

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

The following schedule lists the School Board's proportionate share of the Net Pension Liability allocated by each of the pension plans based on the June 30, 2017 measurement date. The School Board 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 Board's proportion of the Net Pension Liability was based on a projection of its long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Defined Benefit Pension Plans (continued)

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

	Net Pension Liability at June 30, 2017	Rate at June 30, 2017	Increase (Decrease) to June 30, 2016 Rate
Teachers' Retirement System	\$ 43,494,409	0.4243%	(0.0263%)
School Employees' Retirement System	3,197,402	0.4997%	(0.0696%)
State Employees' Retirement System	220,667	0.0031%	0.0000%
	\$ 46,912,478		

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

Teachers' Retirement System	\$ 2,936,259
School Employees' Retirement System	221,459
State Employees' Retirement System	16,562
	\$ 3,174,280

At June 30, 2018, the School Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ (1,508,340)
Changes of assumptions	526,564	(49,810)
Net difference between projected and actual earnings on pension plan investments	7,176	(1,173,379)
Changes in proportion and differences between Employer contributions and proportionate share of contributions	773,684	(3,145,327)
Employer contributions subsequent to the measurement date	5,195,577	-
Total	\$ 6,503,001	\$ (5,876,856)

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Defined Benefit Pension Plans (continued)

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

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Teachers' Retirement System	\$ 6,001,376	\$ (5,378,876)
School Employees' Retirement System (LSERS)	468,640	(493,663)
State Employees' Retirement System (LASERS)	32,985	(4,317)
	<u>\$ 6,503,001</u>	<u>\$ (5,876,856)</u>

The School Board reported a total of \$5,195,577 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, 2019. The following schedule lists the pension contributions made subsequent to the measurement period for each pension plan:

	<u>Subsequent Contributions</u>
Teachers' Retirement System	\$ 4,826,668
School Employees' Retirement System (LSERS)	346,882
State Employees' Retirement System (LASERS)	22,027
	<u>\$ 5,195,577</u>

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

<u>Year</u>	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>	<u>Total</u>
2018	\$ (1,484,159)	\$ (213,600)	\$ 1,044	\$ (1,696,715)
2019	43,176	(63,046)	7,167	(12,703)
2020	(1,015,885)	21,075	2,872	(991,938)
2021	(1,747,300)	(116,334)	(4,442)	(1,868,076)
	<u>\$ (4,204,168)</u>	<u>\$ (371,905)</u>	<u>\$ 6,641</u>	<u>\$ (4,569,432)</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. 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:

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
Valuation Date	June 30, 2017	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions: Expected Remaining			
Service Lives	5 years	3 years	3 years
Investment Rate of Return	7.70% net of investment expenses	7.125% per annum	7.70% net of investment expenses
Inflation Rate	2.5% per annum	2.625% per annum	2.75% per annum
Mortality	Mortality rates were projected based on the RP- 2000 Mortality Table with projection to 2025 using Scale AA.	Mortality rates based on the RP-2000 Sex Distinct Mortality Table. RP-2000 Disabled Lives Mortality Table.	Non-disabled members – Mortality rates based on the RP- 2000 Combined Healthy Mortality Table with mortality improvement projected to 2015. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement.
Termination, Disability, and Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2008-2012) experience study of the System's members.		Termination, disability, and retirement assumptions were projected based on a five-year (2009-2013) experience study of the System's members.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Defined Benefit Pension Plans (continued)

Actuarial Assumptions (continued)

	<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>																		
Salary Increases	3.50% - 10.0% varies depending on duration of service	Salary increases were projected based on the 2008-2012 experience study of the Plan's members ranging from 3.075% to 5.375%	Salary increases were projected based on a 2009-2013 experience study of the System's members. The salary increase ranges for specific types of members are:																		
			<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Member Type</u></th> <th style="text-align: center;"><u>Lower Range</u></th> <th style="text-align: center;"><u>Upper Range</u></th> </tr> </thead> <tbody> <tr> <td>Regular</td> <td style="text-align: center;">3.80%</td> <td style="text-align: center;">12.80%</td> </tr> <tr> <td>Judges</td> <td style="text-align: center;">2.80%</td> <td style="text-align: center;">5.30%</td> </tr> <tr> <td>Corrections</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> <tr> <td>Hazardous Duty</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> <tr> <td>Wildlife</td> <td style="text-align: center;">3.40%</td> <td style="text-align: center;">14.30%</td> </tr> </tbody> </table>	<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>	Regular	3.80%	12.80%	Judges	2.80%	5.30%	Corrections	3.40%	14.30%	Hazardous Duty	3.40%	14.30%	Wildlife	3.40%	14.30%
<u>Member Type</u>	<u>Lower Range</u>	<u>Upper Range</u>																			
Regular	3.80%	12.80%																			
Judges	2.80%	5.30%																			
Corrections	3.40%	14.30%																			
Hazardous Duty	3.40%	14.30%																			
Wildlife	3.40%	14.30%																			
Cost of Living Adjustments	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	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.																		

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Defined Benefit Pension Plans (continued)

Actuarial Assumptions (continued)

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

<u>TRSL</u>	<u>LSERS</u>	<u>LASERS</u>
<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return was 8.33% 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>	<p>The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The expected rate of inflation was 3.25%. The resulting expected long-term rate of return is 8.69% for 2017.</p>

ASSUMPTION PARISH SCHOOL BOARD

oNapoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2018

10. Defined Benefit Pension Plans (continued)

Actuarial Assumptions (continued)

The following table provides a summary of the best estimates of arithmetic/geometric real rates of return for each major asset class included in each of the Retirement Systems target asset allocations as of June 30, 2017:

Asset Class	Target Allocation			Long-Term Expected Real Rate of Return		
	TRSL	LSERS	LASERS	TRSL	LSERS	LASERS
Cash	-	-	-	-	-	(0.24%)
Domestic equity	27.0%	-	25.0%	4.28%	-	4.31%
International equity	19.0%	-	32.0%	4.96%	-	5.35%
US Equity	-	20.0%	-	-	6.44%	-
Developed equity	-	18.0%	-	-	7.40%	-
Emerging markets equity	-	10.0%	-	-	9.42%	-
Global REITs	-	3.0%	-	-	5.77%	-
Domestic fixed income	13.0%	-	8.0%	1.98%	-	1.73%
International fixed income	5.5%	-	6.0%	2.75%	-	2.49%
Core fixed income	-	8.0%	-	-	2.02%	-
High yield fixed income	-	5.0%	-	-	4.43%	-
Emerging markets debt fixed income	-	7.0%	-	-	4.71%	-
Global fixed income	-	10.0%	-	-	1.38%	-
Alternatives	-	-	22.0%	-	-	7.41%
Alternative – private equity	-	5.0%	-	-	10.47%	-
Alternative – hedge fund or funds	-	3.0%	-	-	3.75%	-
Alternative – real estate	-	5.0%	-	-	5.00%	-
Private equity	25.5%	-	-	8.47%	-	-
Other private equity	10.0%	-	-	3.51%	-	-
Global asset allocation	-	-	7.0%	-	-	2.84%
Real assets – timber	-	2.0%	-	-	5.67%	-
Real assets – oil and gas	-	2.0%	-	-	10.57%	-
Real assets - infrastructure	-	2.0%	-	-	6.25%	-
Total	100.0%	100.0%	100.0%			

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. 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, 2017.

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

The following table presents the School Board's proportionate share of the Net Pension Liability (NPL) using the discount rate of each Retirement System as well as what the School Board's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate used by each of the Retirement Systems:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL			
Rates	6.70%	7.70%	8.70%
APSB Share of NPL	\$ 56,043,538	\$ 43,494,409	\$ 32,819,168
LSERS			
Rates	6.125%	7.125%	8.125%
APSB Share of NPL	\$ 4,383,262	\$ 3,197,402	\$ 2,179,026
LASERS			
Rates	6.70%	7.70%	8.70%
APSB Share of NPL	\$ 277,023	\$ 220,667	\$ 172,752

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

10. Defined Benefit Pension Plans (continued)

Payables to the Pension Plan

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

	<u>June 30, 2018</u>
TRSL	\$ 937,808
LSERS	55,276
LASERS	<u>2,211</u>
	<u>\$ 995,295</u>

11. Postemployment Benefits

General Information about the OPEB Plan

Plan Description. The School Board provides certain continuing health care and life insurance benefits for its retired employees. The Assumption Parish School Board's OPEB Plan (the OPEB Plan) is a single-employer defined benefit OPEB plan administered by the School Board. The authority to establish and/or amend the obligation of the employer, employees and retirees rests with the School Board as provided by Louisiana Revised Statute Title 17 Sections 1221 through 1224. No assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board (GASB) Codification Section P52 *Postemployment Benefits Other Than Pensions—Reporting For Benefits Not Provided Through Trusts That Meet Specified Criteria—Defined Benefit*.

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 a single employer defined benefit OPEB plan within the meaning of GASB 74/75) for financial reporting purposes and for this valuation. Medical benefits are provided to employees upon actual retirement. Most of the employees are covered by the Teachers' Retirement System of Louisiana (TRSL), whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age; age 55 and 25 years of service; or, age 65 and 20 years of service (age 60 and 5 years of service if hired on or after July 1, 1999). In addition, employees hired on and after January 1, 2011 may not retire before age 60 without actuarial reduction in the retirement benefit. For employees not covered by TRSL, it was assumed that age 60 and 10 years of service applied instead of age 60 and 5 years of service.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

11. Postemployment Benefits (continued)

General Information about the OPEB Plan (continued)

Life insurance coverage under the OGB program is available to retirees by election based on a blended rate (active and retired). The employer pays 50% of the cost of the retiree life insurance based on that blended rate. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Participation - Employees who receive active benefits are assumed to also receive retiree benefits at retirement. We also assumed employees with spouse coverage would also have spouse coverage as a retiree.

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

Employees covered by benefit terms – At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	401
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	458
	859

Total OPEB Liability

The School Board's total OPEB liability of \$60,703,560 was measured as of June 30, 2018 and was determined by an actuarial valuation as of July 1, 2017.

Actuarial Assumptions and other inputs – The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	4.0%, including inflation
Discount rate	3.58% annually (Beginning of Year to Determine ADC)
	3.87% annually (As of End of Year Measurement Date)
Healthcare cost trend rates	Flat 5.5% annually

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

11. Postemployment Benefits (continued)

Total OPEB Liability (continued)

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, 2009 to June 30, 2018.

Changes in the Total OPEB Liability

Balance at June 30, 2017, as restated	\$ 63,873,838
Changes for the year:	
Service cost	753,993
Interest	2,229,981
Differences between expected and actual experience	(328,590)
Changes in assumptions	(2,657,923)
Benefit payments and net transfers	(3,167,739)
Net changes	(3,170,278)
Balance at June 30, 2018	\$ 60,703,560

The amount due within one year for the total OPEB liability is estimated to be \$3,300,000.

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using a discount rate that is 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	\$ 70,576,594	\$ 60,703,560	\$ 52,817,120

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the School Board, as well as what the School Board’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 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 Trend (5.5%)	1.0% Increase (6.5%)
Total OPEB liability	\$ 50,737,036	\$ 60,703,560	\$ 70,576,520

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

11. Postemployment Benefits (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 Board recognized OPEB expense of \$2,712,474. At June 30, 2018, the School Board 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
Differences between expected and actual experience	\$ -	\$ (298,718)
Changes in assumptions	-	(2,416,294)
Total	\$ -	\$ (2,715,012)

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:	
2019	\$ (271,501)
2020	(271,501)
2021	(271,501)
2022	(271,501)
2023	(271,501)
Thereafter	(1,357,507)
	(\$ 2,715,012)

12. Litigation and Claims

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

13. Commitments and Contingencies

As of June 30, 2018, the School Board was committed to construction and engineering contract agreements totaling \$2,826,537, of which \$2,178,221 was expended through June 30, 2018.

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

13. Commitments and Contingencies (continued)

The following is a schedule by year of future minimum lease payments under these arrangements as of June 30, 2018, that have initial or remaining terms in excess of one year.

Year Ending June 30	Minimum Payments
2019	\$ 92,131

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

14. Operating Transfers

Operating transfers for the year ended June 30, 2018 are as follows:

Fund	Operating Transfers In	Operating Transfers Out
General Fund	\$ 365,054	\$ 2,617,437
Non-major governmental funds:		
Special Revenue Funds:		
School Food Services	67,000	-
Title I	-	109,069
Title II	-	21,360
Formula Transition	306	-
Head Start	14,401	-
IDEA	-	97,268
IDEA Preschool	-	3,892
Vocational Education	247	-
SRCL	8,266	9,471
High Cost Services	152,387	-
QSCB Sinking Fund	681,584	-
Debt Service Funds:		
Debt Service PC Fund	306,606	-
APSB GO Bond Sinking Fund	1,262,646	-
Total	\$ 2,858,497	\$ 2,858,497

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

15. Changes in Agency Deposits Due Others

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

	<u>Balance 6/30/2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/2018</u>
Sales Tax Fund	\$ 1,816,421	\$ 11,009,837	(\$ 10,613,980)	\$ 2,212,278
School Activity Agency Fund	760,914	1,301,348	(1,308,778)	753,484
	<u>\$ 2,577,335</u>	<u>\$ 12,311,185</u>	<u>(\$ 11,922,758)</u>	<u>\$ 2,965,762</u>

16. Sales Tax Collections

The following is a summary of the sales tax collections and costs associated with those collections on behalf of other taxing authorities for the year ended June 30, 2018:

	<u>Total Collections</u>	<u>Collection Costs</u>	<u>Final Distribution</u>
ASSUMPTION PARISH POLICY JURY (2%)			
<i>1% Sales (1%)</i>	\$ 2,191,170	\$ 49,263	\$ 2,141,907
<i>Library (.25%)</i>	519,403	11,801	507,602
<i>Roads (.5%)</i>	1,038,806	23,603	1,015,203
<i>Drainage (.25%)</i>	519,403	11,801	507,602
	<u>4,268,782</u>	<u>96,468</u>	<u>4,172,314</u>
ASSUMPTION PARISH SCHOOL BOARD (3%)			
<i>General (2.5%)</i>	5,477,911	38,497	5,439,414
<i>92 Bond Fund (.5%)</i>	1,095,591	7,699	1,087,892
	<u>6,573,502</u>	<u>46,196</u>	<u>6,527,306</u>
VILLAGE (1%)			
<i>General (1%)</i>	113,552	1,575	111,977
	<u>113,552</u>	<u>1,575</u>	<u>111,977</u>
TOTALS	<u>\$ 10,955,836</u>	<u>\$ 144,239</u>	<u>\$ 10,811,597</u>

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

17. Amounts Due to Other Governments

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

18. Tax Abatements

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 applications made after June 24, 2016 but before July 1, 2018, the program abates local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site for up to eight years. Applications to exempt qualified property for five years are approved by the individual local taxing entities whose taxes are being abated. The exemption may be renewed for an additional three years at 80% abatement. For the fiscal year ending June 30, 2018, approximately \$230,000 of the School Board's ad valorem tax revenues were abated by the state of Louisiana through the Louisiana Industrial Tax Exemption program.

19. Subsequent Events

The School Board entered into contract commitments subsequent to year end totaling approximately \$242,000 for capital improvements and maintenance services.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

20. Current Accounting Standards Scheduled to be Implemented

Following is a summary of accounting standards adopted by the Governmental Accounting Standards Board (GASB) that are scheduled to be implemented in the future that may affect the School Board's financial report:

GASB Statement 83, *Certain Asset Retirement Obligations (ARO)*. This standard establishes criteria for determining the timing and pattern of recognition of an ARO liability and a corresponding deferred outflow of resources. An ARO is a legally enforceable liability associated with the sale, recycling, retirement, abandonment or disposal in some other manner of a tangible capital asset permanently removed from service. The standard is effective for annual reporting periods beginning after June 15, 2018. The School Board will include the requirements of this standard, as applicable, in its June 30, 2019 financial statement. The effect of this standard or its applicability to the School Board are unknown at this time.

GASB Statement 84, *Fiduciary Activities*. This standard defines and establishes criteria for identifying and reporting fiduciary activities. The focus of the criteria is on (1) whether the School Board controls the assets in a fiduciary activity and (2) there are separate identifiable beneficiaries with whom a fiduciary relationship exists. The standard is effective for annual reporting periods beginning after December 15, 2018. The School Board will include the requirements of this standard, as applicable, in its June 30, 2020 financial statement. The effect of this standard or its applicability to the School Board are unknown at this time.

GASB Statement 87, *Leases*. This standard will require all leases to be reported on the statement of net position under a single accounting model for both lessors and lessees. The statement will require the recognition of lease assets or liabilities for leases previously reported as operating leases. Both operating and capital leases will be reported under this single accounting method and reported by lessees as an intangible right to use asset and by lessors as a receivable with both reporting a deferred inflow of resources. The standard is effective for annual reporting periods beginning after December 15, 2019. The School Board will include the requirements of this standard, as applicable, in its June 30, 2021 financial statement. All of the School Board lease agreements will need to be evaluated to determine the impact of implementing this standard; however, the effect of this standard or its applicability to the School Board are unknown at this time.

REQUIRED SUPPLEMENTARY INFORMATION

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

MAJOR FUND DESCRIPTIONS
JUNE 30, 2018

GENERAL FUND

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

HVAC FUND

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

LIMITED TAX REVENUE BONDS

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

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

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

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
<u>Revenues:</u>				
Local sources:				
Taxes:				
Ad valorem	\$ 6,378,755	\$ 7,175,710	\$ 7,127,888	\$ (47,822)
Sales and use	4,859,015	5,466,096	5,479,099	13,003
Rentals, leases, and royalties	-	-	4,400	4,400
Earnings on investments	173,280	69,653	69,653	-
Other	218,710	211,749	320,457	108,708
State sources:				
Unrestricted grants-in-aid	22,459,392	20,883,793	21,533,848	650,055
Restricted grants-in-aid	969,640	588,665	545,816	(42,849)
Federal sources:				
Restricted grants-in-aid - subgrants	58,500	206,411	496,209	289,798
Total revenues	<u>35,117,292</u>	<u>34,602,077</u>	<u>35,577,370</u>	<u>975,293</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular education programs	13,773,858	12,810,853	12,892,591	(81,738)
Special education programs	4,613,048	3,842,085	4,038,602	(196,517)
Special programs	1,127,532	930,154	957,985	(27,831)
Other education programs	1,898,635	1,871,415	1,912,116	(40,701)
Support services:				
Pupil support services	2,363,189	1,949,923	2,121,062	(171,139)
Instructional staff services	676,614	694,236	533,105	161,131
General administration services	2,116,923	2,112,244	1,860,678	251,566
School administration services	2,766,447	2,815,830	2,949,507	(133,677)
Business and central services	509,951	462,570	459,438	3,132
Plant operation and maintenance	4,051,001	3,141,830	3,032,347	109,483
Transportation	2,329,763	2,362,980	2,445,700	(82,720)
Central services	1,272,468	1,150,478	1,135,219	15,259

See the accompanying notes to the Required Supplementary Information.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

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

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
Expenditures (continued):				
Non-instructional services:				
Food service	\$ 265,324	\$ 181,888	\$ 179,794	\$ 2,094
Community service programs	20,000	29,622	22,787	6,835
Capital outlay	130,000	44,389	30,448	13,941
Total expenditures	<u>37,914,753</u>	<u>34,400,497</u>	<u>34,571,379</u>	<u>(170,882)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,797,461)</u>	<u>201,580</u>	<u>1,005,991</u>	<u>804,411</u>
Other financing sources (uses):				
Operating transfers out	(1,572,900)	(1,756,210)	(2,617,437)	(861,227)
Operating transfers in	393,000	193,458	365,054	171,596
Total other financing sources (uses)	<u>(1,179,900)</u>	<u>(1,562,752)</u>	<u>(2,252,383)</u>	<u>(689,631)</u>
Change in fund balance	(3,977,361)	(1,361,172)	(1,246,392)	114,780
Fund balances at beginning of year, as restated	<u>14,977,281</u>	<u>13,363,388</u>	<u>13,363,388</u>	<u>-</u>
Fund balances at end of year	<u><u>\$ 10,999,920</u></u>	<u><u>\$ 12,002,216</u></u>	<u><u>\$ 12,116,996</u></u>	<u><u>\$ 114,780</u></u>

See the accompanying notes to the Required Supplementary Information.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

HVAC FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Local sources:				
Taxes:				
Sales and use	\$ -	\$ -	\$ 1,095,591	\$ 1,095,591
Earnings on investments	-	-	13,033	13,033
Total revenues	-	-	1,108,624	1,108,624
<u>Expenditures:</u>				
Current:				
Support services:				
General administration services	-	-	7,699	(7,699)
Plant operation and maintenance	-	-	468,801	(468,801)
Total expenditures	-	-	476,500	(476,500)
Excess (deficiency) of revenues over expenditures	-	-	632,124	632,124
Other financing sources (uses):				
Operating transfers out	-	-	-	-
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Change in fund balance	-	-	632,124	632,124
Fund balances at beginning of year, as restated	3,442,907	3,442,907	3,442,907	-
Fund balances at end of year	\$ 3,442,907	\$ 3,442,907	\$ 4,075,031	\$ 632,124

See the accompanying notes to the Required Supplementary Information.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

JUNE 30, 2018

<u>Measurement Date</u>	<u>Service Cost</u>	<u>Interest</u>	<u>Difference between actual and expected experience</u>	<u>Changes of assumptions or other inputs</u>	<u>Benefit payments</u>	<u>Net change in total OPEB liability</u>	<u>Total OPEB liability - beginning</u>	<u>Total OPEB liability - ending</u>	<u>Covered payroll</u>	<u>Total OPEB liability as a percentage of covered payroll</u>
6/30/2018	753,993	\$ 2,229,981	\$ (328,590)	\$ (2,657,923)	\$ (3,167,739)	\$ (3,170,278)	\$ 63,873,838	\$ 60,703,560	\$ 17,737,648	342.23%

See the accompanying notes to the Required Supplementary Information.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY FOR THE RETIREMENT SYSTEMS
COST SHARING PLANS ONLY
FOR THE YEAR ENDED JUNE 30, 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>
Teachers Retirement System of Louisiana						
	2018	0.4243%	\$ 43,494,409	\$19,168,228	226.9089%	65.60%
	2017	0.4505%	52,878,647	19,373,880	272.9378%	59.90%
	2016	0.4536%	48,768,459	19,707,237	247.4647%	62.50%
	2015	0.4382%	44,786,543	19,169,437	233.6352%	63.70%
Louisiana School Employees Retirement System						
	2018	0.4997%	3,197,402	1,430,566	223.5061%	75.03%
	2017	0.5692%	4,293,941	1,616,787	265.5848%	70.09%
	2016	0.5449%	3,455,307	1,529,902	225.8515%	74.50%
	2015	0.5320%	3,083,698	1,493,462	206.4798%	76.18%
Louisiana State Employees Retirement System						
	2018	0.0031%	220,667	60,090	367.2275%	62.50%
	2017	0.0031%	244,136	57,891	421.7167%	57.70%
	2016	0.0030%	207,038	57,840	357.9495%	62.70%
	2015	0.0033%	204,282	63,390	322.2622%	65.00%

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

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

See the accompanying notes to the Required Supplementary Information.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS TO THE RETIREMENT SYSTEMS
COST SHARING PLANS ONLY
FOR THE YEAR ENDED JUNE 30, 2018

<u>Pension Plan:</u>	<u>Year</u>	<u>Contractually Required Contribution¹</u>	<u>Contributions in Relation to Contractually Required Contribution²</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll³</u>	<u>Contributions as a % of Covered Payroll</u>
Teachers Retirement System of Louisiana						
	2018	\$ 4,826,668	\$ 4,826,668	-	\$ 18,146,731	26.5980%
	2017	4,904,558	4,904,558	-	19,168,228	25.5869%
	2016	5,110,850	5,110,850	-	19,373,880	26.3801%
	2015	5,532,748	5,532,748	-	19,707,237	28.0747%
Louisiana School Employees Retirement System						
	2018	346,882	346,882	-	1,256,817	27.6000%
	2017	390,545	390,545	-	1,430,566	27.3000%
	2016	488,270	488,270	-	1,616,787	30.2000%
	2015	504,868	504,868	-	1,529,902	33.0000%
Louisiana State Employees Retirement System						
	2018	22,027	22,027	-	58,118	37.9005%
	2017	21,512	21,512	-	60,090	35.7996%
	2016	21,536	21,536	-	57,891	37.2009%
	2015	21,401	21,401	-	57,840	37.0003%

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

For reference only:

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

² *Actual employer contributions remitted to Retirement Systems*

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

See the accompanying notes to the Required Supplementary Information.

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

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

CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO DEFINED PENSION

Changes in benefit terms:

TRSL & LASERS:

2016 - Act 93 of the 2016 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.

LASERS:

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

LSERS:

2016 - Act 93 of the 2016 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.

Changes in assumptions:

The following changes in actuarial assumptions for each year are as follows:

Discount Rate:			Inflation Rate:		
<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>	<u>Year (*)</u>	<u>Rate</u>	<u>Change</u>
TRSL			LSERS		
2017	7.700%	-0.050%	2016	2.625%	-0.125%
2016	7.750%		2015	2.750%	
LSERS			LASERS		
2017	7.125%	0.000%	2017	2.750%	-0.250%
2016	7.125%	0.125%	2016	3.000%	
2015	7.000%	-0.250%			
2014	7.250%				
LASERS					
2017	7.700%	-0.050%			
2016	7.750%				

Salary Increases:

<u>Year (*)</u>	<u>Range</u>
LASERS	
2017	2.80% to 14.30% for various member types
2016	3.00% to 14.50% for various member types
LSERS	
2017	3.075% to 5.375%
2016	3.200% to 5.500%

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

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

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

**CHANGES IN BENEFIT TERMS AND ASSUMPTIONS RELATED TO
OTHER POSTEMPLOYMENT BENEFITS**

Changes in benefit terms:

There were no changes in benefit terms for the for the years presented.

Changes in assumptions:

The changes in assumptions balance was a result of changes in the discount rate. The following are the discount rates used in each measurement of total OPEB liability:

Measurement Date

6/30/2018 3.87%

6/30/2017 3.58%

BUDGETARY COMPARISON INFORMATION

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

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

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

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

Formal Budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements consist of those presented in the original budget adopted by the Board and as amended by the Board.

Encumbrances. Encumbrance accounting under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed.

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NON-MAJOR FUND DESCRIPTIONS
JUNE 30, 2018

IDEA, AND IDEA PRESCHOOL

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

SCHOOL FOOD SERVICES

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

TITLE I

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

TITLE II - EDUCATION FOR ECONOMIC SECURITY ACT (EESA)

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

STRIVING READERS COMPREHENSIVE LITERACY PROGRAM (SRCL)

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

TITLE III

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

TITLE IV

Title IV fund provides students with well-rounded education including programs such as career counseling, STEM, arts, civics and International Baccalaureate/Advances placement, it supports safe and healthy students with comprehensive school mental health, drug and violence prevention, training on trauma-informed practices, and health and physical education, and supports the effective use of technology that is backed by professional development, blended learning and ed tech devices.

HEAD START

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

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

NON-MAJOR FUND DESCRIPTIONS
JUNE 30, 2018

VOCATIONAL EDUCATION

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

RURAL EDUCATION ACHIEVEMENT PROGRAM (REAP)

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

MCKINNEY VENTO

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

HIGH COST SERVICES

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

TAP EXPANSION

This initiative supports teacher effectiveness and student outcomes.

FORMULA TRANSITION

This initiative helps support the design and implementation of competency-based teacher preparation programs that include at a minimum a full year residency experience for aspiring teachers.

TEACHER INCENTIVE FUND

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

APSB GO BOND SINKING FUND

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

QSCB SINKING FUND

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

DEBT SERVICE PC

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

1979 DEBT SERVICE

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

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS -

COMBINING BALANCE SHEET

JUNE 30, 2018

Special Revenue Funds

	<u>IDEA Preschool</u>	<u>IDEA</u>	<u>School Food Services</u>	<u>Title I</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ 213,514	\$ -
Investments	-	-	101,537	-
Receivables	7,338	74,841	8,010	151,384
Due from other funds	-	-	67,000	-
Inventory	-	-	75,127	-
Restricted assets - cash	-	-	-	-
Total assets	\$ 7,338	\$ 74,841	\$ 465,188	\$ 151,384
<u>Liabilities and fund balances</u>				
Liabilities:				
Salaries payable, payroll deductions and withholdings payable	\$ 75	\$ 23,391	\$ 79,387	\$ 54,801
Accounts payable	-	-	69,917	-
Due to other funds	7,263	51,450	-	96,583
Total liabilities	7,338	74,841	149,304	151,384
Fund balances:				
Nonspendable:				
Inventory	-	-	75,127	-
Restricted:				
Debt service	-	-	-	-
Federal and state grants	-	-	240,757	-
Total fund balances	-	-	315,884	-
Total liabilities and fund balances	\$ 7,338	\$ 74,841	\$ 465,188	\$ 151,384

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS -

COMBINING BALANCE SHEET

JUNE 30, 2018

Special Revenue Funds

	<u>Title II</u>	<u>SRCL</u>	<u>Title III</u>	<u>Title IV</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	69,871	-	-	11,170
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Restricted assets - cash	-	-	-	-
Total assets	\$ 69,871	\$ -	\$ -	\$ 11,170
<u>Liabilities and fund balances</u>				
Liabilities:				
Salaries payable, payroll deductions and withholdings payable	\$ 2,194	\$ -	\$ -	\$ -
Accounts payable	17,911	-	-	-
Due to other funds	49,766	-	-	11,170
Total liabilities	69,871	-	-	11,170
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Federal and state grants	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	\$ 69,871	\$ -	\$ -	\$ 11,170

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS -

COMBINING BALANCE SHEET

JUNE 30, 2018

Special Revenue Funds

	<u>Head Start</u>	<u>Vocational Education</u>	<u>REAP</u>	<u>McKinney Vento</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	96,845	21,014	14,294	6,558
Due from other funds	-	-	-	-
Inventory	-	-	-	-
Restricted assets - cash	-	-	-	-
Total assets	\$ 96,845	\$ 21,014	\$ 14,294	\$ 6,558
<u>Liabilities and fund balances</u>				
Liabilities:				
Salaries payable, payroll deductions and withholdings payable	\$ 46,026	\$ -	\$ -	\$ 1,564
Accounts payable	302	-	-	-
Due to other funds	50,517	21,014	14,294	4,994
Total liabilities	96,845	21,014	14,294	6,558
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Federal and state grants	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	\$ 96,845	\$ 21,014	\$ 14,294	\$ 6,558

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS -

COMBINING BALANCE SHEET

JUNE 30, 2018

Special Revenue Funds

	<u>High Cost Services</u>	<u>TAP Expansion</u>	<u>Formula Transition</u>	<u>Teacher Incentive Fund</u>
<u>Assets</u>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables	44,802	68,093	-	35,509
Due from other funds	11,515	-	-	-
Inventory	-	-	-	-
Restricted assets - cash	-	-	-	-
Total assets	\$ 56,317	\$ 68,093	\$ -	\$ 35,509

Liabilities and fund balances

Liabilities:

Salaries payable, payroll deductions and withholdings payable	\$ 55,666	\$ 16,041	\$ -	\$ 7,224
Accounts payable	651	-	-	-
Due to other funds	-	52,052	-	28,285
Total liabilities	56,317	68,093	-	35,509

Fund balances:

Nonspendable:				
Inventory	-	-	-	-
Restricted:				
Debt service	-	-	-	-
Federal and state grants	-	-	-	-
Total fund balances	-	-	-	-
Total liabilities and fund balances	\$ 56,317	\$ 68,093	\$ -	\$ 35,509

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS -

COMBINING BALANCE SHEET

JUNE 30, 2018

Debt Service Funds

	<u>APSB GO Bond Sinking Fund</u>	<u>QSCB Sinking Fund</u>	<u>Debt Service PC</u>	<u>1979 Debt Service</u>	<u>Total</u>
<u>Assets</u>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 230	\$ 213,744
Investments	-	-	-	-	101,537
Receivables	-	-	-	-	609,729
Due from other funds	476,675	53,299	306,606	-	915,095
Inventory	-	-	-	-	75,127
Restricted assets - cash	555,000	1,465,486	-	-	2,020,486
Total assets	\$ 1,031,675	\$ 1,518,785	\$ 306,606	\$ 230	\$ 3,935,718
<u>Liabilities and fund balances</u>					
Liabilities:					
Salaries payable, payroll deductions and withholdings payable	\$ -	\$ -	\$ -	\$ -	\$ 286,369
Accounts payable	-	-	-	-	88,781
Due to other funds	-	-	306,606	-	693,994
Total liabilities	-	-	306,606	-	1,069,144
Fund balances:					
Nonspendable:					
Inventory	-	-	-	-	75,127
Restricted:					
Debt service	1,031,675	1,518,785	-	230	2,550,690
Federal and state grants	-	-	-	-	240,757
Total fund balances	1,031,675	1,518,785	-	230	2,866,574
Total liabilities and fund balances	\$ 1,031,675	\$ 1,518,785	\$ 306,606	\$ 230	\$ 3,935,718

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	IDEA Preschool	IDEA	School Food Services	Title I
Revenues				
Local sources:				
Food sales	\$ -	\$ -	\$ 77,490	\$ -
Earnings on investments	-	-	1,495	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	-	107,115	-
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - direct	-	-	-	-
Restricted grants-in-aid - subgrants	35,647	841,508	1,476,412	956,153
Commodities - United States Department of Agriculture	-	-	191,356	-
Total revenues	<u>35,647</u>	<u>841,508</u>	<u>1,853,868</u>	<u>956,153</u>
Expenditures				
Instruction:				
Regular education programs	-	-	-	847,084
Special education programs	31,755	720,354	-	-
Non-instructional services:				
Food service	-	-	1,975,232	-
Capital outlay	-	23,886	12,239	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>31,755</u>	<u>744,240</u>	<u>1,987,471</u>	<u>847,084</u>
Excess (deficiency) of revenues over expenditures	<u>3,892</u>	<u>97,268</u>	<u>(133,603)</u>	<u>109,069</u>
Other financing sources (uses):				
Operating transfers out	(3,892)	(97,268)	-	(109,069)
Operating transfers in	-	-	67,000	-
Total other financing sources (uses)	<u>(3,892)</u>	<u>(97,268)</u>	<u>67,000</u>	<u>(109,069)</u>
Changes in fund balance	-	-	(66,603)	-
Fund balances at beginning of year	-	-	382,487	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,884</u>	<u>\$ -</u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Title II	SRCL	Title III	Title IV
Revenues				
Local sources:				
Food sales	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - direct	-	-	-	-
Restricted grants-in-aid - subgrants	187,062	65,184	9,340	17,240
Commodities - United States Department of Agriculture	-	-	-	-
Total revenues	<u>187,062</u>	<u>65,184</u>	<u>9,340</u>	<u>17,240</u>
Expenditures				
Instruction:				
Regular education programs	165,702	63,979	9,340	17,240
Special education programs	-	-	-	-
Non-instructional services:				
Food service	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>165,702</u>	<u>63,979</u>	<u>9,340</u>	<u>17,240</u>
Excess (deficiency) of revenues over expenditures	<u>21,360</u>	<u>1,205</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers out	(21,360)	(9,471)	-	-
Operating transfers in	-	8,266	-	-
Total other financing sources (uses)	<u>(21,360)</u>	<u>(1,205)</u>	<u>-</u>	<u>-</u>
Changes in fund balance	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Head Start	Vocational Education	REAP	McKinney Vento
Revenues				
Local sources:				
Food sales	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Other	-	-	-	-
State sources:				
Unrestricted grants-in-aid	-	-	-	-
Restricted grants-in-aid	-	-	-	-
Federal sources:				
Restricted grants-in-aid - direct	726,411	-	-	-
Restricted grants-in-aid - subgrants	-	46,019	28,265	17,224
Commodities - United States Department of Agriculture	-	-	-	-
Total revenues	<u>726,411</u>	<u>46,019</u>	<u>28,265</u>	<u>17,224</u>
Expenditures				
Instruction:				
Regular education programs	740,812	9,876	28,265	17,224
Special education programs	-	-	-	-
Non-instructional services:				
Food service	-	-	-	-
Capital outlay	-	36,390	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>740,812</u>	<u>46,266</u>	<u>28,265</u>	<u>17,224</u>
Excess (deficiency) of revenues over expenditures	<u>(14,401)</u>	<u>(247)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers out	-	-	-	-
Operating transfers in	14,401	247	-	-
Total other financing sources (uses)	<u>14,401</u>	<u>247</u>	<u>-</u>	<u>-</u>
Changes in fund balance	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2018

Special Revenue Funds

	<u>High Cost Services</u>	<u>TAP Expansion</u>	<u>Formula Transition</u>	<u>Teacher Incentive Fund</u>
<u>Revenues</u>				
Local sources:				
Food sales	\$ -	\$ -	\$ -	\$ -
Earnings on investments	-	-	-	-
Other	-	-	-	5,122
State sources:				
Unrestricted grants-in-aid	405,333	-	-	-
Restricted grants-in-aid	-	65,696	-	-
Federal sources:				
Restricted grants-in-aid - direct	-	-	-	-
Restricted grants-in-aid - subgrants	74,446	74,816	6,000	153,158
Commodities - United States Department of Agriculture	-	-	-	-
Total revenues	<u>479,779</u>	<u>140,512</u>	<u>6,000</u>	<u>158,280</u>
<u>Expenditures</u>				
Instruction:				
Regular education programs	-	140,512	6,306	158,280
Special education programs	632,166	-	-	-
Non-instructional services:				
Food service	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and bank charges	-	-	-	-
Total expenditures	<u>632,166</u>	<u>140,512</u>	<u>6,306</u>	<u>158,280</u>
Excess (deficiency) of revenues over expenditures	<u>(152,387)</u>	<u>-</u>	<u>(306)</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers out	-	-	-	-
Operating transfers in	152,387	-	306	-
Total other financing sources (uses)	<u>152,387</u>	<u>-</u>	<u>306</u>	<u>-</u>
Changes in fund balance	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

NON-MAJOR GOVERNMENTAL FUNDS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2018

	Debt Service Funds				
	APSB GO Bond Sinking Fund	QSCB Sinking Fund	Debt Service PC	1979 Debt Service	Total
<u>Revenues</u>					
Local sources:					
Food sales	\$ -	\$ -	\$ -	\$ -	\$ 77,490
Earnings on investments	-	-	-	-	1,495
Other	-	413,071	-	-	418,193
State sources:					
Unrestricted grants-in-aid	-	-	-	-	512,448
Restricted grants-in-aid	-	-	-	-	65,696
Federal sources:					
Restricted grants-in-aid - direct	-	-	-	-	726,411
Restricted grants-in-aid - subgrants	-	-	-	-	3,988,474
Commodities - United States Department of Agriculture	-	-	-	-	191,356
Total revenues	-	413,071	-	-	5,981,563
<u>Expenditures</u>					
Instruction:					
Regular education programs	-	-	-	-	2,204,620
Special education programs	-	-	-	-	1,384,275
Non-instructional services:					
Food service	-	-	-	-	1,975,232
Capital outlay	-	-	-	-	72,515
Debt service:					
Principal retirement	175,000	725,879	135,000	-	1,035,879
Interest and bank charges	126,650	368,776	19,499	-	514,925
Total expenditures	301,650	1,094,655	154,499	-	7,187,446
Excess (deficiency) of revenues over expenditures	(301,650)	(681,584)	(154,499)	-	(1,205,883)
Other financing sources (uses):					
Operating transfers out	-	-	-	-	(241,060)
Operating transfers in	1,262,646	681,584	306,606	-	2,493,443
Total other financing sources	1,262,646	681,584	306,606	-	2,252,383
Changes in fund balance	960,996	-	152,107	-	1,046,500
Fund balances at beginning of year	70,679	1,518,785	(152,107)	230	1,820,074
Fund balances at end of year	\$ 1,031,675	\$ 1,518,785	\$ -	\$ 230	\$ 2,866,574

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

SCHEDULE OF COMPENSATION PAID TO BOARD MEMBERS

FOR THE YEAR ENDED JUNE 30, 2018

Honoray Lewis	\$ 10,800
Andrea Barras	9,600
John Beck	9,600
Doris Dugas	9,600
Lawrence Howell (July 2017 - January 2018)	5,440
Crystal Talbot (February 2018 - present)	3,800
Electa Fletcher Mickens	9,600
Daniel Washington	9,600
Jessica Ourso	9,600
Lee Meyer, Sr. (July 2017 - October 2017)	2,734
Lee Meyer, Jr. (November 2017 - present)	6,160

Total board member compensation \$ 86,534

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2018**

Agency Head Name/Title: Earl Martinez, Superintendant

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 175,574
Leave benefits	79,330
Insurance benefits	10,052
Retirement benefits	48,497
Car Allowance	8,000
Reimbursements (phone)	-
Membership dues/fees	-
Registration fees	-
Conference travel	-
	<hr/> <hr/>
	\$ 321,453

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

The Members of the
Assumption Parish School Board
Napoleonville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Assumption Parish School Board (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 Assumption Parish School Board's basic financial statements and have issued our report thereon dated December 21, 2018.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2018-001]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Assumption Parish School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance 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 [2018-002].



Purpose of this Report

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

Postlethwaite & Netterville

Donaldsonville, Louisiana
December 21, 2018

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

The Members of the
Assumption Parish School Board
Napoleonville, Louisiana

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.



Postlethwaite & Netterville

Report on Internal Control over Compliance

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

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

Our consideration of internal control 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 and therefore, 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2018-003, 2018-004, 2018-005]

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.

Postlethwaite & Netterville

Donaldsonville, Louisiana

December 21, 2018

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

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

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
CHILD NUTRITION CLUSTER			
UNITED STATES DEPARTMENT OF AGRICULTURE			
Passed through Louisiana Department of Agriculture and Forestry - Food Distribution	10.555	None	\$ 191,356
Passed through Louisiana Department of Education:			
National School Breakfast Program	10.553	None	370,952
National School Lunch Program	10.555	None	1,105,461
TOTAL CHILD NUTRITION CLUSTER			<u>1,667,769</u>
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			<u>1,667,769</u>
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES CLUSTER (TANF)			
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Louisiana Department of Education:			
Jobs for America's Graduates (JAG)	93.558	28-18-JS-04	79,294
The Cecil J. Picard LA 4 Early Childhood Program (TANF)	93.558	28-18-36-04	361,966
TOTAL TANF CLUSTER			<u>441,260</u>
CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER			
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through Louisiana Department of Education:			
Early Childhood Lead Agencies	93.575	28-17-CO-04	4,889
TOTAL CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER			<u>4,889</u>
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Grant:			
Head Start	93.600	06CII7187-05-01	726,411
TOTAL UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>1,172,560</u>
SPECIAL EDUCATION CLUSTER (IDEA)			
UNITED STATES DEPARTMENT OF EDUCATION			
Special Education Grants to States			
Passed through Louisiana Department of Education:			
IDEA - Part B	84.027A	28-17-B1-04	841,508
High Cost Services - IDEA	84.027A	28-17-RH-04	7,506
High Cost Services - IDEA	84.027A	28-18-RH-04	66,940
Total Special Education Grants to States			<u>915,954</u>
Special Education Preschool Grants			
Passed through Louisiana Department of Education:			
Special Education - Preschool Grants	84.173A	28-18-P1-04	35,647
Early Childhood Lead Agencies	84.173A	28-18-CY-04	1,814
Total Special Education - Preschool Grants			<u>37,461</u>
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			<u>953,415</u>
OTHER PROGRAMS			
UNITED STATES DEPARTMENT OF EDUCATION			
Passed through Louisiana Department of Education:			
Naval Junior Reserve Officer Training Program	None	JROTC	52,762
Formula Transition	84.010A	28-17-BPTO-04	6,000
Education for Homeless Children and Youth	84.196	28-18-H1-04	17,224
TAP Expansion 1003a	84.010A	28-17-TA-04	74,816

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

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

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
OTHER PROGRAMS (continued)			
Striving Readers Comprehensive Literacy Program (SRCL):			
Birth - Age 5	84.371C	28-16-U1-04	7,168
Kindergarten - Grade 5	84.371C	28-16-U2-04	32,309
Grades 6 - 8	84.371C	28-16-U3-04	16,113
Grades 9 - 12	84.371C	28-16-U4-04	15,651
REAP - Rural Education Achievement Program	84.358B	28-17-RE-04	28,265
Teacher and School Leader Incentive Grants	84.374A	28-18-TP-04	153,158
Title I	84.010A	28-18-T1-04	956,153
Title II	84.367A	28-18-50-04	187,062
Title III	84.365A	28-18-S3-04	9,340
Title IV	84.424A	28-18-71-04	17,240
Career and Technical Education - Basic Grants to State:			
Carl Perkins 15-16 Reallocation	84.048A	28-17-02-04	2,650
Carl Perkins Grant	84.048A	28-18-02-04	43,369
TOTAL OTHER PROGRAMS			<u>1,619,280</u>
TOTAL DEPARTMENT OF EDUCATION			<u>2,572,695</u>
TOTAL FEDERAL ASSISTANCE EXPENDED			<u>\$ 5,413,024</u>

NOTE A - BASIS OF PRESENTATION

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

NOTE B - FOOD DISTRIBUTION

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

NOTE C - RECONCILIATION OF FEDERAL REVENUES TO FEDERAL EXPENDITURES

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

Other Governmental - Restricted grants-in-aid - direct	\$ 726,411
Other Governmental - Restricted grants-in-aid - subgrants	4,484,683
Other Governmental - Commodities	191,356
Revenues recognized in prior years but not received	10,574
Federal Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 5,413,024</u>

NOTE D - INDIRECT COST RATE

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

NOTE F - SUBRECIPIENTS

Assumption Parish School Board did not pass any funds through to subrecipients during the year ended June 30, 2018.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified Yes X No

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

Noncompliance material to financial statements noted? X Yes No

Federal Awards

Internal control over financial reporting:

- Material weakness identified Yes X No

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

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

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

Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>Federal CFDA Number</u>
Child Nutrition Cluster	10.553, 10.555
Temporary Assistance for Needy Families (TANF) Cluster	93.558
Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS

2018-001 CAPITAL ASSETS, CONSTRUCTION IN PROGRESS, AND TECHNOLOGY EQUIPMENT

Criteria: The definition of internal control over financial reporting includes ensuring that policies and procedures exist that pertain to an entity's ability to initiate, record, process and report financial data consistent with the assertion embodied in the annual financial statement. Management is responsible for designing controls that safeguard the assets of the School Board.

Condition: The School Board is not currently reconciling capital assets to inventory counts and its accounting records. Additionally, there is also a significant amount of technology equipment that does not meet the internal criteria for capitalization and as such, is not included on the fixed asset schedules. This equipment is not tagged or inventoried. Most of these items are moveable and highly susceptible to being lost or stolen. Two buses were removed from the asset records prior to being disposed of and declared surplus property by the School Board. Depreciation expense for some of the buildings was unable to be recalculated. Also, the construction in progress schedule was incomplete and did not agree with accounting records.

Cause: Procedures are not currently in place to ensure a proper safeguarding and reporting of capital assets.

Effect: Due to the inaccuracy of the underlying accounting records, the School Board does not have the ability to make appropriate financial decisions.

Recommendation: Management should design and implement a formal process to track, update, adjust, and reconcile the inventory of capital assets to the inventory counts and the accounting records. In addition, a process to tag and track technology equipment for items below the current threshold for capitalization should also be designed and implemented in order to assist in the proper safeguarding of assets of the School Board. Assets should be removed from the accounting records subsequent to declaration by the School Board as surplus property and actual disposal. Depreciation expense should be calculated based upon the cost and life of each asset. Also, the construction in progress schedule should include a complete listing of projects and should also be reconciled to the accounting records.

View of Responsible Official: Management is in the process of implementing an asset management software to track and update all technology related inventory. The unreconciled items in the construction in progress schedule and the buses being removed from the asset records were one-time isolated situations in which our internal controls should not allow in the future.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS (continued)

COMPLIANCE WITH LAWS AND REGULATIONS

2018-002 LOCAL GOVERNMENT BUDGET ACT

Criteria: In accordance with Louisiana R.S. 39:1303, each political subdivision must prepare a comprehensive budget presenting a complete financial plan for each fiscal year for the general fund and each special revenue fund.

Condition: The HVAC Fund of the School Board is considered a special revenue fund. Management of the School Board failed to prepare and adopt a budget for the HVAC Fund for fiscal year ending June 30, 2018.

Cause: The HVAC Fund is funded by a sales tax and was originally established as a debt service fund to facilitate the debt payments related to bonds that were issued for the installation of air conditioning systems in the schools. The bonds have been redeemed and the sales tax was rededicated to fund expenditures related to the air conditioning systems have declined significantly. This fund should be reported as a special revenue fund. However, management has not changed the reporting of this fund as a special revenue fund.

Effect: The School Board is in violation of Louisiana R.S. 39:1303.

Recommendation: Management of the School Board should ensure procedures are in place to properly identify all special revenue funds. Additionally, management should prepare and adopt a budget for each special revenue fund identified.

View of Responsible Official: Management concurs with the finding and will include the HVAC Fund when adopting and revising all other special revenue funds.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2018-003 ENHANCEMENT OF POLICIES AND PROCEDURES FOR FEDERAL AWARDS

Criteria: The Uniform Guidance administrative requirements and cost principles apply to federal funding awarded on or after December 26, 2014. 2 CFR 200, Subpart D – Post Federal Award Requirements and Subpart E – Cost Principles of the Uniform Guidance require specific written policies relative to federal awards.

Questioned Costs: None.

Condition: The written policies and procedures of the School Board do not directly address all required compliance areas with the Uniform Guidance for federal programs.

Cause: The School Board has not developed the applicable policies and procedures required by the Uniform Guidance.

Effect: The School Board is susceptible to an increase risk of noncompliance with federal awarding requirements as they relate to allowable costs and subrecipient monitoring.

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

View of Responsible Official: Policies and procedures will be amended to be in compliance with the requirements of Uniform Guidance.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2018-004

INTERNAL CONTROL – REPORTING

UNITED STATES DEPARTMENT OF AGRICULTURE

Passed through the Louisiana Department of Agriculture and Forestry – Food Distribution

Child Nutrition Cluster – CFDA No. 10.553 and 10.555

Questioned Costs: None.

Criteria: Internal controls should be designed to ensure accurate funding requests and financial reporting.

Condition: While testing compliance and internal controls with respect to 7 CFR section 210.8(b), there was no documentation to indicate that the claims for reimbursement were reviewed by someone other than the preparer.

Cause: Internal controls are not properly designed to ensure that requests for reimbursement have been properly reviewed and approved prior to submission.

Effect: Without proper review of the claims for reimbursement, the School Board could have requested reimbursement for unauthorized meals.

Recommendation: The School Board must establish procedures to ensure accurate funding and reporting in order to mitigate the risk of noncompliance with Uniform Guidance requirements.

View of Responsible Official: With limited staffing in the Child Nutrition Department, it is challenging for segregation of all duties in which the department oversees. However, management will implement another reviewer to sign off on the reimbursement reports.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (continued)

2018-005

INTERNAL CONTROL – CASH MANAGEMENT/REPORTING

UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES
Passed through the Louisiana Department of Education

Temporary Assistance for Needy Families (TANF) Cluster – CFDA No. 93.558

Questioned Costs: None.

Criteria: Internal controls should be designed to ensure accurate funding requests and financial reporting.

Condition: While testing compliance and internal controls with respect to cash management compliance requirements, requests for reimbursement were reviewed subsequent to submission to the awarding agency.

Cause: Internal controls are not properly designed to ensure that requests for reimbursement have been properly reviewed and approved prior to submission.

Effect: Without proper review of the claims for reimbursement prior to submission, the School Board could have requested reimbursement for unallowable costs.

Recommendation: The School Board must establish procedures to ensure accurate funding and reporting in order to mitigate the risk of noncompliance with Uniform Guidance requirements.

View of Responsible Official: With limited staffing in the Business Department and the staff that is able to access grants, it is challenging for segregation of all duties in which the department oversees. However, the administration will implement another reviewer sign off and date the reimbursement reports before they are submitted.

COMPLIANCE WITH GRANT AWARDS

None.

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2018

A. FINDINGS – FINANCIAL STATEMENT AUDIT

None reported.

B. FINDINGS – COMPLIANCE WITH LAWS AND REGULATIONS

None reported.

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

None reported.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Members of the
Assumption Parish School Board
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Assumption Parish School Board; the Louisiana Department of Education, and the Legislative Auditor (the specified parties), on the performance and statistical data accompanying the annual financial statements of the Assumption Parish School Board for the fiscal year ended June 30, 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 1. Management of the Assumption Parish School Board is responsible for its performance and statistical data. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

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

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

Results:

In performing the testing on the sample of expenditures/revenues, we noted no transactions that were inappropriately classified or were recorded at an inappropriate amount.

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.

Results:

No exceptions were noted.

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

3. We obtained October 1st PEP data submitted to the Department of Education, including full-time teachers, principals, and assistant principals by classification, as well as their level of education and experience, and obtained management's representation that the data was complete. We traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's education level and experience was properly classified on the PEP data.

Results:

No exceptions were noted.

Public School Staff Data: Average Salaries (NO SCHEDULE)

4. We obtained June 30th PEP data submitted to the Department of Education 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 was complete. We then selected a sample of 25 individuals, traced to each individual's personnel file, and observed that each individual's salary, extra compensation, and full-time equivalents were properly included on the PEP data.

Results:

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 Assumption Parish School Board, as required by Louisiana Revised Statute 24:514.1, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Postlethwaite & Netterville

Donaldsonville, Louisiana
December 21, 2018

ASSUMPTION PARISH SCHOOL BOARD
Napoleonville, Louisiana

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

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

Schedule 1

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources

For the Year Ended June 30, 2018

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teachers Salaries	\$ 9,626,898	
Other Instructional Staff Salaries	1,141,697	
Employee Benefits	6,859,569	
Purchased Professional and Technical Services	38,695	
Instructional Materials and Supplies	319,660	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities	\$ 17,986,519	
Other Instructional Activities	9,326	9,326
Pupil Support Activities	2,745,801	
Less: Equipment for Pupil Support Activities	-	
Net Pupil Support Activities	2,745,801	2,745,801
Instructional Staff Services	721,996	
Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services	721,996	721,996
School Administration	2,949,507	
Less: Equipment for School Administration	-	
Net School Administration	2,949,507	2,949,507
Total General Fund Instructional Expenditures	\$ 24,413,149	
Total General Fund Equipment Expenditures	\$ -	

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$ 969,088
Renewable Ad Valorem Taxes	5,980,509
Debt Service Ad Valorem Taxes	-
Up to 1% of Collections by Sheriff	178,301
Sales and Use Taxes	6,342,653
Total Local Taxation Revenue	\$ 13,470,551

Local Earnings on Investments in Real Property:

Earnings from 16th Section Property	\$ 4,909
Earnings from Other Real Property	-
Total Local Earnings on Investments in Real Property	\$ 4,909

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$ 13,980
Revenue Sharing - Other Taxes	86,307
Revenue Sharing - Excess Portion	2,877
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ 103,164

Nonpublic Textbook Revenue

\$ 5,152

Nonpublic Transportation Revenue

\$ -

ASSUMPTION PARISH SCHOOL BOARD

Napoleonville, Louisiana

Schedule 2

Class Size Characteristics

As of October 1, 2017

School Type:	1-20		21-26		27-33		34+		Total
	Percent	Number	Percent	Number	Percent	Number	Percent	Number	
Elementary	71%	194	28%	75	1%	3	0%	0	272
Elementary Activity Classes	63%	30	33%	16	4%	2	0%	0	48
Middle/Jr. High	65%	231	29%	102	6%	21	0%	1	355
Middle/Jr. High Activity Classes	80%	81	12%	12	5%	5	3%	3	101
High	61%	274	25%	110	13%	56	1%	6	446
High Activity Classes	84%	65	7%	5	4%	3	5%	4	77
Combination	0%	0	0%	0	0%	0	0%	0	0
Combination Activity Classes	0%	0	0%	0	0%	0	0%	0	0

HONORAY LEWIS
PRESIDENT

JEREMY COUVILLION
SUPERINTENDENT

DANIEL WASHINGTON
VICE-PRESIDENT

ASSUMPTION PARISH SCHOOL BOARD

"Celebrating 135 Years of Educating Assumption Parish"

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December 21, 2018

Postlethwaite and Netterville
Post Office Box 1190
Donaldsonville, LA 70390

To Whom It May Concern:

The purpose of this communication is to respond to issues included in the financial statements for the audit period which ended June 30, 2018.

FINANCIAL STATEMENT SIGNIFICANT DEFICIENCIES

2018-001 The School Board is not currently reconciling capital assets to inventory counts and its accounting records. Additionally, there is also a significant amount of technology on the fixed assets schedules. This equipment is not tagged or inventoried. Most of these items are moveable and highly susceptible to being lost or stolen. Two buses were removed from the asset records prior to being disposed of and declared surplus property by the School Board. Depreciation expense for some of the buildings was unable to be recalculated. Also, the construction in progress schedule was incomplete and did not agree with accounting records.

Response – The administration is in the process of implementing an asset management software to track and update all technology related inventory. The unreconciled item in the construction in progress schedule and the buses being removed from the assets records were a one-time isolated situations in which our internal controls should not allow in the future.

2018-002 The HVAC Fund of the School Board is considered a special revenue fund. Management of the School Board failed to prepare and adopt a budget for HVAC Fund for fiscal year June 30, 2018.

Response – Although a budget for the HVAC has never been prepared and adopted for the HVAC Fund, the administration concurs with the finding and will include the HVAC Fund when adopting and revising all other special revenue funds.

"An Equal Opportunity Employer"

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

2018-003 The written policies and procedures of the School Board do not directly address all required compliance areas with the Uniform Guidance for federal programs.

Response – Policies and procedures will be amended to be in compliance with the requirements of the Uniform Guidance.

2018-004 While testing compliance and internal controls with respect to 7 CFR section 210.8(b), there was no documentation to indicate that the claims for reimbursements were reviewed by someone other than the preparer.

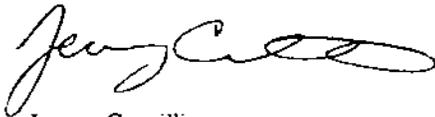
Response – With limited staffing in the Child Nutrition Department, it is challenging for segregation of all duties in which that department oversees. However, the administration will implement another reviewer to sign off on the reimbursement reports.

2018-005 While testing compliance and internal controls with respect to cash management compliance, requests for reimbursements were reviewed subsequent to submission to the awarding agency.

Response – With limited staffing in the Business Department and the staff that is able to access grants, it is challenging for segregation of all duties in which that department oversees. However, the administration will implement another reviewer to sign off and date the reimbursement reports before submissions are submitted.

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

Sincerely,



Jeremy Couvillion
Superintendent

Independent Accountant's Report
On Applying Agreed-Upon Procedures
For the Year Ended 2018

To the Board of Members of the
Assumption Parish School Board and the
Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Assumption Parish School Board (School Board) and the Louisiana Legislative Auditor (LLA) (specified users) 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 exceptions 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 or the existence of mitigating internal controls as asserted by the School Board" is indicated.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

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

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

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

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

No exceptions noted.

- d) **Receipts**, including receiving, recording, and preparing deposits. 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 does not have a policy that addresses recording cash receipts, preparing deposits, or management's actions to determine the completeness of all collections for each type of revenue or agency fund addition.

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

The School Board does not have a formalized policy that addresses the payroll process or the reviewing and approving of time and attendance.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

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

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

No exceptions noted.

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

No exceptions noted.

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

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

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

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

Board or Finance Committee

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.*

The minutes did not include monthly budget-to-actual comparisons on the general fund and other major special revenue funds.

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

No exceptions noted.

Bank Reconciliations

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

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

Not applicable.

- 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

Not applicable.

- 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.

Not applicable.

Collections

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

A listing of deposit sites was provided and included a total of 22 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 22 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. 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 3 of the 5 locations selected for our procedures, the employee responsible for collecting cash prepares/makes the bank deposit and reconciles collection documentation to the deposit.

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

For 3 of the 5 locations selected for our procedures, the employee responsible for collecting cash posts collection entries to the general ledger and reconciles ledger postings to each other and the deposit.

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

For 3 of the 5 locations selected for our procedures, the employee responsible for collecting the cash is responsible for reconciling the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions.

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

The School Board stated that all employees who have access to cash are not bonded.

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 2 deposit dates for each of the 5 bank accounts selected in procedure #3. Procedure #3 was rotated off for the current year. However, we obtained the listing required for procedure #3 to perform this step. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

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

The School Board does not maintain sequentially pre-numbered receipts for one of the locations selected.

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

No exceptions noted.

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

No exceptions noted.

- 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 3 of the 10 deposits selected, the deposits were not made within one business day of receipt at the collection location.

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

No exceptions noted.

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

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

The listing of locations that process payments for the fiscal period was provided and included 11 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 was 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.

No exceptions noted.

- 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 5 out of 5 locations tested the authorized signers do not maintain control of the signed checks until mailed and the checks are given back to an employee who is responsible for processing payments.

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

A 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 9 out of 25 transactions tested, there was no indication on the purchase order and/or requisition request of the person that initiated the purchase. Therefore, it was undeterminable if the requisition was initiated by someone not approving the requisition or purchase order (or similar document) or if the requisition/purchase order was approved by someone who did not initiate the requisition/purchase order. For 2 of the 25 transactions tested, the person that initiated listed on the requisition was the same as the person approving the request.

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 cards was provided. No exceptions were noted as a result of performing this procedure.

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 5 cards used in the fiscal period. We randomly selected one monthly statement for each of the 5 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.

No exceptions noted.

- 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).

No exceptions noted.

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

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

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).

Not applicable.

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

Not applicable.

- 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).

Not applicable.

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

Not applicable.

Contracts

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

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

Not applicable.

- 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).

Not applicable.

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

Not applicable.

- 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.

Not applicable.

Payroll and Personnel

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

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.

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:

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 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.)

Not applicable.

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

Not applicable.

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

Not applicable.

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' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.:

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.

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.

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.

Ethics

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

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.

The School Board did not issue debt in the current year.

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.

A listing of bonds/notes outstanding at the end of the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 1 bond/note and performed the specified procedures. No exceptions noted.

Other

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

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

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 examination, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Sincerely,

Postlethwaite & Netterville

December 21, 2018

HONORAY LEWIS
PRESIDENT

JEREMY COUVILLION
SUPERINTENDENT

DANIEL WASHINGTON
VICE-PRESIDENT

ASSUMPTION PARISH SCHOOL BOARD

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December 21, 2018

Postlethwaite and Netteterville
Post Office Box 1190
Donaldsonville, LA 70390

To Whom It May Concern:

The purpose of this communication is to respond to issues included in the Agreed-Upon Procedures for the audit period which ended June 30, 2018.

AGREED-UPON PROCEDURES

1a. Budgeting – The School Board's Budget Policy does not address monitoring.

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

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

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

1d. Receipts – The School Board does not have a policy that addresses recording cash receipts, preparing deposits, or management's actions to determine the completeness of all collections for each type of revenue and approving of time and attendance.

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

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

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

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

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

"An Equal Opportunity Employer"

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

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

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

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

Response – The School Board review its budget to actual comparison on a quarterly basis and those discussions are documented in the regular or finance committee meetings minutes as those are presented accordingly. However, Sales Tax Financial information is presented monthly and those budget to actual comparisons are included in the monthly meeting minutes.

5b. Collections– For 3 of the 5 locations selected for our procedures, the employee responsible for collecting cash prepares/makes the bank deposit and reconciles collection documentation to the deposit.

Response – For the locations that collect cash (the schools), the secretaries are not the primary collector of the cash. Teachers, club sponsors, other school employees collect the cash, prepares a collection log and forward to the secretaries who prepares/makes the deposit and reconcile the collection documentation to the deposit. Someone other than the secretary being the first contact of collecting and documenting the cash is the internal control measure to mitigate any issue.

5c. Collections– For the 3 of the 5 locations selected for our procedures, the employee responsible for collecting the cash posts collection entries to the general ledger and reconciles postings to each other and the deposit.

Response – For the locations that collect cash (the schools), the secretaries are not the primary collector of the cash. Teachers, club sponsors, other school employees collect the cash. The secretary post the deposit to the ledger and forwards a copy of the system generated receipt to the initial collector.

5d. Collections– For the 3 of the 5 locations selected for our procedures, the employee responsible for collecting the cash posts collection entries to the general ledger and/or subsidiary ledgers by revenue source and/or agency fund additions.

Response – For the locations that collect cash (the schools), the secretaries are not the primary collector of the cash. Teachers, club sponsors, other school employees collect the cash. The secretary post the deposit to the ledger and forwards a copy of the system generated receipt to the initial collector. Although the ledgers are reconciled by the secretaries, a central office staff member reviews all ledgers and transactions with supporting documentation each month.

6. Collections– The School Board stated that all employees who have access to cash are not bonded..

Response – Considering the makeup of our organization and the number of employees who actually collect cash from students, it is not financially possible to bond all employees considering the district’s current financial state.

7a. Collections– The School Board does not maintain sequentially pre-numbered receipts for one of the locations selected.

Response – The School Board’s financial software issue receipt numbers that are assigned by the system and cannot be manipulated.

7d. Collections– For 3 of the 10 deposits selected, the deposits were not made within one business day of receipt at the collection location.

Response – The School Board mandate that the schools make deposits on a timely basis.

9d. Disbursements – For 5 out of 5 locations tested the authorized signers do not maintain control of the signed checks until mailed and the checks are given back to an employee who is responsible for processing payments.

Response – There is not pre-printed checks on any campuses of The School Board. All checks are computer generated and forwarded to authorized signers for signature before its mailed by the secretary/bookkeeper.

10b. Disbursements – The exceptions found result in a lack of segregations of duties.

Response – With a limited staff, it is impossible to have a total segregation of duty for all processes. However, the School Board have implemented internal controls and monitoring in areas where duties may not be segregated.

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

Sincerely,



Jeremy Couvillion

Superintendent

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

We have audited the general-purpose financial statements of the Assumption Parish School Board (the School Board) for the year ended June 30, 2018, and have issued our report thereon dated December 21, 2018. As part of our audit, we made a study and evaluation of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control.

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

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

However, during the course of our audit, we became aware of several matters that are opportunities for strengthening internal controls or operating efficiency. Our comments and suggestions regarding those matters are set forth below. This letter does not affect our reports dated December 21, 2018, on the financial statements of the Assumption Parish School Board or the School Board's internal control over financial reporting.

ML 18-001

Documentation and Review

Condition:

Management is responsible for establishing and maintaining effective internal controls that ensures that management and financial information is reliable and properly recorded. Instances of ineffective review of purchase orders and contracts were noted and resulted in errors in the recording of financial information and payment to an employee. Additionally, supervisory review of reports was not consistently documented.

Recommendation:

Management should ensure that those charged with review of transactions and the related documents understand their role in the internal control process and are performing an effective review to confirm that transactions are appropriate and properly recorded in the financial records. Evidence of the review as well as the proper timing of the review should be clearly documented.

ML 18-002

Accounts Receivable

Condition:

The accounts receivable sub-ledger is not being reviewed to ensure that transactions are appropriately recorded as additions to or reductions from the respective individual account balance. As a result of this, an adjustment was recorded to reduce the balance for amounts that were either uncollectible or not recorded properly.

Recommendation:

The accounts receivable sub-ledger should be reviewed each month to ensure that the individual balances are accurate and collectible.

ML 18-003

Information System Control Environment

Condition:

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

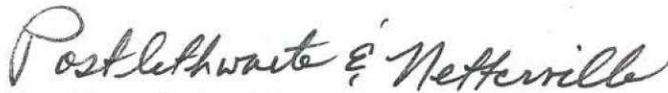
Recommendations:

The School Board should consider implementing the following:

- The School Board should continue its efforts in developing and implementing its Disaster Recovery Plan and testing to ensure that, in the event of a disaster, operations and systems can be up and running in the necessary and expected timelines. Documentation of the testing should be retained.
- The School Board should continue in its efforts to formalize and approve an IT Handbook that includes IS Operations, Information Security, and Change Management. The IT Handbook should be updated annually.
- The School Board should consider restricting access to servers to those that need access based upon their job duties.

- The School Board should request that eFinancePlus password complexity requirements to include alphanumeric characters and a combination of upper case, lower case, numbers, and symbols be enabled.
- The School Board should consider documenting the performance of the user access reviews and maintain evidence of completion. As the review identifies any necessary user access changes, management should ensure that those necessary changes are properly documented.

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



Donaldsonville, Louisiana
December 21, 2018

Status of Prior Year Management Letter Comments

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

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

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

Current Status: A similar finding is included in the financial statement as a significant deficiency.

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

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

Recommendation:

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

Current Status:

A similar finding is included in the financial statement as a significant deficiency. Compliance with allowable costs and subrecipient monitoring requirements is not addressed in the policies of the School Board.

ML 17-003**Debt Covenants and Payments****Condition:**

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

Recommendation:

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

Current Status:

Debt payments were made timely during the fiscal year ended June 30, 2018.

ML 17-004**Information System Control Environment****Condition:**

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

Recommendations:

The School Board should consider implementing the following:

- The School Board should establish written policies and procedures concerning information technology functions, information systems operations, security, change management, and backup and recovery to ensure that proper controls are in place to mitigate the information systems' risk.
- The School Board has drafted a formalized disaster recovery plan. Currently, the plan has not yet been approved or implemented.

(continued)

- The School Board should minimize the time lag between the effective date of the user access change and the date that the request is made on the Employee Notification Form in order to prevent improper access to the information system.
- The School Board should consider having someone who is not an end-user as the system administrator for Pentamation.

Current Status: Similar recommendations are repeated for the current year.

(concluded)

HONORAY LEWIS
PRESIDENT

JEREMY COUVILLION
SUPERINTENDENT

DANIEL WASHINGTON
VICE-PRESIDENT

ASSUMPTION PARISH SCHOOL BOARD

"Celebrating 135 Years of Educating Assumption Parish"

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HONORAY LEWIS

Office of the Superintendent
jcouvillion@assumptionschools.com

LEE MEYER, JR.
ELECTA FLETCHER MICKENS
JESSICA OURSO
DANIEL WASHINGTON

December 21, 2018

Postlethwaite and Netterville
Post Office Box 1190
Donaldsonville, LA 70390

To Whom It May Concern:

The purpose of this communication is to respond to issues included in the management letter for the audit period which ended June 30, 2018.

MANAGEMENT LETTER COMMENTS

ML 18-001 Management is responsible for establishing and maintaining effective internal controls that ensures that management and financial information is reliable and properly recorded. Instances of ineffective review of purchase orders and contracts were noted and resulted in errors in the recording of financial information and payment to an employee. Additionally, supervisory review of reports was not consistently documented.

Response – The administration is in the process of improving procedures to strengthen internal controls for reviewing of all processes.

ML 18-002 The accounts receivable sub ledger is not being reviewed to ensure the transactions are appropriately recorded as additions to or reductions from the respective individual account balance. As a result of this, an adjustment was recorded to reduce the balance for amounts that were either uncollectible or not recorded properly.

Corrective Action – The administration concur with this comment and will implement procedures to review and reconcile the sub ledgers annually.

ML 18-003 The controls related to the information system environment should be improved to ensure that information is secure, access to information is limited to personnel with a need for access, and that the system changes are appropriate.

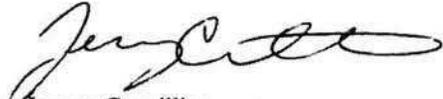
"An Equal Opportunity Employer"

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

Response –Internal Controls that govern technology, which will also include disaster recovery documentation, will be considered for Board adoption and implementation soon.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeremy Couvillion', with a stylized flourish at the end.

Jeremy Couvillion

Superintendent